

UNITED STATES DEPARTMENT OF LABOR
Frances Perkins, *Secretary*
BUREAU OF LABOR STATISTICS
Isador Lubin, *Commissioner*

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Labor Laws
and Their Administration
1938

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Proceedings of the Twenty-fourth Convention of the
International Association of Governmental
Labor Officials, Charleston, S. C.
September 1938



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CONTENTS

	Page
International Association of Governmental Labor Officials:	
Review of labor legislation and administration in 1938—President's address, by W. A. Pat Murphy.....	3
Wages and hours legislation:	
Administration of the Fair Labor Standards Act, by Elmer F. Andrews, Administrator of the Wage and Hour Division, United States Department of Labor.....	10
Round-table discussion.....	18
Minimum wages, October 1, 1937, to September 1, 1938—Report of the committee on minimum wages, by Louise Stitt, chairman.....	39
Minimum-wage regulation in Canada, by Mrs. Rex Eaton, Department of Labor of British Columbia.....	46
Discussion.....	49
Social security:	
Problems of administration in the field of social security, by A. J. Altmeyer, Chairman of the Social Security Board.....	57
Discussion.....	65
Unemployment compensation—Report of the committee on unemployment compensation, by George E. Bigge, chairman.....	76
Proposed changes in our old-age assistance laws—Report of the committee on old-age assistance, by Harry R. McLogan, chairman....	87
Adjustment of industrial disputes:	
What State labor departments can do in the field of conciliation, by John R. Steelman, Director of the United States Conciliation Service.....	90
Discussion.....	97
Women in industry:	
Women in industry, October 1, 1937, to September 1, 1938—Report of the committee on women in industry, by Mary Anderson, chairman.....	116
Youth in industry:	
Apprenticeship training—Report of the committee on apprentice training, by Voyta Wrabetz, chairman.....	121
Supplementary report of the committee on apprentice training, by Voyta Wrabetz, chairman.....	126
Discussion.....	122
Child labor:	
Child labor in 1938—Report of the committee on child labor, by Beatrice McConnell, chairman.....	134
Discussion.....	140
Wage-claim collection:	
Wage-claim laws—Report of the committee on wage-claim collection laws, by E. I. McKinley, chairman.....	142
Discussion.....	145

	Page
Industrial home work:	
Industrial home work legislation—Report of the committee on industrial home work, by Morgan R. Mooney, chairman.....	148
Discussion.....	151
Civil service:	
Civil service—Report of the committee on civil service, by E. B. Patton, chairman.....	153
Factory inspection:	
Suggested establishment of a section on factory inspection in the I. A. G. L. O.—Report of the committee on factory inspection, by Joseph M. Tone, chairman.....	164
Business meetings—Reports and resolutions:	
Report of secretary-treasurer.....	166
Report and recommendations of the executive board.....	169
Resolutions adopted by the convention.....	170
Report of auditing committee.....	173
Report of nominating committee.....	173
Appendixes:	
Appendix A.—Partial report on activities of State departments of labor.....	174
Appendix B.—Organization of the International Association of Governmental Labor Officials:	
Officers of the I. A. G. L. O., 1938-39.....	215
Honorary life members.....	215
Constitution.....	215
Development of the I. A. G. L. O.....	219
Appendix C.—Persons attending the twenty-fourth convention of the I. A. G. L. O.....	221

Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., June 12, 1939.

THE SECRETARY OF LABOR:

I have the honor to transmit herewith a report on Labor Laws and Their Administration, 1938, embodying the proceedings of the Twenty-fourth Convention of the International Association of Governmental Labor Officials, which convened in Charleston, S. C., September 8, 1938.

ISADOR LUBIN, *Commissioner.*

HON. FRANCES PERKINS,
Secretary of Labor.

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Bulletin No. 666 of the

United States Bureau of Labor Statistics

Labor Laws and Their Administration, 1938

The twenty-fourth annual convention of the International Association of Governmental Labor Officials convened at Charleston, S. C., on Thursday, September 8, 1938, and closed Saturday, September 10, 1938. Delegates were present from 27 States and the District of Columbia and from 1 Province of Canada.

Addresses of welcome were made by Hon. Burnet R. Maybank, mayor of the city of Charleston, and Hon. Olin D. Johnston, Governor of the State of South Carolina. Governor Johnston called attention to the fact that during recent years much progress in labor legislation had been made in South Carolina. It was one of the first States prohibiting a longer workweek in certain industries. Sixteen other labor laws, including a wage and hour bill, had been passed during the last few years, he said.

President W. A. Pat Murphy (Commissioner of Labor of Oklahoma) delivered the presidential address, in which he reviewed the Federal and State labor legislation passed in 1938 and stressed its importance. He called attention also to the partially completed report of a factual survey of the activities of State departments of labor, prepared by the United States Bureau of Labor Statistics at the request of the International Association of Governmental Labor Officials.

During the first two sessions consideration was given to subjects of importance in the administration of labor laws, which were presented in the form of committee reports, followed by general discussion. The administration of the Federal wage and hour law and the problems of administration in the field of social security were topics presented at the next two sessions through papers and round-table discussion. The part that State labor departments can play in the field of conciliation was considered at the closing session of the convention, a paper on the subject being followed by discussion.

The business of the Association was considered at the opening and closing sessions of the convention. The president presided at both sessions on September 8th and at the business session on September 10th. The chairmen of the other sessions were as follows:

Martin P. Durkin, Department of Labor of Illinois, morning session, September 9.

John W. Nates, Department of Labor of South Carolina, afternoon session, September 9.

Maud Swett, Industrial Commission of Wisconsin, morning session, September 10.

The twenty-fifth annual convention will be held in Tulsa, Okla., in September 1939.

In the presentation of the proceedings of the 1938 convention the arrangement is by topics rather than chronologically.

International Association of Governmental Labor Officials

Review of Labor Legislation and Administration in 1938

President's Address, by W. A. PAT MURPHY

It is fitting that as we enter the year of the silver anniversary of the International Association of Governmental Labor Officials, we meet in the South where so much progress has been made in recent years in the field of labor legislation and administration. It is doubly fitting that we meet in this beautiful city of Charleston.

The past 5 years have been outstanding for the advances made in labor welfare. In that period more State and Federal legislation affecting labor has been enacted than at any time in the history of the Nation. During the past 2 years the legislatures of every State have met. There is hardly an instance where some type of labor legislation has not been adopted.

Of outstanding importance to labor in 1938 is the enactment of the Federal wages and hours law, known as the Fair Labor Standards Act of 1938, which will become effective October 24, 1938. The law provides a minimum wage and maximum workweek for employees engaged in interstate commerce or in the production of goods to be shipped in commerce. During the first year, employers subject to the act must pay not less than 25 cents an hour; during the next 6 years, not less than 30 cents an hour; and after the expiration of 7 years, not less than 40 cents an hour, or the rate (not less than 30 cents an hour) prescribed by the Administrator. The act directs the Administrator to establish a committee for each industry and requires him to convene, from time to time, such industry committees, for the purpose of reaching as rapidly as is "economically feasible," without curtailing employment, the 40-cent minimum-wage rate.

During the past year Congress also enacted legislation of particular interest to railroad workers. By congressional mandate a railroad employees' retirement system has been firmly established. Recently enacted legislation for the benefit of this type of worker also provides for a Nation-wide system of unemployment compensation.

Other legislation of recent origin and of special importance to labor include the establishment of a Maritime Labor Board, and the United States Housing Authority. The following legislation also may be

mentioned: The Civil Aeronautics Authority Act, containing labor provisions that give to employees of air carriers the right of collective bargaining; an amendment to the law prohibiting the interstate transportation of strikebreakers; and the Naval Expansion Act, providing that contracts made after June 30, 1938, for constructing, altering, furnishing, or equipping naval vessels, must comply with the provisions of the Walsh-Healey Act.

In addition to Federal action on the subject of the regulation of hours of labor, a number of States have also been active recently. Most of this type of legislation applies to women and children, but a year ago North Carolina and Pennsylvania adopted comprehensive laws applicable not only to women and children, but also to men. South Carolina, during the present legislative year, enacted a law which limits the hours of labor in manufacturing and other industries to 12 a day and 56 a week. The law exempts cotton, silk, rayon, and woolen mills, agricultural labor, and certain occupations in small towns and rural districts. Many other changes were made in the laws regulating the hours of labor of women and minors. The report of our committee on hours covers these in detail. Among the States where changes have been made are Arkansas, Connecticut, Illinois, Louisiana, Nevada, New Hampshire, Pennsylvania, and New Jersey.

Changes have also been made in the New York and Ohio laws. The latter now requires that employees must be given a meal period, and the maximum hours for boys under 18 and girls under 21 are fixed at 48 a week. The South Carolina Legislature in 1938 strengthened the law regulating the hours of labor of women and minors. In Vermont the hours of labor for women and children are now limited to 9 a day and 50 a week. The Virginia law now provides, with exemptions, that women may not work more than 9 hours a day and 48 hours a week.

Early this year, the Supreme Court of Montana upheld a statute of the State fixing 8 hours as a day's work for retail employees in certain cities (*State v. Safeway Stores, Inc.*, 76 Pac. 2d, 81). The Supreme Court of Pennsylvania, on the other hand, has recently held the 44-hour law of 1937 unconstitutional as to male employees. The court held the act to be invalid because it delegated legislative power to the State department of labor and industry, since the department was authorized, with the approval of the industrial board, to establish a maximum workweek of any number of hours in excess of 44, and a maximum workday in excess of that established by the law.

Amendatory legislation affecting child labor was enacted by a number of States, particularly Missouri, New York, North Carolina, and South Carolina. The child-labor law of South Carolina now pro-

hibits the employment of minors under 16 in any factory, mine, or textile establishment. Legislation has also been enacted in Vermont, Indiana, and Connecticut.

Ratification of the Federal child-labor amendment was considered during the past year by Massachusetts, New York, and Mississippi, but in the two former States ratifying resolutions were defeated in both branches of the legislature, while in Mississippi no vote was recorded. In Kansas and Kentucky the validity of the resolution ratifying the amendment after a previous rejection by the State legislature has been challenged. In Kansas the supreme court upheld the ratification, in the case of *Coleman v. Miller*, and in Kentucky the court of appeals (*Chandler v. Wise*) voided the legislative approval. The United States Supreme Court has granted a review of both of these cases and they will be considered early in the October 1938 term of the Court.

Recently minimum-wage legislation has received the attention not only of the legislators of the Nation but also of the courts, especially the Supreme Court of the United States. As a result of the Supreme Court declaring that the minimum-wage law applicable to women and minors in the State of Washington was a valid and proper exercise of power by the legislature of that State (*West Coast Hotel Co. v. Parrish*, 57 Sup. Ct. 578), many States again considered this type of legislation, while the laws of some States which had not been hitherto enforced were revived. In 1938, new minimum-wage laws were enacted in Kentucky and Louisiana. This type of legislation is now on the statute books of 25 States,¹ the District of Columbia, and Puerto Rico. Most of the laws apply to women and minors. Only one State (Oklahoma) has a minimum-wage law covering men, as well as women and children. The Nevada minimum-wage law protects women only.

In practically all of the States legislation has now been passed regulating the hours of labor on public works, and requiring that the prevailing rate of wages shall be paid.

Of prime importance to labor also are the decisions of the Supreme Court of the United States upholding the constitutionality of the National Labor Relations Act, enacted by the Congress in 1935. It is now recognized that the Federal Government may regulate labor relations in interstate commerce. As a result of the several Supreme Court decisions upholding rulings of the National Labor Relations Board, the definition of interstate commerce has been clarified. For example, in a case decided on March 28, 1938 (*Santa Cruz Fruit*

¹ Arizona, Arkansas, California, Colorado, Connecticut, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Washington, and Wisconsin.

Packing Co. v. National Labor Relations Board, 58 Sup. Ct. 656), the Court held that a company with a limited interstate business was subject to the National Labor Relations Act, although the company's interstate business amounted to only 37 percent of its production.

Five States now have labor-relations acts. While these laws generally are similar to the Federal law, they apply only to the labor relationships of employees engaged in work of a strictly intrastate nature. Some of the State laws have recently enlarged the scope of their labor-relations laws. The Wisconsin law authorizes the arbitration of labor disputes. The New York law has enlarged the number of practices deemed to be unfair.

Legislation to protect labor while engaged in strikes and to diminish the causes of labor disputes has recently been the subject of consideration in several States. A State board of mediation has been established in New York. In Pennsylvania legislative power was granted to the department of labor and industry to mediate cases of labor disputes. An amended Massachusetts law relating to the board of conciliation and arbitration gives to the board jurisdiction of a dispute involving any employer. Formerly the board's jurisdiction was limited to employers having 25 or more employees. In South Carolina the duties formerly vested in the State board of conciliation have been transferred to the commissioner of labor.

A new anti-injunction law has been passed in Pennsylvania. Such laws now exist in 22 States. In Utah picketing has been declared lawful.

The Supreme Court of the United States has recently decided several cases of import involving certain rights of labor and kindred organizations. The Court has held that a labor organization had the right, under the Wisconsin Labor Code, to engage in peaceful picketing, even to the extent of calling to the attention of the public the activities of a nonunion employer (*Senn v. Tile Layers Protective Union*). In another case (*Lauf v. Shënner*), it held that picketing for the purpose of compelling an employer to operate a closed shop, and to accept the union as the bargaining agency of the employees, constituted a labor dispute, and that such picketing could not be enjoined in view of the Federal anti-injunction act.

Much progress has been made lately in the United States, not only in the field of labor legislation but also in social insurance. The constitutionality of the latter type of legislation has become firmly established by the courts of the United States. As a result of these decisions, all of the States now have unemployment-compensation laws, as well as laws providing for old-age assistance and other types of social insurance.

In addition to the progress made in the field of legislation and the advances inuring to labor as a result of court decisions, there have been many important changes in the field of labor administration. However, the partially completed report of the activities of State departments of labor which was prepared at the request of our executive board by the United States Bureau of Labor Statistics and briefly mentioned in the presidential address of Mr. Fletcher at our Toronto convention, shows that we still have a long way to go if our various State labor departments are to perform their functions in a manner which meets the ideals and standards of those of us who are responsible for the administration of labor law. Our secretary informs me that the members of the association have already received mimeographed copies of the partially completed report. It was being brought to completion when the sudden death of Estelle M. Stewart, who was directing the work, made it impossible for the Bureau to carry out the plans as originally formulated. However, at the time when the work was interrupted two of the most important sections of the study had been completed—one dealing with the structure and functions and the other with the inspection activities of State labor departments. These are contained in the mimeographed report above referred to.²

The survey covered the labor offices of 43 States. The information was obtained in large part from personal interviews with the various State officials, but was supplemented from State reports, from the State laws, and through correspondence. The report submitted gives a general picture of the fields of activity of State departments of labor and will, I am sure, be useful to States where expansion of work is contemplated or reorganization is planned.

The report reviews the history of labor offices. The development is traced from the period when bureaus of labor statistics were formed to collect facts on the labor supply; followed by the enactment of legislation giving labor-law administrators police power and the right of entry to check on compliance with standards; then the integration of services in the interest of labor; and finally the gradual delegation of power to labor agencies, at least in a few States, to issue administrative orders and to make rules and regulations whereby the statutes may be given effect.

It was found that with few exceptions departments of labor are under the executive direction of appointees of the respective governors. Multiple-head administration is provided in 6 States, as compared with a single administrative head in 37 States.

² This report of the activities of State departments of labor, prepared by Estelle M. Stewart, of the Bureau of Labor Statistics, is reproduced as appendix A on p. 174.

Almost everywhere, the administrators of the State labor departments felt that the available appropriations were very inadequate to do the work placed upon them, especially as this work has been greatly augmented through industrial expansion, new legislation, and growing economic problems. Boiler inspection is practically always a self-supporting function, and elevator inspection is nearly so. Enforcement of bedding laws brings in some revenue, as do licensing of certain occupations and private employment agencies. To keep within the appropriations salaries are often low. The minimum salary for a commissioner in the reporting States was \$2,400, the maximum \$12,000, and the average about \$4,000; for an assistant commissioner the range was from \$1,800 to \$9,000; and for a bureau chief from \$1,375 to \$9,000.

When laws are extended to increase the inspection coverage, funds are seldom increased proportionately. In one State department, which restricts its activities to inspection of child labor, only 1 inspector is employed as contrasted with approximately 100 inspectors in each of 2 large industrial States.

Little uniformity was found among the several States in the method of allocating inspectors territorially. Some executives prefer to maintain inspectors in a given area, but the majority practice a system of rotation. Few factory inspection divisions have a supervisory personnel other than a chief factory inspector and a chief boiler inspector. Sometimes the executive head of the labor department acts in this capacity.

Selection of inspectors under a merit system is not widespread, but application of the system was found to be increasing. For this increase special mention should be made of the work of the Division of Labor Standards of the United States Department of Labor. State labor commissioners, however, have expressed a preference for taking inspectors from the ranks of experienced mechanics or factory workers. Again, it is often difficult to fill vacancies owing to the smallness of entrance salaries. The annual salary of general inspectors in the States that reported ranged from \$1,248 to \$4,200, with the average about \$1,800. However, there has been an encouraging tendency to increased salaries in the recent budgets of a few States.

It is my recommendation that the report be printed as an appendix to the proceedings of this conference. In order to insure the complete accuracy of the information it would be necessary for each State department of labor, as regards references to its own State, to correct any errors or inadequacies in the preliminary copy that has been sent to each State for criticism.

Before completing this report, I want to express my personal appreciation, as well as that of the members of the association, for

the faithful work done by the individual members of our committees in the preparation of bills that have been submitted to the various State legislatures and their activities in making both our legislators and the public conscious of the need for constant improvement in our labor laws. I want particularly to express my thanks to the committees of this association. Each of them will submit a report in the course of this session. They have attempted not only to depict the accomplishments of the past year but also to point out those fields of action to which we must lend all of our energies in the year to come. I trust that their reports will form the basis for a full and frank discussion of the problems that we as individual commissioners have to cope with in the course of our daily work. Only through such frank discussion and the willingness of all of us to tell the story of our own problems and how we have dealt with them can we learn how effectively to deal with the tasks that face us.

In the last analysis, the function of this association is to make available to its members knowledge and information which will enable all of us to do our work most effectively. I look forward not only to an informative discussion of the committee reports but also, in those instances where there is difference of opinion, to a vociferous one.

And, finally, in closing may I quote the words that your ex-president, Mr. A. L. Fletcher, used in his report last year: "I wish to thank our executive board for its fine work during the year and especially to thank our very efficient secretary, Dr. Lubin, for his work. If the closing administration may be accounted successful, the major part of the credit is due to your secretary. I wish also to say that I deeply and sincerely appreciate the honor of having served as president of this splendid body of men and women."

Wages and Hours Legislation

Administration of the Fair Labor Standards Act

By ELMER F. ANDREWS, *Administrator, Wage and Hour Division, United States Department of Labor*

As with most proverbs, the old saying that the watched pot never boils is not true. Watched pots do boil. But it sometimes takes a long time to get them to a rolling boil. The fire needs attention and fuel. So it has been with us Government labor officials in the long years of effort to establish basic standards of wages and hours. There has been an advance here in hours this year, there in wages next year, with occasional backsets by the courts, followed by renewed efforts at obtaining legislation and adequate enforcement. Government labor officials generally, knowing how fundamental wage and hour standards are to the welfare of labor and industry, and to the health and balance of our entire society, have never quit—not even in the darkest days when it was declared that a woman wage earner should not have her “freedom to contract” abridged by the establishment of a minimum wage for the industry and occupation in which she was engaged. Labor officials patiently pointed out that such freedom of contract was in fact freedom to accept whatever pittance might be offered; that with millions of unemployed competing for the few available jobs, with fair employers forced to compete with cutthroat employers operating on basis of sweatshop wages and working conditions, Government intervention to protect wage earners, fair employers, the purchasing power of the masses of our people—and therefore our consuming markets—was a necessity.

A major factor in bringing the problem of basic wage and hour standards to the boiling point was, of course, the stubborn continuance of unemployment throughout the Nation. If wage and hour standards were not to be debased to the point where purchasing power and domestic market would provide less and less outlet for farm products and manufactured goods and services, some measure of stabilization of minimum fair labor standards had to be established. Without this standard, this stabilization, there would have been a continuing tendency for the chiseling employer to drive

out the fair employer, exactly as, without a standard of coinage, base money tends to drive out good money.

The knowledge, the experience, and the well-grounded conviction of labor officials that wage and hour legislation was necessary on a national scale was of powerful assistance in promoting the fair labor standards bill and in obtaining its enactment in the closing days of the past session of Congress. We, who have heard from employers and from employees the first-hand stories of interstate competition in various industries, know that minimum standards of wages and hours, as generally applied to the manufacture and handling of goods moving in interstate commerce, can work only if they are applied uniformly throughout the Nation.

Immediately before us is a gigantic and delicate task of providing for uniform enforcement of the Fair Labor Standards Act throughout the United States and Territories, in States which have labor departments that may be willing and able to take on this additional task, and in areas where such delegation of responsibility for enforcement may not be immediately feasible. I think you will agree that this responsibility is one not lightly to be undertaken. For the year beginning October 24, 1938, the Fair Labor Standards Act provides that employees paid less than the minimum rate up to 44 hours per week, and less than time and one-half for overtime above that figure, may sue individually or in groups and collect double the unpaid amount, together with reasonable legal expenses and court costs. As Administrator, I have solicited the assistance of employers in enforcement of the act. It is to be hoped that the fair employers and industries will be prepared to report promptly complaints of violations in their industries. These complaints will be received, investigated, examined, and acted upon. Because competition based on substandard wages and hours is punishing competition which has a quick effect on other employers attempting to sell goods produced under fair labor conditions, any agency charged with responsibility for inspection, investigation, examination, and prosecution under the act must be prepared to discharge that responsibility quickly and accurately.

In the short time I have been on the job as Administrator, a beginning has been made in the task of drafting organization plans for the administration of the law, particularly the machinery for compliance, which must be set up and in working order prior to October 24, 1938, when the wage and hour provisions become effective.

May I say at once that I count as the greatest piece of good fortune I have had since taking this position the fact that the key position in the vitally important work of enforcement, that of Assist-

ant Administrator in charge of Compliance, for the entire United States and Territories, has been accepted by a former president of this organization and a progressive labor commissioner—a man whose service in his native State has demonstrated to all that he is a genuine progressive not only in advocating, promoting, and attaining the enactment of labor legislation, but in the more prosaic and difficult task of day-to-day administration. I refer to Maj. A. L. Fletcher, commissioner of labor of the State of North Carolina, who will be on the job with me September 15, 1938.

Before discussing in some detail the plans for the administration of the law, particularly the enforcement phase, it is perhaps worthwhile to review briefly the principal provisions of the act.

The act covers workers employed in industries engaged in interstate commerce or in the manufacture of goods shipped in interstate commerce. Generally speaking, the act exempts from both the wage and hour provisions, workers in agriculture and agricultural industries, those dealing with certain perishable products; seamen; air transport and electric street railways and local motorbus employees; fishermen; professional, administrative, and executive employees; employees of certain types of newspapers; outside salesmen; and employees in retail and service establishments whose business is largely within a State. Certain other employments are totally or partially exempt from the maximum-hour provisions alone.

The act has as its declared objective the establishment of a 40-cent hourly minimum in as short a time as is economically feasible without the curtailment of employment. It proposes to reach this objective in two ways. First, it provides for statutory minimum wages advancing by steps—25 cents an hour the first year; 30 cents for the next 6 years; and thereafter not less than 40 cents.

In addition, machinery is established for setting higher wages for individual industries.

The Administrator is charged with the appointment of industry committees as soon as practicable. They must be equally representative of workers and employers in the industry, and of the public. As they are called upon by the Administrator to do so, such boards are charged with recommending to him the minimum industry rates in excess of statutory rates but not in excess of 40 cents per hour. The Administrator may approve the recommendation of a committee and, after a public hearing, issue an order making such recommendation mandatory; or if he disapproves, he may resubmit the matter to the same or to another committee. His approval or disapproval is to be based on the requirements set forth in the law and on the facts considered by the committees. As administrators you will appreciate the implications of this program.

The 25-cent rate may be low, but there is no doubt that it will offer protection to a very considerable group, while investigations leading to higher minimum wages are under consideration. During the period of the 25-cent minimum, we hope that we may carry on an effective program of education through regular inspections.

The act provides for the reduction of hours to a maximum working week of 40 hours at the expiration of 2 years. During the first year, the basic week is set at 44 hours; during the second, at 42 hours. Hours worked in excess of these maximum workweeks must be compensated at a rate of one and one-half of the regular rates paid. Exemptions from the regular overtime provisions of the act are provided in the case of certain bona fide trade-union agreements and in industries declared seasonable by the Administrator, but even in these cases the overtime rate must be paid for hours over 12 a day and 56 a week.

The Administrator, in addition to the right of entry and inspection, may compel the attendance of witnesses. Designated courts are given jurisdiction to restrain violations by injunction.

The Administrator, through the Attorney General, may prosecute for violation of the provisions of the act and minimum-wage orders, and adequate penalties are provided in case of conviction. Violations of the child-labor provisions of the act will be prosecuted by the Chief of the United States Children's Bureau. I might mention here that I shall not discuss the child-labor provisions of the act. They are important, but the responsibility for their administration and enforcement is placed by the act on the Chief of the Children's Bureau of the United States Department of Labor.

Employees, individually or in groups, may recover the amount of their unpaid minimum wages and overtime compensation, as well as an equal amount in liquidated damages.

So far the pattern of the law is clear cut. I need not point out to such a group as this, however, that the Administrator will be called upon constantly for decisions which will be essential to uniform enforcement. Many of these points are already being given legal consideration. Many of them must be decided by October 24.

There will be the industries which are border-line with respect to their interstate character. There will be the question of seasonal industries. There will be the question of learners, and the handicapped.

At the moment I can state only one general policy in connection with such questions as these, and that is that we expect to be guided by what we know to have been the intent of Congress in enacting this law. That intent was clearly that as many workers as possible should be given the protection of basic labor standards.

The act places an immediate obligation upon the Administrator, the enforcement of the basic wage and hour provisions. Those of you who have the responsibility for the enforcement of State laws can realize the weight of that duty alone. It presupposes that employers throughout the country have been in the habit of keeping complete and accurate records of hours and earnings and that they are accustomed to regular inspection.

Unfortunately, this is not generally true even though the compliance with the Social Security Act in the past 3 years has promoted the orderly keeping of pay-roll records. Many employers are not now in the habit of keeping such records as may be necessary in the effective enforcement of the Fair Labor Standards Act. I hasten to add that it is not proposed to require a great mass of records and reports in addition to those now kept by employers. We shall make every effort to keep record keeping at a minimum, with regard to the number of records, the number of columns, and the frequency of reporting. It may be that only one or two lines in addition to the records now required under the old-age-insurance titles of the Social Security Act may be required.

If we can administer the law effectively with no information in addition to that required by the Social Security Act to be kept, that will be a break for the employers and for us. As a State industrial commissioner, I, like many of you, am keenly aware of the obligations landed on employers already in the matter of record keeping and reporting, and every proposal to add to these burdens will have to make out a strong case before it is approved. We will not collect information for the sake of information, but only for effective administration.

Informing employers as to what record keeping is required and, equally important, what will not be required, is perhaps our first important job. Throughout the country employers are asking what is necessary to comply with the act. So great is the task of distributing precise information on this point, and of laying the ghosts of unfounded apprehensions, that I am calling upon organized industry, both employers and labor, to cooperate between now and October 24, 1938, by circularizing its members both as to the basic terms of the act and the requirements in connection with record keeping and inspection and, of extreme importance, by urging its members to assist in obtaining a compliance with these provisions from the start.

Our first interest will be in the equal enforcement of the law throughout the country. By this I mean that every employer and worker must be subject to a single interpretation of the law and of the rulings and orders issued under it. For this reason, it will

be essential to have from the start, uniform enforcement procedure, uniform inspection methods, uniform reporting methods, a uniform conception of the whole spirit and purpose of the law.

As State administrators, we have all experienced the difficulty of dealing with employers whose business is carried on in many States through branches. They are sometimes justifiably puzzled by the differences in laws between States, and by the difference in administrative procedure. We have here an opportunity to extend throughout industry over the whole country, at one time, a single pattern covering minimum-wage and maximum-hour provisions. The States may build upon this foundation to bring about even higher standards, and to extend them to the industries over which the Federal law has no jurisdiction.

We are most fortunate in having knowledge of the procedures which have had practical tests in the various States and have been found to meet their needs. These will form the basis of our enforcement program, and they will be adapted to the practical situations with which we will be faced. In this process of adaptation I feel that we shall be further fortunate if we are able to build up our administrative techniques on the basis of suggestions which we hope will be submitted to us from time to time. In this I am reminded of the excellent clearance which exists in many State departments of labor in connection with enforcement of safety and health regulations. It is the practice in such States for the inspection staff to bring to the attention of the administrative officer particular problems arising out of new industries or new processes which bear upon the safety or health of workers. In this way, not only is a remedy supplied almost as soon as the new condition is found, but every inspector is placed on guard to look for that particular condition, and to be on the alert for other conditions which must have their own special treatment. If we may have such clearance upon the points which undoubtedly will arise under the administration of this new wage and hour law, we may hope that our procedure will be both realistic and effective.

The law gives the Administrator very complete authority for enforcement. He and his designated representatives may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to the act; and may enter and inspect such places and inspect such records and make transcriptions, question such employees and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of the act. Congress has here clearly given to the Administrator that authority which all State administrators of labor law

feel to be essential—the free right of entry into work places and the right of inspection and of transcription of records relating to employment.

The Administrator is authorized to employ a staff, in accordance with the regulations of the Federal Civil Service Act. He may further utilize such voluntary and uncompensated services as may from time to time be needed. He is directed to utilize the bureaus and divisions of the United States Department of Labor for necessary investigations and inspections. In addition to these provisions for administration, with the consent and cooperation of State agencies charged with the administration of State labor laws, the Administrator and the Chief of the Children's Bureau may, for the purpose of carrying out their respective functions and duties under the act, utilize the services of State and local agencies and their employees, and may make reimbursements for services rendered. We have every reason to believe that full provision will be made for the enforcement of a law which Congress held to be basic in the control of unemployment and the sustaining of purchasing power.

In setting up his program for enforcement, the Administrator is faced with two basic truths which he must accept and reconcile. One is that the law places squarely upon him the final responsibility for enforcement. The second is a point on which I am sure you will bear me out. No State labor department, including the one for which I have been recently responsible, was ever fully enough staffed to insure complete enforcement of all the labor laws for which it was held responsible.

Our objective in the Wage and Hour Division is a sound and permanent system of enforcement of this law. In this work the inspection and enforcement systems of the State departments of labor will play an active part. In every State in the Union, we shall be entering a new field with respect to enforcement of wage and hour regulations for men. Oklahoma alone has pioneered in this field, but has not yet had the opportunity to put its orders into practical effect.

Because of the final responsibility of the Administrator, he must make haste slowly in asking States to take on this added task, although in the interest of sound administration the task must ultimately be very largely theirs.

Without question, States will need to be reimbursed for the additional expense incurred in additional enforcement and this is provided for in the act. If the expense were all that were involved, undoubtedly the program of State participation could go forward as rapidly as the Congress made funds available. That, however,

is only one item to be considered. In the interest of uniform enforcement, there must be a complete formulation of enforcement standards. The Wage and Hour Division cannot draw up and present such a formulation as a final pattern in the brief time available before the effective date of the act. There will be an administrative program, of course, at that time. It will be based upon the procedures which have stood the test of administration throughout the States.

This administrative program must be adjusted to meet the practical situations which will arise, and it must be fitted into the regular enforcement programs of State labor departments so that it will interfere with them as little as possible.

We are all agreed upon the desirability of avoiding the multiplicity of governmental inspections. However, as an administrator, I should not presume in the first instance to place the whole burden of this task in its formative period upon the already burdened State departments of labor.

The Wage and Hour Division plans to work closely with State departments of labor from the very beginning. It will direct its energies toward helping the States to equip themselves to carry on a regular program of enforcement. In this task, I am planning to utilize the services of the Division of Labor Standards which, because of the nature of its work, is familiar with the administrative procedures now existing in the various States. As rapidly as is possible, we shall work toward more complete State participation in enforcement.

In the planning of this program there will be many questions of common interest on which I shall solicit your aid and the benefit of your experience. We shall need to insure a high standard of personnel in this work; we must define that standard. We must be sure of sound training in what will, for the majority of such staffs, be a new field. And, having given this training, we must insure some sort of continuity of service, so that the benefits of that training may not be lost; so that both labor and industry may count upon a stable group of administrators who are constantly building up their inspection skills upon the sound foundation of tested procedures.

All of us, I think, feel the challenge of this latest step forward. It is the first measure which has set up a specific set of standards from which every start may move forward. It leaves to the States the whole field of standard setting in the industries for which the Congress may not act.

We could not ignore, if we would, the many complexities of this task of administration. I want to express my deep appreciation of the efforts which are being made by organized labor to clarify the

terms of the act to its membership and thus aid in enforcement, and of the cooperation which has been evidenced generally by industry. Of the sympathetic understanding and aid of such a group as this I am assured, and I look forward with eagerness to the sound accomplishment of our joint enterprise.

Round-Table Discussion

Mr. DURKIN (Illinois). Mr. Mooney, will you lead in the discussion, please?

Mr. MOONEY (Connecticut). Mr. Andrews, one question is whether or not your administration, in the various regulations which it will promulgate, will prohibit or make attempts to regulate home work.

Mr. ANDREWS. I certainly believe in the regulation of home work and not in its prohibition, and we will have to count upon the States and State home-work laws to help us out. I think that if we get a legal staff which is broad-minded enough, we may be able to construe the law as regulating manufacture in the home if it enters into interstate commerce. I know that some of our friends in Puerto Rico feel that home work would come under the law.

Mr. DURKIN. I think that we ought to hear from Mr. Andrews' assistant, Major Fletcher.

Major FLETCHER. I am not in a position today to talk a great deal about this program and this work that I am going to undertake under Mr. Andrews' direction. I am approaching the problems with an open mind and with a sincere desire to do a good job. How well I am going to succeed, only time can tell, but I believe in the Fair Labor Standards Act of 1938 with all of my heart. In my own State I have worked toward that end for the last 6 years, and I propose to apply to my new duties in the national set-up the same sort of effort, the same sort of energy, that I used in my smaller job in North Carolina.

I think I speak for Mr. Andrews when I say that we would like to hear from every labor commissioner here today his ideas about how this cooperation between our national organization and his State organization can be worked out most effectively. I know that a problem is uppermost in your minds this morning. I have already heard from a great many commissioners throughout the country who are anxious to cooperate with the Wage and Hour Division of the United States Department of Labor in the enforcement of this law. Many of you, I know, have ideas as to what form that cooperation should take and how it could be worked out, and I, for one, should be delighted to hear from you, either here or privately, as you wish.

Mr. ANDREWS. I do not know of any State labor commissioner who did not write me almost immediately after my appointment offering his cooperation and assistance, and I want to thank all of you who wrote to me. I appreciate those letters, and if the law is a success and effectively administered, it will be because you make it a success.

Mr. DURKIN. At this time I should like to call on Miss Katharine Lenroot, Chief of the Children's Bureau.

Miss LENROOT (Washington, D. C.). I am very happy to have this opportunity to talk informally for a few minutes about the child-labor provisions of the act, the administration of which is placed in the Children's Bureau of the Department of Labor.

I think the report of the child-labor committee has reference to some of the provisions of that act and I know that they are familiar to you. We have been able to announce to the press that some of the first steps in the organization of the administrative machinery in the Bureau have been completed and have received the approval of the Civil Service Commission. All of the positions, of course, are subject to civil service.

The Industrial Division of the Children's Bureau for many years—practically as long as the Bureau has been in operation—has had charge of all of the studies, investigations, and advisory service given by the Bureau in matters pertaining to the employment of children and young persons, and it seemed logical to us to centralize in the Industrial Division the new responsibilities of the Bureau under the Fair Labor Standards Act. This has meant, of course, the necessity of planning for enlarged personnel and some reorganization of the Division. Miss McConnell, who since 1935 has been the Director of the Industrial Division, will continue as Director of the enlarged Division and will have two Assistant Directors, one in charge of administrative activities and the other in charge of research activities. We have been very fortunate in securing as the person to have charge of the administrative activities, pending civil-service examination, Mrs. Elizabeth Coleman, who has been on Mr. Andrews' staff in New York State. She has been with the New York State Department of Labor for about 13 years.

We plan to have specialists, field representatives, and regional consultants on employment certification and inspection and other administrative activities.

Then on the research side, inasmuch as the act places on the Chief of the Children's Bureau the responsibility for finding, and by order declaring, certain occupations hazardous or detrimental to the health and well-being of young persons between the ages of 16 and 18 years, we must provide for adequate research services as a basis for the continuing responsibilities of this nature. There may also be the

necessity of some research service as a basis for regulations permitting the employment, as the act authorizes, of children 14 and 15 years of age in nonmanufacturing and nonmining occupations the products of which enter into interstate commerce.

Accordingly, we hope, as appropriations become available, to have specialists in different fields for the study of occupational hazards, accident hazards, and health hazards, as they relate to children of the ages covered by the act; and we shall provide, under that section of the Industrial Division, for continuing research activities, particularly in fields not affected by the Fair Labor Standards Act. Our responsibilities, of course, continue as a general agency for research and for service in all fields pertaining to the employment of children, as well as in other fields pertaining to child welfare.

A member of the Solicitor's staff in the Department of Labor has been assigned to us for help on legal matters. Just as Mr. Andrews referred to his legal staff as studying aspects of coverage relating to the portions of the act coming under his jurisdiction, so we have had to give very careful study to many legal questions arising in connection with the interpretation of the child-labor provisions of the act. Of necessity, there will be opportunity for the closest coordination between Mr. Andrews' office and our office, both with regard to legal interpretation, which must be uniform in all matters that affect both divisions, and also with reference to administrative policies.

In the matter of declaring occupations hazardous, it is our policy to proceed cautiously. We must be sure that we have facts justifying the declaration of any particular industry or particular occupation within an industry as especially hazardous or detrimental to the health or well-being of young workers. We are just now considering the steps which should be followed in these determinations, and I think we shall have some announcements of regulations to present to the Secretary of Labor for her approval very soon. It will be necessary to follow some procedure whereby there will be an opportunity for a public hearing and discussion of proposed orders by the parties who will be affected by those orders. Of course, time will be given for adjustment, and every effort will be made to acquaint industries throughout the United States with these determinations in advance, so that they will be running no risk in continuing to employ young people of 16 to 17 years of age until the time declared as the effective date of the order and published sufficiently in advance so that they may have every protection.

We in the Children's Bureau are, of course, very anxious that young people shall not be deprived of employment upon which they have come to depend in any arbitrary manner or in advance of these very careful determinations. We also hope that as time goes on there

will be an opportunity to consider, in connection with these responsibilities, not only particular hazards or dangers that may be found to exist in particular occupations, but also the general social setting within which these young people find employment, the alternatives to employment that may exist, and the general social as well as industrial results of action taken to exclude young people under 18 from certain occupations.

We shall, of course, rest very heavily upon you for cooperation in administering these provisions of the act. The first Federal Child Labor Act of 1916, which was in effect for 9 months in 1917 and 1918, was administered, as you know, almost entirely on the basis of relationships developed between the Children's Bureau and the State labor departments and employment certificating agencies. We shall build up our field staff with the view, not of putting into the field a large staff working independently of the State labor departments, but of making available, in States where the departments are not now in a position to assume added responsibilities, people who can act promptly and effectively. However, they will be people who can and will cooperate with you, with the objective always in mind of strengthening the facilities within the State so that the protection afforded by this national act may be developed in a way that will strengthen State standards, encourage improved State standards, and result in unified administrative policies to the greatest extent possible.

We shall have particular matters to discuss with you through correspondence or otherwise in the very near future. We hope to make available to you promptly information as to all matters that will have a bearing upon our cooperative relationships. The matter of improvement in State legislation is dealt with in the report of your child-labor committee. Improvement is needed particularly with reference to school-attendance laws, which will need to be considered with the view of bringing them more into line with the age standards established under this act, and the laws relating to hazardous occupations.

The Children's Bureau feels that the responsibilities under this act constitute a tremendous opportunity and a tremendous challenge, and that together we can go forward on a basis which while giving due weight to the necessity of securing uniform observance of the standards set up in the act, will, above all, take into consideration the physical and the educational, the social and the industrial, aspects of the welfare of the children and young people involved.

Mr. KROGSTAD (Michigan). I think you stated, Mr. Andrews, that certain employments are totally or partially exempted from the maximum-hours provision alone. Will you kindly explain that, please?

Mr. ANDREWS. Those are the seasonal industries.

Mr. KROGSTAD. I think you made the statement in connection with retail stores.

Mr. ANDREWS. Retail stores generally will be in intrastate commerce, I think, and therefore exempt from all the provisions of the act.

Mr. KROGSTAD. Does the statement mean that certain concerns are under the law as far as the hours are concerned but not so far as the wages are concerned, or vice versa?

Mr. ANDREWS. If an industry is purely intrastate, it is not under the law at all. Is that what you have in mind?

Mr. KROGSTAD. No. I think you said certain employments are totally or partially exempted from the maximum-hours provisions alone.

Mrs. BEYER (Washington, D. C.). Railroads, for instance, are covered by the wage provisions but not by the hour provisions. I understand that the wages of 25,000 railroad workers will be affected by the wage provisions.

Mr. ANDREWS. Yes; that would be one example, the principal example. There are certain occupations specifically exempted, you know—agriculture, domestic service, and so forth.

Mr. KROGSTAD. Yes; I understood that.

Mr. McMAHON (Rhode Island). Concerning the question of dealing with union agreements, there are many laws in the States pertaining to industries where union agreements exist. Where the expiration date of such an agreement is December 31, and no further agreement is entered into between the union and the management, the minimum being established at 35 cents and the hours in the agreement at 40, what position will the workers be in as regards reverting to the minimum in the act of 25 cents and the maximum of 44 hours?

Mr. ANDREWS. The act certainly is not intended in any way to reduce wages or increase hours, and where there are union agreements which call for higher wages than the minimum or for shorter hours than the maximum that are permitted under the act, the employer should observe the agreement with the union and the law would not affect it. Of course, if the union agreement called for lower wages than might be set by an industry committee or even lower than 25 cents—and I cannot imagine any union agreeing to anything less than 25 cents—that agreement would not be valid. The agreement would have to comply at least with the minimum requirements of the law. I hope that unions will not accept any cuts in any way on account of this law. It is intended not only to raise the lower wages but to encourage the higher brackets to go higher.

Mr. BELL (British Columbia). I have listened with keen interest to Mr. Andrews' exposition of this very important piece of legislation, and while it is essentially a United States measure, there are certain aspects of it that are of particular interest to me because they have a similarity to some problems that we have encountered in administering similar legislation in the country from which I come. Mr. Andrews has undertaken a big job, but he assumes his task with a record and a background in the administration of labor legislation which augurs well for the successful administration of this act.

I notice in a summary of this act reprinted from the *Monthly Labor Review* that provision is made, as it is in practically every minimum-wage law, for the employment of apprentices and handicapped workers at a lower rate. Then further on, I notice this in the pamphlet: "No classification may be made on the basis of age or sex." The point that has occurred to me is this, and it is one which we have encountered in British Columbia: In applying that section, in the early stages of our administration of our minimum-wage laws, we attempted to take care of the younger people and the older and handicapped people by individual permits. Later on, we found that that could be more conveniently done by the exemption of a percentage. For example, in our sawmill industry we have a minimum wage of 40 cents an hour. We found it helpful to insert a provision whereby 10 percent of the total number of employees in the plant might be employed at the rate of 30 cents per hour. That eliminated the necessity of individual permits and took care of that particular class as a group.

So far as apprenticeship is concerned, we find that in many of our industries no opportunity for apprenticeship in the real meaning of the term exists. For example, in the sawmills the young men or boys going to work do not learn a trade in the true sense of the word. The work is fairly heavy and hard, and we find very few young boys employed in those plants, so that the 10-percent exemption takes very good care of them.

However, in another branch of the woodworking industry, the box-manufacturing industry, we find that is an industry which offers wide opportunities for the employment of younger boys, as the work is lighter. In dealing with box factories, we found it advisable and helpful to deal with those younger boys by classifications, so that while we also have a minimum wage of 40 cents an hour in the box-manufacturing industry, we have taken care of the younger people therein by fixing a minimum of 25 cents an hour for boys under 18 years, 30 cents an hour for boys between 18 and 21 years, and 40 cents an hour for all employees over 21 years of age.

We have found that to work very well in that particular type of employment, and the question that I should like to ask, as a matter of information, is: Will the administrators of this act be prevented from following that plan, even if they thought it advisable to do so, by reason of this section which I notice here, "No classification may be made on the basis of age or sex."

Mr. ANDREWS. Mr. Patterson, who is in charge of apprentice training in the Department, has made a study of this problem, and I think he will have some very helpful definitions that will guide us in determining apprentices and their handling. Do you want to say something on that point, Mr. Patterson?

Mr. PATTERSON (Washington, D. C.). Yes. In regard to apprentices, the idea of giving an individual exemption to each apprentice seemed to be a very cumbersome procedure under the National Recovery Act, so that it is hoped, although things are still in a formative stage, that there will be some arrangement whereby those who are duly registered as bona fide indentured apprentices with authorized apprenticeship agencies will be exempt. We hope that we can carry out a plan which will not prevent the training of bona fide apprentices in numbers which can be absorbed, and at the same time will not make the procedure so cumbersome as it was under the National Recovery Act. Mrs. Beyer and the others who are working on this are trying to plan something that will get away from the mistakes we made under the National Recovery Act and still permit apprenticeship to go on. The plan has been talked over with Mr. Andrews, but it has not been finally decided upon.

In the matter of tolerance, although that is not specifically an apprentice subject, it has seemed to me that tolerance is subject to a great deal of abuse. Five or ten percent tolerance for learners and apprentices enables employers to put on that number of young workers in an industry, regardless of whether or not they are needed. So that that idea has been somewhat in disfavor here, Mr. Bell.

As this conference goes on I hope that the various labor commissioners will express themselves on the best arrangement for apprenticeship, because surely we need their advice.

Mr. MCKINLEY (Arkansas). Would it be reasonable to believe that in States where there are apprentice laws, and an apprentice is defined in the law itself, we can recognize that definition of an apprentice?

Mr. ANDREWS. Of course, we would have to deal with that question the same as with State minimum-wage laws. If a State minimum-wage law establishes a higher minimum than may be established by an industry committee, the State law would obtain. The same thing applies to hours. A higher State standard would take precedence

over the Federal act. But if the Federal standards are higher than the State, then the Federal standards will be effective. That will apply to apprentice laws also.

Mr. BELL. In British Columbia we have an apprenticeship act as well, and in every minimum-wage order we have a section which says that the minimum wage shall not apply to any apprentice who is indentured under the provisions of the apprenticeship act. But the point that I am making is that in some industries there is no opportunity for apprenticeship within the real meaning of the term, but there is opportunity for the employment of young persons. In the box factories to which I referred we have refrained from dealing with those young persons under the apprenticeship act because a boy might work in a box factory for 10 years and yet he would not be a tradesman when he finished. However, we want to make some provision for his employment at the work that is available in that plant, and in doing so the only possible way that we have been able to provide for him has been by classification, according to his age, at the lower rate. We have found that the most practical way of dealing with that particular class. I was just wondering if it is going to be necessary for the Administrator of this act to follow hard and fast the provision laid down that no classification may be made on the basis of age, even if that were found to be an adequate way of providing for the employment of younger persons. That, of course, is a matter that you will probably find out as you proceed, but I just wanted to give you the benefit of our experience in that connection.

Mr. ANDREWS. Thank you very much, Mr. Bell. Personally, I really have not gotten around to that question at all. I have to depend upon Mr. Patterson and Mrs. Beyer for advice.

Mr. NATES (South Carolina). I should like Mr. Andrews to explain what relationship will be established between State departments of labor and the administration of this new wage and hour law, and what will be expected of the State labor departments.

Mr. ANDREWS. Before I knew anything about having this job and while I was still in New York State, I thought the problem over a good deal as to how we could handle it there. As we tell our inspectors in New York State, they are probably the only representatives of the State government that many people of the State ever see. Therefore, they should be dignified, courteous, and effective. If this law is going to be a success, we will have to have that type of people in the field. And so we hope, through mutual conferences and discussions, to build up a staff that is truly representative of the State as well as the Nation.

You will all agree, I think, that it is very difficult to have a high morale among employees when they know they are going to be on the job only as long as a particular party is in power, and so I think that you all believe in civil service. We will have to work out very carefully a method of setting up the right type of organization with the right type of personnel. I hope to have you all in Washington sometime soon, perhaps at the time the Secretary of Labor is calling the meeting to discuss State minimum-wage laws, so that we can get together and find out just how far the Government can go in setting up high standards of personnel.

Mr. MURPHY (Oklahoma). Mr. Andrews and Major Fletcher, the Department of Labor of Oklahoma is going right down the line with you. We are going to cooperate with you 100 percent. I am not in a position to offer any suggestions now, but I want you to know that you have the wholehearted cooperation of the Department of Labor of Oklahoma.

Mr. DURKIN. Mr. R. C. Nyman, representative of the Kendall Mills, Paw Creek, N. C., has some questions to ask now, I believe.

Mr. NYMAN (North Carolina). Of course, as an employer's representative, I am very much interested in the wage-hour law. Mr. Andrews, recently, in a newspaper article, you were quoted, or perhaps misquoted, as saying that of course there would be differentials. I have not found anything in the act providing for the maintenance of wage differentials. If there is such a provision in the act, I should like to know where it is, and I wonder if you can tell me.

Mr. ANDREWS. The act very carefully avoids mention of differentials as a geographical matter. But the wage committees in setting rates for regions, shall we say, or industry groups, have to take into consideration various factors, such as the cost of transportation, living costs in a particular territory in which an industry is located, wages for like or comparable services, and so forth, so that might permit the use of the term "differentials."

In New York State under a minimum-wage act we have established differentials, just in that one State. Metropolitan areas have one rate and up-State areas another. Even in one State it is sometimes desirable economically to have differentials under a minimum-wage law, and that is the way we can reach it under this particular act.

Mr. NYMAN. That clears up the question I had in mind. What about differentials between jobs rather than differentials between different branches of an industry?

Mr. ANDREWS. Take the textile industry, which has a very broad coverage, for example. You certainly cannot have differentials

between a weaver and somebody doing cutting or something of that kind. The best legal advice I have gotten so far is that it will be possible to have, say, one minimum for sweepers and perhaps another for all other employees in an industry in a particular locality.

Mr. NYMAN. I see. In other words, you would have a minimum for one job throughout all the branches of an industry?

Mr. ANDREWS. We think that is possible.

Mr. NYMAN. The law would not provide for having percentage differentials in any particular branch of an industry?

Mr. ANDREWS. That is right.

Mr. DURKIN. Are there any other employer representatives or representatives of organized labor here who wish to ask some questions?

Mr. BREWER (North Carolina). My name is S. P. Brewer; I am Carolina's administrator for the Textile Workers Organizing Committee. I was very much interested in a point to which my good friend, Mr. Nyman, made reference, as we are engaged in collective bargaining with him at this time. Will it be possible for the textile industry to establish minima by occupations—I presume that that is what he had reference to—or will it be the duty of the industry committee to establish a minimum for the entire industry, say, of 35 or 40 cents? Would it be within the power of the industry committee to establish minima by occupations rather than by the entire industry—for instance, a sweeper, 30 cents an hour, a weaver, 40 cents an hour—or would the minimum be applicable to the whole industry?

Mr. ANDREWS. Of course, it is very definitely the intent of the law not to have a great series of minima. After all, that would be a very dangerous thing to do, because it would tend perhaps to bring about a situation where the minimum would become the maximum for a particular occupation. At the present time, we think that underwear may be included in the textile industry, for instance, but we would not think that if we did not also think that we could say that there might be one minimum up to the cutting-up process and another minimum from the cutting-up process on. Do you see what I mean? That, of course, will have to be studied by the industry committee, with the help of the best legal advice it can get. The Administrator, you know, has nothing to do with it. The recommendations regarding the minima come entirely from the industry committee; then the Administrator either accepts or rejects the recommendations. It is entirely up to the industry committee to reach its own conclusion without any influence from the Administrator.

Mr. BREWER. I have heard quite a bit of discussion from time to time concerning accidents that might arise within an industry. I am wondering if it is within the power of the industry committees to set up any kind of provision for work in excess of 44 hours a week; that is, in case of a break-down or something like that. As I interpret the law, it is 44 hours a week and nothing more, regardless of what the circumstances might be, and that question has been presented. Under the National Recovery Act certain employees, in case of break-downs, were permitted to work extra hours, provided, of course, the time was taken off at some other time or the average was not more than a certain number of hours. But if I understand this act, it is a rigid and inelastic 44-hour week for the first year.

Mr. ANDREWS. No, sir. It is 44 hours at regular pay; for any hours in excess of 44, time and one-half. It is not a rigid 44-hour week. That is a common misunderstanding of the act. If employees work more than 44 hours, they must be paid time and one-half for the hours worked in excess of 44.

Mr. BREWER. I understood that phase, but under the National Recovery Act there were certain exemptions without the penalty of overtime.

Mr. ANDREWS. The hours provision is that they can work 44 hours at regular pay, but they can work as much longer as they wish as long as they are paid at the rate of time and one-half.

Mr. BREWER. I am glad to know that.

Mr. MORIARTY (Massachusetts). Is it actually set that they are to be paid in moneys or are they to be allowed to take time off in a slack season to make up for the overtime they have worked?

Mr. ANDREWS. That is one of the questions on which we are trying to get some legal opinion. There are agreements where employees are given time and a half off; for instance, if they work an hour overtime during the week, they are given an hour and a half off. I think the newspaper guild has that arrangement in a great many cases. That is something that we will have to get legal opinion on before we can give any definite answer.

Mr. BREWER. I have been reading many newspaper articles which try to explain this act, and my own feeling is that the newspaper interpretations of the act are going to confuse many people. Most of the local papers are running a series of articles, and, as I have told them, I find that one day they make one statement and the next day they contradict it.

Mr. ANDREWS. So far as interpretation of the act is concerned, the Division has not issued any statement at all on interpretations. Whatever you read is not official, from the Division, so I ask you

to be patient and not become alarmed until you see the official rules and regulations.

Mr. MORIARTY. May I ask if whatever arrangements are made by you as Administrator are going to be made so that we in our respective States may prepare legislation prior to January 1, when the legislature in my State meets, so that our department may help. It is very easy for me to come here and say that I will give you every consideration, but maybe I am not in a position to give you every consideration because of the laws and the constitution of my State. I can give you every moral support, but in order for you to be able to use my department to the extent that you might desire, I might have to arrange legislation to be taken up at the next legislative session.

Mr. ANDREWS. Would you have to change the constitution of your State, too? All I can say is that we certainly will give you all the moral support we can in order to have appropriate legislation enacted. I hope that in my own State we will change our minimum-wage law by just taking out the words "women and minors" and substituting "employees," so that men will be covered as well as women and minors. We will be very glad to do all we can to help the commissioners of labor pass whatever legislation they want in their States.

Mr. CHRISTOPHER (North Carolina). Mr. Andrews, my name is Paul R. Christopher. I am technical adviser of the Textile Workers Organizing Committee. I should like to ask what, insofar as you know at this time, will be the definition for the textile industry, which this committee of 15 will classify or work on? I understand that right now underwear is being considered, in addition to cotton, rayon weaving, and silk, including silk throwing. That is one question I should like to ask. Another is this: speaking of different minima, we had the experience under the National Recovery Act, of course, that the minimum tends to become the maximum, and now we are being told by any number of manufacturers throughout the South that the same tendency will no doubt recur. I wonder if it is in the province of the committee to recommend to you minima for, say, unskilled, semiskilled, skilled, and highly skilled workers, and if you might break the industry down into cotton yarn, cotton weaving, silk and silk throwing, and underwear, for instance, if underwear is included.

Mr. ANDREWS. I do not know. I think that it is felt that it would be inadvisable to have very many minima. You are talking about throwers, finishers, and so on and so forth. This committee, which, by the way, now is up to 21, will be aided by technical advisory committees for those branches of the textile industry which cannot be

directly represented, because to do so would make the main committee too large, but when this main committee comes to the question of throwers of silk, finishers, and so forth, this technical committee will sit in with the main committee. Whether that means that for silk throwing the rate might be higher than for the finishing of textiles, I do not think anybody can tell yet. That will have to develop as the industry committee studies the subject. I have the feeling that it is better for labor to have the possibility that certain branches of the industry may have a higher rate than other classes, because of the greater skill needed in those particular branches of the industry.

You are right about the coverage, but I cannot give you a definition. We cannot officially give it out until after we have had further conference, with labor officials mostly. But I am glad you mentioned that thought of the minima bringing down the scale of wages. I have heard that argument. Twice we passed a minimum-wage law in New York State while I was there, and the opponents—they were very few—always used these arguments: First, that a minimum-wage law for women and minors caused loss of employment to them (our studies show that that is not so); second, that establishing a minimum wage in an industry brings down the higher brackets to the minimum (the opposite is true). The tendency is to bring up the whole structure. People who are getting 80 cents an hour will go up to 90. Those arguments are very old, but those of us who are from New York State know that they are not true. Dr. Patton will bear me out in that. Minimum-wage laws do not result in any such tendencies.

Mr. CHRISTOPHER. Here is a point with which those of us who are concerned with the organized end of labor are concerned. We know definitely that right now—and I am sure Mr. Nyman will bear me out in this—an increase in the required man-hour productivity is taking place, so that with the employers who have to raise wages to even a 25-cent level and others who may be able to maintain their present level of rates above the minimum, that is going to take place. The committee, as I understand the law, will not have any power at all to consider that end of the question. It does not pertain to wages or hours, but nevertheless it is a very important factor, as we see it.

Mr. ANDREWS. Of course, there is a pious wish or intent expressed in the bill that nothing in the act shall tend to decrease wages. I have heard that argument in New York State, also, about minimum-wage laws, that work will be speeded up, and so forth. It has not worked out to be true there. I think as we go along, if we make this law work, the employers will see that it is an advantage to them,

and they will feel that it is not necessary to try to evade the spirit of the law. I have been getting some very fine communications from employers. I think they believe that after all it is not going to be such a terrible thing and may perhaps even be a pretty good thing.

Mr. CHRISTOPHER. I do not want to appear pessimistic, Mr. Andrews, and I hope that your optimism is rewarded with good results.

Mr. ANDREWS. You may be interested in knowing, Mr. Christopher, that your name has been suggested to me as a member of the textile committee.

Mrs. BEYER. From the standpoint of administration, I am hoping, and I am sure others here will agree with me, that these wage orders will be kept as simple as possible. We all know—all who have checked pay rolls to see whether they comply with the law—that any differential, no matter what it is, makes it almost impossible to tell whether or not there is violation. As soon as you permit an exception, you have to check on every one of those exceptions individually to see whether they really are in compliance with the law. It takes the heart out of an inspector to sign that something is correct when he knows very well that he has not been able to interview every person who is listed below the minimum to find out whether he should be there. Whenever you permit differentials in wages, you are opening the door wide for violations.

We know that the National Recovery Act fell because it was not enforceable. We do not want to permit the same thing to develop under this act. After all, it establishes a minimum wage. I think we should always bear in mind that this is a minimum-wage act upon which the unions can build. If we try to make it a wage-fixing measure, we will run into all types of difficulties, and I think that in the long run the unions will not thank the Government for going into the field of wage fixing. I hope that it will be borne in mind by the various groups in setting up these wage committees and in recommending wages to the Administrator that they must be enforceable. Otherwise they will fall by their own weight.

Miss STITT (Washington, D. C.). I am wondering if the provision of the law itself which limits the minimum wage to 40 cents does not preclude, to a large extent, differentials on the basis of skill. A wage board cannot go above 40 cents. Therefore, does not that preclude any very great differential on the basis of skill?

Mr. ANDREWS. That is right. We do not think of that as applying particularly to skilled workers, but mostly to the unskilled.

Miss STITT. I was thinking about the question that Mr. Christopher asked a moment ago, whether you were going to set wages on

the basis of unskilled, semiskilled, and skilled labor. It seems to me that that provision precludes the setting of wages on the basis of skill to any extent.

I should like to ask, if I may at this time, whether the Administrator has thought at all about the possibility of making these industry committees permanent, or whether they are to be committees that will be brought into existence to make a recommendation for today and then go out of existence. I had the opportunity of spending some weeks in England this summer and spent some time in the Trade Boards Division of the Ministry of Labor. I think the thing about their practices which impressed me most was the fact that the British trade boards are permanent entities. The members in that way become thoroughly familiar with the industry. The problems of the industry are brought to them year after year, and they consider and reconsider those problems, and make modifications in the wage orders on the basis of their very intimate and close knowledge of the industry. That is the thing that impressed me more than anything else about the British system, and I wondered if we were going to give any consideration to the possibility of having permanent industry committees.

Mr. ANDREWS. I think the act intends that they shall be permanent. Of course, if a member should get out of the industry or change his industry, somebody would have to step into his place. But I hope that these industry committees will do much more than just recommend minimum wages. I hope that because of their knowledge of the industry they will be able to recommend administrative rules and regulations to guide us in enforcement.

Mr. BELL. I can support most wholeheartedly the statement made by Mrs. Beyer. I trust I was not misunderstood when I spoke a few minutes ago about classification. I was chiefly concerned about the young people.

I trust I may not be considered presumptuous, coming as I do from a far distance and a comparatively small field, when I say that my suggestion would be to keep away from differentials. The simpler you can make the orders, the more you will be able to enforce them. If you attempt to make orders fixing a series of rates for different classifications, you will have confusion indeed. That has been our experience in the field in which I have worked.

I can certainly support Mr. Andrews also when he says that the minimum wage does not become the maximum. If you fix a sound foundation, you can very well leave the higher structures to be looked after by mutual arrangement and negotiation. I think that is a sound principle upon which to proceed. It is a principle that we have tried to follow and have found very successful.

Mr. CHAPMAN (Ohio). I should like to know whether or not it will be necessary for State legislatures to enact legislation in order to help cooperation between the Federal and State departments of labor.

Mr. ANDREWS. Possibly Mrs. Beyer knows more about that than I do at the present time. There is to be a meeting on the 12th of this month in Washington to discuss that very subject. In New York State it will not be necessary to pass any legislation at all. We help out in the Walsh-Healey Act, as possibly you do in Ohio.

Mr. KROGSTAD. Have you under consideration, Mr. Andrews, the preparation of a letter to all labor commissioners advising them just what information you will require to aid you in administering this law?

Mr. ANDREWS. I am afraid that you will receive a great many of those. I know you are anxious to know a great many things, and we are trying our very best to tell you as quickly as possible.

Mrs. BEYER. In connection with the question raised a little while ago regarding State legislation, the greater number of the States, I believe, would be able to accept Federal funds as long as they do not require State matching, but there are others where that would require legislation. Might it not be well to draw up a very simple draft of what type of legislation might be necessary in the States, so that they will have something to work on in preparing their own legislation?

Mr. ANDREWS. I think that would be fine.

Mr. NYMAN. With further reference to differentials, how do minimum-wage laws function with respect to differentials within a State, between States, or between geographical sections of the country? I can see where it might be desirable for different minimum wages for different geographical sections, but I find it difficult to see why there should be different minimum wages in rural or urban sections within a State.

Mr. ANDREWS. I should like to have Miss Papert, who is in charge of minimum wages in New York, speak on that.

Miss PAPERT (New York). We had two minimum-wage laws in New York State. Under our first law, in 1933, which was not based on cost of living but upon fair value, differentials were established on the presumption that the cost of living was less in smaller communities. Under the second law, where the cost of living was one of the factors that each wage board had to consider, the New York Department of Labor made a study of the cost of living in communities of various sizes in New York State. These communities ranged in size from 10,000 population up to New York City with

7,000,000. I have here some of the figures on the results of that survey, made in September 1937. We are now planning to reprice that budget. Before I give the figures, let me make this clear: In pricing our cost of living, we took the same standard of living for each community. We priced in each community goods of the same quality, food of the same quality, clothing of the same quality. Certain standards of adequate housing were set up by consultation with experts. We found that while the cost of living varies to some extent by size of community, it is not necessarily less in the smaller communities.

In communities of 10,000 to 25,000 population, for a woman living alone—for the same standard of living, I want to emphasize that—the cost was \$1,228. In communities of 50,000 and under 100,000 population it was \$1,188; in other words, it was less. In New York City the cost was \$1,192, so that while the cost in New York City was slightly more than in cities of 50,000 to 100,000 population, it was less than in cities of 10,000 to 25,000. In other words, when you talk to people who live in smaller communities and they tell you they can get a good house for \$25 a month, they are very likely to forget that, as compared with a city dwelling, they have to provide their fuel and have certain other expenses that a city dweller has included in his rent bill. Our studies show very definitely that cost of living does not necessarily vary according to the size of the community.

Mr. ANDREWS. May I say further that the act as passed by Congress does not give us much choice as to saying whether there shall be one minimum for all the country, because it says that we must take into consideration such items as the cost of living, the cost of transportation, the cost of comparable labor in the locality, and so forth. Whether we believe in it or not, that is the way the act is, and it is from that basis that the industry committees must work in establishing rates.

Mr. MORTON (Virginia). I want to assure Mr. Andrews and Mr. Fletcher that it is the disposition of my department to cooperate 100 percent, just as far as is humanly possible under our laws, and at the same time to tell you that the appropriation in Virginia for enforcing State laws is far insufficient. While we want to cooperate with you and while I am very much pleased with the expression of Mr. Andrews' desire for our cooperation, I am fearful of duplication that might develop in the event the administrator appoints separate inspectors. I do not know just how much is going to be expected of the department in Virginia; I am here to get instructions and to learn what is expected.

We are very proud of our hours law in Virginia and had thought it was going a long way to help reduce hours for women in industry, and we still think so, but because of its exemptions, the benefits expected have been reduced.

There is one other thought to which I want to call attention. The statement has been made that there was a scarcity of carpenters. As evidence, the fact was cited that the average age is 10 years higher than it was 5 years ago. That might be true in Virginia also, and there is a reason for it. I want to say, first, there is very little shortage of trained workers in Virginia except as to those employers who are not willing to meet the scale. You often see in the paper that some employer says he cannot get mechanics. Generally, he could get them if he were willing to pay a fair rate. The reason for the average age being higher is that mechanics are unwilling to put their sons into a trade in which they cannot find regular employment at a living wage.

In connection with the apprentice report, I do not believe there is any need for providing for a great number of apprentices, but rather to provide for better training of those who are already in the industry and those who might come in.

Mr. DURKIN. Where the different States have minimum-wage laws and wages have been fixed and orders are in effect, and such orders call for a higher minimum than 25 cents, what steps are necessary in order to raise the minimum in that particular industry and how soon can it be done?

Mr. ANDREWS. Do you mean, Mr. Durkin, where you have a minimum higher than 25 cents and you want to go still higher, say, 35 cents?

Mr. DURKIN. No; where you want the State minimum for that industry to be set up throughout the country. How can the rest of the country be brought up to the level of the wages set as the minimum for the State?

Mr. ANDREWS. If the business was in interstate commerce and you found it necessary to establish a minimum wage in your own State, it would be natural for the national administration to tackle that industry as one of the first industries to be considered. Thus you would have relief from competition in local areas by the Federal act going into effect and establishing a rate higher than 25 cents.

Mr. DURKIN. Will it be necessary for the employers to take the initial step in order to raise the rate or for the State to make it known to you? For instance, in Illinois in the cotton-garment industry, in the manufacture of house dresses, ladies' aprons, and the like, we have a 39-cent minimum. Our companies are competing with like companies throughout the country. They may feel, because

other companies in the same industry are permitted to pay 25 cents, that they will be at a disadvantage in competition. Will it be necessary for the employer to call that to your attention, or should the State representatives who have the enforcement of such an act under their control?

Mr. ANDREWS. The act does not require that attention be brought to any particular industry, but it is not at all inappropriate for either labor or industry to ask us to hasten the appointment of an industry committee for certain industries.

Mr. DURKIN. Dr. Patton, do you have anything to say or any questions to ask?

Dr. PATTON (New York). British Columbia experience has indicated cost of living to be a nebulous basis upon which to determine minimum wages. Mr. Bell has had a good deal of experience in the determination of minimum wages, and has given consideration to the cost-of-living factor. We would appreciate a further statement from him.

Mr. BELL. I may say that in dealing with that nebulous subject, we may sit up, burn the midnight oil, devise and design the most perfect form of law that we can possibly conceive, but when we start to put it into operation and administer it, we will find that after all our best guide is our own common sense.

We started out in British Columbia in 1934, with our new and revised labor legislation, to improve conditions for the workers as far as we possibly could. When we made the original minimum-wage orders, certain employees came to me and questioned the rates that we had fixed on the basis of the cost of living. When we started out, the wages were very low in our sawmill industry, which was the first industry with which we dealt. As the result of years of depression, wages had come down considerably, and it was no uncommon thing to find wages as low as 25, 27 or 28 cents an hour for full-time male workers in sawmills. The first order we made was for 35 cents an hour, and some of these workers came to me and said: "What do you mean by fixing a minimum wage of 35 cents an hour? Do you expect a man to live on that? What about the cost of living?" I said, "What is the cost of living?" "Well," they said, "take the Labor Gazette." I said: "Never mind the Labor Gazette. Let's get down to facts. How much were you getting before we put this order into effect?" "Twenty-three cents an hour." "And you are alive?" I said. "Yes; if we weren't we wouldn't be here." "Well," I said, "you must have been living, if you are alive, on 23 cents an hour. Now we are going to give you 35 cents an hour. You will be able to live that much better, and in due course, if we can possibly manage it and conditions will warrant it, we will raise

it a little more. In the meantime, be on your way, brother, and don't talk to me about the cost of living."

MISS PAPERT. To take the cost of living undifferentiated is what a Supreme Court member called a "vague and nebulous standard," and, of course, the human race is pretty hardy. There are all kinds of cost-of-living budgets. There is the relief budget that the relief agencies set up. Those budgets are very low; we have consulted them. They are designed and intended only for people on subsistence levels. The purpose of our minimum-wage laws is to raise the level for low-wage groups.

We realize that the adequate standard that was set up is much higher than existing wage levels in New York State, but as far as the "nebulous" part of it is concerned, we tried in New York State to consult with all the authorities in the various fields. For instance, the Bureau of Home Economics has worked out scientific standards for food. There is a maintenance standard and there is a moderate standard and a very high standard. We consulted with food experts in New York State. When considering housing, which is one of the most difficult subjects, we had to take into account existing housing facilities. When our agents went around to price housing, one of the standards set up was that the dwelling should not have any rooms without windows. Another was that every family should have a private bath and toilet. You would be surprised to learn how many houses were eliminated because they did not meet these standards, not only in New York City but in a great many communities.

You can have any kind of cost of living. My cost of living and that of anybody else here would be very different. We are talking about a general level. You can have as many levels as people have incomes. That is no measure of how well they live, how adequately they live, and that, after all, it seems to me, is the basis of this whole question of minimum wages.

MR. LUBIN. In our discussion on minimum wages, this same question was raised, and I asked Mr. Bell about the criteria that they used in his Province in fixing minimum wages. I think one of the outstanding features of this law, which makes it different from any other law that has been passed by any of the States, for example, is the fact that the cost of living is only one of the factors involved. The law specifically says that the wage rate shall not be such as will cause unemployment, which means, I think, in simple terms, that the ability of the industry to pay must be taken into consideration and that the Administrator cannot approve any wage which might cause people to go out of business and cause workers to lose their jobs. Just how the Administrator is going to determine that is, of course, something that nobody knows. Miss Stitt has tried and

found it next to impossible to tell how much an employer can afford to pay. That factor has to be borne in mind, however, and it is a factor over which the Administrator has no control.

There is another factor in the situation which has to be considered, namely, the ability of the employer to get into the market, or freight rates, and you in the South know what that problem is. For almost 50 years now the United Mine Workers, in their agreements with employers, have made specific provision for differentials based not only upon the quality of the coal but on freight rates as well. A mine that happens to be so located that it cannot sell its coal in competition with another, because of the higher freight rate, is permitted to pay a lower wage rate than its competitor.

I think that the whole concept of differentials has to be clarified. The purpose of differentials, as I understand the law, is not to give anybody an advantage over anybody else, but to make it possible for people to stay in business and for employees to keep at work. In other words, if the wage rate fixed by a board in one plant is going to be lower than in another, it is going to be so only because that wage rate will permit that plant to stay in business and not give it an advantage over somebody else. The idea is not to say: "We will give you a lower rate so you can get business away from the other fellow." The idea is: "We will give you a lower rate so you can stay in business, with labor costs and freight costs and other costs which will make it possible for you to compete on terms of equality with some other firm."

I think that the whole question of the cost of living has been overemphasized, because it is only one of a dozen factors that must be taken into consideration by these wage boards. I think further that these wage boards, being made up as they are of an equal number of representatives of employers, employees, and the public, will be in a position to thrash out all of these problems, and under the powers given the Administrator, he will be able, before approving a recommendation from any of these boards, to check up, if he wants to, the books of employers to be sure that by giving an employer a lower wage rate he is not giving him an advantage over his competitor.

Minimum Wages, October 1, 1937, to September 1, 1938

Report of Committee on Minimum Wages, by LOUISE STITT (United States Department of Labor), Chairman

A year ago the minimum-wage committee of the International Association of Governmental Labor Officials reported greater progress in the field of minimum wages than had been made in any other year since 1923 when the United States Supreme Court declared the District of Columbia law unconstitutional. On March 29, 1937, the Supreme Court upheld the constitutionality of the minimum-wage law of Washington and reversed its decision in the District of Columbia case. This new ruling was the signal for State activity. Four new laws were passed in 1937; two States received appropriations for the first time for the enforcement of existing laws. The laws of two States, the District of Columbia, and Puerto Rico, which had previously been held unconstitutional were in 1937 declared valid by rulings of the attorneys general. At the time of our last meeting 22 States and the District of Columbia and Puerto Rico had minimum-wage laws.

Minimum-Wage Developments in 1938

As bright as the record was for 1937, that of 1938 overshadows that of any previous year, for on June 25, 1938, the President of the United States signed the Federal Fair Labor Standards Act, which provides for minimum wages and maximum hours for both men and women working in interstate commerce throughout the United States. This is without question the most important piece of minimum-wage legislation enacted in the history of the United States and probably the most far-reaching legislation of its kind in the world.

The States, too, have made progress during the year. In spite of the fact that this was a nonlegislative year, the legislatures of only 5 States which had not previously enacted minimum-wage laws being in regular session, the number of State laws increased from 22 to 25. The most significant thing about these new laws is that 2 of them were enacted by Southern States—Kentucky and Louisiana. Kansas was added to the list of minimum-wage States through a decision of the attorney general of that State, who ruled that the Kansas law which had been declared unconstitutional in 1925 is now valid.

The extent to which the States have increased the protection of minimum-wage legislation for woman workers during the past year is better indicated by the number of new State minimum-wage orders issued during the year than by the number of new laws which have been passed. Twenty-five new wage orders, bringing the benefits

of minimum-wage laws for the first time to approximately 90,000 women, have been issued by 10 States and the District of Columbia since September 1937. In addition to these new orders, Massachusetts and Minnesota revised earlier orders raising the rates for more than 100,000 women.

Cost-of-Living Studies

A very important part of the work of State minimum-wage departments during the past year has been the making of investigations to determine the cost of living of employed women. In 1923 the United States Supreme Court held it unconstitutional to require an employer to pay a woman a living wage irrespective of the value of the services which she rendered. Out of deference to this dictum of the Court, several States, which passed minimum-wage laws during the depression, required that the wage should equal the value of the services rendered, but put little emphasis on cost of living. The legality of the cost-of-living principle was reestablished when the Supreme Court found the Washington law which incorporates that principle constitutional.

Several of the minimum-wage States set about immediately to determine what it costs a self-supporting woman to live at a socially acceptable standard. Some of the States, such as New York, Pennsylvania, Colorado, and Arizona, have made very extensive and scientific investigations. The amounts which have been thus determined so far range from \$975 a year or \$18.77 a week in Colorado, to \$1,192.46 a year or \$22.93 a week in New York. These data have furnished valuable guides to those wage boards which are endeavoring to establish fair minimum wages, and will go far to refute any contention which may be made in court that minimum wages have been set unreasonably high.

Guaranteed Weekly Wages

A new principle has been established by some of the wage orders issued in 1938. It is that of the guaranteed minimum weekly wage. The laundry wage board of New York took the lead in this new movement. It found that the irregularity of work in the laundry industry affected unfavorably the earnings of the workers as well as the prosperity of the industry. Therefore, it recommended that a weekly wage be paid workers irrespective of the number of hours worked. The hope was that this provision would have the twofold result of assuring the workers of a certain amount each week upon which they could base their expenditures, and serve as an incentive to employers to regularize their work and thereby stabilize employment.

Since the beginning of the year four States—Colorado, Connecticut, Minnesota, and New York—and the District of Columbia have incorporated the principle of the guaranteed weekly wage, sometimes in a modified form, in wage orders or recommendations. In some orders the same wage must be paid for all hours of work up to 40, in others hours from 17 to 44, or from 25 to 45, entitle the workers to a full week's wage. In the remaining orders the spread of hours is not so great. It is going to be extremely interesting to watch the effects of this innovation upon the regularity and amount of employment and upon the welfare of the workers.

Minimum-Wage Cases

Although the United States Supreme Court has declared State minimum-wage legislation for women constitutional, persons unfriendly to this type of legislation have not abandoned resort to the courts as a means of invalidating or rendering ineffective such laws. At the present time 3 States are involved in minimum-wage litigation—Minnesota, Oklahoma, and Utah. Because of the futility of challenging the constitutionality of minimum-wage laws for women in relation to the Federal Constitution since the Supreme Court's decision in the Washington case, there seems to be a tendency on the part of employers either to attack the administrative procedure followed by the State in establishing wage orders and to petition the courts to enjoin the State against the enforcement of such orders, as in the case of Minnesota, or to claim the incompatibility of the law with the State constitution as was done in Utah. Although the Oklahoma case hinges largely upon the question of the constitutional right of the State to fix minimum wages for men, 9 of the 10 counts against the State pertained to matters of administrative procedure.

Probably one of the most important responsibilities of minimum-wage administrators at the present time is to safeguard the gains which have been made in legislation by scrupulous observance of accepted techniques in administration. Wage surveys, cost-of-living studies, democratic wage-board deliberations, public hearings, are all time-consuming and expensive. But if public confidence in administrative government is to be developed, court cases avoided, and when unavoidable won by the State, action must be based upon scientific investigation and finding of fact, and no detail of democratic procedure must be ignored.

A committee appointed by the Seventh Minimum Wage Conference last fall to canvass the possibilities of reducing the amount of work involved in preparing wage reports and cost-of-living studies for

minimum-wages purposes suggested some short cuts, but strongly recommended that States relinquish not one whit their zeal in preparing such reports. Such studies, to quote from the committee report, must be "sufficiently detailed to serve as court evidence in case a wage order should be challenged on the ground that its provisions were not based upon findings of fact."

The Relation of State Minimum-Wage Laws to the Federal Fair Labor Standards Act

As has been said before in this report the passage of the Federal Fair Labor Standards Act is the most important single event in the history of minimum-wage legislation. It is important from the point of view of this conference, not only because of the great benefits which it promises millions of workers in the United States but because of the many questions which it raises which this conference may want seriously to consider and discuss.

Naturally, one of the first questions asked by State minimum-wage administrators after the passage of the act was: "What is the relation of the new Federal Fair Labor Standards Act to our State minimum-wage laws?" The Federal act itself furnishes a partial answer to this question. However, except for a few conditions set down in the act, the relationship between the Federal Government and the States must be a matter of policy, which will require thorough discussion and careful development.

The first point concerning the relationship of Federal and State laws which is clear from the act itself is that the Federal law does not cover strictly intrastate industries. Therefore, there is no doubt about the responsibility of the States for establishing minimum wages for workers in these industries. In the second place, the Federal law does not prohibit States from establishing minimum wages for interstate industries. Section 18 specifically states that "no provision of this Act or of any order thereunder shall excuse noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the minimum wage established under the Act or a maximum workweek lower than the maximum workweek established under this Act, * * *." As the Federal act applies only to interstate industries, it is clear that there could be conflict between Federal and State rates only in interstate industries, and that section 18 recognizes the right of States to establish rates in those industries. The third point regarding Federal and State relationship, authority for which is also to be found in that portion of section 18 just quoted, is that States may establish higher rates for employees engaged in interstate commerce than those established by

the Federal Government. Participation of State labor departments in carrying out the provisions of the Federal act is also provided for in the Fair Labor Standards Act. The extent to which the Administrator of the Federal law will utilize the facilities of State labor departments is, of course, a matter of policy.

A question which will require careful consideration in this matter of relationship is the policy to be followed by the States in the immediate future in exercising their right to establish minimum wages for manufacturing industries. State minimum-wage administrators have long realized the delicacy of the problem of establishing State minimum wages in industries which cross State lines and the care that must be taken not to disturb the fine balance of interstate competition. It was awareness of this problem which led the Seventh Annual Minimum Wage Conference last fall to recommend that a committee be appointed to suggest a policy to be followed by the States in establishing minimum wages for manufacturing industries. The committee thus appointed recommended that the conference method be used by States contemplating issuing wage orders for the same manufacturing industry. It was hoped that informal discussions on the part of State administrators previous to calling wage boards might help in establishing standards by the States sufficiently uniform to prevent unfair interstate competition. This recommendation of the committee has been carried out in the case of the candy industry. A conference was held of administrators of minimum-wage States in which the candy industry is important. Wages paid by the industry in those States were compared, the general characteristics of the industry discussed, and serious consideration given to the standards which should be established by each State in order to secure the greatest benefits for all. It may be highly desirable for the States to continue with this procedure, even under the new Federal law, in industries which are concentrated in a few States most or all of which have minimum-wage laws.

Future State Minimum-Wage Legislation

It is earnestly to be hoped that the States will as rapidly as possible take steps to provide the benefits of minimum-wage legislation for the millions of workers who are yet unprotected by either Federal or State laws in spite of all the progress we have made. Twenty-three States are yet without any type of minimum-wage legislation. The legislatures of 21 of these meet in regular session during the coming year. What a wonderful thing it would be if

each of these should pass this winter a minimum-wage law for its State.

Since the passage of the Federal Fair Labor Standards Act, the question of the type of minimum-wage bill which State legislators will want to introduce into their legislatures this coming winter becomes a more complex one. In the past all minimum-wage laws, except that of Oklahoma, have applied only to women and minors, and have been for the most part similar to the Washington law recently upheld by the United States Supreme Court, or modeled after the standard bill drafted by the counsel of the National Consumers League.

This year some of the States probably will consider the advisability of enacting State legislation following the pattern of the Federal act. The advantages of legislation similar to the Fair Labor Standards Act which appeal so strongly to most of us are the wide coverage, including men as well as women, the inclusiveness of the industrial conditions which it regulates, wages, hours, and child labor, and the establishment of an immediate minimum wage through the flat-rate provision.

To those who have worked and hoped for years for the passage by 48 States of hour and minimum-wage laws and the prohibition of child labor, the extent of the gains secured by this single piece of Federal legislation seems indeed near to miraculous. There is little doubt that within the near future, with the impetus given by this new law to labor legislation in this country, every State will have enacted legislation to supplement the Federal law for the control of long hours, low wages, and the unwholesome employment of child labor.

In deciding what form State wage and hour legislation shall take in the immediate future, the important thing to consider is, of course, not only how rapidly the benefits of wage and hour legislation can be extended, but how permanent the gains can be made, as well as how best the substantial ground which has already been won through 30 years of slow and painful struggle can be preserved.

With the hope that fruitful discussion of this matter may follow, I should like to suggest a few points which States considering the introduction of fair labor standards acts into their legislatures next winter may wish to consider.

First, it must be remembered that the new law, in spite of all its apparent assets, is as yet untried. The strength and weaknesses of any piece of legislation are revealed only through experience in administering it. A year under the expert administration of the newly appointed Administrator of the Federal Fair Labor Standards Act

will disclose the extent to which the new law is workable and the modifications which may be necessary to make it completely effective. Some States may consider it economical to let the Federal Government, with its great resources, be the laboratory for 1 year and do the necessary experimenting with this new type of legislation.

A second point, which constantly rises to plague us, is that the constitutionality of a minimum-wage law which covers men has not yet been determined. We all feel more hopeful today than ever before that the courts will uphold this type of legislation. We all probably welcome a case which will remove the uncertainty in the matter forever. However, States which have passed minimum-wage laws, the constitutionality of which has been established, almost certainly will be unwilling to risk what they have gained by substituting a fair labor standards act for their present minimum-wage law, or by amending it to conform with the Federal act until the constitutionality of that type of law has been thoroughly established. Minimum-wage States which feel that they are ready to extend the benefits of minimum-wage legislation to men may prefer to do this by passing supplementary legislation, allowing their present laws for women to remain unchanged for the time being.

It has been suggested that the passage by a substantial number of States of fair labor standards acts may have a salutary effect upon the courts. The existence of a considerable number of such State laws, it is argued, may convince the judges that the principles involved are the expression of the will of the people, and may curb any natural tendency to find this type of legislation, either Federal or State, unconstitutional. That might prove to be the case. However, States now without minimum-wage legislation, which want to be assured that their venture into this field will bring permanent results, may be able to take advantage of present sentiment favorable to minimum-wage legislation and pass both the fair labor standards bill and the standard minimum-wage bill for women and minors. Then, if our hopes for favorable court decisions in respect to the first bill are not realized, the protection for women so urgently required will, nevertheless, remain. Even though the constitutionality of the Federal Fair Labor Standards Act should go unquestioned or be quickly established, the presence of the two laws on the statute books could do no harm.

Of course, the fact cannot be overlooked that the very inclusiveness, both as to coverage and the variety of problems regulated, which so strongly recommends the Federal act to us, may increase the difficulty of securing passage by some of the more conservative States. When such is the case, and legislators in such States show a disposition to enact a simple minimum-wage law, they most cer-

tainly should be encouraged to do so. A half a loaf is infinitely better than no loaf at all.

States which are considering the fair labor standards type of law will doubtless weigh the advantages and disadvantages of the flat-rate provision. The advantage of establishing immediately for all workers a floor to wages is a very great one. The danger is that the rates fixed in the laws by the States may be so low that few workers will be affected by them. State legislators, realizing that for all practical purposes they are fixing wages for the service industries, might be tempted to set a rate even lower than the 25 cents established by the Federal act for manufacturing. The provision for industry committees to raise the wage above the basic rate may not altogether counteract the effects of the low flat rate. All State minimum-wage administrators who had any experience in establishing minimum wages during or immediately after the N. R. A. codes, remember how divinely right and just the code rates became in the minds of employers, and how difficult it was to persuade them when serving on wage boards to cast their vote for minimum wages in excess of these amounts.

Another point which States must consider in connection with the flat rate is the enormous task of enforcing at one time a minimum wage upon all employers covered by the act. Funds must be provided at the outset for a staff of inspectors sufficiently large to cover all the industries in the State, and all the members of such a staff must be trained at the same time. Laws which provide for the establishment of wages industry by industry, without regard to a basic rate fixed in the law itself, permit of the development of staff and techniques gradually as the application of the law is extended to additional industries. All of these matters require careful consideration by those responsible for drafting State labor legislation. Each State, of course, must analyze its own needs, its own resources, and, as far as possible, predict the attitude of its own courts toward labor legislation; then, no doubt, it will adopt those principles and draft them into a law which seems best designed to serve the welfare of its citizens.

Minimum-Wage Regulation in Canada

By MRS. REX EATON, British Columbia Department of Labor

[Read by Adam Bell, Deputy Minister of Labor of British Columbia]

Since the last meeting of the International Association of Governmental Labor Officials, there have been no new minimum-wage statutes enacted in Canada except amending acts in Alberta and Manitoba, but under the Quebec and Ontario statutes of 1937 applying

to both males and females the first orders have been made and in Alberta the first regulations have been issued under the Male Minimum Wage Act, 1936.

In summary, it may be stated that minimum-wage orders have been in force for some years for female workers in most classes of industrial and commercial establishments in all the Provinces but New Brunswick and Prince Edward Island. At the present time there is legislation applying to both sexes in all Provinces but Prince Edward Island and Nova Scotia. In New Brunswick the Fair Wage Board may fix minimum wages and maximum hours in any trade or industry, but the existing orders relate only to particular establishments.

The application of minimum-wage orders to male workers has hardly passed the experimental stage except in British Columbia. In that Province minimum rates have been gradually established since 1934 in several industries or occupations, including logging, woodworking, construction, shipbuilding, fruits and vegetables, baking, road transport, and retail and wholesale trade. In Saskatchewan and Manitoba, the same orders apply to both males and females. In Alberta, one order fixes minimum rates for all male workers except in agriculture or domestic service, but sawmilling and kindred industries in rural districts are exempt and special rates apply to these industries.

In Quebec, a new order under the act of 1937 applies to both male and female workers in most classes of employment except in rural districts, where the earlier orders relating to females in commercial and industrial establishments are still in effect. Under the Quebec order the same rates apply to women and men.

In Ontario, only one order has been made, applying to male as well as female workers in the textile industry and the rates vary with the sex of the worker.

In Alberta, Ontario, and Saskatchewan there are statutes called industrial standards acts which enable the government to give legal effect to a schedule of wages and hours agreed upon at a conference of representatives of employers and employed in any trade or industry. The conference is called and presided over by a Government officer. A similar act in Nova Scotia applies only to the building trades in two towns. The Collective Labor Agreements Act in Quebec is a collective-bargaining measure enabling the government to make legally binding on all in the industry the wages, hours, and apprenticeship conditions of a collective agreement between an employer or employers and a trade-union or unions or group of employees.

In Manitoba, a 1916 act providing for fair wages on Provincial government works was amended in 1934 to bring private construction of over \$100 value in towns of more than 2,000 people within the act and to enable the government to apply the act to such works in any part of the Province. In 1938, the act was extended further to enable minimum wages and maximum hours to be fixed in barber shops, beauty parlors, in printing, engraving, and dry cleaning, and in any other industry which the government may bring under the act. The procedure for arriving at the wages and hours to be fixed in these industries is similar to that under the industrial standards acts in other Provinces. No regulations have yet been made under this legislation.

Dealing now in detail with the minimum-wage orders issued during the last year, the Alberta male minimum-wage order, which does not apply to persons governed by the industrial standards acts or to casual workers employed otherwise than for the purpose of the employer's business, fixes minimum hourly rates according to age and experience. For persons employed by the week or longer period, the minimum is 21 cents for a minor with less than 2 years' experience and 33½ cents for a man over 21 with 1 year's experience or one under 21 with 2 years' experience. For men employed by the hour or day, the hourly rates vary from 23 cents for a minor with less than 2 years' experience to 40 cents for an adult with 1 year's experience or a minor with 2 years' experience. Special orders fix other rates for persons employed in sawmills, box factories, and woodworking plants in rural districts more than 10 miles from a town or village of less than 1,000 population.

Under the Alberta Minimum Wage Act applying to women, the orders in effect since 1925 have been revised, but the minimum weekly rates remain the same and apply to a 48-hour week, but regular full-time employees may not be paid less than for a 40-hour week. In factories, laundries, restaurants, and shops, the minimum is \$12.50. In offices, beauty parlors, theaters, garages, gasoline stations, and for elevator operators and in telephone exchanges in towns of 600 or more, the minimum is \$14. Lower rates apply to inexperienced workers. If overtime is worked in excess of 1 hour a day or in excess of 48 hours a week, time and a half must be paid.

In Saskatchewan, too, minimum-wage orders were revised during the year, the rates remaining about the same for experienced workers, those for inexperienced employees being slightly higher in some cases. Dance halls and theaters are covered for the first time. The minimum rates vary from \$14 in shops, \$13 in factories, barber shops, and beauty parlors, to \$12 in theaters, and apply to all hours

worked in excess of 43 in a week. Slightly higher rates are fixed for part-time and overtime work.

In Quebec, a general order effective until March 31, 1939, fixes minimum rates for persons employed in cities and towns in commercial and industrial establishments, motor transport, garages, hotels, restaurants, and hospitals. Minimum rates are also established for teachers and persons employed by municipal or other corporations. The order provides for a weekly rest day or its equivalent. In industrial and commercial establishments, rates are fixed on an hourly, monthly, and yearly basis, the highest weekly rate being \$12.50 for 48 hours, \$14 for a 54-hour week, and \$15.75 for a 60-hour week. These rates apply to the city of Montreal and must be paid to at least 60 percent of the employees. Not more than 25 percent of the workers may be paid about \$2 less a week and not more than 15 percent, a still lower rate. The Province is divided into four zones for the purpose of the order, of which Montreal is one. Lower minima are fixed for each of the other zones. Female workers in Quebec may not be employed more than 55 hours a week in a factory or 60 hours in a shop except in emergencies. Overtime beyond the hours to which the rates apply must, in most cases, be paid for at the rate of time and a half.

In addition to the general order, later orders in Quebec apply to the silk and cotton industry and to certain other classes of workers in some places where there had been disputes as to wages. The Quebec Fair Wage Act provides for joint "conciliation committees" which are to report to the Fair Wage Board their conclusions concerning wages, hours, and the employment of juveniles.

In Ontario, the only order made under the Minimum Wage Act, 1937, applies to both men and women in the textile industry. Under this order, the minimum weekly rate for adult males is \$16, for adult females, \$12.50. The latter rate is in line with the minimum-wage order for women in factories in Ontario that has been in effect for some years. Lower rates are fixed for boys and girls. The rates apply to a 48-hour week in cities of over 50,000, to a 50-hour week in cities between 10,000 and 50,000, and to a 54-hour week in smaller places. For the first 2 hours in excess of the regular daily hours, one-fortieth of the weekly wage must be paid. For any additional overtime, payment must be made at the rate of time and one-half.

Discussion

MR. LUBIN. There are one or two questions that are of significance to which I personally should like answers and in which I think others might be interested.

I notice that in Miss Stitt's report nothing was said about the question of differentials, whereas in the report that was read by Mr. Bell there was evidence of a large number of differentials in Canada. There are problems, first, of differentials by sex and, secondly, of differentials by zones within a given State.

The Federal law permits wage differentials not only geographically, in the sense that each city may theoretically have different rates, but, as some people interpret the Federal law, those differentials can be almost unlimited in number. The significant thing in the Canadian report was the differentials in hours as well. I think a good case might be made for wage-rate differentials if the cost of living is emphasized. But when you come to the question of hours, it seems indefensible that you should permit longer hours in one city than in another, and that you should permit differentials in hours on the basis of size of community.

I should like both Miss Stitt and Mr. Bell to give us some information as to how far the States ought to go on this whole question of State differentials.

MISS STITT (Washington, D. C.). You are asking a very difficult question, Mr. Lubin. All I can say is that our minimum-wage conferences have tried as far as possible to discourage differentials. To get a scientific basis for making differentials in wages is extremely difficult. Some of the States have been making very scientific cost-of-living studies, and have found almost no difference in the cost of living in various parts of the State or in communities of various sizes, in spite of the fact that they have priced with the utmost care. New York found that even though there was some slight difference in the cost of living, it was somewhat higher in some of the smaller places than in New York City itself; so that there seemed, on the basis of that, no justification from the cost-of-living point of view to establish differentials. People have come to think that, because wages and standards of living are lower in small communities, the cost of living is lower, and therefore the minimum wage set should be lower and thus perpetuate differentials that have become established by custom. But the tendency, based on scientific cost-of-living studies, is away from that rather than toward it.

MR. BELL (British Columbia). In answer to Mr. Lubin's question on this very important problem of differentials, I may say that in Canada it is, to a large extent, something that we have inherited. There are, of course, different kinds of differentials. We have, for example, the differentials that exist between different Provinces. In some Provinces there is a difference in the rates fixed in certain zones as compared with certain other zones within the same Prov-

ince, the rates being governed sometimes by population of certain localities. Then in other Provinces we have very few differentials.

The differentials between the different Provinces, as I say, have to a large extent been inherited. Some Provinces started out on their minimum-wage legislation ahead of others. I think it may safely be said that the tendency is for wages to be higher in the West than in the East, and when the Provinces started to fix minimum wages for women we found that higher rates were fixed in British Columbia, Saskatchewan, and Manitoba than were fixed in Ontario and Quebec. The difference was not very great, but it was there.

In Quebec and Ontario, the general practice is to fix higher rates in the larger cities, such as Montreal and Toronto, and lower rates in the rural districts. We have not followed that plan in British Columbia, and while we have not followed it, it is not because we have not considered it. But here again we have a different problem, you might say, in British Columbia as compared with Ontario and Quebec. Our basic industries in British Columbia are mining, lumbering, fishing, and fruit growing, which is a part of agriculture. In our lumbering industry we find that some of our biggest sawmills are in the sparsely populated districts. In the larger urban centers, such as Vancouver, we have sawmills too, of course, but some of the biggest sawmills in the Province are in comparatively small towns. So that we would not be following a sound procedure, so far as British Columbia is concerned, if we tried to fix a higher rate for more populous centers, when our biggest industries are quite often in the rural districts.

The same thing applies to our fruit and vegetable industry. However, I notice that Ontario and Quebec, in their fruit and vegetable industry, follow this principle of differentials. They have a higher rate for employees in the fruit and vegetable industry in the larger centers than they have for such employees in the rural areas. I do not know why they follow that plan or how they arrived at that decision. I wish that some of them might have been here today so that I could ask them that question, because their set-up must be quite different from ours. Our largest canneries are all in the areas where the fruit is grown, so that if we were to fix a higher rate for employees in the canneries in Vancouver than we did for employees in canneries in the areas where the fruit is grown and where the largest canneries are, we would be giving a very unfair advantage. We would be developing a very unfair situation, because the biggest part of the industry would enjoy the lowest rate.

That is about all I can say on this matter of differentials. In British Columbia we have tried to keep away from it on general

principles, apart from the fact that it would be economically unwise, and from the standpoint of minimum wages unfair, for us to do so. Some mention has been made of the cost of living. I find the cost of living a very uncertain and nebulous yardstick, and so far as our Province is concerned, the cost of living really is not a principal factor upon which we could base any variation of rates.

MISS PAPERT (New York). On the question of differentials, in connection with our wage boards we have found that employers in the areas which already have higher wage levels are quite anxious that those levels be maintained in all other areas with which they are competing. For example, the laundry employee in New York City, where the wage level is sometimes higher than it is outside of New York City, is very anxious that the same wage level apply to all competing areas; that is, areas from which laundry owners come into New York City for laundry work. The same tendency, I think, would be discernible in any other branch of service or manufacturing industries.

One reaction I had to Miss Stitt's report is, that where States have separate boards for each industry, there will be, judging from the reaction we have had since the passage of the Federal wage and hour bill, a very strong tendency to consider 40 cents an hour as the top beyond which wage boards may feel they should not go, especially in industries which have some interstate competition.

MR. LUBIN. I should like to ask a question as to whether, in discussing probable bills to be passed in the States, any consideration has been given to the productivity of labor, which is one of the criteria used in the Federal act. Apparently, the outstanding factor in State laws is cost of living. How about the other factors that have been mentioned in the Federal law?

MISS STITT. They have not been ignored by State administrators nor by the Women's Bureau nor by other agencies working in this field. The task has seemed to be beyond us; that is, the task of using productivity as a means of determining what the minimum wage shall be. The States have not yet felt that they have the technique for doing it, or that there is sufficient similarity in the actual jobs that men and women are doing to compare the actual productivity of a woman with that of a man on a job. Many of the industries for which minimum wages have been set are service industries, for which there is no piece rate, and therefore it is very difficult to measure productivity. If you are thinking about the net profits and that kind of thing, it is next to impossible to determine whether they have increased or decreased because of a minimum wage. Too many other factors have influenced profit and loss.

We have considered studying industries for which a minimum wage has been established and one for which a minimum has not been established to find out whether the minimum wage has driven firms out of business, or whether the profits have been higher in the one case than in the other, but the difficulty in getting records for long enough periods and records sufficiently comparable to enable us to make a comparison that would really be of any value in determining the effect of minimum wages has been insurmountable. We have not ignored the possibility, but we have been baffled by the impracticability of it.

Mr. BELL. I might say that our experience has been that the minima we have fixed for men have in the majority of cases been in a class of work in which women were not employed, as for example, in our sawmill industry, which I repeat is one of the most important industries in our Province. When we started out to fix a minimum wage for male employees in the sawmill industry, the question of female employees was not involved because there are no female employees working in the sawmills. In any industry where both sexes are employed, we have, I think, met the problem to a fairly satisfactory extent, in that we have a section in our female minimum-wage act which says that no male employee employed in or about the work usually done by a female shall be paid less than the legal minimum fixed for that female employee; so that at least keeps them on an equal minimum in any industry or occupation where both sexes are to any extent in competition.

Again reverting to the male minimum-wage question, our minimum in every case has been fixed on the principle of a minimum wage. For example, to refer again to our sawmill minimum wage, at the present time we have a minimum wage of 40 cents an hour. We started out with 35 cents and last year we raised it to 40 cents. That is the minimum for that industry. But it is by no means the common standard or the uniform wage in the industry, because it applies to what might be termed the lowest paid workers in the industry, or what is sometimes referred to as common labor. The more highly skilled employees, such as sawyers, edgermen, planer men, and I might mention 125 different others because there are that many different jobs in a sawmill, all get correspondingly higher wages, based on the 40 cents an hour that we have fixed.

Mr. LUBIN. May I ask why you raised the minimum from 35 to 40 cents; what were the criteria you used?

Mr. BELL. The industry became a little more prosperous.

Mr. LUBIN. The ability of the industry to pay had nothing to do with it?

Mr. BELL. It was based on the ability of the industry to pay. The market for British Columbia lumber in Great Britain was extended. Lumber prices went up a little bit, and we had very little difficulty in getting all employers to agree to the increase to 40 cents an hour that we were proposing. As a matter of fact, in some of the better equipped and more prosperous sawmills, they voluntarily raised their minimum to 50 cents an hour, although the legal minimum was 40 cents. But, as I have mentioned, it was to a large extent, if not entirely, based upon the ability of the industry to pay, in consideration of improved conditions in the industry.

Mr. ZIMMER (Washington, D. C.). I should like to ask one question. In Canada has any question been raised as to the jurisdiction of the Provinces in respect to control over wage-and-hour legislation?

Mr. BELL. There was, Mr. Zimmer, until that point was decided. In 1935 the Dominion Government of Canada passed a minimum-wage law, an hours-of-work law, and a one day's rest in seven law. Some of the Provinces contested these measures from the standpoint of legislative jurisdiction. In the meantime, the Government changed. The Government which passed these laws went out of office and a new Government came in—I am speaking of the Dominion Government now. The new Government referred these matters to the Supreme Court of Canada for a judicial opinion. The Supreme Court of Canada was almost equally divided in its ruling, so that the matter then went to the Privy Council of Great Britain, which is the highest court in the Empire. The decision of that court was that the Federal acts were unconstitutional in the light of the British North America Act, which is the constitution of Canada, and that legislation with respect to minimum wages and maximum hours of work was exclusively within the scope of the Provinces. That is the position from a legal standpoint at the present time.

Mr. ZIMMER. In looking over this report, I notice that some of the Provinces have laws covering road transportation. May they also reach out into railroad transportation?

Mr. BELL. No; the British North America Act has certain sections which place certain things exclusively within the jurisdiction of the Dominion, and inter-Provincial means of transportation is a Federal concern, not a Provincial one. Any Provincial act or order or regulation applied to road transportation would be applicable only to transportation systems within the confines of the Province.

Mr. ZIMMER. Has there been any challenge to any of these Provincial acts in respect to industries that may be strictly inter-Provincial?

Mr. BELL. Not to my knowledge. There has not been in British Columbia and I am not aware of any in any other Province.

I should like to ask Miss Papert from New York about the experience of New York with regard to laundries. We have followed the principle—in fact, all the Provinces in Canada have tried to follow the principle—of a weekly guaranty for workers. The matter of part-time employment was becoming such a serious affair and was making such inroads into our minimum standards that something had to be done about it. Some Provinces have fixed a minimum weekly wage. Others, such as British Columbia, have fixed a higher rate for part-time workers. Generally speaking, we have tackled the problem in Canada either from the one angle or the other.

Some reference was made to the laundry industry, and I am particularly interested in that because I understood from the paper that was read that in New York they had fixed a minimum weekly wage for laundry workers. We have not yet reached the point of fixing a higher hourly rate for part-time workers in laundries, because in the discussions we have had with employers in that particular industry, they argued that there were certain conditions peculiar to that industry at the present that were not to be found in other industries and which made them unable to pay a higher rate. They spoke, for example, of the downward trend in the whole laundry business. They attributed that to a large extent to new methods of handling domestic laundry, the almost universal use of the electric washing machine in the home, and matters of that kind. I am interested to know if you had any reaction of that sort in New York.

MISS PAPERT. We have had arguments similar to that; for example, the contention that every home would be a competitor. That is what we were told. But we must remember that in the large cities the electric washing machine takes up a lot of space, so that the housewife in the large city is not so apt to own a washing machine as is the housewife in a smaller town.

In the laundries we have a guaranteed weekly rate for power laundries for the places that do the washing and ironing, and also for the supply plants and the wholesale plants. I do not know whether you have both power and hand laundries in your State. We have them largely only in New York City. The hand laundry sends its work out to a power laundry; that is, to a laundry that washes the clothes. Then the clothes are sent back to the hand laundry for hand finishing. The hand laundry sometimes also does the flat work.

Hand laundries that regularly employ fewer than three women full time may employ part-time workers. In larger hand laundries and in power laundries we have no part-time provision. The part-time provision may apply to one male minor—that is, the delivery boy—and to one extra woman worker, when the laundries have extra work during the week that they do not anticipate. Laundries using part-

time workers must pay them at the rate of 40 cents an hour, and must guarantee the regular woman workers \$16 a week. In New York City the guaranty for all other laundries is \$14 a week or at the rate of 35 cents an hour.

In beauty shops we also have a guaranteed workweek, but there we have the combination of a higher part-time rate plus a guaranteed weekly wage. The higher part-time rate is on a daily basis, to take care of the week-end work.

Social Security

Problems of Administration in the Field of Social Security

By A. J. ALTMAYER, *Chairman of the Social Security Board*

I feel very much at home to be participating in a gathering such as this. I see about me the familiar faces of veterans who have labored for many years in the field of labor-law administration. May I suggest that we belong to a rather select group; that is, a group that understands that there are such things as problems of administration, which is the subject I have been asked to discuss. Most of the people of this country have given no more thought to administration than they have given to breathing, and they take it just as much for granted. In other words, while everyone is affected by the results of good or bad administration, no one except those of us charged with the duty of administration really give any thought to it or have any realization of its importance.

As a former great teacher of mine was in the habit of saying, "Administration really is legislation in action." A law itself is a dead thing. Life can only be infused into it through the efforts of those charged with the administrative responsibility of making certain that it does accomplish its beneficent purposes. If they succeed their success is taken for granted; in fact, is not even recognized as success. But, if they fail, then they are damned from all sides without much understanding as to the difficulties with which they may have been confronted. However, I did not come here to commiserate with you over the hard lot of administrators, but to discuss with you not only the solved but the unsolved problems of administration arising under the Social Security Act.

As you know, the Social Security Act really consists of 10 separate and distinct programs which are administered on the Federal level by 4 different agencies. These programs can be classified under 2 heads: Welfare and social insurance. I take it that you are interested in the social-insurance provisions, since these provisions have a close relationship to the laws which you administer—in fact, are a species of labor legislation, since they are enacted primarily in the interests of the workers of this country.

I should like to discuss first the Federal old-age-insurance program. This is the only program in the Social Security Act which is administered wholly by the Federal Government. All of the other provisions are directly administered by the States although partially financed as well as coordinated by the Federal Government. The Federal old-age-insurance system, as you know, will not be in full operation until January 1, 1942, when monthly benefits will commence being paid as a matter of right to insured workers. However, the old-age-insurance taxes on both employers and employees have been in effect since January 1, 1937. Lump sums are payable to covered workers who become 65 years of age before January 1, 1942, and to the dependents of covered workers who die before that time.

There are two Federal agencies concerned with the administration of this system. The Bureau of Internal Revenue collects the taxes and the Social Security Board directs the payment of benefits. It is, of course, most essential that these two Federal agencies work in the closest harmony, as I shall explain later.

The first task confronting the Social Security Board was to devise a system of accounting to keep track of all the wages paid to covered workers during their lifetime, since benefits are calculated upon the basis of such wages. Because of the vast number of persons covered who have similar or identical names, it was necessary to obtain identifying information from each of these workers and to assign an account number to each one. The question next to be decided was how to obtain this information and assign these account numbers with the minimum expenditure of time and money on the part of the Government, the workers, and their employers. In this connection, it was also necessary to decide whether an attempt would be made to obtain this information before tax collections started or in connection with tax collections. After many months of study and deliberation, it was decided to undertake the task before tax collections commenced, and to do it through the Post Office Department. Many informed persons both in this country and abroad insisted that it was an impossible task, especially if undertaken before tax collections commenced.

It was planned to undertake the task in November and December of 1936. During the closing weeks of the national campaign which ended on November 2, a concerted Nation-wide attack was made on the Social Security Act, carried on chiefly through the insertion of printed propaganda slips in workers' pay envelopes. However, in spite of this attack, the greatest peacetime voluntary furnishing of individual information was accomplished at a very low cost and a minimum of inconvenience and confusion. Applications for account

numbers have been received from more than 40,000,000 workers and accounts have been set up in their names at our Baltimore headquarters. There are 470,190 Smiths, 253,750 Browns, 232,540 Joneses, and 348,530 Johnsons included in these accounts. I think that it is safe to say that there are probably not more than a few hundred persons in this country who do not have their names duplicated many times over, even including their middle names, so that it would have been utterly impossible to keep accurate account of the wages earned throughout the years without further identifying information.

The acid test as to whether or not it would be possible to keep accurate account came when millions of reports from employers started flowing in after having been checked by the Bureau of Internal Revenue. Although it was to be expected that the first employer reports would contain more mistakes and be more incomplete than later reports, it was possible to post 97 percent of the employer's reports without making request for further information. As subsequent reports come in they undoubtedly will be more accurate and complete, thus increasing the percentage that can be posted as a routine matter. Of course, none of this could have been done without the extensive use of the latest type of mechanical equipment. Even with the use of such equipment there are 3,891 persons employed at the task. However, the annual cost per worker of keeping his individual record is less than 20 cents, and it is expected that this cost can be constantly reduced as time goes on.

Besides setting up a records division in Baltimore to do what has been described as the biggest bookkeeping job in the world, it was also necessary to set up a field organization which would serve employers and workers covered by the Federal old-age-insurance system. Today, there are 319 field offices and this number will gradually increase between now and January 1, 1942, when the law goes into full effect. These field offices, besides furnishing necessary information to employers and employees, develop the claims for lump-sum benefits that are being made. To date, there have been 200,000 of these claims certified for payment. I think it can safely be said, on the basis of experience to date, that the Federal old-age-insurance organization is not only capable of handling the present administrative load, but capable of being easily expanded to handle any increased administrative load that Congress is likely to place upon it through extending the coverage of the system, commencing benefit payments sooner, or liberalizing and increasing the types of benefits. So much for the Federal old-age-insurance system.

Probably the other type of social insurance contained in the Social Security Act, namely unemployment compensation, is of more immediate interest to you, since that is a system which is administered

directly by the States although encouraged and financed through provisions of the Federal Social Security Act. When the studies leading to the enactment of the Social Security Act were under way, three choices were possible as regards the sort of unemployment-compensation system that should be set up. It would, of course, have been possible to have left the entire matter to the States. However, since only one State (which, with pardonable pride, I may say was my home State of Wisconsin) had enacted an unemployment-compensation law, it was not likely that rapid progress would be made because of the fear of unfair competition on the part of employers operating in States that failed to act. As you know, even in the field of workmen's compensation, where the enactment of such laws relieved the employers of common-law liability which was becoming increasingly burdensome, it has taken a long time to extend workmen's compensation throughout this country and even today there are two States without workmen's compensation laws. Moreover, many of the workmen's compensation laws that have been passed are wholly inadequate in furnishing substantial protection to injured workers.

The second choice that lay open was a straight Federal system of unemployment insurance. This choice had supporters at the time and has supporters now. Certainly as a blue-print proposition it would have been possible to write a uniform type of law and lay out a plan of administrative organization that would have been clear-cut and direct. However, a big question is, Would it have been possible in the first place to get agreement on a uniform Federal law? At the time the Social Security Act was under consideration there was much difference of opinion as to whether or not the law should allow credit to individual employers or individual industries for favorable employment experience.

But, even assuming that agreement could have been reached on the provisions of the law itself, a bigger question is, Would it have been possible to set up a national organization operated directly from Washington? In my opinion, it would have been utterly impossible. Some one may say that the fact it was possible to set up a national organization to administer the Federal old-age-insurance system is proof that it would have been possible to set up a national unemployment-insurance system. However, in reality the administrative problems arising under the two systems are entirely different.

In the case of old-age insurance, a person becomes 65 years of age only once. In the case of unemployment insurance it may be necessary to deal with the same individual a dozen times during the course of a single year. In the case of old-age insurance the worker's rights depend upon the amount of wages credited to his account. In the

case of unemployment insurance the worker's benefits depend not only upon his past earnings but upon the circumstances connected with his separation from his last job, and the circumstances connected with his continued unemployment. To be specific, it is necessary to determine whether he was discharged, and if so whether he was discharged for cause. It is also necessary to determine whether he is able, and willing, to work, whether or not there is a suitable job available to him, and what constitutes a suitable job. All of these considerations plunge us into the most intricate employee-employer relationships, which, certainly at the outset, could not have been decided satisfactorily in the individual case by remote control from Washington. Of course, it may be said that the central agency in Washington could have delegated authority to local agencies. However, if that were done it would, of course, be necessary to promulgate appropriate rules and regulations so that the law would be applied consistently throughout the length and breadth of this land. In other words, it would be necessary to limit strictly the discretion of the local agency, thereby running the risk of compelling decisions, which might prove to be wholly unreasonable in the individual case.

The third choice was a cooperative Federal-State plan, which was finally adopted and is now in effect throughout this country. Under this plan, as you know, the Social Security Act enables the individual States to enact unemployment compensation laws without fear of unfair competition, because a uniform Federal tax is payable by employers regardless of where they operate, but against which may be offset the contributions which employers pay under State unemployment-compensation laws. Employers are allowed to offset only 90 percent of the Federal tax and with the remaining 10 percent the Federal Government is able to finance the cost of administration of the State unemployment-compensation laws. When the Social Security Act was passed, its critics contended that this plan would not induce the States to pass unemployment-compensation laws, that if they did pass such laws they would be illiberal and in any event would be declared unconstitutional. All of these criticisms have proved to be unfounded. Now the critics bemoan the fact that some of the States are experiencing difficulty in paying claims promptly. I am frank to say that the most vociferous critics have been persons who have had no administrative experience whatsoever, and therefore can have no comprehension of the administrative difficulties involved. The inevitable administrative difficulties in the inauguration of any law affecting millions of persons were tremendously increased by the fact that the benefits first became payable in 22 States in January of this year when there was widespread unemployment; not only the usual seasonal unemployment, but unemployment due to the reces-

sion which commenced in October. These State agencies had only a few months to set up an administrative organization. Within those few months it was necessary for them to select an entirely new body of personnel, train this personnel, and develop administrative procedures. The great wonder is, not that there was some delay and still is some delay in the payment of claims, but that they have been able to do as good a job as has been done. I think that few people in this country realize that since the first of the year 3,000,000 employees have drawn unemployment-compensation benefits and that a quarter of a billion dollars has been paid out to these workers. Currently there are 1,500,000 employees receiving checks averaging \$10 a week. I submit to you that that is no small accomplishment. I further submit to you that all of the administrative difficulties with which the State agencies were confronted would have been increased in geometrical proportion. That is to say, the task confronting a single Federal agency would have been not only 51 times as great, but probably 51 times 51 as great. In other words, in my opinion, it would have been an impossible task and instead of having a system which has gotten under way fairly well, we would have had a complete break-down at the very outset, which would have discredited unemployment compensation for all times.

It may be that in the course of time it will be found desirable to adopt a national unemployment-insurance act. If so, it will be possible on the basis of experience gained by State agencies. Conceivably, it might even be found desirable to place the program on an individual State basis just as in the case of workmen's compensation. Such a course is extremely unlikely, because unemployment is a problem that knows no State lines and must be attacked on a Nation-wide front. But if this course were followed it would necessarily involve the repeal of the tax provisions and grants in aid provisions now contained in the Social Security Act. However, I think that the greatest progress can be made in bending our energies toward improving the present Federal-State system. Certainly there is everything to gain and nothing to lose in following this approach, because we are constantly gaining more experience and in the meantime are actually paying sizable benefits to millions of workers.

We all recognize that the development of desirable Federal and State relations is a most difficult task which can be accomplished only through the joint effort on the part of State and Federal officials to face their common problems frankly, to maintain mutual trust and confidence in each other, and to be prepared to learn from each other. Moreover, Federal-State relationships are necessarily much more difficult in the field of social legislation than in other fields, such as forestry and highway construction, where millions of individual citizens

are not immediately affected in their every-day activities. In the case of unemployment compensation the difficulties are even greater, due to the fact that the entire cost of administering the State unemployment compensation laws is financed by Federal grants in aid. The Federal Government, of course, will not be out of pocket so long as the Federal grants in aid do not exceed the 10 percent of the total unemployment compensation taxes which go into the Federal Treasury. However, the fact that an individual State is not required to match in any respect the Federal grants, and neither the governor nor the State legislature is required to pass upon the reasonableness of the expenditures of the State agencies, does mean that the Social Security Board is charged with entire responsibility of making certain that the cost of administration is reasonable, although complete responsibility rests with the State agency as regards such administration.

But the most difficult period in establishing desirable Federal-State relations in the field of unemployment compensation will soon be completed. As precedents are established, as general standards and policies are more clearly defined, and as administration becomes more stabilized, the Federal-State relationship can be placed upon a more automatic objective basis. In the beginning it has been necessary to deal with individual State situations in great detail. Inevitably there are differences of opinion, not only as regards these details, but as regards the general standards and policies that are hammered out as a result of such detailed considerations.

The Social Security Board, of course, does not undertake to influence the selection, tenure of office, or compensation of individual State employees. However, it does require that adequate objective personnel standards be defined and maintained by State agencies. Great progress has been made in this regard by the State agencies. In addition to the civil-service laws in 11 States, 25 unemployment-compensation agencies have adopted a systematic merit system for the selection of personnel. Specifications and conditions surrounding the purchase of equipment, space standards, and travel standards also have been developed or are in the process of being developed. As these objectives are attained, the Federal activity in relation to finances can be shifted to a large extent from scrutiny of individual items to general cost analysis, administrative surveys, and field audits, merely to insure that funds granted are expended in accordance with the Social Security Act and the general standards and policies prescribed by the Board. Not only will it be possible to permit budgets to be submitted on a semiannual basis or even an annual basis, instead of the present quarterly basis, but it will also be possible to approve of such budgets by categories instead of by individual line items and eventually to approve of such budgets on practically

a lump-sum basis, calculated as a percentage of collections and for benefit payments. It goes without saying that this is a "consummation devoutly to be wished" not only by the State agency, but by the Social Security Board, because the Social Security Board will then be in a better position to carry out its primary function of serving as a clearing house for the information and experience distilled from State operations, and as a coordinating agency so that these State operations may be effective on a Nation-wide basis.

As I have already indicated, not only is there this problem of Federal-State relations, but there is the problem of integrating the activities of different Federal agencies operating in the same field. In the case of unemployment compensation, the Bureau of Internal Revenue collects the Federal portion of the unemployment-compensation taxes. Its rulings and interpretations as regards coverage and tax liability are of direct concern to the State agencies, since they determine whether an employer, who may or may not be subject to a State unemployment-compensation law, is subject to the Federal tax, whether an employer is entitled to offset contributions made under a State unemployment-compensation law, and if so, in what amount.

Another Federal agency which is directly concerned in the administration of unemployment compensation is the United States Employment Service. The Social Security Act provides that the payment of unemployment compensation shall be made "solely through public employment offices or such other agencies as the Board may approve." The Social Security Board has never approved of any other agencies, recognizing the desirability of unemployed workers maintaining contact with the labor market through public employment offices. The Board does not require a State agency to affiliate its employment service with the United States Employment Service. However, it is the Board's policy to require a State administrative agency to provide for a basic employment service equivalent in amount to those that would be available if the State matched the maximum annual apportionment available under the Wagner-Peyser Act. The result has been that all of the State agencies in the past have entered into an affiliation agreement with the United States Employment Service.

The Board recognized the necessity of close cooperation with the United States Employment Service in order that the State agencies would not be confronted with the dilemma of being required to observe two sets of general standards and policies promulgated by two Federal agencies. The Board, therefore, suggested to the Secretary of Labor that a joint agreement be consummated whereby it was agreed in effect to act as if they were a single agency, jointly and concurrently, with respect to all matters affecting a State employment service.

The result has been that a Nation-wide employment service has not only been maintained, but has been greatly strengthened and expanded, rather than separate State employment services being created which would either replace or duplicate existing operations under the Wagner-Peyser Act. Moreover, in spite of the fact that the local employment offices have been overwhelmed because of the unexpectedly large volume of claims, the placements by the employment services in the States paying claims have shown a greater percentage of increase than placements in nonbenefit paying States.

There are other large problems of administration which I should like to discuss with you if time permitted. These would include the possibility and desirability of closer cooperation between the State agencies and the Federal Government in the collection of unemployment-compensation taxes and old-age insurance taxes. However, the collection of the Federal taxes is a responsibility of the Bureau of Internal Revenue and not of the Social Security Board. Moreover, it is a highly complex subject. All I can state is that progress has been made and will continue to be made in simplifying and making more uniform the tax provisions, with the end in view of reducing to a minimum the burden placed upon employers as regards record keeping and reporting. In all of our attempts to solve our administrative problems and improve our administration we are, of course, faced with the necessity of doing so at the same time we meet the heavy day-to-day administrative burden, involving as it does ever-changing problems. In this respect we are somewhat like a man trying to shave himself at the same time he runs to catch a train. Neither operation can be as highly successful as if they did not have to be carried on simultaneously. However, progress has been made and will continue to be made so that the beneficent purpose of the Social Security Act may be ever more completely achieved. I know that that is the desire not only of the Social Security Board and of the other Federal agencies concerned, but also of the State agencies which have borne the full heat and burden of the day.

Discussion

Mr. BASHORE (Pennsylvania). Not being the administrator of the old-age assistance provisions of the Social Security Act, what remarks I have to make will deal specifically with unemployment compensation.

In the splendid address of Mr. Altmeyer, he said that unemployment-compensation payments since the first of the year amount to a quarter of a billion dollars, and the number of employees who have drawn those benefits is 3,000,000. Pennsylvania has received 20

percent of that quarter of a billion dollars, or approximately \$55,000,000, benefiting approximately 1,000,000 employees, so that I recognize the great problem of the millions that he spoke about.

I think we might discuss unemployment compensation from the inadequacy or, may I say, the impracticability of our present acts, which restrains us so that in many respects we are unable to do that which we would like to do.

I was greatly pleased to hear Mr. Altmeyer state that he is looking forward to the time when we will get away from a quarterly budget and perhaps have a lump-sum appropriation. That is music to my ears. I do not know whether it is music to your ears or not, but, frankly—and I do not say this in criticism of the Board, because I recognize its responsibility and the responsibility of the Employment Service—I often wonder whether it recognizes the tremendous responsibility placed upon the State administrator in having to submit quarterly budgets in advance of knowing what he is going to do. Then when the budget comes back, he finds that there has been wholly overlooked a very important item. All of you have had that problem to face, I am sure, and particularly those who are paying benefits. If steps can be taken immediately whereby we can reach that millennium of a lump-sum appropriation, I am sure there will be a sigh of relief in the States.

All of these intricate problems in the administration of this act—the tremendous problem of personnel, the differences of opinion as to whether or not this person or that person is the proper one to administer certain functions, the question of whether or not we have received such an appropriation as we are entitled to or we think we should have in order to administer adequately the act—do not admit of a full and free discussion here today. They call for more intimate conferences with the Board and the Employment Service. But when Mr. Altmeyer talked about integrating Federal agencies, probably he was throwing out a hint that we should have integration of State agencies in the matter of the administration of this law.

So far as Pennsylvania is concerned, personally, I think we are very fortunate in that the entire administration of unemployment compensation and employment service is in the department of labor and industry under one administrator, the secretary of the department. I recognize from discussions held with other administrators that they have many headaches because they have different administrators for unemployment compensation and the employment service. It seems to me that ought to be discussed particularly. I make no secret of the fact that personally I think every effort should be made to consolidate the agencies in Washington in one department of the Federal Government. Of course, I think it belongs in the Department of Labor and should be administered by that agency. Yet that raises, I

know, many questions and problems. It is significant, and I think it is something this meeting should take cognizance of, that the executive committee on unemployment compensation thinks otherwise. While I am a member of that executive committee, I am in the minority on that question.

Mr. GIVENS (New York). In commenting on Mr. Altmeyer's very graphic picture of where we stand, and how we have gotten there, with reference to the social-insurance aspects of the social-security program, I feel very much like the person who wants to jump on horseback and ride in all directions. For those of us who are in this program at all there are so many questions which call for discussion and comment that it is very difficult to know just where to begin. At any rate it seems to me that we can say a few things about the present status of the program, which may provide a platform from which to consider where we are going. I should like to confine my remarks, as Mr. Bashore did and for the same reasons, to the unemployment-compensation phase of the program.

In considering the unemployment-compensation program, I think we can say definitely that the peculiar devices embodied in the Social Security Act have been eminently successful in stimulating the enactment of legislation, so that we now have to deal with the problem on a national scale. If we are baffled and puzzled and disturbed by some of the practical administrative problems and problems of coordination and planning next steps at the present time, at any rate it is a very great step forward to have those problems to deal with rather than confronting the question of unemployment compensation merely as a theoretical possibility.

It seems to me that there are three major questions suggested in Mr. Altmeyer's speech which confront all of us in this field at the present time: First, how is this program going to develop as regards a really effective cooperative technique between the States and the Federal Government? In other words, what form and in what general direction shall we expect Federal-State relations to develop in this field? Second, how are we going to deal with the immediate and pressing problems of procedure and detailed administrative technique which now have become uppermost as we confront the second initial stages of the program, and how are some of these detailed problems going to be solved in a proper setting as regards the major questions of policy and the social direction of the program? Third, how are we going to work out proper relative weighting of the importance of the twin aspects of the merged program of unemployment compensation and employment service? Each of the State agencies, I think, without exception, confronts the task of carrying forward these dual functions, functions which are closely related and closely tied up, and

yet which at various times can be so interlocked that the question as to which gets priority and which gets the emphasis is a very real one. Sometimes there is not much choice in the matter. I do not think there is much choice at the present time.

With reference to the kind of Federal-State relationship that we are going to have, I was very much interested in Mr. Altmeyer's comment to the effect that the program might evolve in either of two directions in the future, either toward a national system or in the direction of State responsibility rather than increased Federal responsibility. Inasmuch as the initial framework embodied in the Social Security Act at present has facilitated the enactment of laws in all the States, can we not expect, as we go farther in actual administration, that in all probability the program must evolve either toward increased State responsibility or toward a more effectively coordinated or integrated Federal-State system?

When I say that, I do not mean a consolidated national system on the pattern of the old-age insurance administration. That has sprung into being out of one single piece of initial legislation without any cooperation from the States, as was well justified by some of the peculiar aspects of the old-age insurance problem. But in the field of unemployment compensation, as Mr. Altmeyer has pointed out, there is a day-to-day, detailed, intimate contact with the individuals covered, which is handled through the field offices of the various agencies and which requires development of administrative techniques in detail at the point of contact with those individuals. That contact can be capitalized most effectively where the people who are doing the job are responsible for operation, for detailed decisions, and for the development of details of policies in carrying out the legislation.

How can we set up the proper techniques and machinery—as a federation of States, as parts of a national system—for learning from the experience in all jurisdictions? Most of the techniques and procedures have been developed under very great pressure; in fact, they were developed virtually under emergency conditions. Unemployment compensation represents in a very exemplary form the peculiarities of a public-administration job where you have to do the whole thing at once. You cannot take little bites out of it one at a time until you find out how the job can be done, as is probably more nearly the case with certain other types of labor legislation. (For example, in the administration of minimum-wage legislation, it is not necessary to treat all industries at once. You can take one at a time and work out the technique and expand the coverage until steps can be taken with an increasing degree of assurance.) In creating unemployment-compensation coverage and placement-service coverage for an entire community at one stroke, it is necessary to adopt pro-

cedures with literally no time to wait for experiment. That necessarily means that many mistakes are made, and many decisions made under pressure will have to be rectified and modified. That is the stage, I think, which we are now entering as we near the end of the first year of benefit payment and the first year of an attempt to operate a Nation-wide placement service through cooperating States.

Therefore, it seems to me that the largest single question in this entire area is as to how the responsibilities for decisions in the development of policies, in the development of standards, in the elimination of discrepancies in the details of operations between the States, can be most properly approached. To find those techniques we must take full advantage of such machinery as the committees of our interstate conferences, of such bodies as this, and set up studies and exchanges of personnel in such a fashion that the detailed experience is not lost.

Generalization from experience can be facilitated by the work of the central staff bureaus of the Social Security Board, whose personnel is getting out through the States. The extent to which that is effective is limited to the extent to which these people are able to spend time in close contact with the administrations in the States. Likewise, the State personnel needs to have an increasing degree of contact with the work of the Social Security Board, which operates at a different level, where the task of appraisal and of critical analysis of experience is undoubtedly to be the dominant one.

On that point I should like to raise for discussion a concrete suggestion. Unemployment compensation represents a direct service offered to a community, as distinct from the regulative type of labor legislation. As such, it deals with a problem which, as Mr. Altmeier has said, is not confined within State jurisdictions. Unemployment is not a local phenomenon. Its causes are not local, even though the people happen to live in different communities and have to be dealt with by machinery set up within the communities. If that is the case, is it not worth while to try to use all the past experience that the Federal Government has had and also to try new experiments in some organized way to facilitate direct interchange of personnel between the Federal and State agencies?

The principal barriers to the exchange of personnel on a temporary basis between Federal and State agencies, or the working out of other joint personnel arrangements, are State barriers and not Federal. If that is the case, would it not be worth while for the Federal agency to encourage States, in terms of certain specific suggestions as to how these things can be worked out, to adopt the necessary enabling legislation so that Federal people could be put in the administrative units of the States for definite periods of time, and selected

State personnel could be brought into Washington to participate in some of the staff activities?

It seems to me that we have an opportunity here, and perhaps a need which has never been confronted in any other field, for actually welding State administrations on a workable basis into something like a unified Federal-State administrative procedure. Thus the advantages of local autonomy in various respects would not be lost, and yet through coordinating Federal authority an increasing national responsibility could be assumed in the formulation and enforcement of standards. Probably the need for simplification of procedures will force an increasing degree of Federal responsibility for guidance and for the setting and maintenance of standards.

In connection with simplification, it will probably be necessary in many States, and on the national level as well, to reconsider procedures in such a way that we may be in danger of making decisions on policy which we do not wish to make or decisions which commit us to policies which ought to be confronted independently of administrative considerations. For example, the whole question of the earnings formula for the determination of benefits is likely to be questioned on administrative grounds, to the exclusion of policy considerations. In connection with the simplification of procedures, I should like to suggest that that is not the only proper way of tackling that question. We should not merely ask ourselves: "Is our procedure too complicated because we have a formula which requires complicated operation?" But we should also ask ourselves: "Why did we adopt an earnings formula in the first place? Do we still want the kind of unemployment compensation which is based upon the direct relationship of benefits to past earnings in the fashion in which these present formulas were developed? If so, can we do the job, and are we willing to pay for it, granting that we can do it much more cheaply and efficiently than any State is doing it at the present time?" If we do not ask these questions as we reconsider questions of procedure, because administrative frictions and difficulties now have the center of the stage, then we are likely to make decisions solely on administrative grounds and not on grounds of broad social policy and in terms of the kind of a system we really want and the effect we want it to have on the insured or protected population.

Mr. Altmeyer has referred to certain questions relating to the budget. In that connection I should like to underscore some of the things that Mr. Bashore said. State agencies doing an integrated job and dealing with two Federal agencies in getting the money for doing that job, necessarily find it extremely difficult to segregate sharply for a period of time and to follow through commitments

made regarding the use of personnel for insurance activities, on the one hand, and for placement activities on the other hand. During a period of pronounced unemployment, benefit payment must have the center of the stage because it is mandatory, and every effort must be made to clear the benefit claims which must be handled. This means that as unemployment lifts, as conditions change, it may be possible to use for placement work personnel previously used for insurance activities. At the present time that takes the form, probably, of restoring the normal functions of placement people who have been used for insurance work. But at any rate, the fact that two different agencies are setting the standards and insisting on performance at the Federal level, complicates rather than simplifies the operation of trying to make the budget consistent with actual performance in meeting the standards of the affiliated Federal bodies which are not integrated at the top.

I should like to make one incidental reference to the so-called 10-percent rule, which has been a byproduct of the fact that there is a 90-percent credit against the Federal tax to covered employers in the States. It is obvious that although the 10-percent margin provides specific funds which derive from this legislation and are available for administrative costs in the States, that 10 percent represents a percentage which the Social Security Board is not undertaking to make strictly uniform among the States. There is a good deal of talk about 10 percent being the normal maximum cost, the justifiable cost, of administration of placement service and unemployment insurance in the States. I have no substitute. I am not saying that there is any other figure that we could put forward at the present time, but I should like to make the point in that connection that the comparisons which are being made in some quarters are based upon the cost of other types of labor legislation, and also upon the cost of certain types of private administration. We are in the peculiar position in which any percentage which is used as a norm includes an indeterminate amount of developmental work on the placement side which is not necessary for the strict administration of unemployment compensation as such. To oversimplify the case, while unemployment compensation laws and the Social Security Act are based upon the theory that the work test must be applied before benefits are paid, there is no way of evaluating just how much effort must be exerted to apply that work test or how extensive the placement activities should be in order to carry out that mandate. In other words, if a comparison were made with workmen's compensation, a proper comparison would include saddling on workmen's compensation the cost of a directly operated safety-first or preventive campaign, because in a sense placement has the same logical relation-

ship to the insurance features of our present program that a safety-first or accident-prevention campaign would have to workmen's compensation proper.

Mr. Altmeyer has very aptly referred to the predicament in which we find ourselves when we try to reconsider our procedures and the ideas on which they are based while we are in the midst of the job. Probably the employment-service aspect will be materially clarified if we are fortunate enough to have a definite lift in the employment situation, because if the number of registrations for benefits is reduced, obviously there will be time and energy to devote to the employment-service aspects of the job.

Mr. MORTON (Virginia). In Virginia, the commissioner of labor, by virtue of his office, has to serve as one member of the unemployment-compensation commission, and in handling that phase of the work we have been handicapped some in not being able to get the approval of our budget until we are far into the quarter. This quarter, I think 6 weeks passed before we got the approval. That has bothered us some, and as a result this quarter our appropriation was materially reduced. We had to put off more employees than would have been necessary had we been advised in the beginning of the quarter.

I know it is a big job and it is something new and I can understand the reason for delay, but I would like to know if it is not possible to reduce that time and get our budget quicker from now on.

Mr. ALTMAYER. When did you submit your budget?

Mr. MORTON. Thirty days prior to the beginning of the quarter.

Mr. ALTMAYER. Are you speaking of the unemployment or compensation budget?

Mr. MORTON. I am speaking of the benefit section.

Mr. ALTMAYER. I do not know what held it up.

Mr. MORTON. You know that it was held up?

Mr. ALTMAYER. No, I did not know.

Mr. MORTON. We were 6 weeks into the quarter before we got the approval of the budget.

Mr. ALTMAYER. I do not know why it was held up in that particular case. I agree with you that it should be passed upon and approved before the beginning of the quarter.

Mr. LUBIN. I want to ask a question. If it proves embarrassing, Mr. Altmeyer can either give us the answer off the record or answer indirectly. One of the things that is bothering many of the members of this Association, and it was particularly emphasized by Mr. Bashore, is the need for some sort of coordination of all the activities

within a given State affecting the welfare of labor. Does the Board itself have any policy looking toward that end? The great majority of these commissioners have no relationship at all to the question of unemployment compensation, due to the fact that that is frequently under an independent body, divorced from the State department of labor. In a few instances, of course, as in the case of the Commissioner of Labor of Virginia, the commissioner is a member of such an independent body, and in some instances, unemployment compensation comes within the province of the State department of labor as such. Could you clarify that issue? Is there anything in the mind of the Board itself looking toward a consolidation of such activities, so that there will be some central authority within the State which will have charge of all the labor activities within that State?

Mr. ALTMAYER. About half of the agencies are within or connected with the State labor department and half are not. The Board as such could not undertake to dictate or suggest to a State what it should do in that respect.

Mr. MURPHY. In Oklahoma, the unemployment-compensation service and the employment service are both under the supervision and direction of the commissioner of labor. We have, of course, a head for each division. We have with us today our legal counsel, Mrs. Kathryn Van Leuven, and I am wondering if Mrs. Van Leuven would give us a few words about our operation.

Mrs. VAN LEUVEN (Oklahoma). Mr. Altmeyer has just stated one thing that I had in mind, namely, that the situation in the States is coming, and in many States has come, to the time for a decision as to the amalgamation of unemployment compensation with employment service. If we are to pay benefits and successfully carry the heavy loads with which the States are now faced, these services must be amalgamated into a service under one agency for service to unemployed people.

In that connection, it has been decided very recently in Oklahoma that the employment service shall take the initial claim for benefit. That is rather contrary to my education along the line. I have always felt that the unemployment-compensation personnel should have that duty, for, to my way of thinking, from the time a person says, "It is my desire to file a claim for benefit," the problem becomes one of adjustment. I have been fearful, although Mr. Altmeyer has today allayed some of those fears, that the employment service, having for years been engaged in that service, would regard the taking of the benefit claim more or less as a routine matter—the filling out of a form. That would precipitate into the central office a great many claims—so many, in fact, that we would have a bottleneck in the State agency. Therefore, I think it is very necessary that the per-

sonnel of the employment service, if they take the claims, should be specially trained by unemployment-compensation persons in that particular duty, and that the various States should be allowed immediately in their budget the necessary funds to put on that personnel and to begin that training. When you consider that you educate employment personnel over a period of 3 years for the normal employment-service work, you know that you cannot educate them in 3 months to do the unemployment-compensation work in regard to taking the initial claims for benefits and do it adequately.

The one thought that the commissioners of labor should be asked to take home with them, I think, and I speak from practical experience in the administration of unemployment compensation, is to start a missionary service through the department of labor, in cooperation with labor organizations, to educate employees as to their privileges and their responsibilities under unemployment-compensation laws. At the same time, employers should be educated as to giving to their employees the necessary information at the time of separation from jobs. They should be convinced of the feasibility of patronizing the local employment offices in the selection of personnel for jobs that may be open. Only in that way can we hope to avoid this bottleneck of claims. Just as many people as get jobs through the employment service are eliminated from the benefit problem. Of course, the great problem in the States, as I understand it, in the payment of benefits is the great number of claims that are filed that could not possibly be passed on favorably. The filing of such benefit claims can be discouraged through proper education of employees. The expenditures for administration can thus be reduced and the time needed to run the claims through can be cut.

Mr. DAVIE (New Hampshire). Mr. Givens, if I got your idea correctly, you feel that one of these two agencies should be absorbed by the other. There are a lot of employment men here who have done employment-service work, and I feel that we can go along up to a certain point. Now, what is that point of cleavage under our present set-up? If we are going to do absorbing, let us absorb the unemployment-compensation job under the employment service, that being the older.

Mr. GIVENS. Mr. Altmeyer stated it much better than I could when he said that what he thought we needed in this merged job or combined job of servicing the unemployed was a system of field offices, which conceivably could have an entirely different name from the traditional name. I do not care myself so much what the name is so long as we do the job. We are to administer an unemployment-compensation system under which a condition precedent to the payment of benefits must be the requirement that the agency undertake

to offer employment, if such employment can be located, before benefits are paid. This is a device, first, for conserving the fund, and second, of course, for forcing the agency to do something much more important than paying benefits to the individual, namely, to assist him toward reemployment. If we are going to provide that kind of service as a precedent to the payment of benefits, then it is obvious that the operation of the placement function is very closely intertwined with the operation of the insurance function as it touches the individual. The agency which takes care of the insurance function is the agency which has to assure itself that the so-called work test or suitable-employment test is effectively applied.

In a number of States, the field offices are in effect offices of the combined enterprise. They are the offices where the individual comes either for filing a benefit claim or to register for a job. In fact, one and the same contact on the part of a covered worker who has benefit rights in contact of registration for benefits and/or employment.

In providing this merged service it is very difficult to so budget as to satisfy the requirements of two unrelated Federal agencies which have two unrelated sets of responsibilities at the Federal level, when at the State level the job is actually being merged. Have I answered your question, Mr. Davie?

Mr. DAVIE. Yes; you did very well. However, it is not satisfactory. I do not need to tell Mr. Givens that New Hampshire stands in the front ranks in the administration of unemployment compensation, and we have had a very fine coordinated effort. We agree so well that representatives of the unemployment-compensation insurance step right into our office to make that registration, and it works out very nicely. The point I want to make is that I have worked for a good many years with the people in the employment service, and I think we should be careful before we go into this coordination matter and see what will best fit our respective States.

I want to admit right here that we are not so large industrially as New York, and you meet entirely different conditions in some things than we do. I believe in coordination where it is possible, but when we have as fine a trained force in employment service as we have throughout the United States, and when the unemployment-compensation laws require the unemployed to register with the employment service and it is its duty to put such a man in a job, which relieves the payment of unemployment compensation, I think we ought to approach that with the utmost care. That is the point I want to make.

Mr. GIVENS. I realize that it is a mixed matter, but it seems to me that at both levels the two functions should be merged because they

have to be administered in such very close interrelationship. It may be in the smaller jurisdiction that you can coordinate where in the larger ones you have to merge. That I would not be able to say.

Mr. DAVIE. That is why I want you to be careful.

Mr. SCOTT (Tennessee). In our State, we have had absolutely no conflict. Our placement records in the employment-service offices do not indicate whether or not a person is a claimant or recipient of unemployment-compensation benefits, and there is no discrimination whatever with respect to placement.

We provide each local office with a list of covered employers, and one of the questions on our claim blank calls for the worker to provide information as to who his employers were for a definite period in the past. By the use of those methods we receive remarkably few obviously ineligible claims, and have found that a simple matter to handle even under the present somewhat awkward situation. I am sure this is also easily done in other States where the labor department administers unemployment compensation and also has jurisdiction over the State employment service. We have had very little friction and we have used the employment-service personnel exclusively for taking claims. We have unemployment-compensation personnel in the district offices only—in seven offices in Tennessee—where we have a field deputy with the necessary clerical help.

Mr. YOUNG (Colorado). The legislature gave the employment-service office to the industrial commission and also unemployment compensation. Previously we had had a head for each department. When this consolidation had to be brought about, we conceived the idea of placing an executive director over the head of both departments, who was to be responsible directly to the industrial commission. Both of the directors of those two departments must report to this executive director, who is the head over both departments. We told the three of them to get together and work out this consolidation, and they have done it in splendid shape. They have gotten together and worked out a scheme that I think is going to work out splendidly. I believe it is going to bear good results. It seems to me that that is one way out of the dilemma.

Unemployment Compensation

*Report of Committee on Unemployment Compensation, by GEORGE E. BIGGE
(Social Security Board), Chairman*

In the past year the system of unemployment compensation in this country has come into more or less full fruition in 28 States which have begun to pay benefits to unemployed workers. Twenty-three of these began payments in January of this year, and five more have

started payments since then. Eighteen will begin payments in January 1939, and the last ones will come in next July. Over a billion dollars has been collected in contributions and deposited in the Unemployment Trust Fund by the various States, and over a quarter of a billion has been withdrawn and used to pay benefits. The following tables present, in summary form, the most important facts regarding persons covered, contributions made, benefits paid, etc. Most of this information is as of June or July, and several States have begun payments since that time. Also, not all States collect all of the data in which we might be interested, and some of the tables are incomplete to this extent. In the main, however, the activities in this field are fairly well represented by the tables attached. In some of these tables the States have been grouped into two classes—one of which collects contributions monthly and the other quarterly. Comparisons are valid only between States in the same group.

TABLE 1.—Status of State unemployment compensation funds as of July 31, 1938

[Data reported by State agencies,¹ corrected to August 23, 1938; in thousands of dollars]

State	Month and year benefits first payable	Total funds available for benefits as of July 31, 1938			Cumulative collections and interest credited as of July 31, 1938			Benefits charged to State accounts				Ratio of benefits charged—	
		Amount ²	Percentage change from June 30, 1938	Index ³	Total collections and interest	Collections ⁴	Interest	January-July 1938	June 1938	July 1938		To contributions collected since benefits first payable (percent)	To cumulative collections and interest (percent)
										Amount	Percentage change from June		
Total		\$600,320	⁵ +1.7	107.8	\$819,187	\$805,100	\$14,087	⁶ \$217,808	\$39,344	\$38,539	⁵ -2.2	86.6	26.9
States on monthly contribution basis, total		230,748	⁵ +1.7	110.3	332,001	325,890	6,111	⁶ 100,767	17,876	16,690	⁵ -6.6	86.0	31.0
District of Columbia.....	Jan. 1938.....	8,724	+4.7	148.0	9,681	9,493	188	956	179	144	-19.6	25.8	9.9
Louisiana ⁷	do.....	10,923	+3.2	143.5	12,875	12,674	201	1,952	430	452	+5.1	38.2	15.2
Mississippi.....	Apr. 1938.....	3,118	-1.1	107.5	3,695	3,630	65	575	201	237	+17.9	75.7	15.6
New Hampshire.....	Jan. 1938.....	3,863	-1.2	91.5	5,811	5,707	104	1,948	321	291	-9.3	128.3	33.5
New York.....	do.....	108,442	+1.7	110.8	164,315	161,467	2,848	57,583	10,717	10,235	-4.5	89.0	35.0
North Carolina.....	do.....	9,140	-2.2	97.6	14,978	14,739	239	5,829	1,134	1,069	-5.7	107.0	38.9
Oregon.....	do.....	4,920	+1.4	84.5	9,238	9,079	159	4,316	546	476	-12.8	130.0	46.7
Rhode Island ⁷	do.....	5,347	-1.7	67.4	12,565	12,372	193	7,219	775	778	+0.4	158.8	57.5
South Carolina.....	July 1938.....	6,594	+5.8	105.8	6,599	6,478	121	0	(⁹)	0	(⁹)	0	0
Texas.....	Jan. 1938.....	27,915	+4.0	142.1	32,005	32,069	536	4,665	928	961	+3.6	37.1	14.3
Vermont.....	do.....	1,610	+3.4	114.0	2,222	2,188	34	608	63	62	-1.6	76.7	27.4
West Virginia.....	do.....	5,947	-10.1	55.6	15,204	15,004	200	9,256	1,782	1,292	-27.5	188.5	60.9
Wisconsin.....	July 1936.....	34,205	+2.3	113.6	42,213	40,990	1,223	⁶ 5,860	800	693	-13.4	⁹ 62.4	19.2
States on quarterly contribution basis, total		369,572	⁵ +1.7	106.3	487,186	479,210	7,976	117,041	21,468	21,849	⁵ +1.5	87.0	24.0
Alabama ⁷	Jan. 1938.....	7,864	+1.6	89.5	12,618	12,410	208	4,746	974	778	-20.1	129.0	37.6
Arizona.....	do.....	1,961	+7.1	97.9	3,082	3,039	44	1,121	169	160	-5.3	107.0	36.4
California ⁷	do.....	88,202	+6.4	132.0	100,456	98,743	1,713	12,237	2,561	2,354	-8.1	37.8	12.2
Connecticut.....	do.....	14,672	-9.0	96.4	23,639	23,284	355	9,042	1,286	1,494	+16.2	110.7	38.3
Indiana.....	Apr. 1938.....	28,088	+2.0	104.3	32,818	32,130	688	4,541	1,529	2,529	+65.4	81.9	31.8

Iowa.....	July 1938.....	10,712	+8.1	108.1	10,787	10,617	170	52	(⁵)	52	(⁵)	6.5	0.5
Maine.....	Jan. 1938.....	2,696	+10.4	72.1	5,675	5,592	83	2,978	576	388	-32.6	158.6	52.5
Maryland.....	do.....	9,118	+13.5	100.7	15,783	15,584	199	6,660	1,149	905	-21.2	100.6	42.2
Massachusetts ⁷	do.....	47,166	+2.3	113.5	63,192	62,134	1,058	15,773	2,877	2,926	+1.7	75.5	25.0
Michigan.....	July 1938.....	65,645	+4.3	104.3	65,668	64,661	1,007	0	(⁵)	0	(⁵)	0	0
Minnesota.....	Jan. 1938.....	11,733	-3.9	98.9	17,350	17,089	261	5,615	901	753	-16.4	106.2	32.4
Pennsylvania.....	do.....	62,648	-7.2	89.3	107,875	106,123	1,752	45,164	7,979	7,882	-1.2	123.8	41.9
Tennessee.....	do.....	7,334	+1.5	94.8	11,212	11,036	176	3,832	566	487	-14.0	114.4	34.2
Utah.....	do.....	2,144	+15.2	84.2	3,966	3,908	58	1,820	218	290	+33.0	131.8	45.9
Virginia.....	do.....	9,589	+2.5	115.2	13,064	12,860	204	3,460	683	851	+24.6	75.4	26.5

¹ All data reported by State agencies except "interest." Interest earned on funds in State accounts in the unemployment trust fund is credited by the U. S. Treasury in the last month of each quarter.

² Represents sum of balances at end of month in State clearing account and benefit-payment account and unemployment trust fund account maintained in the U. S. Treasury.

³ For all States, the index is based upon the funds available for benefits as of the end of the month prior to that in which benefits were first payable, except for Wisconsin; for this State, the index is based upon the funds available as of Dec. 31, 1937.

⁴ Includes contributions, plus penalties and interest collected from employers. Employer contributions of 2.7 percent are collected in all States, except the District of Columbia, Michigan, and New York. In these States, the rate of employer contributions is 3 percent.

⁵ Percentage change computed on basis of 25 States paying benefits in June and July.

⁶ Does not include benefits approximating \$2,263,000 paid by Wisconsin from July 1936 through Dec. 31, 1937. This amount, however, is included in computation of the ratio shown in the last column.

⁷ Employee contributions of 1 percent are collected in Alabama, California, and Massachusetts; a 0.5 percent contribution in Louisiana; and 1.5 per cent in Rhode Island.

⁸ Benefits were first payable in July.

⁹ For Wisconsin, contributions and benefit payments are cumulated since Jan. 1, 1938, instead of July 1, 1936, when benefits were first payable.

TABLE 2.—Unemployment compensation statistics, by States, as of June 30, 1938

State	Contributions deposited in State clearing account ¹		Deposits in State benefit account ²		Benefits charged to State benefit account ³		Net balance in unemployment trust fund as of June 30, 1938 ⁴
	January-June	June	January-June	June	January-June	June	
Total for States reporting	\$379,534,630	\$28,112,492	\$193,420,000	\$38,310,000	\$179,231,567	\$39,342,935	\$881,868,479
Alabama	2,828,250	28,764	4,250,000	750,000	3,967,459	974,198	7,474,091
Alaska	161,635	1,411					502,582
Arizona	767,892	17,541	1,200,000	200,000	961,142	168,609	1,585,311
Arkansas	1,094,710	16,038					3,615,757
California	25,217,198	143,368	12,200,000	1,800,000	9,883,245	2,560,611	80,674,426
Colorado	1,678,546	20,980					6,455,024
Connecticut	5,534,204	66,317	7,750,000	500,000	7,548,296	1,285,587	12,658,171
Delaware	1,064,192	7,765					2,823,400
District of Columbia	3,166,020	484,737	825,000	175,000	811,439	179,218	8,022,634
Florida	2,581,042	22,598					7,053,528
Georgia	4,369,744	589,443					10,859,098
Hawaii	848,728	92,813					2,164,616
Idaho	651,589	10,459					2,545,097
Illinois	63,765,004	434,477					84,778,436
Indiana	6,872,747	419,334	2,500,000	1,700,000	2,012,242	1,528,573	27,239,223
Iowa	2,715,307	25,302					9,919,723
Kansas	1,878,635	20,310					7,501,076
Kentucky	3,859,810	92,742					13,411,508
Louisiana	4,391,763	716,759	1,500,000	250,000	1,499,948	430,048	9,726,119
Maine	1,253,293	7,081	2,700,000	400,000	2,590,411	575,771	2,283,318
Maryland	4,682,793	40,026	6,300,000	1,500,000	5,755,081	1,149,297	6,698,883
Massachusetts	16,882,310	130,404	15,000,000	2,000,000	12,847,618	2,876,786	44,058,076
Michigan	19,177,296	3,321,964					62,083,523
Minnesota	5,077,140	118,160	5,000,000	500,000	4,862,459	901,081	11,161,419
Mississippi	1,127,829	201,458	450,000	50,000	398,607	201,407	2,657,293
Missouri	17,961,479	74,533					24,242,698
Montana	909,722	8,837					3,083,734
Nebraska	1,740,668	9,465					4,838,959
Nevada	288,420	2,241					1,041,031
New Hampshire	1,297,152	224,474	2,070,000	280,000	1,657,857	320,764	3,371,473
New Jersey	14,210,640	1,172,534					44,533,037
New Mexico	459,146	5,535					1,657,861
New York	54,498,647	11,186,937	50,000,000	10,000,000	47,348,213	10,717,199	99,647,681
North Carolina	4,641,474	756,949	5,575,000	1,875,000	4,760,430	1,133,830	8,438,923
North Dakota	462,456	84,500					1,276,252
Ohio	19,406,780	178,696					70,395,645
Oklahoma	3,319,852	604,028					9,764,592
Oregon	2,803,191	482,968	4,000,000	450,000	3,839,363	546,039	4,655,568
Pennsylvania	33,841,575	445,955	38,500,000	9,000,000	37,281,559	7,978,734	66,553,927
Rhode Island	3,903,520	626,856	6,800,000	1,000,000	6,440,553	774,999	5,067,824

¹ Includes contributions, interest, and penalties received from employers and deposited during the specified period in the clearing account of the State agency. The following States are on a monthly collection basis: District of Columbia, Georgia, Hawaii, Louisiana, Michigan, Mississippi, New Hampshire, New York, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Vermont, Washington, West Virginia, and Wisconsin. The remaining States collect contributions quarterly. Quarterly collections are made during January, April, July, and October; deposits in other months represent delinquent collections or delayed deposits.

² Funds withdrawn by the States from the unemployment trust fund for benefit payments. Because of the lapse of time required for transfer this figure may differ from that reported by the Treasury Department for withdrawals from the unemployment trust fund.

³ Data reported by State unemployment-compensation agencies, corrected to July 29, 1937; represents benefits actually charged to the State benefit account; because of the time which may elapse between the issuance of a check and the charging of the payment to the State benefit account, this figure may differ from that in table 4 for amount of benefit payments made during the month.

⁴ From U. S. Treasury Department, Office of Commissioner of Accounts and Deposits; includes earnings credited quarterly.

⁵ Includes \$40,561,888 credited by the United States Treasury to the unemployment trust funds of 13 States and 2 Territories which had no law in 1936 but which enacted a State unemployment compensation law during 1937.

⁶ Includes collections on pay rolls for entire year 1937.

TABLE 2.—Unemployment compensation statistics, by States, as of June 30, 1938—
Continued

State	Contributions deposited in State clearing account		Deposits in State benefit account		Benefits charged to State benefit account		Net balance in unemployment trust fund as of June 30, 1938
	January-June	June	January-June	June	January-June	June	
South Carolina.....	\$1,932,901	\$301,916	-----	-----	-----	-----	\$6,145,797
South Dakota.....	356,814	4,788	-----	-----	-----	-----	1,367,040
Tennessee.....	2,752,659	26,049	\$3,500,000	\$500,000	\$3,344,421	\$565,663	7,096,452
Texas.....	10,694,892	1,865,028	3,900,000	800,000	3,704,620	928,129	25,731,494
Utah.....	819,054	7,206	1,725,000	300,000	1,530,227	217,647	1,635,888
Vermont.....	676,167	7146,724	575,000	850,000	545,676	903,250	1,388,645
Virginia.....	3,556,385	30,329	2,950,000	950,000	2,609,029	682,965	9,029,490
Washington.....	4,481,681	767,307	-----	-----	-----	-----	13,110,347
West Virginia.....	4,327,182	750,236	8,600,000	2,400,000	7,964,172	1,781,870	5,267,038
Wisconsin.....	8,124,941	1,312,400	5,550,000	900,000	5,127,500	¹⁰ 800,660	33,273,614
Wyoming.....	421,903	6,144	-----	-----	-----	-----	1,650,237

¹ Preliminary and subject to revision.

² From U. S. Treasury Department, Office of Commissioner of Accounts and Deposits.

³ Benefits paid.

¹⁰ Includes \$40,054 in benefits charged in January, April, and May, not previously reported.

TABLE 3.—Unemployment compensation: Claims for benefits, by States, May and June 1938

[Data reported by State agencies,¹ corrected to August 2, 1938]

State	Number of initial claims filed ²						Number of continued claims filed ²					
	All claims		Total unemployment ³		Partial unemployment ³		All claims		Total unemployment ³		Partial unemployment ³	
	May	June	May	June	May	June	May	June	May	June	May	June
Alabama.....	18,263	16,438	13,275	12,285	4,988	4,153	167,603	172,207	131,464	127,377	36,139	44,830
Arizona.....	2,474	2,090	2,474	2,090	0	0	21,914	18,328	21,914	18,328	0	0
California.....	41,457	46,452	39,554	44,397	1,903	2,055	388,666	367,017	355,755	361,566	2,911	5,451
Connecticut.....	30,358	31,984	(⁴)	(⁴)	(⁴)	(⁴)	203,002	187,351	155,688	138,479	47,314	48,872
District of Columbia.....	2,310	2,355	2,286	2,325	24	30	33,775	32,874	26,041	25,626	7,734	7,248
Indiana.....	33,246	(¹)	19,376	(¹)	13,870	(¹)	(⁵)	(¹)	(⁵)	(¹)	(⁵)	(¹)
Louisiana.....	12,616	12,620	(⁴)	(⁴)	(⁴)	(⁴)	76,119	84,994	28,990	31,960	47,129	53,034
Maine.....	9,364	13,618	3,735	4,008	5,629	9,610	84,222	78,194	61,909	49,106	22,313	29,088
Maryland.....	28,489	32,441	24,283	28,719	4,206	3,722	187,112	181,990	137,098	131,288	50,014	50,702
Massachusetts.....	41,200	56,814	41,200	56,814	(⁶)	(⁶)	310,904	389,437	310,904	389,437	(⁶)	(⁶)
Minnesota.....	10,744	10,660	10,744	10,660	0	0	107,706	86,806	107,706	86,806	0	0
Mississippi.....	7,108	7,915	7,108	7,915	(⁶)	(⁶)	38,726	52,105	38,726	52,105	(⁶)	(⁶)
New Hampshire.....	10,185	12,439	6,939	9,186	3,246	3,253	53,801	59,087	40,114	43,427	13,687	15,660
New York.....	237,065	230,457	237,065	230,457	(⁶)	(⁶)	(⁵)	(⁵)	(⁵)	(⁵)	(⁶)	(⁶)
North Carolina.....	34,306	26,369	23,733	18,258	10,573	8,111	(⁵)	383,894	(⁴)	(⁴)	(⁵)	(⁴)
Oregon.....	8,566	7,878	8,366	7,593	200	285	75,037	74,813	(⁴)	(⁴)	(⁴)	(⁴)
Pennsylvania.....	84,478	71,860	84,478	71,860	(⁶)	(⁶)	769,780	931,412	769,780	931,412	(⁶)	(⁶)
Rhode Island.....	13,776	11,653	8,009	7,424	5,767	4,229	171,375	162,969	108,099	95,002	63,276	67,967
Tennessee.....	23,253	14,599	12,590	11,161	10,663	3,438	237,757	196,936	170,523	158,305	67,234	38,631
Texas.....	26,741	26,065	25,309	24,793	1,432	1,272	169,930	173,044	(⁴)	(⁴)	(⁴)	(⁴)
Utah.....	4,434	6,554	3,953	6,129	481	425	30,972	(⁵)	29,364	(⁵)	1,608	(⁵)
Vermont.....	2,358	2,062	2,031	1,535	327	527	13,266	12,234	9,397	8,296	3,869	3,938
Virginia.....	17,439	13,749	9,787	9,487	7,652	4,262	87,987	132,267	68,978	76,632	19,009	55,635
West Virginia.....	15,759	10,243	9,206	7,230	6,553	3,013	314,412	302,975	215,278	186,638	99,134	116,337
Wisconsin.....	(⁷)	(⁷)	19,677	20,758	(⁷)	(⁷)	(⁵)	(⁷)	96,016	97,784	(⁵)	(⁷)

¹ Data reported by State agencies; by August 2, 1938, report for June had not been received from Indiana.

² Number of claims filed in local offices or directly with central offices. An initial claim is a first application for benefits in a period of unemployment; a continued claim is a claim repeated weekly following the filing of an initial claim, during a period of unemployment. Some States, however, do not immediately disallow a claim if a worker fails to report to the local office for 1 to 4 weeks following his initial claim; a claim filed after such a period is considered a continued claim, although the intervening weeks are not compensable. In a few States only the first claim made by a worker during a benefit year is considered as an initial claim; all other claims during that year are considered continued claims.

³ Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In all States a week of no earnings is a week of total unemployment. Various types of partial unemployment may be distinguished: (1) Partial unemployment during a period of employment with the usual employer; (2) partial unemployment during a period of compensable total unemployment (odd-job earnings); and (3) partial unemployment during a period of employment in a part-time job. All State agencies will consider unemployment of the first type as giving rise to claims and payments for partial unemployment benefits. Claims and payments for unemployment of the second and third types, however, may be designated as partial in some States and as total in others. Moreover, a worker may file a claim for total unemployment but later report odd-job earnings for the week; in this case his claim would be counted as a claim for total unemployment, but the payment might be counted as a payment for partial unemployment.

⁴ Break-down of claim for benefits for total unemployment and for partial unemployment not available.

⁵ Data not reported.

⁶ No provision in State law for payment of benefits for partial unemployment.

⁷ Figures on claims for partial unemployment are not available; hence totals for all claims are not ascertainable.

⁸ Data available are not comparable with data for other States.

TABLE 4.—Unemployment compensation: Number and amount of benefit payments, by States, May and June 1938

[Data reported by State agencies,¹ corrected to Aug. 2, 1938]

State	Number of benefit payments issued ²						Amount of benefit payments					
	All payments		Total unemploy- ment ³		Partial unemploy- ment ³		All payments		Total unemploy- ment ³		Partial unemploy- ment ³	
	May	June	May	June	May	June	May	June	May	June	May	June
Alabama.....	142,192	140,316	107,215	101,959	34,977	38,357	\$949,901	\$974,198	\$785,494	\$794,859	\$164,407	\$179,339
Arizona.....	18,147	14,643	18,147	14,643	0	0	211,517	168,909	211,517	168,909	0	0
California.....	220,018	270,245	219,854	268,618	164	1,627	2,129,934	2,549,253	2,128,912	2,540,930	1,022	8,323
Connecticut.....	105,352	130,783	(⁴)	(⁴)	(⁴)	(⁴)	1,073,911	1,288,906	(⁴)	(⁴)	(⁴)	(⁴)
District of Columbia.....	21,694	20,533	19,094	18,255	2,600	2,278	190,381	178,523	175,381	165,259	15,000	13,264
Indiana.....	42,987	(¹)	31,068	(¹)	11,919	(¹)	481,718	(¹)	411,974	(¹)	69,744	(¹)
Louisiana.....	60,218	64,669	14,084	14,857	46,134	49,812	400,102	430,015	110,123	115,404	289,979	314,611
Maine.....	78,305	(¹)	56,392	(¹)	21,913	(¹)	631,280	(¹)	520,080	(¹)	111,200	(¹)
Maryland.....	121,086	118,373	(⁴)	(⁴)	(⁴)	(⁴)	1,194,378	1,149,293	(⁴)	(⁴)	(⁴)	(⁴)
Massachusetts.....	194,172	267,319	194,172	267,319	(⁵)	(⁵)	2,084,836	2,876,786	2,084,836	2,876,786	(⁵)	(⁵)
Minnesota.....	119,644	89,768	119,644	89,768	0	0	1,210,868	893,950	1,210,868	893,950	0	0
Mississippi.....	19,026	32,300	19,026	32,300	(⁵)	(⁵)	121,980	121,980	121,980	201,407	(⁵)	(⁵)
New Hampshire.....	37,421	36,751	30,735	29,324	6,686	7,427	315,553	320,702	282,028	280,318	33,525	40,384
New York.....	1,159,260	870,440	1,159,260	870,440	(⁵)	(⁵)	13,891,929	10,270,017	13,891,929	10,270,017	(⁵)	(⁵)
North Carolina.....	159,305	160,646	(⁴)	(⁴)	(⁴)	(⁴)	1,215,388	1,146,597	(⁴)	(⁴)	(⁴)	(⁴)
Oregon.....	66,347	50,583	55,009	41,012	11,338	9,571	731,211	546,806	658,412	486,266	72,799	60,540
Pennsylvania.....	493,211	770,943	493,211	770,943	(⁵)	(⁵)	5,631,572	8,463,256	5,631,572	8,463,256	(⁵)	(⁵)
Rhode Island.....	124,858	106,370	95,913	78,606	28,945	27,764	1,082,694	922,520	927,407	777,752	155,287	144,768
Tennessee.....	90,366	117,916	89,322	104,916	1,044	13,000	662,875	825,780	656,191	774,299	6,684	51,481
Texas.....	92,034	112,556	85,030	103,202	7,004	9,354	791,039	971,474	752,092	917,900	38,947	53,574
Utah.....	25,454	19,454	24,535	18,033	919	1,421	279,240	217,647	272,423	207,234	6,817	10,413
Vermont.....	9,360	7,985	7,582	5,910	1,778	2,075	79,127	63,250	69,956	54,327	9,171	8,923
Virginia.....	69,575	109,768	52,714	61,651	16,861	48,117	499,557	682,965	431,961	511,063	67,596	171,902
West Virginia.....	172,669	186,253	128,316	126,154	44,353	60,099	1,714,354	1,782,293	1,443,530	1,421,673	270,824	360,620
Wisconsin.....	65,812	82,255	58,164	71,714	7,648	10,541	627,053	804,180	593,132	758,593	33,921	45,587

¹ Data reported by State agencies; by Aug. 2, 1938, reports for June had not been received from Indiana and Maine.

² A benefit payment is ordinarily issued for each week of compensable unemployment; in a few States, however, in order to expedite delayed payments of benefits to workers, checks covering payments for several compensable weeks are issued.

³ See footnote 3, table 3 (p. 83).

⁴ Break-down for total unemployment and for partial unemployment not available.

⁵ No provision in State law for payment of benefits for partial unemployment.

TABLE 5.—Unemployment compensation—Benefit claims and payments, by States, July 1938
 [Data reported by State agencies to the Bureau of Research and Statistics, Division of Unemployment Compensation Research]

State	Initial claims received		Number of continued claims received	Number of benefit payments for total and partial unemployment	Amounts of benefit payments				Average amounts of payments, July 1938		
	Number	Percentage change from June			All unemployment		Total unemployment	Partial unemployment	All unemployment	Total unemployment	Partial unemployment
					Amount	Percentage change from June					
Total for States reporting	895,700	1-20.6	4,131,740	3,617,578	\$36,665,065	1-8.1			\$10.14	\$10.90	\$5.72
Alabama	11,602	-29.4	168,242	106,569	778,302	-20.1	(2)	(2)	7.30		
Arizona	2,215	+6.0	(3)	13,828	159,796	-5.4	\$159,796	0	11.56	11.56	
California	48,709	+4.9	324,170	425,003	4,350,884	-7.8	2,303,115	\$26,442	9.40	9.51	5.09
Connecticut	23,920	-25.2	142,797	152,666	1,506,763	+16.9	(2)	(2)	9.87		
District of Columbia	2,176	-7.6	30,684	16,515	144,019	-19.3	135,436	8,583	8.72	9.00	5.83
Indiana	22,077	-33.7	245,438	220,326	2,528,791	+65.5	(2)	(2)	11.48		
Iowa	21,778		39,377	3,974	40,295		40,295	0	10.14	10.14	
Louisiana	12,805	+1.5	87,114	66,701	458,674	+6.7	126,501	332,173	6.88	8.08	6.51
Maine	10,227	-24.9	87,549	48,542	375,539	-36.5	281,260	94,279	7.74	9.27	5.18
Maryland	27,779	-14.4	164,225	105,666	905,123	-21.2	(2)	(2)	8.57		
Massachusetts	33,146	-41.7	316,479	269,747	2,925,859	+1.7	2,925,859	(5)	10.85	10.85	(5)
Michigan	290,799		187,887	0	0		0	0			
Minnesota	8,355	-21.6	73,447	674,362	758,842	-15.1	758,842	0	10.20	10.20	
Mississippi	6,999	-11.6	39,763	38,244	236,864	+17.6	236,864	(5)	6.19		(5)
New Hampshire	9,275	-25.4	60,959	33,550	290,314	-9.5	250,741	39,573	8.65	9.71	5.11
New York	168,457	-26.9	(3)	748,701	8,878,469	-13.5	8,878,469	(8)	11.86	11.86	(5)
North Carolina	24,166	-8.4	339,881	140,835	1,033,521	-9.9	(2)	(2)	7.34		
Oregon	6,724	-14.6	65,163	43,341	475,870	-13.0	423,471	52,399	10.98	12.03	6.44
Pennsylvania	67,031	-6.7	883,503	658,166	7,380,153	-12.8	7,380,153	(5)	11.21	11.21	(5)
Rhode Island	7,442	-36.1	132,645	84,679	729,964	-20.9	612,633	117,331	8.62	10.09	4.90
South Carolina	10,480		13,767	1	6		0	6	6.00		6.00
Tennessee	15,085	+3.3	212,551	78,269	566,918	-31.3	535,138	31,780	7.22	7.44	4.78
Texas	24,648	-5.4	167,290	103,664	918,180	-5.5	(2)	(2)	8.86		
Utah	4,164	-36.5	(3)	23,531	290,200	+33.3	280,250	9,950	12.33	12.65	7.23
Vermont	1,630	-21.0	9,660	7,326	61,860	-2.2	53,739	8,121	8.44	9.56	4.76
Virginia	10,426	-24.2	(3)	118,511	851,175	+24.6	(2)	(2)	7.18		
West Virginia	6,786	-33.7	246,341	137,226	1,291,802	-27.5	1,024,002	267,800	9.41	11.15	5.90
Wisconsin	716,799	-19.1	2,82,808	72,585	726,832	-9.6	684,200	42,632	10.01	10.82	4.57

¹ Percentage change computed on basis of 25 States paying benefits in June and July.
² Break-down for total unemployment and partial unemployment not reported.
³ Data not reported.
⁴ Number and amount of payments for all unemployment includes 2,757 checks paid for adjustments amounting to \$21,327 which is not included in break-down for total and partial unemployment.

⁵ No provision in State law for payment of benefits for partial unemployment.
⁶ 74,362 payments made by 45,216 checks.
⁷ Data relate to total unemployment only.

The last table, summarizing the activities for July, shows a substantial decrease from the preceding month. While the amount of payments fell only 8.1 percent, the number of initial claims received fell 20.6 percent during the same time. This is the first significant decrease in claims volume since January. While some of the decrease doubtless reflects reemployment of workers who had been drawing benefits, an unknown portion arises from the exhaustion of benefit rights by workers who are still unemployed.

One of the most embarrassing problems confronting administrators is the large number of benefit checks written for small amounts. In part this is due to partial unemployment, the large volume of which is indicated in table 4, but in part, too, it is due to a peculiarity of many State laws which aim to make as many workers as possible eligible for benefits, and yet limit benefits to a fixed proportion of earnings. Both of these matters are receiving careful attention, and doubtless most States will modify their laws at the next session to eliminate the latter problem. The problem of partial unemployment is more difficult and will require continuous study.

The matters which are of most concern to the administrators of unemployment compensation at present, however, are not those which appear in the routine reports, and perhaps a word should be said regarding some of these. Some of the problems of internal organization, and interrelationships between the various agencies, both State and Federal, are discussed elsewhere and need not be dwelt upon here. But other problems arising in connection with benefit payments, or growing out of new legislation, may be of sufficient interest to mention.

The major piece of legislation in this field is the Railroad Unemployment Compensation Act signed by the President on June 25, 1938. This legislation covers something like 1,900,000 employees. Most of these employees have been covered by State unemployment-compensation laws. It is provided, in general, that the funds collected under State laws, from employers, and not used to pay benefits, shall be turned over to the Railroad Retirement Board for the benefit of the workers concerned. Aside from the problems presented by the necessity for such transfer, there are the continuing problems arising from the fact that we shall have two systems of unemployment-compensation operating in each State, and while the provisions of these systems regarding waiting period, benefits, etc., may be quite different, workers will shift, in substantial numbers, from one system to the other in the course of the year. Information presented to the Congressional Committee showed that 25 percent of the railroad workers who became unemployed in 1937 had worked on railroads for only 2 months or less in the preceding year and 53 percent had

worked a half year or less. Most of these workers doubtless worked in other fields in the remainder of the year. The problems presented by this situation will require much attention in every State in the year ahead.

Another problem arises in connection with the relationship of unemployment compensation to the various relief and welfare programs of the State, particularly in connection with W. P. A. employment. Workers who are eligible for a limited amount of benefit under the unemployment-compensation program, but are on the W. P. A. lists when benefit payments begin, find it impossible to transfer without serving a waiting period in which they get no income at all, or are forced to ask for relief. The various programs designed to help the unemployed worker meet his problems must be so coordinated that each may fulfill its proper function.

In conclusion, your committee is pleased to report that, in spite of the difficulties mentioned, and in spite of the fact that half the States were forced to begin benefit payments at a time when the volume of unemployment would have burdened even well-established agencies, the program has, on the whole, operated remarkably well. In some cases there has been undue delay, because of faulty legislation, because of inefficient administration, or because employers had failed to furnish the necessary records. But these cases are the exception. All things considered, the Federal-State system of unemployment insurance in this country has come through its testing period better than could have been expected. It is now experimental only in the sense that experience during these early months has indicated many changes which should be made in the interests of efficiency and economy—efficiency in decreasing the time required to make payment to an eligible worker, and economy in reducing the proportion of contributions required for administration. The States and the Social Security Board are making this their major objective during the coming year.

Proposed Changes in Our Old-Age Assistance Laws

Report of Committee on Old-Age Assistance, by HARRY R. McLOGAN (Wisconsin Industrial Commission), Chairman

In my report to the last convention held at Toronto, Ontario, Canada, I went into much detail, giving the reasons for the suggestions made, and the changes of law advocated, and in this paper I shall confine myself to a simple statement of the suggestions and the suggested changes in the present laws without detailed comment, in the hopes of bringing about a wider discussion, but more particularly, that a repetition at this time of some of the changes suggested might bring quicker results.

(1) Old-age assistance or pension laws should be as simple and inexpensive to administer as possible.

(2) The irksome "red tape" in ascertaining eligibility of applicants should be eliminated.

(3) The law should make provision not only for financial but also for other assistance when desired.

(4) Old-age assistance, either in the form of money or service, should be given so that an individual's independence and self-sufficiency is not destroyed.

(5) The amount of old-age assistance or pensions should be such as to enable the recipient to live in decency and comfort in the state where the old-age beneficiary finds himself.

(6) The amount granted should be uniform throughout the State.

(7) The only "need test" that should be applied is the actual income of the recipient.

(8) Old-age assistance or pensions should never be denied on the theory that children are able financially to contribute to their parents' support.

(9) If it is suspected that children are able, financially, to support the applicant, a grant should be made immediately, provided the applicant is otherwise qualified.

(10) If it is determined that those responsible for the care and support of the applicant are financially able to give such support, an action should be started to recover from them the amount of pensions granted.

(11) Old-age assistance should be mandatory in operation in every governmental subdivision of the State.

(12) The age requirement should be 65 years, with a provision automatically reducing the age below 65 years to meet any reduction in the age requirement in the Federal law.

(13) Persons 60 years of age, or over, permanently incapacitated on account of accident disability should be made eligible.

(14) Every citizen of the United States, and every person who has lived in the country for 25 years, should be made eligible to receive old-age assistance or pension.

(15) Any person, otherwise qualified, who has resided in the State the required period, but who has no county residence, should be permitted to file his application in the county of his residence, and the amount, if granted, should be paid entirely by the State until such time as he gains a county residence.

(16) In order to be eligible, the applicant's real property should not exceed \$5,000, and his personal property should not exceed \$500 in addition to an exemption of \$500 for household goods; his income, if single, should not exceed the maximum amount of assistance allowed,

and, if married, the income of husband or wife, or both, should not exceed twice the amount of the maximum assistance allowed.

(17) Nonincome producing property owned by the applicant should not be taken into consideration in computing his income.

(18) Funeral expenses should be allowed in addition to the grant, so as to insure a decent burial, instead of one in the potter's field.

(19) The provisions in some of the State laws, which require the applicant to transfer his real property as a condition of being granted old-age assistance, should be repealed.

(20) State laws should be amended so as to place at the disposal of a State agency a free fund or equalization fund to permit assisting financially hard-pressed counties to give the same standard of assistance as can be paid in the counties which are better situated financially.

While there can never be complete integration of old-age assistance or pensions granted by the State with Federal old-age benefits under the Social Security Act, I do believe that the nearest approach to such integration is to have old-age assistance or pension grants to the applicant who is not entitled to any Federal old-age benefits restricted only by the actual income of the applicant, and that the grant may be the difference between such actual income and the maximum amount permitted under the law of the State. In the case of the applicant who has absolutely no income, and whose benefits under the Federal old-age insurance system are less than the maximum provided by the State law, the amount granted by the State should be the difference between whatever old-age benefits are received under the Federal insurance system and the maximum amount permitted by the State law.

Adjustment of Industrial Disputes

What State Labor Departments Can Do in the Field of Conciliation

By JOHN R. STEELMAN, *Director of the United States Conciliation Service*

This program marks the second time a member of the United States Conciliation Service has met with the International Association of Governmental Labor Officials. When I think back to the time when my able predecessor, the late Hugh L. Kerwin, appeared before you in 1923, I cannot but be encouraged by the increased national awareness of the need for industrial peace. In recent years labor, management, and the consumer alike have begun to realize that industrial peace is essential if ours is to be and remain a real democracy.

As I see it, the business of each State labor department is to analyze and understand the labor problems of its own State. The business of the Federal Department of Labor is to analyze and understand the labor problems of our entire Nation. Each State labor department can help solve the national problem by presenting its particular State difficulties and suggested remedies. The Federal Conciliation Service can help by presenting to each State the whole picture as it sees it. Surely nothing but good can come of such an interchange of ideas between those whose perspectives are of necessity different but whose objectives are the same—true industrial peace in the highest sense of these words.

If I were to follow my subject literally, I would have to attempt to tell many of you what I think you should do. I prefer to do exactly the opposite. Let us review briefly why the Department of Labor with its various divisions was created in the first place; what the Conciliation Service is doing; and what all of us can do to help bring industrial peace.

In this country in the days of its colonization the farmers were the dominant economic group and it was they who controlled the setting of wages, hours, and prices. In large measure the farmer was the government. Later, as buying and selling increased, control switched from the farmer to the business man. Business made itself felt in government to the extent of securing the protection and advantage of tariffs, patents, transportation grants, and corporation law. Almost

inevitably a more powerful and demanding "big business" emerged. From the beginning, and particularly after the Civil War, labor struggled unsuccessfully to become articulate in government. Nevertheless, the workers courageously continued their efforts toward self-organization. Keen and bitter disappointments met these efforts, for all too often government's apparently friendly gestures were twisted to the disadvantage of labor. Finally, in 1869 the State of Massachusetts established the first State labor bureau in response to labor's demand for an unprejudiced study of the actual conditions under which men and women were working. Since that day State after State has established similar bureaus or boards, which ever since have been rendering signal service to the cause of labor. The year 1884 marked the establishment by the Federal Government of a similar unit which later became the Bureau of Labor Statistics, now a major division of the Department of Labor.

The United States Department of Labor was established in response to a serious need. Let us not forget that in those early days black-listing, perhaps even imprisonment, awaited labor leaders who were striving for less than a 14-hour day, for the right to assemble, for the right to bargain for wages and hours. Helpless to better its condition in the face of adamant employers, labor turned to legislation, and on this field the battle raged between the most potent lobbyists industry could buy and labor's most articulate representatives.

While eventually the law recognized the right of workers to associate for their own protection, it held back with deadly effect by continuing to recognize an employer's right to get rid of a worker for joining a union. The commission appointed by President Cleveland in 1894 to investigate the cause of the famous Pullman strike reported that it was the practice of employers to exact contracts from their workers not to join labor unions, and in other ways to discharge workers for forming labor organizations. The commission cited this practice as one of the chief causes of labor unrest.

Finally, in 1898 Congress saw the need for recognizing the right of workers to organize for their mutual protection and passed a bill outlawing the use of yellow-dog contracts, and forbidding interstate carriers to discriminate against their workers because of union affiliations. But in 1908 the Supreme Court, insensitive to changing needs, invalidated this law by a 6-to-2 decision and held that even a corporate employer had a constitutional right to refuse to employ or keep employed any worker who belonged to or joined a labor union. That decision killed labor's hope of any Federal aid for the time being. In 1914 labor's hope of any State aid was killed by a 6-to-3 decision of the Supreme Court which held that a State, like the Federal Government, had no power to prevent an employer discriminating as he

pleased against union workers. In 1916 the Supreme Court, over the dissent of Mr. Justice Holmes, Mr. Justice Brandeis, and Mr. Justice Clarke, outdid itself in paralyzing labor's every effort. The decisions in 1908 and 1914 were negative. In 1916 the Supreme Court affirmatively denied labor any right to meet the situation peacefully by holding that a court, at the request of an employer, must enjoin a union from peacefully soliciting members among workers who had previously been obliged to agree not to join a union as a condition of their employment.

This aggressive action left the door wide open for employers to engage spies to ferret out the union members in their employ. This many employers did in the name of upholding their alleged constitutional right. Even today a Senate investigating committee is presented with sworn statements revealing the intimidation of workers directly and by means of a fabulously expensive espionage system.

Someone has said that fear is at the root of all vindictiveness. At any rate we have the spectacle of two enormous forces—each dependent upon the other for existence—fearing, hating, double-crossing each other. And why? Because of an antiquated conception of how the fittest can survive. Labor has been on the defensive since the beginning of time, so its position today represents no particular change. Industry, on the other hand, has grown from small businesses to grotesquely large corporate structures. Its organization has changed fundamentally—but some expect labor to stand still. With these two huge forces at each other's throats—the consumer wedged helplessly between—a third party of unquestionable integrity is needed to approach the whole situation with an intelligent and dispassionate eye if the whole American people is to be saved from needless suffering.

While doubtless a greater number of employers than ever before are now willing to solve the labor problem on a mutual basis; while there are more collective agreements than ever before in our history; while, on the whole, we have much of which to be proud, yet a great deal remains to be done before there is industrial peace based on justice.

Federal Agencies for Aiding Industrial Peace

Within the past few years there has been increasing interest in the activities of the three Federal agencies which deal exclusively with the particular problem of industrial relations. There has been confusion in the minds of some as to the exact functions of such different Federal agencies as the United States Conciliation Service, the National Mediation Board, and the National Labor Relations Board. Let us review briefly the work and duties of these agencies?

First in order of establishment is the Conciliation Service of the United States Department of Labor, established in 1913, which assists in settling both intrastate and interstate disputes.

Next we have the two boards set up under the amended Railway Labor Act. They are the National Mediation Board in Washington and the National Railroad Adjustment Board in Chicago. These two boards confine their activities to the fields of railway and air transportation labor problems.

Third, we have the National Labor Relations Board which guarantees and protects the right of the workers to organize and bargain collectively. The Board does not conciliate labor disputes. President Roosevelt pointed out when signing the Wagner Act:

The National Labor Relations Board will be an independent quasi judicial body. It should be clearly understood that it will not act as mediator or conciliator in labor disputes. The function of mediation remains, under this act, the duty of the Secretary of Labor and the Conciliation Service of the Department of Labor * * *.

Thus, while the National Labor Relations Board is charged with the determination of the proper bargaining agency and the safeguarding of certain rights of workers, and the National Mediation Board and the National Railroad Adjustment Board are charged with the handling of differences pertaining to interstate railroad and air transportation, the Conciliation Service, under the organic act creating it, is empowered to make its services available in any instance to insure and promote harmonious relationships between workers and employers. The act creating the Department of Labor said, in part:

The Secretary of Labor shall have power to act as mediator and to appoint commissioners of conciliation in labor disputes whenever in his judgment the interest of industrial peace may require it to be done.

From this part of the original act has come the present Federal agency which during its lifetime has assisted in the settlement of disputes involving almost 23 million workers.¹

The following evaluation of the Service has been made by a man highly respected by labor and industry alike, the former Assistant Secretary of Labor, Edward F. McGrady. He said:

No other government in the world, having a similar service, has handled such a vast number of cases and met with such success. This is all the more remark-

¹ During the past fiscal year the Conciliation Service handled 4,231 labor situations, involving at least 1,618,409 workers. Of this number 2,319 cases (1,460,795 workers involved) were strikes, threatened strikes, or lock-outs. The remaining 1,912 cases (157,614 workers) consisted of arbitrations, technical assistance, and conferences on general labor relations in various industries. In 339 instances of threatened strikes, involving 230,565 workers, the strikes were averted by mutually satisfactory settlement before the strike date. Thus 4,611,300 man-days of labor were saved, since the average loss per man during a strike is 20 days. Last year satisfactory settlements were reached in more than 90 percent of the labor situations handled. All settlements were, of course, voluntary—the conciliator has no authority to force a settlement on anyone. In only six instances were the services of a conciliator declined by one of the parties to a dispute.

able when you consider that this Department is without any power except the use of conciliatory methods.

Long before becoming the Director of the Conciliation Service I had the belief that real industrial peace is possible if labor, industry, the various State agencies, and this Service cooperate to bring it about.

I think we ought to bear in mind a fact stressed by the committee recently appointed by the President to study labor relations in England and Sweden. In commenting on their findings they have pointed out that we expect things to happen too quickly in this country. Collective bargaining is new here; it is old in England. In countries where the second or third generations are working under a system of collective agreements, strikes and lock-outs are usually much fewer than in our country, where last year there were almost 5,000 strikes and a loss of over 28 million man-days of work.

Being so new as a Nation, we have had to draw deeply upon the experience of other countries. But it has always been the American way to adapt such knowledge to fit our people and situations. Instead of transplanting whole trees to our soil, we have rather grafted Old World branches to our own sturdy New World trees. That, I believe, is the real American way. Let us remember it when we deal with the problem of labor relations. Let us not attempt to adopt any system in its entirety. Let us learn from each other here in America and evolve from that knowledge our own machinery and methods for dealing with the problem of industrial relations.

This brings me to the heart of the question to be discussed, i. e., what are the chief problems brought to the attention of the Federal Conciliation Service and how can we best work with the State organizations toward a solution of them?

We know that "industrial relations" means simply the relationship between the worker and the employer. Logically, the best industrial relations are those worked out by the two parties directly affected without outside intervention. Where that cannot be done to the satisfaction of both parties, the next step might well be a request for assistance from the State and the Federal conciliation services. There are many sides to the question as to who should be called in to help settle a dispute that seems to be getting out of hand. I hope that some of the aspects may be brought out in our discussion here today.

A labor dispute usually, if not always, presents two sets of factors—economic and psychological. It has rightly been said that capital and labor are at once partners and rivals. They are partners because one cannot function without the other; rivals because they compete with each other as to their relative shares of the production. The psychological aspect grows out of the subordination of the wage earner to management. We usually find the conflict concerns not only wages to

be received, but also questions of working conditions, rules and regulations governing the operation of the plant, and often a conflict of personalities separate from any of the other factors. In fact, I think this is a topic which would bear more consideration than it has received.

Now, in addition to stating ever so roughly the basic causes of labor difficulties, let us note one more step before we discuss State and Federal cooperation in maintaining industrial peace. What does a conciliator or mediator do? Regardless of who he is or where he comes from, what steps does he take to bring peace and understanding? (1) He must, so far as possible, get the facts in the situation, both economic and personal. (2) He must ascertain the exact differences between the contending parties. (3) He must, throughout the process, create good will. (4) The mediator must then help the parties to find a common meeting ground. As to whether the place of meeting is a compromise on the part of both or of the one to the other will depend on the facts, again including personalities. The old statement by Balzac that "life could not go on without much forgetting" is very often true in labor relations.

The mere mention of these things to be done by the mediator indicates, I think, the part the States can play in handling labor disputes, and also that more and more cooperation between the Federal and State mediation services is essential. Our relationship with certain State departments of labor, developed for the most part during the past year, leads me to hope for a cooperative relationship with more and more of the States. We have long had a definite and close relation with the Pennsylvania mediation service. A less definite yet no less real working relationship exists between us and several other States, including Alabama, Arkansas, Connecticut, Kentucky, Illinois, Indiana, Maryland, Massachusetts, New York, North Carolina, Oregon, Rhode Island, South Carolina, Virginia, Washington, and West Virginia. The study which the Bureau of Labor Statistics has made at the request of your organization indicates, I believe, that 40 States and 2 Territories now have some provision for conciliation. Unfortunately, in the vast majority of these States insufficient revenue has made it almost impossible for a service to function.

As collective bargaining comes to be more generally recognized as the real foundation for the establishment of equitable industrial relations, facts rather than emotion will tend to be the deciding factor in settling industrial disputes. This opens a vast new field of service to our State labor departments. By a careful study of actual economic conditions in the affected locality and in the local industry, by an understanding of the personalities and other psychological factors involved, a State service can render important assistance.

An ever-increasing effectiveness is found in those States having personnel delegated to do this work. In a further effort toward synchronization and cooperation, we of the United States Conciliation Service are endeavoring to allocate commissioners to fixed areas. In the old days the first and often the chief problem was to arrange a meeting of management with union officials. Usually this was less difficult if the conciliator came from a distance—from Washington. In the light of recent developments, however, coming from Washington is not of itself as important as it was in the past.

Today we find that the most effective commissioner very often is the man located in a particular community. He learns to know the people intimately. He observes actual conditions in the industries of that community. Working in cooperation with the State representatives, the commissioner can learn whom to contact directly when a dispute occurs and, what is often more important, who can be counted upon to aid indirectly in the settlement of a dispute.

Naturally, there are situations which can best be handled by combining the prestige of the State government with that of the Federal Government. We are made to realize this fact by the appeals for assistance which continue to pour in to us from civic organizations, municipal officials, and State officials, as well as from management and labor.

It is well to remember that only a short time ago a labor dispute was more of a local matter. Today, the close relationship between labor and industry coupled with the recent increase of Federal and State regulatory statutes means that a small-town plant is no longer isolated and operating solely on a local basis. Today, both labor and industry are familiar with labor conditions in other plants and other areas. This means that, in addition to wide experience in the field of industrial relations, a commissioner of conciliation must be fully cognizant of competitive conditions in the industry. In preparation for this new trend, our Washington office is endeavoring to supply each commissioner with enough factual data to enable him to function with the utmost speed and efficiency. Here again it seems evident that cooperation between Federal and State officials will come to be increasingly valuable to both.

If time permitted I might mention certain specific advantages and disadvantages encountered by both the State and Federal representatives in handling labor disputes. Perhaps that can best be covered in our discussion. However, before passing this phase of the subject, I do wish to invite your attention to the possibilities open to the State departments of labor in the field of arbitration. With increasing frequency agreements contain provisions for the appointment of arbitrators. In some agreements it is provided that the

appointment shall be made from the staff of the United States Department of Labor. In many others, however, either the United States Department of Labor is not mentioned at all, or there is sufficient latitude in the language to permit the appointment to be made from outside the Department. In still other agreements it is specified that an outside arbitrator shall be appointed by the Secretary of Labor or the Director of Conciliation. In all these instances, by reason of the extensive acquaintance the State departments of labor have with citizens in their respective States and their general knowledge of labor relations, the advice and counsel of State officials are not only valuable, but frequently almost indispensable. It would seem that Federal and State officials working in cooperation should be in a position to do more effective work throughout the whole field of industrial relations than either can hope to do alone.

There are two reasons why I have not made more specific recommendations as to what the mediation and conciliation agencies within the States might do in conjunction with the United States Conciliation Service: First, because there is so great a difference between the powers and functions of the several State agencies that it is difficult, if not impossible, to find a common denominator; second, because it seems to me infinitely more important that we have a general understanding of each other's problems and activities. After all, it is the spirit rather than the letter of cooperation that really matters here—just as it is the spirit rather than the letter that matters in collective bargaining.

In closing let me thank you for this opportunity. I hope you will discuss very freely the subject I have attempted to outline. I am eager to have your suggestions. Such an interchange of thought will surely result in a closer cooperation, which should aid in finding a better way to meet changing conditions and contribute materially to making industrial peace a reality.

Discussion

MISS SWETT (Wisconsin). The discussion will be opened by Mr. McKinley, of Arkansas.

MR. MCKINLEY. Mr. Steelman, I remember reading a number of years ago, a report of one of the United States conciliators to his chief, and if I remember the language correctly, he stated that there were three sides to a labor controversy—the employer's side, the laborers' side, and the right side. It seems that the conciliator's job is to find that right side and to get the two parties to the controversy to agree that that is the right side.

Mr. Steelman spoke of the influence of a Washington representative coming into a small town, and I do not know but what there is some

psychology there. But in that connection I believe it is absolutely necessary, in most instances, especially in local plants, to have the co-operation and the benefit of the knowledge of the local commissioner of labor or his staff. We know, just as you know sometimes, as when you spoke of the small plant down South that had its connections in New York, that many times the supposed owner of a plant is not really the owner and sometimes he has not the right to do things that he would like to do. Then the question is to find out who has the strings on him.

Several years ago, in Fort Smith, the matter of a closed shop came up, and the employer, a very fine fellow, gave us everything but a closed shop. We had a conference from 10 o'clock one morning until 3 o'clock that afternoon. We continued it the next day. But when we reached the closed-shop question, he would say, "I can't do that just now." It led me to believe there was somebody across the street, maybe in the banking business, that we had better talk to, and we did, not directly but through the secretary of the chamber of commerce. So that was fixed up. That was one of the schemes through which we brought about adjustments.

Mr. Steelman also spoke of a factory where certain jealousies had developed. Those same jealousies exist sometimes on a strike committee. In some States there are labor officials who are willing to sacrifice themselves, but obstacles are thrown in their paths to prevent a settlement. That has happened. In our State Mr. Steelman has helped us out in emergencies of that character. There are all sorts of things that a conciliator has to find out about.

Immediately after a strike, even though both sides are perfectly willing to settle it, there is embarrassment on the part of each of them unless there is a third agency which can come in and get them together.

There is hardly a State in the Union where these labor disputes are of such frequent occurrence as to warrant the setting up of a State department for that work alone. It is much better to have a Federal department, with personnel engaged in that work alone so that their minds are not divided with other duties. In Mr. Steelman's paper I was struck with the statement that the Service is placing its conciliators in certain zones, where they are best suited. For instance, in sending a man from Florida to Maine, you might encounter some difficulty, especially where the strike might involve white and colored labor.

Mr. Steelman spoke of avoiding strikes. We have been called upon to do that. There is another duty. After these difficulties have been settled and the United States conciliators have left the State, sometimes little misunderstandings come up with reference to interpretation of the contract. We have been called upon three or four different times to go down to a place at Fort Smith and assist in the inter-

pretation of an agreement. About 2 weeks ago we avoided a walk-out down there.

MISS SWETT. We will hear next from Mr. Wrabetz of Wisconsin, who has had some experience this year with the State labor relations board.

MR. WRABETZ (Wisconsin). The Wisconsin Labor Relations Act went into effect in Wisconsin on April 14, 1937. Our board was appointed about a week thereafter, and while it is an independent board, the Governor saw fit to bring about contact with the industrial commission, which has general charge of all the labor laws of the State, and he appointed me chairman of that board. I have with me on the board two men who have had much experience in labor relations, mediation, and so on. One of them is Msgr. Francis Haas and the other member is Dr. Edwin Witte, who is chairman of the economics department of the University and who, as you all know, was executive secretary of the board that drafted the National Social Security Act.

While our act provides for certain definite unfair labor practices, much the same as the National Labor Relations Act—as a matter of fact, our law is called the “little Wagner Act”—the principal difference is that mediation and arbitration are made a specific duty of the labor relations board, and in our administration we have emphasized the mediation side of our functions.

I might call attention to a few facts. The board by the end of June 1938 had settled about 325 strikes, involving more than 19,000 men and women, and prevented at least 50 impending strikes by mediation, the most important of which was the Allis-Chalmers dispute which involved 11,000 workers. There were approximately 275 specific charges by unions and employees which were investigated and settled without formal procedure by the board. The board was called upon to render assistance in more than 60 disputes in which there were no strikes or specific charges.

Forty-seven formal complaints were issued by the board against employers for alleged unfair labor practices.

In six cases the board's decisions were complied with. In four cases the board appealed to the circuit court for enforcement of its order. Nineteen cases were settled by informal conferences after the complaint had been issued and in some instances after a hearing had been started. Decisions in seven cases were before the board for consideration at the end of June.

Under the authority of the listing section of the law, the board listed about 850 unions as recognized labor organizations. Included in this group are 33 independent unions not affiliated with any national organization. Thirty-seven independent unions failed to per-

suade the board that they were free of employer influence and were denied listing.

The board conducted 84 elections and investigations, involving approximately 17,000 workers, to determine the union selected by a majority of the employees for collective bargaining. In 10 of these cases the staff of the Wisconsin Labor Relations Board acted for and at the request of the National Labor Relations Board.

In at least 25 labor controversies, the Wisconsin board has been called upon to furnish arbitrators or to act as arbitrator.

As I have indicated, our board has authority to act as a mediator on request of either party or of its own initiative. Requests for its services usually come from one or the other of the parties to the dispute, but not infrequently from both. Many times mediation is sought before strikes are called, a practice which we have encouraged. Many of the cases we have had have involved only a few employees; others have arisen in the larger plants in the State. The Wisconsin board has interpreted its authority as extending to all labor disputes and threatened labor disputes occurring within the territorial limits of the State, and in its mediation work has never made the slightest distinction whether the dispute involved intrastate or interstate commerce. In many of the cases coming before the board it has been the only agency attempting mediation; in others, it has functioned together with representatives of the United States Conciliation Service or the National Labor Relations Board.

The mediation work done by the Wisconsin board has been its most widely approved activity. Even the leading Milwaukee newspaper, which has been consistently attacking both the National and State labor relations acts and their administration, has praised the State board for the work it has been doing in the field of mediation; so have labor-union officials of both groups and many of the leading manufacturers of the State. Writers on labor problems have generally taken the position that mediation should not be combined with the administration of an act prohibiting unfair labor practices. Their view, I believe, is that there is an inherent conflict between attempts to settle labor disputes and sitting in judgment upon unfair labor practices which may be involved in these disputes. It is thought that a person or an agency which has attempted to mediate a dispute cannot thereafter fairly act upon charges of unfair labor practices growing out of the same labor disputes or involving the same parties.

I think this view is erroneous, at least in relation to a State labor relations board in a State which does not have a greater industrial population than has Wisconsin. For one, I think it is very clear that a labor relations board has to do a considerable amount of media-

tion work, whether it is expressly authorized by statute to do so or not. The National Labor Relations Board, and I am sure every State board, endeavors to avoid formal trials whenever it is possible to secure compliance with the labor relations act without such formal proceedings. Under the most favorable circumstances, formal trials consume a great deal of time, and the remedy that can be provided thereafter often comes too late. In many instances, moreover, there are close issues of fact and law which render a compromise settlement the best possible solution. Where, for instance, there are charges that an employer has refused to bargain collectively with a majority of his employees, the best possible settlement is to get him to bargain collectively. Even where the charge is that an employer has discriminated against workmen for union membership, very often the best solution is to get the employer to deal with the union.

As the figures I cited a moment ago indicate, the Wisconsin board has issued formal complaints charging employers with unfair labor practices in only one-eighth of the cases in which unions or individual employees filed charges with the board alleging that employers were guilty of such practices. In the great majority of the other seven-eighths of the cases involving unfair labor practices, the board secured a mutually agreeable adjustment of the difficulty, which accomplished all of the purposes that could have been accomplished through a formal trial and decision of the board.

A State labor relations board, in a State like Wisconsin, however, must concern itself not only with cases in which unfair labor practices are charged, but also with strikes and threatened strikes, no matter what the subject in controversy may be. The primary purpose of labor-relations legislation, as I see it, is to promote industrial peace. It does so through outlawing practices which lead to industrial disputes and through establishing collective bargaining as the method by which any sort of disputes affecting labor relations are to be adjusted. Unfortunately, however, collective bargaining does not always result in settlement, and even today, since collective bargaining has not yet actually been established as the method for determining labor controversies in a large part of all industry, it follows that the duty of government does not end in the enactment and enforcement of a labor relations act. It also has a direct responsibility to attempt to bring together the parties in labor disputes to get them to agree upon a settlement which will prevent or terminate the dispute.

No State can be indifferent to strikes which occur within its borders, whether these strikes occur in industries which are predominately in interstate commerce or not. Strikes in industries affecting interstate

commerce do create repercussions outside the State which justify the enactment of the National Labor Relations Act. But first and foremost, these strikes affect the States in which they occur. The responsibility for the preservation of law and order rests with the States. The primary losses resulting from the strike directly affect the people of the State. Whenever serious strikes occur within any State, the State government is certain to be called upon for help by one party or the other, and if not by the parties, then by the public officials of the community affected. The government must intervene to protect the interests of the people of the State, which are more direct and immediate than those of the entire Nation. Nor can there be any question that if the State governments must take cognizance of serious strikes which occur within their borders, it is their clear duty to do what they can to prevent strikes from occurring or to get them settled as soon as possible, if they have already occurred.

In a large percentage of all strikes and threatened strikes, questions of wages, hours, and working conditions are intermingled with charges of unfair labor practices. In these situations mediation is inseparable from enforcement of the statute prohibiting unfair labor practices. Therefore, as already noted, the enforcement of the statute prohibiting unfair labor practices often can best be handled through securing the adjustment of disputes in connection with which the charges of unfair labor practices have arisen.

The fear that the same person or agency cannot both try to mediate a dispute and sit in judgment upon charges of unfair labor practices growing out of that dispute, seems to me to be largely imaginary. A proper enforcement of the statute against unfair labor practices necessitates attempts to adjust the dispute in numerous instances. Only rarely will a formal case arise out of the same dispute in which a State agency has attempted to act as a mediator. In such rare cases any conflict which might theoretically arise can be avoided through having the member of the board or the employees who were connected with the attempt at mediation refrain from acting in the unfair labor practices case.

Conceding that there may be some cases in which conflicts are possible, it seems to me that the advantages of combining the mediation work with the responsibility for enforcing the labor relations act greatly outweigh the disadvantages which result from such possible conflicts. As I see the matter, the most important work that a State labor relations board can do is to educate employers regarding their duties under the labor relations act and to get them to realize that the requirements of this act are not unreasonable or harmful to industry. This is particularly true in the work of State labor relations boards. Most of the cases coming before State labor relations

boards involve relatively small employers. The State boards are concerned far more with such industries than with the great manufacturing establishments who sell their products in every part of the country. By this time the great national concerns are much better acquainted with the requirements of the labor relations acts than the much larger number of small employers who have heretofore had very little contact with unionism. This being the situation, the responsibility of a State board does not lie solely in sitting in judgment whether particular employers have violated the labor relations act or not. The responsibility of the State board is to do all that it can to preserve industrial peace and to develop practices in industry in dealing with labor relations which will result in a minimum of labor disputes.

It seems to me that the State labor relations boards ought to emphasize the preservation of industrial peace as their primary objective. Nothing will promote this sort of a concept of their work as much as to make them responsible for mediation in labor disputes as well as for the enforcement of the statute against unfair labor practices. The more the State boards emphasize that their function is to preserve industrial peace, and the more they act like impartial mediators in labor disputes, the more they will be able to accomplish in the development of practices in industry which will lead to harmonious relations between employers and employees.

Mr. BASHORE (Pennsylvania). In Pennsylvania, as most of you know, we have a mediation service of rather long standing and we also have a State labor relations board. The mediation service is a bureau in the department of labor, and the State labor relations board is what is known as an administrative commission in the department of labor and industry. In such a commission, the secretary does not determine the policy of the labor relations board but controls the finances and the appointment of personnel, so that he has quite an effective hold upon the State labor relations board.

It seems to me, in commenting upon the question as to whether or not the State labor relations board and mediation service should be joined, that it is a matter of how the question of settlement of labor disputes has arisen through time in the State. In Pennsylvania, the mediation service has conducted mediation for many years. We believe that it is most effective, and that the mediation service and the State labor relations board should be separate in their functions. Personally, I do not think that it makes a great deal of difference so long as the object is achieved.

The thirty-seventh session of our legislature amended our mediation-service law and in one particular, as commented upon by Dr. Steelman, it put an arbitration section in the mediation law, whereby,

if both sides request arbitration, the secretary may appoint the third member of the arbitration board. While, since that act was passed, I have named an arbitrator in only one case, which happily did settle a very important dispute, nevertheless, more and more the agreements are including that very type of arbitration clause, asking either the secretary or the head of the mediation service or the United States Conciliation Service to name the third arbitrator.

We have had quite a troublesome year in labor relations in Pennsylvania. To me, one of the most important factors in labor disputes today, in Pennsylvania at least, has not been mentioned in this discussion. While I have no solution for it, I know it is troubling other States, and I know it is troubling the United States Conciliation Service. It is the question of the tremendous rise in the number of strikes resulting from disputes, not between employer and employee but between the American Federation of Labor and the Committee for Industrial Organization. Just last week a very important shirt factory in a city in the anthracite district (which happens to be my home city), which employed 1,000 people, was closed solely because of a dispute between the two organizations. The employer begged the State—I think the Federal service was in there also—to permit an election to be had or to do something to keep his plant open. He did not want to close it. There we have that very important problem. The organization that claimed it had a contract would not agree to an election, and the National Board seemed powerless at the moment to move in promptly and determine what should be done. The organization attempting to take over the plant has filed its petition with the National Labor Relations Board, but the process is slow because the other organization refuses to agree to anything. Of course, it means that the case is in the courts and the plant is closed.

That is a very serious situation, and I know that every one of us recognizes that situation as existing all over the United States. I know it exists in Pennsylvania at the moment. What are we going to do about it and what can we do about it? My fear is that such situations, so far as Pennsylvania is concerned, are going to increase. At the moment there seems to be no intention on the part of either of the warring labor factions to get together as far as organization is concerned. It is a real problem. I should like to have some suggestions from Dr. Steelman and also from any others who might have something to say on this subject.

We have had a very happy relationship with the United States Conciliation Service. It has existed at least since I have been in the department, and I know that we feel as free to call directly upon the United States Conciliation Service man to represent us as it does to

call upon us to represent it when it is not able to cover the subject matter. And further, so far as the National Board and the State board are concerned, while the working agreement has not as yet seemed to be as effective, we do have a definite understanding that when one goes in, the other stays out. A determination is made between the two boards as to which has jurisdiction, and either they work together or one gives way to the other, so that the dispute is not made worse because of warring between the National and the State labor relation boards.

Dr. STEELMAN. We find the same difficulties throughout the country that Mr. Bashore has mentioned in Pennsylvania, though perhaps not to such a degree as is evidenced in Pennsylvania. Such specific instances as he has just mentioned are not the usual thing. They are somewhat unusual, taking the national picture as a whole, but they are very serious wherever you do find them. Even a small plant in a small community may be just as important, or more so, economically to that community as a very large plant in a larger city, so that any case such as he has given here as an illustration is very serious economically and otherwise.

I believe these two factions will get together. Down the line, the rank and file of labor in certain sections, it seems to me, is getting rather sick of the situation. I believe, taking the national picture again rather than any particular State or locality, that the dispute between the labor factions is boiling down more and more to a limited number of personalities. I have stated publicly that I think this dispute between these factions is fundamental as well as personal and for those reasons it will be some time before this breach is healed, and that I think the sooner it is healed, the better. But I do believe, from the national picture, that it is boiling down more and more to a limited number of personalities as well as the fundamental issues remaining between them, and that the rank and file of labor, certainly in many localities, are not fighting each other. They are not inclined to fight each other.

I was calling on various labor leaders in a city several days ago, and as I went in to see the leader of one faction in that city, I found that someone behind his desk was using the telephone. When he hung up the telephone, the other man introduced him as the leader of the other faction in the community. I said, "What does this mean; are you gentlemen consorting with each other here in this city?" They said, "Yes, other people can call names and fight if they want to, but we are too busy here to be fighting each other." Over the country, I think that is increasing. I think, even though there are very fundamental issues between the factions, that a constant healing is going on.

In the meantime, while theoretically the Conciliation Service is not involved, practically it is, as Mr. Bashore has said. We cannot escape this conflict. Theoretically, of course, the Conciliation Service says this: "If there are two factions, if there is a dispute as to who is who, go to the labor board. We do not decide that question. If there is a dispute between labor and industry, and there is a committee that we can get to meet with the management, fine. But if you fellows are fighting among yourselves as to who is going to represent whom, do not talk to us about it. Go to the labor board." But that is easier said than done. Practically we cannot escape the issue, because in a very high proportion of the cases today the two factions are involved, and so in order to make any headway at all some sort of understanding must be worked out. Very often the conciliator is able to get the parties to agree to call on the board to hold an election or they may work out a tentative settlement. They may work out an agreement to have the question determined by an election. There are all sorts of ways. We try first of all simply to keep the factory or plant running, to keep the people earning their incomes, and then to let this dispute between the factions be worked out somehow—if possible, of course, by an election. Very often, however, it is slow work getting around to having a hearing and an investigation and an election, so that if the question can be worked out, even tentatively at first, naturally we go ahead and work out some understanding.

So over the country we do find the difficulty that Mr. Bashore has mentioned but not so acutely, I think, as he is finding it in his State at present. As to the solution, as to what can or ought to be done, I have no answer. As Mr. Bashore has indicated, it does seem that so far as actually getting the people at the top in the fight together, there is no present indication that it will be done. The only indications I notice are down the line. As to when or how fast that can work, I could not answer. I do not know.

I should like to know, since we are on the subject, what others are experiencing in this line. I have no final answer at the moment to propose for the problem.

Mr. BELL (British Columbia). I feel that it may be of interest to tell you briefly what we have done in British Columbia with regard to this very important matter.

In December last year we passed an act in British Columbia known as the Industrial Conciliation and Arbitration Act, which is the only act of its kind that I have seen so far on the North American continent. There may be others that resemble it, but I am sure that there is none that is exactly like it. There are several principles to the act. I regret that I could not bring a number of copies for any of you who might be interested, but I want to assure you that if you want one, I shall be glad to send it to you.

For some time organized labor in Canada had been pressing for the right to organize. I might say that it always had the right to organize. There was nothing in the laws of Canada which prevented organizing, but there was nothing in the laws that affirmed that right. The Trades and Labor Congress of Canada made a draft bill which it circulated widely among the Provincial legislators in Canada, affirming the legal right of workers to organize.

When that came up to our government in British Columbia, the government said, "Yes, we will give you the legal right to organize and we will make it an offense for any employer to try to prevent you from taking advantage of that right. Having done so, you must assume certain responsibilities." So that was why this act was drawn up.

I will run over the law briefly because I only want to give you an idea of what it does. The act gives labor the right to organize, but it makes a strike illegal until conciliation and arbitration have been tried. It does not deprive employees of the right to strike, but it makes that the last step. When a dispute exists, either of the parties may apply to the Minister of Labor for the appointment of a conciliation commission. The Minister may appoint a commissioner of his own volition in any apprehended dispute. The conciliation commissioner tries to conciliate the matter, and if he is successful, good and well. If he is not, he reports his failure to the Minister and then a board of arbitration is appointed. Each side appoints one member and the two appoint a chairman. The government appoints a chairman if the two cannot agree in the appointment.

The board of arbitration brings in an award and that award may be accepted or rejected by either party. The board's award must be put before the employees by secret ballot. After that ballot has been taken and the employees have had an opportunity to say whether or not they will accept the award, they are free to go ahead and strike after that if they wish to do so.

Mr. Bashore remarked that there are several causes of strikes. That is quite true. We have had experience in British Columbia with some very serious strikes, and it was out of that experience and looking around and seeing what is taking place elsewhere, looking into the future to see what might happen, that we thought we had better get something like this on the statute books.

We give labor the right to organize. We give labor the right to strike after conciliation and arbitration. I may say that organized labor does not look with very much favor on this act. It has pressed the government to repeal the act, but the government has refused to do so. Whether organized labor likes it or not, it is working out very well. We have had three boards of arbitration, and it is a rather

singular thing that in two cases the award of the board has been unanimous, the chairman and both sides signing the award. Another board is sitting at the present time.

What we wanted to prevent was organizers coming in from the outside and deliberately stirring up trouble, stirring up a strike. You may say: "You do not give a union the right to represent employees." We certainly do if the majority of the employees say that the union representatives are representing them.

A strike is defined as being a dispute between an employer and a majority of his employees. The Minister said, "I do not want any outsider coming in here and coming to me and saying, 'There is a dispute on at such and such a plant and I am representing these employees.'" The Minister said, "We will put that the other way around. I want those employees to come and tell me that you are representing them."

To get the act into operation, we have drawn up a number of forms which we use in its administration and operation. In any dispute where the number of employees is less than 15, a majority of the employees may sign a document naming their representative and send it in. If there are more than 15 employees involved, the procedure is that a meeting must be held at which a majority of the employees is present, and a resolution voted upon and passed by a majority of the employees in the plant. A statutory declaration signed by the chairman and secretary of the meeting must be submitted to the Minister saying that such a resolution has been passed and naming the employees' representative in the dispute. That briefly is an outline of the act and I will not go into any other details.

Mr. WRABETZ. On this question of the conflict between the American Federation of Labor and the Committee for Industrial Organization, we have been somewhat fortunate in Wisconsin in that the activities have been somewhat localized, so we have not had very many of those disputes. We have had about six or seven, I believe.

Our practice there is to attempt to get a stipulation between the parties, both unions and the employer, for an election to determine the appropriate unit. We have been successful in that. They abide by the result of the election. We have been successful in all but one of those cases. In that case we had to go to a hearing, and we simply had an election and after the election the employer bargained with the union that won. The first thing they agreed on was an all-union agreement, and that was the end of the fight.

I wonder if you might be interested in a newspaper release issued by the employer in the Allis-Chalmers dispute. Mr. Max W. Babb, president of the company, said this:

While the new agreement has been described by some as a compromise, I do not feel that this is either an accurate or a fair statement. The word "compromise" carries with it the idea that each party has, for the sake of peace, surrendered fundamental principles, but there was in the present settlement nothing of this nature on either side.

It is now realized that both the union and the company recognized, as they must, the rights of each other within their respective fields—the union in the field of collective bargaining, the company in the field of management control.

The real difficulties lay in the simple fact that each group, trying to secure clear-cut definitions of their proper fields, became victims of a common inability of accurate expression. Numerous unfortunate selections of words appearing in the proposals and counter-proposals led to continual misunderstandings by each group as to the actual purposes of the other.

The Wisconsin Labor Relations Board, acting as mediator, was able to clarify the proposals of the parties by resourcefully suggesting language expressing their real intentions. In the end it was discovered complete accord could be reached without either party being obliged to deviate or retreat from its original purpose.

Inasmuch as there was no compromise between the parties there certainly could be victory for neither, and yet in a very real sense I like to think there was a victory—not for one over the other—but for all of us, a victory of common sense and intelligence over emotionalism.

It seems reasonable to say that the procedure developed and followed in reaching this accord presents a distinct contribution to the technique of intelligent and genuine collective bargaining.

Mr. BASHORE. I have been troubled considerably as to whether or not I have used every means at my command in attempting to solve this situation, and from the conversation and discussion here, I am satisfied that I must have used all the means that were available.

While a procedure such as Mr. Wrabetz suggested has been used successfully by us in a number of cases where the two unions are moving into a plant at the same time, in this case the A union has had an agreement in this plant for 5 years, and the B union now claims that it has a majority of the employees, which aggravates the situation, as you can recognize. Consequently, in attempting to get an agreement between the parties, a stipulation for an election, the A union, which has had the agreement for 5 years, will under no circumstances agree to anything. It has renewed its agreement, so it says. I do not know that to be a fact, but both the employer and the A union say that they did renew it, although the employer says he is willing that an election be held.

I got this far in that dispute: I got the employer to agree that he would take back everybody who was formerly in the plant and was then out on strike, and that there would be no discrimination. I got the B union, which is the union that is just moving in, to agree

that they could all go back and it would call off the strike. But the A union says, "Yes, the plant may go on but those people out there will never come back in this plant." So you can recognize how difficult that situation was. In that community in the anthracite fields—a territory, as all of you know, woefully sick industrially—in a city which is the county seat of one of the largest coal-producing counties in the United States, a plant employing 1,000 people, must close because we cannot have peace between those two organizations. And the unfortunate thing—I have said this today to the representatives of both organizations—is that as soon as a difficulty arises, the legal talent of both sides rushes in and makes more difficulty. As a lawyer myself, I say it is more difficult to conciliate those lawyers than the individuals themselves. Frankly, here is a real and a tremendous problem, and it certainly is aggravating in Pennsylvania.

Mr. MORTON (Virginia). Mr. Bell, is there a time limit in your law from the time the complaint is filed until the strike is legalized, and, if so, what is that limit?

Mr. BELL. Yes, there is a time limit on everything. The Minister must appoint a conciliation commissioner within 3 days. Then after the conciliation commissioner has filed his report—the report being that the conciliator has not been able to accomplish a settlement—a board must be appointed for arbitration within 7 days. These periods are definitely stipulated in the act. Then the award of the board must be submitted to the employer and the employees, and the employees must have an opportunity either to accept or reject it by secret ballot, and 14 days after the ballot, they may go on strike.

Mr. LUBIN. Is there a definite time limit between the day that the Minister appoints a conciliator and the time the employees can strike?

Mr. BELL. Yes.

Mr. LUBIN. What is that?

Mr. BELL. It would really depend on the length of time that was involved in procedure.

Mr. LUBIN. That is the important thing. What can happen is that if you get the wrong kind of Minister you can ruin every trade union because you can keep the proceedings going so long that the time for an effective strike has passed. The season may be over and the unions ruined.

Mr. BELL. That is the argument against the act.

Mr. MORTON. That is the weakness in the law. Dr. Steelman, in the appointment of arbitrators, do you welcome the opportunity in these

agreements to appoint a third member of the arbitration board from your own department?

Dr. STEELMAN. We are somewhat reluctant to use the conciliators as arbitrators. If we can, we like to get somebody else to act, because you can see very well that the conciliator might injure himself with the parties so far as handling some other situation was concerned. However, in many instances, if both parties are willing to have the conciliator, he may do a little preliminary work to bring them to the right attitude. They may say, "We will take whatever you say. It is all right." So our conciliators do act in many instances as arbitrators. However, most of these agreements say that the Secretary of Labor or the Director of the Conciliation Service is to appoint an arbitrator. They do not specify that it will be one of our own men. They simply say that we are to appoint an arbitrator, and that gives us an opportunity to try conciliation again.

I believe I would be safe in saying that in about 9 out of 10 instances under that kind of an agreement, the conciliator does not act as arbitrator, and we do not appoint one either. The conciliator says, "Let's see what the trouble is. Perhaps we do not need an arbitrator. Let's get together on it. Let's see what this dispute means." So we get out of appointing an arbitrator many times. We welcome having a clause in the agreement that we may appoint or secure the odd member—and unions all over the country are doing it without asking us—because it is a wonderful way of keeping down misunderstandings and trouble.

Mr. MORRON. The second question is, should the commissioner of labor assume that responsibility of appointing the third member? If it is good for your department, is it good for the commissioner of labor in the State, and, if so, and he appoints the third member, do you not think it weakens his influence in mediating and conciliating other strikes? I am saying that because the only objection that is generally made is that it is so hard to get a third man who will be fair. Whichever side he decides for, the other side immediately claims that he is unfair, and when a commissioner of labor who has a smaller constituency than yourself makes such an appointment, he is apt to get in bad with one side or the other, is he not?

Dr. STEELMAN. He is very apt to, of course. That brings up a point I mentioned, that the State man has certain advantages and disadvantages over the Federal man. It depends on what the case is. In a lot of instances, I know State departments of labor do make the appointments and it is perfectly all right. It depends on who is having the dispute and, of course, on many other circumstances. Very often, if we have to make an appointment, we get advice from the State man as to who is needed. He can help us a great deal.

But if it is a situation in which he might get into a jam, maybe it is better for him if we take the rap, so to speak. It is another one of these things where we need to cooperate, I think, and it depends on the circumstances as to just who ought to act.

Mr. MORTON. I have called on you quite often during the short time I have been in office, but I have wondered if you think it is proper for us to enter a case and go as far as we can before calling on you. Do you or do you not think that we should enter a case and progress as far as we can? I think about half of the labor disturbances that have been brought to my attention have been settled without calling your department.

Dr. STEELMAN. I think again that probably depends on the case and the general situation. Ordinarily, I should say, "Yes." When you offer your services without being asked by either party, that is more properly done by the State department than the Federal, I think. If either party asks you, naturally I think you should go into the case and go as far as you can. Again, if you had reason to feel that our assistance would be helpful from the beginning, we could act together. Of course, you would feel free to call upon us. It depends on what the circumstances are.

Mr. MORTON. Another question that I have in mind is, why is it that we so often say when the question comes up, "That is a matter for the Labor Relations Board," and then pass it off. We say, "What is the use? It will be months before we get a hearing." Why is it that we are up against that brick wall on so many important labor problems right now? Is the Labor Relations Board doing anything to enlarge its force or doing anything more nearly to meet this situation?

I regard that as a very serious problem. So many of these things can be handled by no one but the Labor Relations Board, and yet we are having to dismiss cases simply because these labor disputes cannot lay on the table for months.

Mr. BELL. I want to correct a wrong impression that I may have given when I said that the duration of the proceedings would depend on how long it took the conciliation commissioner and the board to arrive at a conclusion. These proceedings may be speeded up, but there is a definite limit of 14 days. The conciliation commissioner has 14 days and no more in which to file his report to the Minister. The board of arbitration must make an award within 14 days from the time of appointment. So that there is a definite time limit set on everything.

Mr. McMAHON (Rhode Island). I want to express, on behalf of my department, our appreciation of the Conciliation Service. We have had splendid cooperation. Possibly very few men have used

the Service as much as I have during the years gone by. As president of the United Textile Workers of America, I know whereof I speak. I know the advantages to the workers of having a Service in Washington that is willing and ready to cooperate, and I take this opportunity of thanking Dr. Steelman for his splendid help.

Occasionally we might differ; that is a privilege all of us have. I believe those who, like myself, were brought up in the textile fields, and who served an apprenticeship in the American Federation of Labor for 50 years, are aware of the conditions which existed and how hard we worked to have a Department of Labor within the Government and also the splendid things that have been accomplished in the 25 years since it was created.

It is quite true that differences take place, but Dr. Steelman is, I believe, correct when he says that fundamentally among the workers there is little, if any, difference of opinion. It was my good fortune on Labor Day to sit with President Green at luncheon. So far as I know, and I believe he would say so, the same relationship exists between him and myself as there did during the years when both of us served under President Gompers.

In a little State like my own, with only approximately 2 percent agricultural and the rest industrial, I feel that during the past year and a half of my occupancy of office as director of labor, the many difficulties we have had have been adjusted mostly through the efforts of the department of labor of the State, with, on practically all occasions, the presence of a representative of the Department of Labor from Washington.

To approach the matter is a difficult task. So far as we are concerned, I approach both sides. Frankly, I have had the cooperation of 90 percent of the employers of my State. We have differed. I get both sides together. They usually get into a scrap. That is natural. What do we do? We ask the employer to move into one room and the employees to move into another room in the statehouse. We do not allow them to go out, if it is at all possible. The commissioner or his representative, whoever is handling the case, sits down with both sides. We discuss it pro and con; then draw up a rough draft of what could be done to bring about an adjustment. So far 90 percent of the cases have been successful.

So far as arbitration clauses in agreements are concerned, only 2 weeks ago, I believe, the director of labor was asked to appoint an arbitrator. Of course, I did not consider the pros or the cons, but immediately appointed an arbitrator, suggesting three names to the parties and letting them take their choice. Both sides agreed on one name. We got the parties together. The director withdrew and allowed the arbitrator to hear the representatives of the employers

and of the workers plead their case. Stenographic reports were, of course, submitted. The arbitrator reviewed them and made his decision, and today, September 10, the arbitrator's award is in effect.

Many peculiar cases come to us because of our variation of industry. We manufacture pins and engines and all classes of textiles, as well as everything in jewelry that you can think of, in the little State of Rhode Island. No man that I know of is conversant with the technicalities of all industry. But a trade unionist who is conversant with the workings of the trade-union movement, and has a desire to see peace in industry prevail in the State of which he is commissioner, will take the chance of making a mistake in finding out the proper direction to go, rather than hesitate.

The National Labor Relations Board, with its office in Boston, has treated us splendidly. We know the many calls upon its time. We have had our differences of opinion, but I have presided at elections, with the consent, of course, of the chairman of the Board in Washington and with the consent of the director in Boston. In no instance was an election held except upon the written request of both parties, and in some cases of the independent union, although I object strenuously to any national organization, whether in the Committee for Industrial Organization or in the American Federation of Labor, allowing itself, if it can prevent it, to be tied up on a ballot with an organization that calls itself independent but which never existed prior to the trouble. That, in my opinion, should not be tolerated, but the director of labor or commissioner can do nothing about it when the representatives of the international or national organization of either of the two groups consent in writing to that process.

I want again to thank Dr. Steelman for his splendid help, and to thank the Bureau of Labor Statistics, through Dr. Lubin, for its cooperation at all times.

Mr. LUBIN. There is a very definite movement afoot in the United States for legislation similar to that which prevails in British Columbia. There is a very definite movement on the part of interests in this country to amend the Wagner Act, and there will be pressure on individual States for little Wagner acts, with certain responsibilities put on labor. I think the labor commissioners who will be consulted in the drafting of those acts have a very definite duty to be sure that they know what they are doing when they put certain types of responsibilities on labor. I do not think anybody will deny that, in the public interest, labor must be responsible, but I think that during the next year we ought all to think through very carefully what we mean by "responsibilities," so that we will not put ourselves in a position where, by permitting certain responsibilities to be put on the statute books, we create a situation making it impossible for

organized labor to live or which takes from labor in fact the right to strike, although on paper that right is there.

I shall not be surprised if during the coming sessions of the legislatures, half of the States find legislation already prepared providing for certain types of "responsibility" for labor. Mr. Bell's story was a case in point. We are facing it every day in Washington. We are going to have to face it next winter in regard to the Wagner Act and as labor commissioners, we have, I think, a very definite responsibility to be sure that we do not commit ourselves to any type of legislation which, in the name of "responsibility," actually may result in either limiting the powers of trade unions to grow or actually ruining them.

Women in Industry

Women In Industry, October 1, 1937, to September 1, 1938

Report of Committee on Women in Industry, by MARY ANDERSON (United States Women's Bureau), Chairman

In my report this year as chairman of the women in industry committee, I have two general purposes in view: First, to digest briefly the most important of the past year's legislative developments, both Federal and State, that affect woman workers; and second, to discuss the significance of the newly assumed Federal responsibility for employment standards as it relates to the job which remains to be done by the States.

Digest of Labor Legislation During the Past Year

The enactment of the Federal wage-hour bill stands out as the major legislative development affecting workers in many years. In June 1938, the United States Congress outlawed the long hours and the wages of 10, 15, and 20 cents an hour that have been the lot of many thousands of men and women. The Fair Labor Standards Act establishes two vitally important principles—that of Federal responsibility for the welfare of the Nation's wage earners, and that of minimum-wage rates alike for women and men.

With the modifying provisions found in most wage and hour legislation, the law requires that, beginning this fall, no person in the industries affected may be paid less than 25 cents an hour or be employed more than 44 hours a week without overtime pay. After 2 years the 40-hour week is to be in effect, and after 7 years the minimum wage is to be 40 cents an hour.

At any time after industry committees have begun to function, they may recommend, and the administrator may order, a rate higher than the 25-cent or 30-cent absolute minimum for a given industry or classification of industries, but it must not exceed 40 cents. Hence, there is a possible range in the immediate minimum of from 25 to 40 cents.

STATE LABOR LEGISLATION

In addition to this significant Federal labor act, certain State legislatures were active during the past year, tightening up on hour

regulations, passing new minimum-wage laws, and extending legislation covering a day of rest, time for meals, and rest periods for women. Significant progress was made in minimum-wage administration, particularly in the issuance of wage orders covering thousands of woman workers not previously under the protection of this type of law.

HOOR LAWS

In the past year drastic changes in State hour laws were made by Virginia, whose new law providing a 9-hour day and a 48-hour week for specified industries supersedes the 10-hour law that set no weekly limit, and by Louisiana, whose law providing for an 8-hour day and a 48-hour, 6-day week in certain occupations supersedes in part the old 9-54-hour law for woman workers. South Carolina established for women an 8-hour day and a 40-hour week in garment factories, and for men and women an 8-hour day and a 40-hour, 5-day week in the important textile industries, and a 48-hour week in finishing, dyeing, and bleaching plants.

In addition New York extended its 8-hour day, 48-hour, 6-day week standard to beauty parlors where never before were hours regulated by law; Oklahoma, through its welfare orders, set up an 8-hour day, 48-hour, 6-day week for women in 3 industries; and Colorado, which for many years has had an 8-hour law, established a 6-day weekly limit for women in laundries.

Oklahoma, again through its welfare orders, reduced weekly hours in several industries from 54 to 48, though the daily limit remains at 9 hours. The hours for registered pharmacists in Oklahoma (men and women) have been limited to 10 a day, 57 or 58 a week, and 11 a day, 62 a week, according to size of community, and the week in each case to 6 days. For women in beauty parlors and barber shops, Oregon allows 10 hours a day, but keeps the weekly maximum at 44. South Carolina replaced its 12-60 hour law for women in stores with a law providing maximum hours of 12 a day, 56 a week for men and women in a number of industries, including stores, restaurants, laundries, and manufacturing plants other than the textile and garment factories provided for in the 8-40 hour law.

LAWS PROVIDING FOR A DAY OF REST, TIME FOR MEALS, AND REST PERIODS

During the past year South Carolina set a precedent with a law providing for a 5-day week for men and women in cotton, silk, rayon, and woolen mills. Colorado, Louisiana, Oklahoma, and Utah—States that have not before had such a provision—set a maximum workweek of 6 days in one or more industries. In Oklahoma, this provision applies to men and women. New York brought beauty parlors under the 6-day weekly limit.

NIGHT-WORK LAWS

Two changes only were made in the State night-work laws: New York prohibited work in beauty parlors from 10 p. m. to 7 a. m. and South Carolina repealed its law that prohibited the employment of women in stores after 10 o'clock at night.

MINIMUM-WAGE LAWS

There are two additional State minimum-wage laws—those of Kentucky and Louisiana. Also during the year the old Kansas law of 1915 (as amended in 1921) was validated, raising to 25 the total number of States with minimum-wage laws. The Kansas and Kentucky laws apply to women and minors, the Louisiana law to women and girls.

Women and Wage-Hour Laws

Through the passage of the Federal Fair Labor Standards Act the whole legislative situation with regard to woman workers has been radically changed. By this means the Federal Government takes the responsibility for wage and hour standards for the workers engaged in commerce or in the production of goods for commerce; and the State administrative agencies are in a position to concentrate their efforts on the protection of intrastate workers and to expand into new fields not yet covered by wage and hour laws though they are sorely needed. It may be of interest, therefore, to make an estimate of the numbers and types of woman workers covered by Federal and by State laws and to indicate the groups exempt from such coverage.

MINIMUM-WAGE COVERAGE

It may be estimated that the Federal law takes care of some 4 million women, and that more than 2½ million are in the ostensibly better paid jobs (professional, executive, and so forth), that are not likely to come under minimum-wage laws.

Of the remaining large groups—over 4 million—who are exempt from Federal coverage and are therefore the special province of the States, approximately 1¼ million women are covered by the State minimum-wage laws that exist. These 1¼ million women are in retail trade, in hotels and restaurants, in laundries, and in other service industries. In addition, of course, are the enormous groups of agricultural workers and household employees among the lowest paid of all workers and not covered by any law. There are about 2 million of these, and the States should now devise some method of raising their wage levels. Also not affected by wage laws are untrained nurses and many of the dressmakers and seamstresses who are employed by others and whose hard and continuous work and

generally low scale of pay should have some attention from the State.

HOURLAW COVERAGE

An estimate of the coverage of the hour provisions of the Federal law would be practically the same as for wages. The large groups of woman wage earners excluded from both Federal and State wage provisions, such as farm workers and household employees, are excluded also from hour regulations.

RECENT STATE MINIMUM-WAGE ACTIVITY

The last year has been the most active one in minimum-wage history with regard to the number of wage boards meeting and the volume of orders agreed upon. It is of interest to note that the majority of recent orders have covered women exempt from the Fair Labor Standards Act. Of 35 orders, 6 were for laundries, 4 for beauty shops, 4 for mercantile establishments, 4 for public house-keeping, 1 for cleaning and dyeing, and 3 had to do with perishable foods.

POSSIBLE DIRECTIONS FOR STATE WAGE-HOUR LEGISLATION EXPANSION

In view of the proposed Federal wage-hour program, what are some of the directions in which the State programs can expand? These are several.

In the first place, it is obvious that much work remains to be done toward the coverage by adequate wage orders of women included by State legislation to whom the Federal law does not apply.

In the second place, there is the question of extending State wage-hour legislation to men as well as women. It is unquestionably the ideal situation to have men and women on the same basis under labor laws, but due to certain obstacles we cannot always attain the ideal.

At this time there are several States with hour laws for men and women. In the case of Pennsylvania, which passed one law providing a 44-hour week for women, and another law providing a 44-hour week for men, the latter law was promptly challenged and is now in the courts. The law for women, however, is being enforced.

I should like to recommend that in extending hour legislation in the States to men until such time as the question of the constitutionality of this legislation as applied to men has been clarified by the courts, two bills be formulated—one for men and one for women. In this way the protection for women, already deemed constitutional, would not be jeopardized though the laws covering men were challenged by the courts.

When we come to minimum-wage laws covering men as well as women, we have the same situation. Mr. Murphy can tell us what has happened in Oklahoma, where nine wage orders are being held up by the courts.

A third possible type of State wage-hour expansion is in the direction of extending the laws to cover groups of woman workers now excluded from both Federal and State laws. As I pointed out in my report a year ago, it is time for serious consideration of this extension of the protection of labor laws to new groups. I realize that enforcement in certain fields such as agriculture and domestic service encounters enormous obstacles, but that should not entirely block the way of experimentation and progress.

INDUSTRIAL HOME WORK

I know that there is a committee that will report on industrial home work, but I do want to say that though the Fair Labor Standards Act contains no language referring directly to such employment, I am informed by the Solicitor of the Labor Department the law was so drawn as to apply to industrial home work in those industries coming under the jurisdiction of the act.

Youth in Industry

Apprenticeship Training

Report of Committee on Apprentice Training, by VOYTA WRABETZ (Wisconsin Industrial Commission), Chairman

The preparation of skilled workers under sound standards of apprenticeship is one of the most important and significant problems facing Government, labor, and management. It is universally recognized that a skilled worker can be fully and properly developed only through actual performance of the work of the trade on the job. Therefore, if the young workers are to receive adequate preparation in all of the processes of the trade, there must be standards established to serve as yardsticks covering all aspects of apprenticeship. These standards must be worked out with representatives of management and labor, and since labor departments are established to perform functions relating to conditions of employment, it is apparent that no other public agency is so logically suited to stimulate and supervise the formation and application of labor standards of apprenticeship.

We are glad to be able to report that State labor departments are accepting their responsibility for the development of apprenticeship with enthusiasm and that they are proceeding to carry out their functions with vigor. Apprenticeship offers a field of tremendous opportunity for departments of labor to perform a constructive service to youth, to labor, and to industry. During the past 2 or 3 years there have been a number of significant developments with respect to the preparation of skilled workers which have given State and Federal labor departments responsibility for the establishment of apprenticeship labor standards, the promotion of the acceptance of those standards, and the placing of employed young workers in the skilled trades under indentures.

Significant among developments is the acceptance by the Congress of the United States, the United States Office of Education, and the United States Labor Department of the principle that the promotion of labor standards of apprenticeship is a function of departments of labor. As a result, the work of the Federal Committee on Apprenticeship has been made a permanent activity of the United

States Department of Labor. Paralleling this development several States have enacted apprenticeship laws, and other States have established State apprenticeship councils through appointment either by the governor or the commissioner of labor.

Inasmuch as apprenticeship is one of our most important fields of activity, this committee is of the opinion that this, the first report on the subject to this association, should provide a brief historical background leading up to the most important developments. This information will also serve as a solid foundation for the reports which future committees will make on apprenticeship.

During the period 1933-34, when the National Industrial Recovery Administration was formulating and putting into effect its codes of fair competition, it developed that the purpose of the codes—shortening hours, raising wages, to put men to work, and to increase the purchasing power of the people—was in danger of being defeated, due to the fact that insufficient arrangements had been made in the past for the preparation of skilled workers. The shortening of working hours had a more noticeable effect on the adequacy of the supply of skilled workers than did the raising of wages. Consequently there was tremendous pressure put upon the N. R. A. to relieve the situation through the granting of industry-wide as well as individual firm exceptions to the hours provisions of the codes. The N. R. A. recognized that it faced a problem which needed attention badly. As a result, it appointed a committee to study the problem of apprenticeship and to make recommendations concerning the action which should be taken to furnish the well-qualified skilled workers, prevent young people from being denied apprenticeship opportunities, supply a number of young people with jobs, and protect the interests of journeymen. The result of the committee's recommendations was the Executive order which originally established the Federal Committee on Apprenticeship.

A large number of complaints had been received from employers and through the schools to the effect that such apprenticeship systems as had been operating were being closed up, due to the fact that employers refused to pay minimum code wages to apprentices—it will be recalled that many codes established minimum wages by occupations. The Federal Committee undertook to set up machinery in each State which could issue wage exemptions to employers who wished to employ apprentices under standards adequate to safeguard the interests of the apprentices and the journeymen in the trades. The machinery thus established was the State apprenticeship committees with which you are all familiar.

The skilled worker gets most of his skill through actual performance of the various processes of the trade on the job and under the

supervision of a journeyman. Consequently, it is clear that a large proportion of the actual training aspect of apprenticeship is a labor problem. Then most of the other elements in apprenticeship are labor problems. They include the relating of the number of apprentices to the job opportunities, wages, hours, bonuses, complaints, school attendance, and apprenticeship indentures.

The relationship of the United States Department of Labor and the United States Office of Education to the development of apprenticeship has been carefully worked out in a joint statement prepared by the two agencies and submitted to the Congress of the United States. The statement pointed out:

It is clearly and officially recognized by the President, the Office of Education, the United States Department of Labor, the National Youth Administration, and the American Federation of Labor, various national associations of employers and State governments, that there are two distinct groups of responsibilities and functions in the promotion and subsequent operation of plans for apprentice training. One group deals with the apprentice as an employed worker—the conditions under which he works, his hours of work, his rates of pay, the length of his learning period, and the ratio of apprentices to journeymen so that overcrowding or shortage of skilled workers in the trade may be avoided in large part. The second group of responsibilities deals with the apprentice as a student—the related, technical, and supplemental instruction needed to make him a proficient worker and the supervision and coordination of this instruction with his job experience.

The statement discussed the question as to whether the two distinct phases of apprenticeship could be most effectively advanced nationally by a single administrative agency, or by the two Government agencies which have jurisdiction, experience, and facilities in the respective fields. It showed that in the States it has been demonstrated that the labor-standards responsibility works out best when handled by the State labor department and the educational responsibility is best handled by educational authorities.

The Congress of the United States accepted this view and enacted the Fitzgerald Act (Public 308), which made the work of the Federal Committee on Apprenticeship a permanent function of the Department of Labor. The House labor committee in its report said:

After listening to the witnesses who have appeared before the committee and after examining the documents and evidence submitted, we come to the conclusion that there has never been an adequate system for the training of apprentices in the United States. * * * The economic progress of a great industrial nation such as ours is largely dependent on the skill and genius of its workmen. It is surprising, therefore, that definite national steps had not been taken long ago to assure an adequate supply of skilled workmen and at the same time, provide young people much needed employment in the trades. * * * The Committee is of the opinion that the development of an adequate apprenticeship system is not an emergency program. There is

constant need for some Federal agency to bring employers and employees together in the formulation of national programs of apprenticeship, and to attempt to adjust the supply of skilled workers to the demands of industry. This is a logical function of the United States Department of Labor.

It should be said, in this connection, that the initial appropriation was wholly inadequate to do the work expected of the Federal apprenticeship agency. However, the last Congress recognized this and made a supplementary appropriation which should measurably increase the effectiveness of the work.

State labor departments have definite responsibilities in the field of apprenticeship similar to those of the Federal Department of Labor. The Third National Conference on Labor Legislation, which met in Washington, D. C., November 9-11, 1936, adopted the report of its committee which said:

The committee wishes to bring before the Conference in the strongest terms the need of establishing a stabilized program of apprenticeship throughout the country. It recognizes the value to youth, to employers and employees, and to the public of a program to stimulate and encourage the training of young people to become thoroughly trained and responsible workers in the skilled trades. A constructive and sound plan of apprenticeship must be developed for all branches of the skilled crafts instead of the loose system of helpers and learners now prevailing in numerous industries. A training structure to correct the evils of this haphazard system should be built up, which will provide on an intelligently planned and carefully protected basis a program developed under accepted labor standards. The committee's concern is with the setting up of these labor standards—standards to protect the apprentice, the entire labor group, the employer, and the public. The committee believes that this end can best be attained through the enactment of sound legislation on apprenticeship in the various States.

The Conference recommended that the Secretary of Labor appoint a committee to draft suggested standards for incorporation in State apprenticeship legislation. It advised that the standards should include provision for placing the administration of the law and the control of the labor standards aspects of apprenticeship in the State department of labor. It urged that State labor departments in the administration of apprenticeship laws cooperate closely with all agencies interested in the field.

The Secretary of Labor appointed a joint committee to act on the recommendations of the Conference and the result of this committee's work is a document known as Suggested Language for State Voluntary Apprenticeship Legislation. This document has been distributed to all State labor departments with a memorandum explaining it.

The Fourth National Labor Conference on October 27, 1937, adopted a resolution which called attention to the report of the previous conference and resolved "that the Fourth National Conference on Labor Legislation urge the States to enact such (apprenticeship) legislation putting supervision of labor standards of

apprenticeship in the State labor departments," and it further resolved "that pending the enactment of apprenticeship legislation, each commissioner of labor in cooperation with the State federation of labor and employers be urged to build up a sound system of apprenticeship through representative apprenticeship councils."

Since the recommendations of these two conferences were made, several States have taken action in line with the recommendations. Apprenticeship laws very similar to the "Suggested Language for Apprenticeship Legislation" have been enacted in Arkansas, Virginia, Louisiana, and Massachusetts. The California Legislature passed an apprenticeship bill, but it was vetoed by the Governor. The reason for the veto is not known. An apprenticeship bill was introduced in Illinois, but it ran into heavy opposition from employer organizations in Chicago, who had a misunderstanding of both the intent and language of the bill. The proposed bill was intended to provide machinery for promotion and to establish minimum, desirable apprenticeship standards, but no employer was to be bound by its provisions unless he voluntarily agreed to be so bound.

Colorado enacted apprenticeship legislation which followed very closely the pattern of the suggested bill, except that the administration was set up under the control of the State board for vocational education. In that respect the Colorado law ran counter to the expressed recommendations of the agencies which have made a study of the problem.

The Massachusetts law differs widely from the suggested bill in that it set up a joint commission for 1 year only. Minimum apprenticeship standards were not established in the law, but this was delegated to the commission. Likewise it is to issue "advisory regulations" to carry out the purpose of the act. The Massachusetts act is the only one which provided for the payment of a secretary, but even in this case the money authorized would permit a token payment only, for the act provides that the commission may not expend in any year a sum in excess of \$1,000.

Wisconsin and Oregon had apprenticeship legislation long before the Labor Conference and recommendations. The Wisconsin act was passed in 1911, and the Oregon act in 1931. Both have been strengthened through amendments since that time.

This committee feels that satisfactory progress has been made in securing the enactment of apprenticeship legislation, considering the fact that relatively few legislatures have met for other than special sessions since the suggested bill was prepared by the Joint Apprenticeship Committee. This committee is convinced that the purposes of apprenticeship legislation can be accomplished only if State labor officials, legislators, the workers and their representatives, employers and educators, will give sufficient thought to the tremendous sig-

nificance of providing adequate preparation to our oncoming skilled workers. The enactment of apprenticeship legislation alone will not be of service to these young men and women. It can serve only as a guide and as a permanent stimulating agency. Every State needs at least one, and in most cases several, full-time, highly qualified workers to give their full time and attention to persuading both the employers and workers to work together toward the common objective of providing our youth with the opportunities which come with adequate preparation in their chosen fields. This means that sufficient funds must be provided labor departments to carry out the spirit as well as the letter of the legislation.

Pending the time when their State legislatures meet, voluntary apprenticeship councils have been appointed in Indiana, Michigan, Kentucky, and Connecticut. The State apprenticeship committees, which were set up to cooperate with the Federal Committee, are still active in Ohio, California, Iowa, Illinois, and New Hampshire. These councils and committees are able to perform a most useful service to apprenticeship by bringing the employer, employee, labor department, and vocational education views together and securing coordinated action to achieve a common purpose—the proper development of all youth entering the skilled trades. Too, these councils are able to prepare the way for the kind of legislation on apprenticeship which is most satisfactory for their particular States.

In conclusion, this committee recommends that all governmental labor officials give more attention to this problem of apprenticeship than has been the practice heretofore. State labor commissioners have a great responsibility to the young people of their States and, therefore, we particularly urge them to give apprenticeship their personal consideration. We appreciate, of course, that these officials are solely pressed for time to do the work for which they are already responsible; but we feel that when there is a will, there is a way, and that next year's committee should be able to report far greater activity than we are able to report this year. In this connection, we feel that we should inform you that the Federal Committee on Apprenticeship will have a considerably expanded field force for next year and we urge all government labor officials who are concerned with apprenticeship problems in any way to make full use of the professional services the Federal Committee is prepared now to furnish.

Apprenticeship Training

*Supplementary Report of the Committee on Apprentice Training,
by VOYTA WRABETZ, Chairman*

Apprenticeship often is considered as an educational problem, when as a matter of fact it is primarily one of regulation. The Federal

Committee on Apprentice Training was created to regulate employment of learners who worked for a wage less than the minimum fixed by the National Industrial Recovery Administration. Similarly, the Wisconsin apprenticeship law was enacted in 1911 as a piece of legislation supplementing to our minimum-wage act. In both instances, Federal and State, the objective was to protect the learner against exploitation. That explains why administration of apprenticeship should remain a function of labor and not of educational departments. While it is true that even the beginning wage of the majority of apprentices is higher than the minimum established by State law, nevertheless young people are willing to work for no wages to learn a trade, and the temptation to exploit their services is always present.

Craft labor unions think of apprenticeship as something which must be regulated and controlled. They have long recognized that misuse of apprenticeship spells ruin to the trade. The unions, however, are more interested in maintaining an equitable ratio in training of apprentices than in the manner of apprentice wages. If employment conditions are right, then wage rates are not so important. That is as it should be.

Ordinarily, trade-unions do not want any public agencies to meddle in apprenticeship. This attitude is not hard to understand. However, given the right kind of State-wide apprenticeship program, organized labor not only will cooperate but will invite control of apprenticeship by a public agency such as the State labor department.

There are two main reasons why labor should be willing to let one State agency regulate apprenticeship. In the first place, a labor union has no control over apprentices employed in unorganized shops. The tendency has been to ignore the existence of apprentices outside of union shops. The attitude has been one of unconcern as to ratio of apprentices working and training conditions and wages. Nevertheless, those apprentices eventually become journeymen, and from that moment on they become just as real as though they had learned their trade in a union shop. Secondly, the trade-unions in the city may be ever so able to regulate apprenticeship in their particular trade and city, but the effects of such control are largely futile as long as apprenticeship is permitted to run wild in the smaller towns and villages out in the State. Apprentices who get their training and experience in small communities sooner or later are lured to the larger cities by more attractive wages.

A State-controlled apprenticeship program then gives the unions assurance that, regardless of whether a shop is organized or unorganized and regardless of the size of the community, the same uniform apprenticeship standards can be made to apply. The union

sacrifices nothing by tying up with such a plan, because the requirements as to ratio, wages, training, and other conditions are just as rigid as any the union might set up. Furthermore the unions are given an equal voice with employers in establishing apprenticeship standards. But mutual control of apprenticeship rests with the State labor department, which in our case is the industrial commission.

It is logical that there be only one agency directly responsible for apprenticeship administration. There are other State and local agencies, such as the vocational schools and employment service, which impinge on apprenticeship, and these must be so correlated that the apprentice will derive the greatest benefit. By protecting the interests of the apprentice, employers, unions, and everybody concerned benefits, and furthermore, there is no overlapping of functions.

For many years we have been advocating the use of apprenticeship committees advisory to the industrial commission. We believe that such bodies, especially the local joint apprenticeship committee, represent the best possible solution to the apprenticeship problem. Today in some trades, as for example plumbing, there is such a committee in every city of a population of 5,000 or more. Such committees are not so necessary in the manufacturing industries as they are in all of the building trades, in printing, and in the service occupations. Both unions and employers are delighted with the results obtained thus far. There has been such an increase in the popularity of the joint apprenticeship committee idea that much of this supplementary report will be devoted to that subject.

The purpose of these committees can be summed up as follows:

(a) To see that apprentice applicants are properly qualified for admittance to the trade;

(b) To safeguard the interests of new apprentices by examining into the qualification of the employer who intends to hire the apprentice;

(c) To engage in all such functions as are intended to result in the fulfillment of the obligation that parties to apprenticeship indentures owe each other;

(d) To assist and advise State and city governmental agencies in the administration of such laws, ordinances, and rules which affect the trade.

When a local apprenticeship committee advisory to the commission meets to investigate and discuss a local apprenticeship problem, it is acting for the commission. In effect, the commission says to the trade locally: "Here is a problem. We are expected to handle it to the satisfaction of everybody concerned. You know more about local

conditions than we do. Therefore, we ask you to recommend to us what action we ought to take in this particular case."

Naturally, the committee should be given some written evidence to show that it is authorized to represent the commission. On the other hand, the commission is entitled to know the names and addresses of committee members and whether they really represent the trade locally. Therefore, after a committee has been organized, each member of the committee receives from the chairman of the industrial commission an official letter designating him as a member.

The personnel of the committee is composed of equal employer and employee representation. That is a basic requirement. In some places, three employer and three employee members constitute the committee, while in others only two members from each side are selected. Committee members are nominated by local employer and employee organizations.

It would be hard for a committee to function without the help of consultants. In cities which have a vocational school, the director of the school or his representative acts as consultant. If there is a public employment office, a representative from that office is a consultant. Instructors, supervisors, inspectors, and any others who may have some close connection with the employment and training of indentured apprentices are invited to act as consultants. By participating in meetings of a committee, consultants very soon become familiar with the problems of the trade, and therefore, their services to the trade become that much more valuable and practicable.

The committee elects its own chairman and secretary. Invariably, the chairman is a trade member and not a consultant. The secretary may be any person whom the committee may name, and preferably should be a representative of the labor department. Only trade members vote when it becomes necessary to vote on an issue. Consultants are presumed to occupy a neutral position.

Following are some of the functions of joint apprenticeship committees:

1. Promotion of apprenticeship does not necessarily mean hiring new apprentices. There may be already a sufficient number, or even too many, but who are they and where are they? The committee should make it its business to ascertain the facts. Those who are not indentured are not, in all probability, actually serving an apprenticeship. They are helpers in most cases. The committee's job is to find them and to see that they are regularly indentured.

2. To establish qualifications of masters and apprentices.

3. To pass upon new apprenticeships. This is the committee's most important function, because it is at this point that the committee can do the most good. We suggest to the committee that it

adopt standard application forms, to be filled out by the employer who wants to hire an apprentice. The form should call for information as to the employer's volume and type of business; number of journeymen employed; value and kind of equipment; personal practical experience and training; financial responsibility; and such other information as the committee considers necessary to determine the employer's fitness to have an indentured apprentice.

The apprentice likewise should be required to fill out and file an application blank. He should be asked to submit a record of his educational background, schools attended, grades completed, and courses of study taken. An examination of his school record will reveal a great deal of information about the applicant. In addition, the committee should ask for a record of his previous employment, if any. It is reasonable to require of the applicant, for his own protection, that he submit to a physical examination before admittance to the trade.

Both applicant and employer should be asked to appear in person before the committee. If the employer has the welfare of his craft at heart, he will not hesitate to meet the committee. To some, this whole procedure may seem unnecessary and time consuming, but keep in mind that we are shaping the lifelong careers of young people. Furthermore, depending on how it is handled, apprenticeship can make or break a trade. We feel that there need be no great hurry. Any employer who cannot wait a few days before putting an apprentice on the job is more interested in the amount of work the boy can do than he is in true apprenticeship.

The employer should be prepared to show that he needs an apprentice. He should show that he can and will furnish complete training opportunities and that he can keep the apprentice reasonably continuously employed. In general, he should be required to show that he can and will fulfill the obligations he assumes when he signs the indenture.

By requiring the apprentice applicant to appear before it, the committee is given a chance to examine into his character and to decide whether he is the kind of person the trade wants within its ranks. After all, character is of far more importance than either school standings or mechanical ability. At this time, also, special tests can be given the applicant and he may also be expected to pass a written examination.

If the committee is satisfied with the genuineness of the proposed apprenticeship and puts its stamp of approval on it, the next step is the preparation of the indenture. Contents of indentures have been standardized in most trades so that it is an easy matter for any-

one to fill out the indenture. One copy of the indenture is sent to the industrial commission for filing and approval.

If, however, the local committee does not recommend approval of the apprenticeship, then the commission will act accordingly. In that case the commission will expect to receive a complete report from the committee explaining the reasons why the application was turned down. Instances have occurred when the commission found it necessary to reject the committee's recommendations. It should be said to the credit of trades that we have invariably found both employer and employee committee members fair-minded and impartial in their deliberations. We have the utmost confidence in them. If either employer or apprentice applicant is not satisfied with the committee's judgment, there is nothing to prevent either party from appealing directly to the commission's apprentice supervisor.

4. To keep a record of every apprenticeship within its jurisdiction. The secretary of the committee maintains an up-to-date file of each apprentice. This includes name and address of parties to indentures and when the term of training began. If the apprentice is temporarily laid off, he reports immediately to the committee. Through the joint efforts of committee members, it may be possible to place the learner with another employer. With the knowledge that the apprentice is out of work, the committee at least will be warned not to approve any new apprenticeships until the unemployed apprentices are back at work. If in the meantime the apprentice is able to find a job with another employer to continue his training, that too is reported to the committee. The point is, that the committee knows how many apprentices there are, where they are, and who they are.

5. One of the most difficult administrative problems in a State-wide apprenticeship program is that of supervision. Here is where an apprenticeship committee can be of great service. If each apprentice and his employer is required to report to the committee every 6 months, the result is a systematic means of finding out whether the parties to indentures are carrying out the terms of their contract. An ideal arrangement is to have the apprentice subject himself to a periodic examination to determine his progress in the trade.

6. To encourage parties to indentures to bring their complaints and grievances before the committee for adjustment. If either employer or apprentice has a grievance to air, it is much better and creates less hard feeling first to bring the matter before the committee rather than make official complaint to the industrial commission. Most disagreements are not very serious anyway and can

be settled locally. Furthermore, committee members are in a better position to judge the merits of a case than are outsiders. They are more familiar with local conditions and affairs. If the committee cannot make an adjustment, then it reports its findings to the industrial commission.

7. To assist in the transfer of apprentices. There are occasions when it is necessary to transfer apprentices from one employer to another, as, for example, in cases where the employer goes out of business, or has no work to offer. Again, there are cases in which the employer is unable to furnish complete all-round training and it becomes advisable to indenture the apprentice to another employer. In all such transfers, the committee should determine what is best for the apprentice and then act accordingly.

8. Determination of time credit for past experience. When indenturing an apprentice who claims some time credit for past experience in the trade, the committee will be asked to make recommendations. Here again the committee is better qualified than anyone else to decide the question. As members are practical men, they are able accurately to evaluate the applicant's past training. If further investigation is necessary, it is a simple matter for the journeyman members to make inquiries of men with whom the applicant has worked.

9. Lastly, the committee is expected to make recommendations to the State committee or industrial commission or any suggestions for improving apprenticeship administration.

Those are the functions of joint apprenticeship committees. There are no public funds out of which local committee members can be compensated for their time and incidental expenses. However, representatives of employers' associations and trade unions who have analyzed the benefits of controlled apprenticeship, are more than glad to serve on committees without compensation.

Discussion

Dr. PATTON (New York). May I inquire whether the Wisconsin plan contemplates anything in the nature of job guarantee to apprentices who have completed the apprentice training?

Mr. WRABETZ. There is no guarantee of a job at the termination of apprenticeship except that we do know from experience that there is an actual shortage of skilled workers. For instance, in Wisconsin within a period of 5 years the average age of carpenters has risen over 10 years. In other words, the average age of a skilled carpenter journeyman was about 42; now I think it is 55. The age increase has been over 10 years in a period of 5 years, which shows definitely

that there is an insufficient number of young men going into that particular craft.

Mr. PATTERSON (Washington, D. C.). Speaking for the apprenticeship unit of the Division of Labor Standards, I want to say that it is very gratifying that this association has appointed a permanent committee on apprenticeship, because we think it is an important subject. It seems to me that the time was never riper for aggressive action leading to State apprenticeship laws, with so many State legislatures meeting next year, and with the facts very well established that this is a State labor department function, that national employer groups have endorsed the idea, and that the American Federation of Labor has endorsed it. It seems that now is the time to cash in on the national sentiment which has been built up and which strongly backs the idea of State legislation.

I want to say that any of the States which care to undertake to get State legislation will be surprised at the backing it will get from national employer groups. They have come to our rescue. The unions certainly have gotten back of the plan, and I do not think it is as hard a job as it appears to be. Surely now is an opportune time. All the cards are stacked in that direction; the sentiment is in that direction. However, it will take considerable work to get State legislation. States such as Virginia, Louisiana, and Massachusetts, which have gotten legislation, deserve a great deal of credit, for they found that it took considerable work. But the difficulties were not unsurmountable; it was possible to get such legislation.

After apprentice training is established in State labor departments through legislation, it is vital and essential that they make a success of it. Mr. Wrabetz brought that out. It is a heavy responsibility, but it does look as though apprenticeship is going places, and I am sure that the fact that this Association has taken it up will be of great assistance in getting actual results from the legislatures that meet next year.

Mr. WRABETZ. I wonder if you might be interested in a little statistical data. I will go back as far as 1930. In 1930 we approved 495 indentures; in 1931, 114; in 1932, 55; in 1933, 46; in 1934, 101; in 1935, 440; in 1936, 946; in 1937, 1,055; and in the first 6 months of this year, 402.

Child Labor

Child Labor in 1938

Report of Committee on Child Labor, by BEATRICE MCCONNELL (United States Children's Bureau), Chairman

When this association was organized, more than half a century ago, child labor was one of its chief interests. Labor legislation as we know it today was then in its infancy. The need for sanitary and safe working conditions, particularly in mines and factories, was beginning to receive public attention, but the labor laws of 50 years ago dealt for the most part with regulation of the conditions of work of women and children. A 12-year minimum age and a 10-hour day for the employment of children in factories was an average standard, where a law existed at all. Many States had no child-labor laws. Methods of administration and enforcement had received even less attention than the basic legal standards.

The great advances in State legislation which have been made in the past few decades reflect the changes in the public concept of what constitutes adequate protection for both child and adult workers. Instead of a 12-year minimum-age standard, we have made great strides toward the attainment of a 16-year minimum-age standard; instead of a 10-hour day and a 60-hour week for minors, we are approaching an 8-hour day and a 40-hour week, not only for young workers but for all workers.

By the passage of the Fair Labor Standards Act in June 1938, a most significant advance in labor standards for both children and adults has been achieved. This law, designed to protect interstate commerce from the unfair and harmful effects of oppressive labor conditions, recognizes the economic interdependence of the States. By closing the channels of interstate commerce to employers failing to comply with its standards as to minimum wages, maximum hours, and employment of children, it requires interstate industries to adopt those standards. It sets up a minimum age of 16 years for work in all occupations covered by the act—that is, work in industries producing goods for interstate commerce—and a minimum age of 18 years in such occupations as may be found and declared by the Chief of the Children's Bureau to be particularly hazardous or detrimental to their health or well-being. Goods produced in establishments in

which children have been employed contrary to these standards within 30 days prior to the removal of such goods are prohibited from shipment across State lines or to any foreign country. The employment of children between 14 and 16 years of age outside school hours, in occupations other than manufacturing and mining, may be permitted under regulations issued by the Chief of the Children's Bureau, if such employment has been determined not to interfere with their health or well-being. Children employed in agriculture when not legally required to attend school, or as actors in motion pictures or theatrical productions, or working for their parents in occupations other than manufacturing or mining, are exempted from these child-labor provisions.

The provisions relating to maximum hours and minimum wages apply to minors and adults alike. A basic 44-hour week is established for the first year under the act, a basic 42-hour week for the second year, and a basic 40-hour week thereafter. Longer hours may be worked if the employer pays time and one-half the regular rate for the overtime. The basic minimum-wage standard for the first year under the act is 25 cents per hour, 30 cents beginning with the second year, with a minimum of 40 cents per hour to be effective at the end of the seventh year. Variations up to the 40 cents per hour minimum may be set up by industry committees appointed by the administrator, on which the industry, the employees, and the public shall be equally represented.

The child-labor provisions of the act are to be administered by the Children's Bureau of the United States Department of Labor; the wage and hour provisions by a Wage and Hour Division established in the United States Department of Labor, under the direction of an administrator. In enforcing the act the Federal officials are authorized to cooperate with State and local agencies administering State labor laws.

The International Association of Governmental Labor Officials has pressed for Federal child-labor standards since before the first Federal child-labor law was enacted. In the administration of that law, State labor officials took an effective part. After it was declared unconstitutional this association declared its belief that the enactment of Federal child-labor legislation would "aid the States in the enactment and administration of [State] child-labor laws."¹ After the experience with national standards under the N. R. A. codes, State labor officials at the National Conference on Labor Legislation, in 1935, agreed with labor leaders and others interested in advancing State labor standards, that "a national child-labor law is an impera-

¹ Resolution of the eleventh annual convention of the Association of Governmental Labor Officials of the United States and Canada, passed at Chicago, Ill., May 22, 1924. (U. S. Bureau of Labor Statistics, Bull. No. 389, p. 139.)

tive need," and stated that great gains had been made under the codes in "raising child-labor standards and eliminating child labor from certain areas of industry where it had not been possible to do away with its evils through State action.²

Today we have again the advantage of a Nation-wide uniform minimum child-labor standard. The child-labor committee of the International Association of Governmental Labor Officials particularly desires to see the greatest possible advance made in our State laws and State administration under the impetus of this Federal minimum standard, below which no State may fall, but which any State may surpass. Experience in the past shows that State advances are more rapid when a Federal minimum is in existence than when only State standards are in effect. The following rough comparison of the present standards of our State laws with those of the new Fair Labor Standards Act will give us a picture of our main objectives in this field during the coming year.

Industries regulated.—The child-labor provisions of the Fair Labor Standards Act apply to the production of goods to be shipped across State lines. Its application, therefore, is narrower than that of practically all our State laws, as State laws apply to intrastate as well as to interstate industries. Nevertheless, standards for employment of young people in the intrastate commercial and service occupations under many laws are lower than for employment in factories. For instance, 22 States have a lower minimum-wage standard for work in stores than for work in manufacturing establishments, this lower standard being effective usually for work outside school hours or under other specified conditions. The raising of State standards in the nonfactory occupations is particularly important, because the latter are for the most part outside the purview of the Fair Labor Standards Act, and because of the comparatively recent trend in the employment of children under 16 away from manufacturing toward the trade and service occupations.

Minimum age for general employment.—The Fair Labor Standards Act sets a basic 16-year minimum age. Ten of the 48 States now have a similar basic 16-year minimum, 8 having established this standard during the past 5 years. Two of these, however, still permit employment in factories outside school hours. In most of the other States a basic 14-year minimum age obtains, though 4 have a 15-year minimum. It is important, not only that States raise their basic standards, but that weakening exemptions be eliminated. Such exemptions allow employment of children under undesirable conditions and add to the difficulty of effective administration.

Employment certificates.—The Fair Labor Standards Act recognizes the importance of the employment-certificate system by providing that an employer may be protected from unwitting violation of the act if he has secured and has on file an age certificate issued according to regulations set up by the Chief of the Children's Bureau. All but five States now have some system of employment certification. The extension and strengthening of these employment-certificate systems is highly important, in view not only of the enforcement of

² Proceedings of the Second National Conference on Labor Legislation, Asheville, N. C., October 4-5, 1935 (U. S. Department of Labor, Division of Labor Standards, Bull. No. 3, p. 69).

State laws but also of the administration of the Fair Labor Standards Act, since the act makes possible the cooperation of the Children's Bureau with State and local agencies enforcing State child-labor laws and issuing employment certificates. That such a cooperative relationship between Federal and State officials is practicable was demonstrated in the administration of the Federal Child Labor Law of 1916, when employment certificates issued under State law in more than three-fourths of the States were accepted as Federal certificates, subject to agreements as to acceptable procedure to be used in their issuance. Improvements in the employment-certificate provisions of many of our State laws are necessary. The keystone of the employment-certificate system is the reliability of the evidence of age required. A birth certificate should be required in all cases unless absolutely unobtainable, and, failing this, reliable documentary evidence should be insisted upon. In no case should a parent's affidavit or school record be accepted without assurance that no better proof can be produced, and this evidence should be corroborated by a physician's certificate of health and normal development. The laws of only about half the States now set a standard equal to this. All the States are now in the birth-registration area³ and the requirement of birth certificates is correspondingly more easily met. Thirty-one of the States have been in the birth-registration area for at least 16 years.

Compulsory school attendance.—Although the Fair Labor Standards Act does not deal with compulsory school attendance, the provisions of the State laws on this subject will have a vital effect on its enforcement. The more progressive State laws require a 2-year period between the minimum age for employment and the age up to which school attendance is required, with a provision that during this 2-year period, children going to work must obtain employment certificates and should not be permitted to leave school except for employment. The fact that a child who is of legal age for employment must be in school if he has not obtained an employment certificate automatically utilizes the school-attendance enforcement machinery to keep children from going to work illegally. In States with a 16-year minimum age for employment, where school attendance is not required above 16, there is no such automatic check on children leaving school, and the probability of illegal employment is increased. In view of the 16-year minimum age of the Fair Labor Standards Act, it is clear that the requirement in every State of school attendance of children up to 18 years of age, unless they have reached the age of 16 and have obtained employment certificates, will be a valuable aid in its administration.

Hazardous occupations.—One of the most important provisions of the new Fair Labor Standards Act is that which makes possible the exclusion of young workers of 16 and 17 years of age from occupations which present special hazards of accident or industrial disease. This is not an untried method of regulating the employment of minors in hazardous occupations, as 27 State labor laws now give some State agency, either the department of labor or the department of health, similar power. But this power has been exercised effectively in only a few States, and in only 17 States does it extend to young workers after they reach 16.

There is need, not only for advances in State laws with respect to hazardous occupations, but also for the building up in each State of a body of information about accident and health hazards in industries in which minors are employed, which may serve as a basis for determining the occupations from which they should be excluded.

³ States recorded by the census in the birth-registration area are those where 90 percent or more of births have been found to be registered.

Hours of labor.—The Fair Labor Standards Act sets for the first year of its operation a maximum workweek of 44 hours. Only 5 States have set as high a standard for minors up to 18 years of age. Regulation of hours of work has made slower progress for boys and girls of 16 and 17 years than for children under 16 years of age, for whom a maximum 24-hour week is set in 1 State, a 40-hour week in 2 States, and a 48-hour week in 33 States.

Minimum wage.—The Fair Labor Standards Act sets for the first year a basic 25 cents an hour minimum for all workers regardless of age. Twenty-five States have minimum-wage laws, in most cases applying to women and minors, but in four to women and girls alone, and in one (Oklahoma) to all workers. Two of these laws, those of Kentucky and Louisiana, were enacted during the past year.

This comparison of State child-labor legislation with the child-labor provisions of the Fair Labor Standards Act of 1938 shows the need for concerted effort on the part of the membership of this organization to encourage the passage of State legislation improving general State standards for the protection of young workers. In addition, in order to make possible the enactment by Congress of a Federal minimum that will extend to intrastate as well as interstate industries, ratification of the pending child-labor amendment by the 8 additional States necessary should be a prime objective of the organization. No additional State ratified the amendment this year, though resolutions to ratify were brought before the legislatures of 3 States. However, only 22 legislatures met in either regular or special session, and of these 12 had already ratified. The validity of 2 of the ratifications in 1937—those of Kansas and Kentucky—has been brought before the United States Supreme Court. The questions to be decided, which have been repeatedly urged by opponents of the amendment, are, first, whether a State may ratify after the legislature has once rejected the amendment; and second, whether the lapse of time since the amendment was submitted to the States has precluded the possibility of ratification. Conflicting decisions on these two questions were handed down last year by the highest State courts of Kansas and Kentucky, and the cases were taken to the United States Supreme Court on petitions for writs of certiorari. The Court has taken jurisdiction and the cases will be argued early in the October term. If the Court's decision is favorable, every effort should be made to complete ratification in 1939, when nearly all the State legislatures will hold regular sessions.

In addition to those phases of general child-labor legislation, both State and Federal, which have already been discussed, there are certain specific child-labor problems that should be brought to your attention. Last year your committee pointed out the need for further extension of State child-labor laws to children engaged in street trades and the raising of standards for such work. The problem of adequate legal control of employment conditions for young boys en-

gaged as newspaper or magazine distributors, who work under contract and are often held to be "little merchants" working independently and not subject to the child-labor law, is one which is in need of careful consideration. The Wisconsin law enacted in 1937, which defined these children as employees of the publisher or distributor, is the only State law dealing directly with the problem by placing the responsibility upon the business benefiting from the child's work. Another serious problem is the employment of children in industrial home work, which is still unregulated in many States, in spite of advances in recent years toward effective regulation of this form of industrial production.

In the field of international regulation of child labor, your committee reported last year on the two revised conventions adopted by the International Labor Office in 1937, raising from 14 to 15 the basic minimum age for the employment of children in both industrial and nonindustrial occupations. In accordance with the requirement that conventions adopted by the International Labor Office shall be submitted within a year to the competent authority in each member State, these conventions have been sent by the President to Congress.

The International Labor Office draft convention fixing the minimum age for admission of children to employment at sea, revised in 1936 to raise the basic minimum age for such employment from 14 to 15, was ratified by the Senate on June 13, 1938, with the understanding that it applies only to navigation on the high seas, and that it shall not apply to the Philippine Islands and on the Panama Canal Zone, with respect to which this Government reserves its decision.

In conclusion the committee on child labor makes the following specific recommendations:

1. That the International Association of Governmental Labor Officials extend its support to:

(a) The enactment of amendments to State child-labor laws that will (1) bring the State child-labor standards for the productive industries up to those of the Fair Labor Standards Act, and (2) extend these standards to the commercial and service occupations not covered by the Fair Labor Standards Act.

(b) The provision for employment certificates for all minors up to 18 years of age and for adequate supervision of the issuance of such certificates by the State department of labor or the State department of education, in order to strengthen administration and provide uniformity in issuance.

(c) The extension of State compulsory school attendance laws to all children under 16 years of age and to children between 16 and 18 years of age unless they are legally employed.

2. That in the enforcement of the Fair Labor Standards Act the greatest possible utilization be made of State and local officials enforcing State child-labor laws and issuing employment certificates, and that the fullest cooperation of the membership of this organization be extended to the Children's Bureau in such administration.

3. That State accident and industrial disease reporting systems be more fully developed in respect to the accident and health hazards to which young workers are exposed, with a view to providing sound statistical information on this subject as a basis for advances in State laws prohibiting the employment of minors in hazardous occupations, and to assist the Children's Bureau in the determination of hazardous occupations to be prohibited to minors of 16 and 17 under the Fair Labor Standards Act.

Discussion

MR. WRABETZ (Wisconsin). I have one objection. I do not think that the employment certificates should be issued by the department of education. They should be issued only by the department of labor.

MR. DAVIE (New Hampshire). The board of education has absolute charge of those certificates on account of the school-attendance law, which steps right in behind your child-labor law. Of course, I do not know how it is in Wisconsin.

MISS McCONNELL (Washington, D. C.). May I say that the committee made the recommendation in this form because it is true that in a great many of the States the supervision is already in the hands of the State department of education, and it seemed wise to accept adequate supervision regardless of whether it was in the department of labor or the department of education.

MR. PEACO (Iowa). In Iowa we are very successful in cooperating with the schools. In fact, they are a great aid to us in the issuing of certificates by locating the under-age children who are out working. The cooperation is really excellent.

MISS SWETT (Wisconsin). Is it the recommendation of the committee that it be a centralized system or that each school in each community act as its own separate organization?

MISS McCONNELL. The recommendation of the committee is for adequate supervision by one State department or the other, in either case involving centralized supervision. It is not that the committee believed there should not be local administration of issuance, but that there should be State supervision of some kind, either by the State department of labor or by the State department of education. In the States which I know best where such supervision is given by the State department of education, the supervision and the setting up of forms is the responsibility of the State department; the certificates are issued locally by the school officials.

MISS SWETT. But the standards are set up by the State?

MISS McCONNELL. Yes; it may not be clear, but it was the intent of the committee to recommend that there be State supervision and uniform State standards for the issuance of employment certificates.

If that supervision can be given to the department of labor, all to the good, but if it is already in the hands of the schools, so that the supervision could not logically be placed in the department of labor, then it is the committee's feeling that supervision by the State department of public instruction or department of education would provide for State-wide standards, just as the system which you have in Wisconsin provides for setting up State standards by the State industrial commission.

Wage-Claim Collection

Wage-Claim Laws

*Report of Committee on Wage-Claim Collection Laws, by E. I. MCKINLEY
(Arkansas Department of Labor), Chairman*

Since the selection of the joint wage-claim collection committee, consisting of Morgan Mooney, deputy commissioner of labor, Connecticut; W. A. Pat Murphy, commissioner of labor, Oklahoma; Harry R. McLogan, member of industrial commission, Wisconsin; O. B. Chapman, director, department of industrial relations, Ohio; with E. I. McKinley, commissioner of labor of Arkansas, as chairman, appointed by Miss Frances Perkins, Secretary of Labor; and Hon. A. W. Crawford, Ontario, Canada, Department of Labor, president of the International Association of Governmental Labor Officials, in 1935, there has been, through the cooperation of Secretary Lubin, rather satisfactory progress along the line of legislation designed to bring about the collection of wages without the wage earner being compelled to pay cost and give bond, in cases where issuing garnishment and attachments was necessary.

In the 1937 legislatures in Connecticut, Kansas, Missouri, Nebraska, New Hampshire, North Carolina, Ohio, West Virginia, and Wyoming, wage-collection legislation along the lines recommended by the committee was introduced but failed of passage. In South Carolina the model wage-collection law was passed by the legislature, but due to some technical changes desired by the Governor, it was vetoed.

In the States of Illinois, New Mexico, Utah, and Arkansas the law was adopted practically as written, with the exception that in the States mentioned, where other provisions of the law were already a part of the statute of the States, the other provisions of the model wage-collection law were adopted. This was true in the State of Arkansas.

A number of States (in fact practically all) have some legislation regulating the payment of wages, such as the requirement of the weekly pay day or semimonthly pay day, payment to discharged employees after a certain waiting period; but the giving of authority to the State labor officials to file suit without giving bond for cost, and to accept assignment of wages for collection, has been made the

law of but a very few States in the Union, and possibly this is one of the most desired provisions of the model collection law. The States of Alabama, Colorado, Connecticut, Delaware, Idaho, Indiana, Iowa, Kansas, Kentucky, Minnesota, Massachusetts, Montana, Maryland, North Carolina, North Dakota, New Hampshire, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wyoming do not have authority to bring civil suit without giving bond for cost. There are possibly other States without this authority, but the limited time we have had to make this investigation prevents us from giving specifically the States without this authority.

We find that in the State of New Jersey the department of labor has a collection division with requirement to pay wages every 2 weeks, and the department of labor is given the authority then to file both criminal and civil action. In Colorado claims may be filed with the justice of peace without paying cost, but we are informed that the justices of peace do not uniformly cooperate in carrying out this provision of the Colorado law. In the State of Connecticut nonpayment may be reported to the prosecuting attorney and criminal action brought, but it does not appear that civil action can be brought without payment of cost. In the State of Washington, suit may be filed without payment of cost. In the State of Oregon, suit may be filed by the commissioner of labor. Wisconsin has given the laborer the advantage of a collection law since 1934.

The 1937 legislature of the State of Arkansas amended its collection law in order to give the commissioner of labor authority to have issued attachment or garnishment before a judgment without the necessity of giving bond to indemnify the defense against damage. The wording of the amendment is practically the proposed amendment of the model wage-collection act. However, through some error in the drafting of this act, we were limited by this amendment to attachment and garnishment before a judgment, to cases where the laborer had a lien on the thing created or produced. At the next session of the legislature there will be an attempt to extend this amendment to all wage-collection claims regardless of the existence of a lien. Regardless of the amendment, the collection division of the Arkansas Department of Labor has had issued in several cases attachments before a judgment where the laborer did not have a lien, and due to an oversight of the defendant's attorney or for some reason, our right was not questioned. It has been the policy of the Arkansas Department of Labor to attempt to apply our labor laws in a manner to see what can be done with the law, rather than to study the law from a standpoint of determining to what limits we may go. We have found that alert attorneys for the defendant will

usually inform us, through the court, as to the limitation of our labor laws.

Since the passage of that provision of the uniform wage-collection law referring to attachments before a judgment, in the State of Arkansas, the collection department of the department of labor has had issued 11 attachments. These attachments involved the interests of 75 individuals claiming wages due amounting to \$3,527.74, which was recovered. It is highly probable that this amount of wages would never have been recovered had the department been compelled to secure a judgment, and then have execution issued later, as these attachments involved movable property in the hands of insolvent defendants. Therefore, it is very plain to see that at least in one State this amendment has resulted in recovering for the laborers more than \$3,000 that would otherwise not have been paid to them. Due to the existence of an adequate collection law in the State of Arkansas, the department of labor has been reasonably successful in the collection of unpaid wages. During the past 2 years 990 wage claims have been filed with the department, involving wages allegedly due of \$30,352.69; 633 of these cases were settled without suit, involving \$11,852.41; 224 claims were dismissed after a hearing in the office before the deputy labor commissioner. These claims involved \$8,872.70. There are pending at present 133 cases involving \$7,490.72; 146 suits have been filed involving \$8,305.76, and of these we were unsuccessful in obtaining judgment in only 12 cases, involving \$391.14. There are still pending 35 suits involving \$4,869.37.

Your chairman has not had an opportunity to confer with the other members of the committee. However, it is his opinion that the other members of the committee will join him in the suggestion that the International Association of Governmental Labor Officials continue its efforts through its president and secretary, together with a standing committee, to keep alive the interest in the various States to bring about the passage of wage-collection laws along the lines of the model wage-collection law compiled by the joint committee in 1935. I believe that I can state for the committee that the progress made is gratifying. The interest aroused in the various States, as can be shown by letters from commissioners of labor and the passage of the laws in the States mentioned, is sufficient proof that there is an opportunity to incorporate in the State laws of the various States wage-collection laws that will result in securing for the laborer wages earned, without demanding of him payment of cost or requiring a bond to be made. It is so evident that the payment to the wage earner of the money he has earned is not only for the benefit of the laborer himself, but is a benefit to society in general. I recall

distinctly where, several years ago, a number of laborers had been employed in a large gravel pit, the owners of which had been very successful for a number of years, but marketable gravel ceased to be available where their plant was located, resulting in bankruptcy and a debt of more than \$11,000 due laborers. This was near a small town of less than 3,000 population. These laborers lived in this small town, and were extended credit by the merchants. It developed after this corporation had gone into bankruptcy that 75 percent of the \$11,000 due the laborers was also due from them to small merchants in this small town. The department of labor was successful in collecting the full amount of wages, since in Arkansas wage claims hold a preferred position to other debts in cases of bankruptcy. It can readily be seen from this experience that the collection of the wages due these laborers was not so great an immediate benefit to them as to their creditors.

Therefore, I will recommend that the Association establish some permanent agency to continue dispensing information in reference to the model wage-collection law, and give such assistance to the various commissioners of labor and labor-union legislative committees who are interested as will lead to the passage of adequate wage-collection laws in the various States of the Union.

Discussion

Mr. YOUNG (Colorado). Colorado has a semimonthly pay day. We also have a wage-claim-court act which provides that for any sum less than \$100 the claimant can go to the court and deposit a \$1 fee with the justice of the peace, and he is supposed to attend to the claim, but the justices of the peace do not want dollar cases. We are fortunate in having a go-getter for a claim collector out there. He gets after them with letters, follow-up letters, telephone calls, personal calls, calling them in, and so forth, and he gets the money. We have nothing but a great big bluff and a prayer, but that man collects over 80 percent of all claims that come to him because he is a hustler. Perhaps that is all we need, just so the money is collected.

Mr. BELL (British Columbia). I was particularly interested in Mr. McKinley's paper on this very important subject because it is one that is very much alive in the Province from which I come, and my instructions from my Minister were to pay particular attention to this discussion, because he is anxious to introduce some more effective legislation for the protection of wage earners in British Columbia.

We have a semimonthly payment of wages law, which is not applicable to every wage earner in the Province, but is limited in application to certain industries that are cited in the act. I am of the opin-

ion that legislation of this type should and must go hand in hand with other legislation compelling the payment of wages at the regular pay periods. Our type of legislation, in itself, is not sufficient. We use our semimonthly act very effectively in some cases, but we use it only as a threat. The penalties which that act provides do not guarantee money for the employees, but we frequently find that when we threaten an employer with action, he can dig up the money to pay the wages. Sometimes we do not catch the employer, particularly if he comes from some other country. We have a rapidly expanding mining industry, and the potentialities of mining are very great. Consequently, we have people from other countries coming in and taking up claims. If they work out all right, everything goes fine. But if the claims do not prove up to expectations, the employer sometimes just disappears from the country and the wage earners are left. Sometimes we catch him; sometimes we do not. Of course, we have our own employers in our own country to deal with in just the same way.

There is one thing that I might mention in connection with this semimonthly payment of wages act. It is a point which may not have been brought up in some of your States here. The act provides a penalty for an employer who fails to pay wages at the regularly stated period. The penalty is a fine or imprisonment. On one occasion we took action in the courts against an employer. He was found guilty and sentenced to a term of imprisonment. It ultimately transpired that he or some friends of his appealed to the attorney general. By the time the appeal had reached the attorney general, the employer was in jail and the deputy attorney general said to me: "What are you doing? This is imprisonment for debt." I said, "Well, it may be." "But," he said, "you have no right to put that man in jail, imprisoning him for something that he can't pay up." I said: "As a matter of fact I didn't put him in jail, but he is in there now and if you can get him out, all right; go ahead." But that is just the point in connection with this semimonthly payment act. There is room for argument, legal argument, that the penalties are equivalent to those for debt. That, however, is aside from the main question. The point that I was making is, that while this legislation is very good and very desirable, I am looking forward to the time in the future when we, in British Columbia, will have something patterned largely along the lines of the act that was drawn up by the committee of this association. I still hold that the two things should go hand in hand; that is, the law requiring the payment of wages at regular periods and the collection as well.

Mr. DURKIN (Illinois). I want to call to your attention an experience we are having in Illinois. We have before the courts a case

for the collection of wages, and the employer has raised the question that it is not wages that is due the party but salary. The supreme courts in several States have, I believe, differentiated between wages and salary, and it will probably be necessary to amend the act so that it will cover both.

Mr. McKINLEY (Arkansas). In the State of Arkansas, the court has ruled the act covers any sort of remuneration for services rendered, so we are all right there.

Industrial Home Work

Industrial Home-Work Legislation

*Report of the Committee on Industrial Home Work, by MORGAN R. MOONEY
(Connecticut Department of Labor), Chairman*

Interest in the more effective control of industrial home work has kept pace during recent years with the current pronounced trend toward improved labor standards for factory and other workers. For the first time this practice of sending factory work into private homes is being faced squarely as a competitive method of industrial production.

Beginning with the passage of the New York and Connecticut prohibitory laws in 1935, States—7 in all within 2 years—moved quickly to enact new home-work legislation, in most instances looking toward the eventual elimination of the practice. Today 18 States¹ in this country have laws or regulations which expressly prohibit or attempt to regulate, in some measure, the performance of industrial work in private homes. In the case of Ohio, however, the regulation applies only when workers from outside the home engage in work therein. In Canada, Alberta, British Columbia, Manitoba, and Ontario have regulations designed to protect the public health against articles made in unsanitary homes; and in addition, British Columbia and Ontario regulate certain labor conditions under which industrial home work is performed.

The current year, 1937-38, has been a small legislative year insofar as the States are concerned. Relatively few legislatures—only nine, in fact—met in regular session, and in only one State, New Jersey, was an effort made to secure enactment of a new home-work law, which, however, failed of passage.

The outstanding legislative event of the year was, of course, the enactment of the Federal wage and hour law. It is probably too soon to predict the ultimate effect of this measure on the performance of industrial home work in this country, but in the absence of any exception for this method of production, I think we may safely assume that the provisions of the law apply. For a number of years this organization has anticipated Federal legislation which would

¹ California, Connecticut, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Wisconsin.

lend support to State effort to control industrial home work, and I am sure that we shall all watch the effect of the new act with interest.

The last 12 months have been marked by definite progress in the administration of home-work laws. Acting under the authority of its 1935 law, New York issued its third prohibitory order, applying in this case to the artificial flower and feather industries. In its first and second orders, this State had already prohibited industrial home work in the men's and boys' outer clothing industry and the men's and boys' neckwear industry, respectively. Application of this most recent order has been suspended, however, pending the outcome of a petition now before the board of standards and appeals in the State department of labor which questions the validity of the order. In this connection, it is interesting to note that the 1935 New York law successfully withstood its first challenge when, only within the last few weeks, the board of standards and appeals denied a review of an administrative order revoking an employer's permit for violation of the home-work law.

During the year Rhode Island, for the second time, included a home-work prohibition in one of its minimum-wage orders. Rhode Island's first mandatory order has been applied to the jewelry manufacturing industry and the second, effective in 1938, to the manufacture of wearing apparel and allied products. Utah, acting under a general authority to control the conditions under which women and minors are employed, by order prohibited home work in retail trade.

Basing its action largely on the decisions of the State courts with respect to industrial home workers under the workmen's compensation law, the New York Unemployment Insurance Appeal Board recently affirmed the application of the State unemployment compensation act to industrial home workers.

In February, the various State industrial home-work law administrators met in Washington, at the Secretary of Labor's invitation, for a second time to exchange and discuss experience in the administration of home-work legislation and effective methods of enforcement.

It is unnecessary to review for this body, I am sure, the characteristic abuses of the home-work practice—the exploitation of the workers; the damaging competition to factory production; the cost to the community when the returns from home work must be supplemented from relief funds in order that the family may subsist. From throughout the country come reports of the continued passage of industrial home-work materials across State lines—from employers operating in one State to be processed by home workers living elsewhere—and we may reasonably expect to hear more and more of this interstate shipment of home-work materials as the principal home-work States move to drastic methods of control, and as the possibility

of the shifting of home work to heretofore untouched fields therefore increases. States which now have little or no legal regulation of industrial home work, and indeed States where home work has been virtually unknown, cannot be urged too strongly to take immediate steps to enact home-work legislation before the practice becomes a real problem within their borders.

In October 1937 your committee on industrial home work met to reexamine, on the basis of actual State experience, certain of the provisions of the standard bill; and, in conclusion, the committee recommends two changes, both of which have arisen from certain difficulties which developed in connection with the original license fee of \$200, with special reference to the employer who employed only one or two handicapped or aged home workers. Originally, there had been a difference of opinion within the committee as to the advisability of charging such a high initial fee, and the committee has agreed that, in order to avoid the individual case of real hardship to the home worker which might be used to discredit the whole control of the home-work practice, it is advisable to reduce the original fee from \$200 to \$50, and to allow, at the discretion of the enforcing agency, the continued employment of home workers who are too handicapped for factory work. After the first year, the employer's license fee remains, of course, \$50 to \$200, depending on the number of home workers employed.

Specifically, the changes which the committee recommends are as follows:

Section 5, subsection 2: After the words "industrial home work," in line 10, insert "except as may be otherwise provided in such order pursuant to the provisions of section 6 of this act."

Section 6, subsection 2: Change the period at the end of the last sentence to a comma and add the following: "and shall contain such terms and conditions as the commissioner may deem necessary to carry out the purpose and intent of this act and to safeguard its provisions. If the commissioner finds that as a result of a prohibitory order undue hardship will ensue to home workers in the industry who because of advanced age or other disability are unable to adjust to factory employment, such order, if the commissioner determines that it is not inconsistent with the purposes of this act, may permit limited distribution of industrial home work, under such terms and conditions as the commissioner may prescribe, to any person engaged in the industry as a home worker on or prior to the effective date of such order (1) who because of old age or physical or mental disability or injury is unable to adjust himself to factory employment; or (2) who is unable to leave home because his services are essential to care for an invalid in the home."

Section 9, subsection 1: In the first line, change \$200 to \$50, so that the complete sentence shall read: "A fee of \$50 shall be paid to the commissioner for the original issuance of an employer's permit."

I move the endorsement of these changes to the standard industrial home-work bill and the adoption of this report.

Discussion

MISS PAPERT (New York). In the neckwear industry in New York State home work is prohibited. On advice of counsel, we have ruled that an employer who maintains a factory or any kind of establishment in New York State must conform to the regulations of New York State. That means that in the neckwear industry and the men's clothing industry, where home work is prohibited, home work is prohibited for all the employees of that particular manufacturer. He cannot send the work across the State line to New Jersey because our home-work regulation applies to him. In other words, the law applies to the manufacturer, since he maintains a place of business in New York State. If that ruling is generally adopted in States which have laws prohibiting home work, it prevents to some extent the sending of home work into other States.

A second point that may be of general interest is that in New York State we recently had a hearing on the artificial flower and feather industry before our board of standards and appeals, and you may be interested to know that we submitted to our board of standards and appeals both a legal brief and quite a complete factual brief. It was shown that this appeal was being made by only a very small proportion of the manufacturers in that industry, some of whom were also the largest manufacturers.

Third, we are for the first time to begin the application of the minimum-wage law to a home-work industry—specifically, the glove industry, where about half of the workers are home workers. We do not know quite where we are going to come out on it, because it is a piece-work industry; it is also a highly skilled trade. We shall be glad to have suggestions from any other States which have tackled similar problems.

MISS SMITH (Washington, D. C.) I think it might be of interest to the group to know that in Rhode Island and Utah—correct me if I am mistaken—home work is prohibited by their minimum-wage orders.

MR. MORTON (Virginia). In Virginia, we are just beginning to enforce our hours law for women—not more than 9 hours in 1 day or 48 hours in 1 week. The problem that gives us the most trouble is the beauty operator. The attorney general has ruled that beauty operators come under the law, and the result has been the operators are leaving the shop and doing the work in the home, where they are exempt from the hours law, because they are their own managers there. This and other types of home work are giving us some concern.

MISS PAPERT. We have a beauty-shop minimum-wage order, and that has been one of the results that has been predicted for the wage order. However, that has been circumvented by certain communities in New York State by the setting up of health laws, provisions as to sanitation, and so forth. That is usually done by the health department.

MR. MOONEY (Connecticut). I should like to ask Miss Papert if the New York order prohibiting New York State employers from sending home work out of the State has been challenged.

MISS PAPERT. No; it has not been challenged yet. It applies only to neckwear and men's clothing.

Civil Service

Civil Service

Report of Committee on Civil Service by E. B. PATTON (New York Department of Labor), Chairman

It is gratifying to report that since our last meeting a great deal of progress has been made in extending the merit system to all branches of government—Federal, State, and municipal. Today, of the 3,500,000 public employees in the United States, approximately 1,100,000 are under civil service.

The outstanding developments in the Federal service during the past year were: (1) The Executive order which placed more than 100,000 positions in the classified civil service provided for significant changes in present Federal personnel practices, and completely revised the rules of the United States Civil Service Commission; (2) the enactment by Congress of merit legislation for first-, second-, and third-class postmasters; and (3) the complete civil-service coverage for the Wage and Hour Division of the Department of Labor.

An Executive order, signed by the President on June 24, provided that, with certain exceptions, all positions in the executive civil service, including those in corporations wholly owned or controlled by the United States, should be covered into the competitive classified civil service, effective February 1, 1939. The exceptions include positions exempted from the competitive classified civil service by statute, positions filled by appointment by and with the advice and consent of the Senate, policy-determining positions, and "other positions which special circumstances require should be exempted."

The order included provisions for the establishment of personnel divisions in each of the executive departments, with qualified personnel directors at the head, and in addition provided for in-service training for governmental workers. The Civil Service Commission was given the direct responsibility of establishing training courses for employees in the departmental and field services of the classified civil service. Provisions were also made for granting credits in transfer and promotional examinations for the satisfactory completion of one or more of such training courses.

A second Executive order, which included a complete revision of the civil-service rules, provided that all probationers had to receive a

satisfactory efficiency rating at the end of the probationary period before they could receive a regular appointment. In addition, it provided that wherever possible, vacancies should be filled through promotion.

The Ramspeck bill (H. R. 1531) was signed by the President, thus establishing a modified merit system for approximately 14,000 first-, second-, and third-class postmasters. The bill places these postmasters within the competitive classified civil service, while at the same time retaining Senate confirmation of their appointments. Hereafter, appointments will be made by the President, by and with the advice and consent of the Senate, for indefinite terms, from among the three highest names certified by the United States Civil Service Commission.

The wages and hours bill gives complete civil-service coverage to employees of the Wage and Hour Division. The bill provides that with the exception of the Administrator, who is appointed by the President, with the advice and consent of the Senate, all employees are to be in the classified service. The act states that the Administrator is empowered to appoint, "subject to civil-service laws * * * such employees as he deems necessary to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended."

During the past year, the Federal reorganization bill, which contained important sections on personnel, was passed by the Senate but rejected in the House. The bill provided for the creation of a Civil Service Administration, headed by a Civil Service Administrator, appointed by the President with the consent of the Senate. The bill further provided for the establishment of a Civil Service Advisory Board, and all powers, functions, and responsibilities of the present Civil Service Commission were to be transferred to the new Administration.

Under the terms of the bill "the Civil Service Administration was made responsible for the development and maintenance of a career service in the Federal Government. The Civil Service Advisory Board was authorized to assist the Administrator in an advisory capacity in connection with matters relating to personnel, administration of the various agencies of the Federal Government, and to confer and counsel with the Administrator and the President with respect to the development, improvement, and extension of the merit system.

"Further the bill made possible the broadest extension of the merit system since 1883. The President was given authority to cover into the classified service all positions except Presidential appointments requiring Senate confirmation and to extend the Classification Act of 1923 to any agency of the Federal Government, with the exception of certain named groups, such as employees of the postal service, the military and naval services, and the foreign service. In the establishment of departmental boards of review to pass upon the merits

of individual efficiency ratings, the bill would have achieved a goal long sought by Federal employees."¹

There is a possibility that the personnel sections of the reorganization bill will be incorporated in a separate measure and introduced in the next session of Congress.

TABLE 1.—Number of classified and unclassified positions in the Federal civil service, June 30, 1937

Department or office	Classified	Unclassified	Total
Total positions.....	532, 073	309, 591	841, 664
State.....	789	4, 575	5, 364
Treasury.....	39, 170	34, 835	74, 005
War.....	51, 464	36, 513	87, 977
Justice.....	3, 636	4, 592	8, 228
Postoffice.....	261, 104	18, 339	279, 443
Navy.....	61, 663	10, 004	71, 667
Interior.....	16, 447	26, 723	43, 170
Agriculture.....	37, 919	47, 224	85, 143
Commerce.....	9, 139	6, 770	15, 909
Labor.....	4, 692	9, 698	14, 320
Civil Service Commission.....	1, 243	20	1, 263
Farm Credit Administration.....	2, 118	2, 332	4, 450
Federal Communications Commission.....	553	60	632
Federal Deposit Insurance Commission.....		829	829
Federal Emergency Administration of Public Works.....		7, 099	7, 099
Federal Housing Administration.....		3, 306	3, 306
Federal Trade Commission.....	306	271	577
General Accounting Office.....	2, 372	2, 561	4, 933
Government Printing Office.....	5, 283	311	5, 594
Home Owners Loan Corporation.....		14, 966	14, 966
Inland Waterways Corporation.....		2, 559	2, 559
Interstate Commerce Commission.....	2, 211	31	2, 242
Maritime Commission.....	905	211	1, 116
National Youth Administration.....		1, 257	1, 257
Panama Canal.....	730	9, 506	10, 236
Railroad Retirement Board.....	767	38	805
Reconstruction Finance Corporation.....		2, 901	2, 901
Securities and Exchange Commission.....	662	480	1, 142
Smithsonian Institution.....	419	186	585
Social Security Board.....	5, 417	331	5, 748
Tennessee Valley Authority.....		13, 766	13, 766
Veterans Administration.....	21, 107	13, 947	35, 054
Works Progress Administration.....		30, 234	30, 234
All others.....	1, 957	2, 897	4, 854

Source: Civil Service Assembly. Civil Service Agencies in the United States, p. 10.

The States

One of the most significant trends in American government is the rapid adoption of merit systems by the various States and cities. During the 2-year period 1935-36, there were established 54 new municipal civil service commissions, and, in 1937, 5 States adopted civil service laws for the first time.

The following review of the extent of civil service in States and cities is a condensation of a recent study published by the Civil Service Assembly.²

Fourteen States (see table 2) now operate merit systems for the selection and management of their administrative employees. Five

¹ Civil Service Assembly—News Letter, May 1938, p. 3.

² Civil Service Assembly. Civil Service Agencies in the United States: A 1937 Census. (Pamphlet No. 11, Jan. 1938.)

of these States—Arkansas, Tennessee, Connecticut, Maine, and Michigan—joined this group in 1937. The addition of these States was a notable advance for the merit principle, as 17 years had passed since any State had adopted a civil-service system. In 1920, Maryland placed its administrative employees under a merit plan.

TABLE 2.—*Cost of administration and scope of State civil service laws, 1937*

State	Appropriation for administration	Administrative personnel	Employees ¹ under civil-service law	Employees ¹ exempt from civil-service law	Total State pay roll ¹
Arkansas.....	\$24,300	4	4,625	375	\$7,500,000
California.....	264,650	{ ² 124 ³ 53}	22,265	6,200	40,411,986
Colorado.....	16,900	6	3,500	3,700	(⁴)
Connecticut.....	56,500	{ ⁵ 16 ⁶ 7}	11,325	625	14,825,961
Illinois.....	67,290	21	13,049	4,750	(⁴)
Maine.....	5,000	3	3,000	400	3,500,000
Maryland.....	27,502	8	4,496	3,540	8,000,000 ¹
Massachusetts.....	231,850	93	8,396	12,516	32,157,258 ¹
Michigan.....	138,000	90	10,000	3,500	15,000,000 ¹
New Jersey.....	163,000	(⁷)	9,583	1,956	17,892,661 ¹
New York.....	291,895	60	30,883	7,317	62,700,000 ¹
Ohio.....	66,500	(⁷)	16,000	2,000	15,000,000 ¹
Tennessee.....	21,000	10	6,000	2,400	9,944,000 ¹
Wisconsin.....	35,000	(⁷)	3,299	748	15,805,900 ¹

¹ Number of employees and pay roll relate to State service proper, only (executive branch). In considering appropriation and staff of personnel agency, however, it must be noted that in New Jersey the State agency has jurisdiction over 10 counties and 23 cities; in Massachusetts, over 39 cities and—in whole or in part—over 79 towns; in New York, over counties and villages, with general supervision over city civil-service commissions; in Ohio, over counties, with general supervision over city civil-service commission.

² Full time.

³ Part time.

⁴ Not available.

⁵ Permanent.

⁶ Temporary.

Source: Files of National Civil Service Reform League.

Pending civil-service legislation in two States indicates the possibility of substantial gains for the merit system during 1938. The Rhode Island Legislature is now considering proposals for a merit system covering State employees; and the voters of the State of Washington will be presented with civil-service initiative legislation this fall. North Dakota, on June 28th of this year, rejected a bill which would have provided civil service for the State.

The States of California, Colorado, New York, and Ohio have provided for civil-service systems in their constitution. In every case, except that of Ohio, the constitutional amendment was adopted after a civil-service statute had been in force for a number of years.

Kentucky, which is not included in the States listed here, established in 1936 a division of personnel efficiency. The division has the authority to establish a complete merit system but has not done so. It does not hold open competitive entrance examinations, but merely performs certain personnel functions, such as approving appointments, etc. Other States which have personnel agencies of limited functions include Indiana, Minnesota, North Carolina, Pennsylvania, South Dakota, Utah, and Washington.

In only one State has a civil-service law once adopted been repealed. The Connecticut Legislature repealed an 8-year-old statute in 1921, but in May 1937 it enacted a more comprehensive merit-system measure. The Legislature of Kansas passed a statute in 1915 providing for a State civil-service system, but since 1919 no money has been appropriated to maintain an administering agency.

The Cities

According to the Civil Service Assembly, almost every large city operates under a civil-service system of one type or another.

Indeed, the larger the city, the greater is the likelihood that its employees are selected through competitive civil-service procedure * * * Uniformity among municipal civil-service commissions is lacking with respect to organization, extent of authority, legal status, and administration. Some cities have commissions which perform the functions of a modern personnel agency. The power of other commissions is confined to the recruiting process. The jurisdiction of some commissions extends to all municipal employees, but in other cities the police and fire departments alone are covered.³

There are at present 439 cities which maintain 459 public personnel agencies. Twelve cities have two commissions each and four cities have three each. In 235 cities and villages a merit system exists, but their personnel work is done by agencies outside of the municipalities. In Massachusetts (121 cities), New Jersey (22 cities), and New York (86 cities), the State civil-service commissions are the administering agencies.

The number of city civil-service commissions has grown steadily since 1884. In that year four such agencies were established in New York State. Although the growth of merit systems in municipalities has been more or less steady, more than a hundred of them have been established during the past 5 years.

It is believed that many smaller cities have hesitated to adopt merit systems because of the additional costs which would apparently be entailed by so doing. To meet this problem, a number of devices have been developed for making available to smaller cities (at nominal or no cost) the technical operating personnel services that are accepted as essential in a merit-system program. A detailed description of the practice being followed in New Jersey, California, and Michigan is given in the aforementioned report of the Civil Service Assembly.

Public-Service Training

A great deal of progress has been made in the past few years in the establishment of training courses for public service. There are today, according to Charles S. Ascher, secretary of the committee on public administration of the Social Science Research Council, 61 colleges⁴

³ Civil Service Assembly. *Civil Service Agencies in the United States*, p. 15.

⁴ A complete list of these colleges appears in the *Municipal Yearbook*, 1938, pp. 356-364.

which offer a major, curriculum, or special program in public administration, while some universities have established special schools of public administration. One-half of all the courses have been instituted during the last 4 years and three-fourths of them within the last 10 years. A number of colleges report plans under way initiating comprehensive programs in the field within the next year or two.

Mr. Ascher explains the expansion in the field as a response to the depression in two ways: "Students who previously would have looked askance at the poor pay and low esteem of public employment have, in dearth of private employment, been attracted by its comparative security. Furthermore, the demands upon government to widen its social services have created unprecedented opportunities for intelligent, trained young persons."⁵

The following are some of the more recent developments in the field of public-service training.

For Federal employees, the President of the United States included some important provisions for in-service training in his Executive order. He stated in section 8 that the "Civil Service Commission shall, in cooperation with operating departments and establishments, the Office of Education, and public and private institutions of learning, establish practical training courses for employees in the departmental and field services of the classified civil service, and may by regulations provide credits in transfer and promotion examinations for satisfactory completion of one or more of such training courses."

The University of Southern California offers a cooperative public-service training program for college students in the Pacific Southwest. The part-time study, part-time work program is designed to facilitate the attainment of four objectives: (1) To attract strong students into Government service; (2) to provide actual experience on the job; (3) to provide financial aid to ambitious and competent persons willing to enter public service; and (4) to facilitate through a combination of job experience and directed study the transfer from college campus to Government office.

The preservice training program is the third phase of a comprehensive training program under way on the west coast. The Los Angeles County Civil-Service Commission and Bureau of Budget and research now recruit eight men each year from the graduating classes of the four large California universities. They are employed on an apprentice basis for a period of 1 year. Aside from the preservice and apprentice training offered in California, an in-service training program for officials, administrators, and technicians has been carried on for 10 years at the University of Southern California's Institute of

⁵ Municipal Yearbook, 1938, p. 355.

Government and Civic Center In-Service Training Division as part of a professional school of government.

The University of Michigan offers a vocational course in "principles of personnel administration." This course for Michigan State employees was instituted under the provisions of the George-Deen Act, which provides Federal grants in aid for public-service training. In all, there are 11 States which have thus far initiated public-service training programs under the act. They are: Alabama, Arkansas, Connecticut, Michigan, New Jersey, North Carolina, New York, Oregon, Utah, Virginia, and West Virginia.

The District of Columbia's Public Employment Center has developed a training program to familiarize employees with the methods and philosophy of the modern public-employment office. The objectives of the program are, as outlined by Richard L. Shaw in an article in the *Employment Service News*: (1) The achievement of unity of method and procedures throughout the various divisions of the office; (2) the exchange of information on common problems; (3) discussion to clarify questions of public-employment policy; (4) the acquaintance of the staff with industrial and economic problems; (5) the availability to all staff members of training material necessary to fit them for promotional opportunities; and (6) the presentation of certain historical and background material to give each staff member a clearer conception of the objectives of the service.

Fellowships and scholarships in the field of public administration are awarded annually by Harvard University, the National Institute of Public Affairs, Radcliffe College, University of Minnesota, and Syracuse University. The Wisconsin Bureau of Personnel, under authority of a bill passed in the 1937 session of the legislature, grants loans to selected students at Wisconsin educational institutions in return for a 2 years' apprenticeship served at the conclusion of their college work in administrative offices of State or local Governments.

New York University will establish this fall a "graduate division for training in public service." Courses in the division leading to the degree of master of public administration will be integrated with courses in other graduate divisions of the university.

The University of Virginia will offer, beginning this fall, a 4-year course in public personnel administration leading to the A. B. degree, and a 5-year course leading to the M. A. degree. The curricula were developed by a faculty committee on preparation of students for government service. Programs in public financial administration and public welfare administration were approved at the same time.

Denver University will offer an 18-month course leading to the degree of master of science in government management. Ten fellowships will be awarded each year to graduates of accredited colleges.

In New York City, 35 honor students of the College of the City of New York were appointed "internes in public service." They will serve as research investigators in problems of city government and will be supervised by a faculty committee at City College.

For many years Syracuse University has offered courses for training in public service in the School of Citizenship and Public Affairs. At the recent dedication of the new building of the school, former President Herbert Hoover declared that one of the great difficulties encountered in eliminating the spoils system was the lack of trained men for public service. He stated that "hand in hand with the development of professionally trained personnel for government we have first got to rid ourselves of the spoils system. Appointment to public office as political award is based on the notion that getting votes constitutes expertness for the job. It makes for political joy. But it produces bad administration. It undermines confidence in government by the people. It leads to corruption. It degrades politics. It is, in fact, the incarnation of immorality and subversion of the public interest."

Personnel Administration

One of the major developments in the personnel administration of New York State has been the establishment of a classification division in the department of civil service. The division is headed by a classification board, which will review and reclassify positions included in the 1932 classification. The board was established in order that (1) "further study could be given to the appropriate salary scales to be assigned to persons in the higher key positions in the State service; (2) the salary plan of the State might be completed and perfected by a gradual extension of the principles of the act to the entire service; (3) means may be provided for the progressive adjustment of salaries to actual change in the service; and (4) necessary adjustments may be made in the present salary allocations which can be made only by the establishment of such an agency charged with the duty of bringing job descriptions, specifications, and titles into line with actual conditions."⁶

As a means of arriving at efficiency ratings for New York State employees, the civil service commission has instructed the heads of departments to grade each employee on the following items: (1) Comprehension; (2) knowledge of work; (3) performance of duties, (a) accuracy, (b) method, (c) energy and industry, (d) rate of work; (4) initiative and constructive power; (5) courage and self-reliance; (6) judgment; (7) personality and temperament—(a) temperament, (b) tact and manners, (c) team instinct and cooperativeness; (8) capacity for leadership—(a) leadership, (b) develop-

⁶ Civil Service Assembly. News Letter, July 1938, p. 3.

ment of loyalty and team spirit, (c) instructional ability, (d) capacity to recognize and to assess human nature; (9) critical ability; and (10) organizing ability.

The efficiency ratings thus determined will be used as a basis for promotions to higher titles and salary increases.

At our last meeting the committee made the recommendation that full-time personnel directors be appointed in each department of Federal and State governments. We are glad to report that some progress has been made along this line. In the Federal service, a program for handling personnel will soon be established as a result of section 6 of the President's Executive order of June 24th, which reads as follows:

SEC. 6. Effective not later than February 1, 1939, the heads of the Executive departments and the heads of such independent establishments and agencies subject to the civil-service laws and rules as the President shall designate, shall establish in their respective departments or establishments a division of personnel supervision and management, at the head of which shall be appointed a director of personnel qualified by training and experience, from among those whose names are certified for such appointment by the Civil Service Commission pursuant to such competitive tests and requirements as the Civil Service Commission shall prescribe. * * * It shall be the duty of each director of personnel to act as liaison officer in personnel matters between his department or establishment and the Civil Service Commission, and to make recommendations to the departmental budget officer with respect to estimates and expenditures for personnel. He shall supervise the functions of appointment, assignment, service rating, and training of employees in his department or establishment, under direction of the head thereof, and shall initiate and supervise such programs of personnel training and management as the head thereof after consultation with the Civil Service Commission shall approve, including the establishment of a system of service ratings for department and field forces outside of the Classification Act of 1923, as amended, which shall conform as nearly as practicable with the system established under the said act. Subject to the approval of the head of such department or establishment and of the Civil Service Commission he shall establish means for the hearing of grievances of employees and present appropriate recommendations for the settlement thereof to the head of his department or establishment * * *.

These provisions are, in our opinion, a major development toward the setting up of machinery for the proper handling of personnel problems of Government workers. Similar provisions should be adopted for all State employees as well.

The New York State Department of Labor has no full-time personnel director for a large number of its employees. Of the 7,696 persons employed in the department on June 30, 1938, there is a full-time personnel director for 4,988 persons in the division of placement and unemployment insurance and another for 1,386 persons in the State fund. The 1,322 employees in the remaining divisions of the department, however, do not have this service. The personnel problems of any large group of workers is a full-time job and it is im-

portant that the persons doing this job have sufficient time to do it properly.

We hope that the work of the Federal Government in setting up the machinery for taking care of personnel will be an impetus for the States to take similar action. We hope that in the near future we may find a full-time personnel director in each large department of every State; for it is only with the proper handling of personnel that we can hope to attain a career service for Government employees.

These aspirations are expressed not primarily for the benefit of government employees, although it is quite true that it is only by the proper handling of personnel that a career service for government employees may be attained. The sound arguments for civil service must be based upon the quality of the work performed by civil-service employees as compared with that rendered under the "spoils" system. It would seem that no informed person could have any doubt as to which method of recruiting employees is most advantageous for the State from the standpoint of efficiency and economy. Advocates of civil service should keep constantly in mind that the merit system is always on trial and that the final arbiter of its worth is informed public opinion. Unless the general public is, and remains, convinced that employees chosen through civil-service methods render a consistently high average of performance, the pressure for "jobs" will undermine the entire system.

The future growth and development of civil service is largely in the hands of those governmental units which now have merit systems in effect. Long years of politically appointed employees, with the inevitable wholesale turn-over following elections, have clearly demonstrated the weakness of the traditional American method embodied in the 100-year-old slogan "To the victors belong the spoils." Public opinion has expressed itself through national political platforms and an impressive array of nonpolitical organizations, a partial list of which appeared in the report of this committee for 1936 at Topeka. There now exists a widespread and genuine interest in, and desire for, recruitment by civil-service methods and permanent tenure based upon a record of high performance. Now is the time to capitalize upon this interest and render a convincing demonstration of high-grade public service.

Care should be taken that no movement for organization of civil-service workers should give rise for apprehension that it is merely another of the many pressure groups seeking gains for itself without respect to the general welfare. Such action upon the part of organized civil-service workers will, and should, be self-defeating.

Canada

It is to be regretted that lack of information does not permit a detailed presentation of the development of civil service in the Dominion and Provinces of Canada. However, the following report which appeared in the August 1938 issue of the Civil Service Assembly is worthy of note.

Twenty-five recommendations pertaining to the organization of the Canadian civil-service system were submitted on June 27 to the Canadian Parliament by a special committee of the House of Commons. * * * Included among the recommendations was the suggestion that positions in the national civil service be classified in five or six broad divisions with not more than nine horizontal salary grades in each. At present, positions are allocated to many different classes, each class having its own salary range. The proposed schematic arrangement would make the classification and pay plans of the Canadian civil service more similar to the plans in effect in the Federal Government of the United States.

The committee also recommended that periodic audits be made of departments, units, or branches to determine overlapping, overstaffing, or understaffing of the departments, and that a system of periodic service ratings be instituted. It was proposed that in a case where the complaint of a civil servant cannot be otherwise adjusted, an ad hoc board of appeals be established for this purpose. The board would consist of a nominee of a civil-service organization named by the appellant, a nominee of the deputy head of the department affected, and a nominee of the chairman of the Civil Service Commission. To facilitate the desirable reinstatement of able persons who have resigned from the service in good standing, it was further proposed that under specified conditions the Civil Service Commission be permitted to appoint without competition any person who has already held a permanent position in the civil service.

Factory Inspection

Suggested Establishment of a Section on Factory Inspection in the I. A. G. L. O.

Report of Committee on Factory Inspection, by JOSEPH M. TONE (Connecticut Department of Labor), Chairman

Pressure of work has made it impossible for the members of your committee to meet together, much less to confer with the committee appointed by the national advisory committee on safety and health of the Division of Labor Standards of the United States Department of Labor. Through correspondence, however, your committee has been able to reach an agreement on several essential points relating to the creation of the proposed section. We feel that such a separate and special section dealing with health and safety matters could be both useful and desirable so long as it is retained as a vital part of the association and its scope strictly limited to matters concerning the health and safety of workers. Factory inspection, in the broadest sense of the term, includes within its scope not only factories but all workplaces. It includes not only matters affecting health and safety of workers, but hours, wages, industrial relations, industrial home work, and all other matters covered by protective labor laws and regulations. If the proposed section were to include factory inspection in its most inclusive sense, there would be no point in creating it, since it would cover everything covered by the association.

The problems of the technique of inspection of plants for the elimination or control of physical hazards to health and to safety have little in common with the problems connected with working hours, wage rates, wage payments, industrial relations, and industrial home work. The training requisite for health and safety inspectors is a special training that has little relation to the training for other inspection functions. For these reasons we feel that the proposed section should be called the health and safety section of the International Association of Governmental Labor Officials, and should devote its activities to the improvement of methods and technique in this special field of labor inspection and labor-law enforcement. The health and safety section should, of course, include within its purview not only factories but all workplaces.

It is greatly to be desired that our International Association of Governmental Labor Officials should have closer contact with the International Association of Factory Inspectors. This latter organization has been in existence for many years and has served most useful purposes in acquainting the factory inspection divisions of European countries with the methods and technique of factory inspection in the various countries which are members of the association. Since the absorption of the Association of Factory Inspectors, the weak and tenuous contacts between American factory inspectors and European factory inspectors have been broken, we feel that it is very desirable that these contacts and relations should be restored and made more vital. Through the creation of the health and safety section, factory inspection in this country can be more important and technically more efficient. These desirable results can be brought about, in our opinion, by making provision for special programs dealing with methods and techniques of health and safety inspection in the several States of the Union. Much valuable information could be obtained by sending specially qualified representatives of the health and safety section to attend the conferences of the International Association of Factory Inspectors. We believe all these desirable results will be furthered by the creation of the proposed health and safety section. The fear expressed by some that the creation of the proposed section may split the International Association of Governmental Labor Officials into two separate and distinct associations seems to us groundless.

Mr. LUBIN. It appears that this report deals primarily with the question of developing a separate section and does not go into the problems of factory inspection, such as are usually gone into by the various committees in the form of a discussion of the problems involved in the field with which the committee concerns itself. In view of the fact that the report emphasizes and deals with the whole question of a separate section, and in view of the fact that the executive board at its meeting today discussed that question, I think it fitting that the discussion of the report itself be delayed until the executive board makes its report on the meeting that it held today. Accordingly, I suggest that this report be laid on the table pending the submission of the executive board's report at the business meeting on Saturday.

[Mr. Lubin's motion was seconded and carried.]

Business Meetings—Reports and Resolutions

Report of the Secretary-Treasurer

Since the Toronto convention the Alabama Department of Labor and the Alberta Department of Trade and Industry have joined the association. The membership now stands as follows:

ACTIVE MEMBERS

United States Bureau of Labor Statistics.
United States Bureau of Mines.
United States Children's Bureau.
United States Employment Service.
United States Women's Bureau.
United States Division of Labor Standards.
United States Social Security Board.
National Labor Relations Board.
Alabama Department of Labor.
Arkansas Department of Labor.
Colorado Industrial Commission.
Connecticut Department of Labor and Factory Inspection.
Illinois Department of Labor.
Iowa Bureau of Labor.
Kansas Commission of Labor and Industry.
Massachusetts Department of Labor and Industries.
Missouri Department of Labor and Industrial Inspection.
New Jersey Department of Labor.
New York Department of Labor.
North Carolina Department of Labor.
Oklahoma Department of Labor.
Pennsylvania Department of Labor and Industry.
Puerto Rico Department of Labor.
Rhode Island Department of Labor.
South Carolina Department of Labor.
Virginia Department of Labor and Industry.
West Virginia Department of Labor.
Wisconsin Industrial Commission.
British Columbia Department of Labor.
Department of Labor of Canada.
Ontario Department of Labor.
Quebec Department of Labor.

ASSOCIATE MEMBERS

Delaware Labor Commission.
New Hampshire Bureau of Labor.
North Dakota Department of Agriculture and Labor.
Ohio Department of Industrial Relations.
Alberta Department of Trade and Industry.

HONORARY MEMBERS

Leifur Magnússon, American representative of International Labor Office.
A. L. Fletcher, Assistant Administrator in Charge of Compliance, Wage and Hour Division, United States Department of Labor.

The proceedings of the Toronto convention have been printed as Bulletin No. 653 of the Bureau of Labor Statistics of the United States Department of Labor.

The committees which were continued from last year and which have prepared reports for presentation to this convention, are as follows:

Committee on unemployment compensation.—George E. Bigge, United States Social Security Board.

Committee on minimum-wage laws.—Frieda S. Miller, New York Department of Labor, chairman; Louise Stitt, United States Women's Bureau; Mrs. Rex Eaton, British Columbia Board of Industrial Relations; Mrs. Elizabeth R. Elkins, New Hampshire Bureau of Labor.

Committee on old-age assistance.—Harry R. McLogan, Wisconsin Industrial Commission, chairman; Glenn A. Bowers, New York Department of Labor; Robert Lansdale, Committee on Public Administration; H. J. Berrodin, Ohio Department of Public Welfare; W. A. Pat Murphy, Oklahoma Department of Labor.

Committee on wage-claim collection laws.—E. I. McKinley, Arkansas Department of Labor, chairman; O. B. Chapman, Ohio Department of Industrial Relations; Morgan R. Mooney, Connecticut Department of Labor; W. A. Pat Murphy, Oklahoma Department of Labor; Harry R. McLogan, Wisconsin Industrial Commission.

Committee on industrial home work.—Morgan R. Mooney, Connecticut Department of Labor, chairman; Frieda S. Miller, New York Department of Labor; Martin P. Durkin, Illinois Department of Labor.

Committee on civil service.—E. B. Patton, New York Department of Labor, chairman; Maud Swett, Wisconsin Industrial Commission; Leifur Magnusson, International Labor Office; Gerald Brown, Canada Department of Labor; Gerard Tremblay, Quebec Department of Labor; Leonard D. White, Civil Service Commission.

Committee on women in industry.—Mary Anderson, United States Women's Bureau, chairman; Frieda S. Miller, New York Department of Labor; Margaret McIntosh, Canada Department of Labor; Florence A. Burton, Minnesota Department of Labor and Industry; Mrs. Louise Q. Blodgett, Rhode Island Department of Labor; Mrs. Daisy L. Gulick, Kansas Commission of Labor and Industry.

Committee on child labor.—Beatrice McConnell, United States Children's Bureau, chairman; Morgan R. Mooney, Connecticut Department of Labor; O. B. Chapman, Ohio Department of Industrial Relations; Mrs. Louise Q. Blodgett, Rhode Island Department of Labor; B. W. Cason, Louisiana Department of Labor; T. E. Whitaker, Georgia Department of Labor.

The following committee, which was appointed at the meeting last year, will also present its report:

Committee on factory inspection.—Joseph M. Tone, Connecticut Department of Labor, chairman; Ralph M. Bashore, Pennsylvania Department of Labor and Industry; T. E. Whitaker, Georgia Department of Labor.

In view of the interest shown at the Toronto meeting in the problem of apprenticeship training, your president deemed it advisable to appoint a standing committee on apprenticeship training. This committee, which will present a report at this meeting, is as follows:

Committee on apprentice training.—Voyta Wrabetz, Industrial Commission of Wisconsin, chairman; George A. Krogstad, Michigan Department of Labor; William F. Patterson, Federal Committee on Apprentice Training.

FINANCIAL STATEMENT COVERING PERIOD SINCE TORONTO CONVENTION

1937	Receipts	
Sept. 15.	Balance in bank.....	\$1, 478. 32
30.	Iowa Bureau of Labor, 1938 dues.....	25. 00
30.	Puerto Rico Department of Labor, 1938 dues.....	25. 00
30.	Georgia Department of Labor, 1938 dues.....	25. 00
30.	Oregon Bureau of Labor, 1938 dues.....	25. 00
30.	Oklahoma Department of Labor, 1938 dues.....	25. 00
Oct. 12.	New Jersey Department of Labor, 1938 dues.....	25. 00
12.	Illinois Department of Labor, 1938 dues.....	25. 00
Nov. 22.	Michigan Department of Labor, 1938 dues.....	25. 00

1938		<i>Receipts—Continued</i>	
Feb.	16. Rhode Island Department of Labor, 1938 dues	----	\$25. 00
Apr.	22. North Carolina Department of Labor, 1939 dues	----	25. 00
	25. Illinois Department of Labor, 1939 dues	-----	25. 00
	28. Ontario Department of Labor, 1939 dues	-----	25. 00
May	3. Quebec Department of Labor, 1939 dues	-----	25. 00
	4. Connecticut Department of Labor, 1939 dues	-----	25. 00
	6. Oklahoma Department of Labor, 1939 dues	-----	25. 00
	7. British Columbia Department of Labor, 1939 dues	-----	25. 00
	9. Colorado Industrial Commission, 1939 dues	-----	25. 00
	10. New Hampshire Bureau of Labor, 1939 dues	-----	10. 00
	12. Missouri Department of Labor, 1939 dues	-----	25. 00
	12. West Virginia Department of Labor, 1939 dues	-----	25. 00
	16. Delaware Labor Commission, 1939 dues	-----	10. 00
	17. Alberta Department of Trade and Industry, 1939 dues	-----	10. 00
	17. Kansas Commission of Labor and Industry, 1939 dues	-----	25. 00
	18. Alabama Department of Labor, 1939 dues	-----	25. 00
	23. Arkansas Department of Labor, 1939 dues	-----	25. 00
	25. Massachusetts Department of Labor and Industries, 1939 dues	-----	25. 00
July	15. South Carolina Department of Labor, 1939 dues	----	25. 00
	15. Wisconsin Industrial Commission, 1939 dues	-----	25. 00
	15. Pennsylvania Department of Labor and Industry, 1939 dues	-----	25. 00
	15. Virginia Department of Labor and Industry, 1939 dues	-----	25. 00
Aug.	10. Puerto Rico Department of Labor, 1939 dues	-----	25. 00
	24. Iowa Bureau of Labor, 1939 dues	-----	25. 00
	24. New Jersey Department of Labor, 1939 dues	-----	25. 00
			\$780. 00
Total receipts			2, 258. 32
1937		<i>Disbursements</i>	
Oct.	28. Caslon Press, 1,250 letterheads, 1,000 envelopes, 150 programs for Toronto meeting	-----	52. 10
	28. John B. Clark, bonding secretary-treasurer period October 20, 1937, to October 20, 1938	-----	5. 00
Nov.	2. B. Sauriol, services at Toronto convention	-----	10. 00
	2. A. Little, services at Toronto convention	-----	10. 00
	2. L. Cummins, services at Toronto convention	-----	10. 00
	2. Doris Patterson, reporting Toronto convention	-----	100. 00
	22. A. L. Fletcher, telegram to W. A. Pat Murphy, from Toronto	-----	1. 85
1938			
Apr.	12. Cash, postage for secretary's office	-----	5. 00
May	12. Cash, postage for secretary's office	-----	1. 00
Aug.	1. Cash, postage for secretary's office	-----	5. 00
Aug.	15. Caslon Press, 1,000 letterheads and 1,000 envelopes	-----	24. 60
Sept.	6. Bank charge for handling checks from Quebec, South Carolina, and Puerto Rico	-----	. 88
	6. Lewis Co., 200 badges for Charleston meeting	-----	15. 18
	6. Postal Telegraph-Cable Co., wire to W. A. Pat Murphy, Oklahoma, and reply	-----	2. 26
Total disbursements			242. 87
Sept.	8. Net balance	-----	2, 015. 45
Since the Charleston meeting the following membership checks have been received:			
Sept.	30. New York Department of Labor, 1939 dues	-----	\$25. 00
	30. North Dakota Department of Agriculture and Labor, 1939 dues	-----	10. 00
	30. Rhode Island Department of Labor, 1939 dues	-----	25. 00
	30. Ohio Department of Industrial Relations, 1939 dues	-----	10. 00

In accordance with the recommendation of the executive board at the Toronto meeting, which was approved by the membership of the Association, the sum of \$300 was set aside to pay the travel expenses of the executive board members to attend board meetings. No requests for expenses have been submitted to the secretary, thus placing the original sum of \$300 in the net balance shown above.

ISADOR LUBIN,
Secretary-Treasurer.

Report and Recommendations of the Executive Board

Your executive board has held two meetings during the past year. The first meeting was held in Washington on March 4. Those present were: W. A. Pat Murphy, president; Miss Frieda Miller and John W. Nates, vice presidents; A. L. Fletcher, member ex officio; Isador Lubin, secretary-treasurer. The secretary reported to the board that the National Fire Protection Association had recognized the eligibility of our Association to membership in its organization and had invited our Association to designate a member to work in the field of standards for eliminating fire hazards in industry.

Among the other items considered by the board was the program for the present meeting, and it was the board's recommendation that the meeting devote itself to the discussion of problems of wage and hour administration and the conciliation of labor disputes. It was the board's opinion that these two items constituted a growing problem for State labor departments and that in these fields lay opportunity for great expansion in the coming year.

The secretary-treasurer of the Association submitted his resignation to the board at the March meeting. Your president refused to entertain the resignation, but upon being resubmitted by your secretary-treasurer, the matter was placed before the board for consideration. Your board unanimously refused to accept the resignation, despite the fact that your secretary-treasurer pleaded that his duties in the Bureau of Labor Statistics were of such a nature as to consume all of his time.

Your board thinks that the membership of the Association will agree that the excellent nature of the present meeting furnishes sufficient evidence of the justification of the board's action in refusing to accept the resignation.

The second meeting of the board was held on September 8 in Charleston, S. C. Your board voted to recommend to the Association that we continue our attempts to federate our Association with the Association of Unemployment Compensation Commissioners and the Association of Employment Office Executives. Although little progress has been made in this direction during the past year, your board is of the opinion that the welfare of labor requires the ultimate consolidation of all State agencies affecting the welfare and security of workers, and that labor as a whole will benefit by the consolidation of the associations concerned with unemployment compensation and employment-office administration with our Association.

1. With a view to continuing our attempts to federate these organizations, your board recommends that we continue the appropriation of \$500 for travel expenses of the president or other officials designated by the executive board to act in behalf of the Association in contacting the Association of Unemployment Compensation Commissioners and the Association of Employment Office Executives.

2. Your board further recommends that this appropriation of \$500 be available for travel expenses for your president or other officials designated by the executive board to attend meetings of State legislatures, upon the invitation of State labor commissioners, to present the official attitude of the Association toward proposed labor legislation.

3. Your board further recommends that an appropriation of \$300 be made for travel expenses of members of the executive board for the attendance of board meetings.

4. Your board further recommends that you authorize the payment of \$100 to Miss Lucille Gaiser for stenographic and transcription services for the minutes of this convention.

5. Your board further recommends the authorization of expenditure not to exceed \$50 for gifts to such persons as helped our Association in a clerical and in other ways at this meeting.

6. Your board has given careful consideration to the question of developing a separate unit within the Association for factory inspectors. It is the unanimous opinion of your board that the Association experiment with a program which will be attractive to factory inspectors before attempting to develop an independent unit for this group of State labor department employees. Accordingly, your board suggests that the twenty-fifth convention, to be held in 1939, make provision for an entire day's program to be devoted to problems of factory inspection. It is your board's opinion that such a program may be attractive to State labor department inspectors as well as valuable to State labor commissioners. It is recommended that the day's program on factory inspection be as elaborate as possible, and deal not only with techniques of inspection but also provide exhibits and other educational materials which may be of value both to inspectors and State labor commissioners.

Pending the holding of such a meeting, as part of our program for the twenty-fifth convention, the board recommends that we delay further consideration of the development of a separate unit for factory inspectors within the Association.

7. The board has given consideration to the question of the place of the 1939 convention. The association made a tentative commitment at its Toronto convention in 1937 to the city of New York. It is the opinion of the majority of your board that New York be reserved for the year 1940, on the assumption that the World's Fair will be continued into 1940, and that the 1939 meeting be held in some other city.

8. Your executive board recommends that the Association recognize the services of Maj. A. L. Fletcher, both as commissioner of labor of the State of North Carolina and as a past president of this association, in the form of an honorary life membership in this Association.

Resolutions Adopted by the Convention

Minimum Wage and Child Labor

1. *Whereas*, the United States Congress has enacted a law regulating wages, hours, and child labor, thereby emphasizing the Nation-wide need for adequate labor standards for all employees; and

Whereas, a large number of States have in the past enacted minimum-wage laws for women and minors, the constitutionality of which has been upheld by the United States Supreme Court: Therefore be it

Resolved, That all States not now having minimum-wage legislation for women and minors draft such legislation in conformity with the standards approved by this association and present such bills to the next session of their legislature; and be it further

Resolved, That although the constitutionality of the Federal wage-hour law has not been tested in the courts, the States nevertheless extend the application of minimum-wage legislation to men. It is recommended that this be

done by the introduction of new legislation which will not endanger present minimum-wage laws for women and minors; and be it further

Resolved, That States having minimum-wage laws be urged to take concerted action in establishing minimum-wage standards for industries which are interstate in nature; and be it also

Resolved, That this Association urge that adequate appropriations be granted for the enforcement of minimum wage legislation.

2. *Whereas*, the reports of the committees on minimum wages, women in industry, and child labor of the International Association of Governmental Labor Officials have emphasized the need for uniformity in State standards in these fields and have recommended that the laws of the individual States be brought into conformity with the Fair Labor Standards Act of 1938; be it

Resolved, That the International Association of Governmental Labor Officials express its appreciation of the efforts of the Secretary of Labor, Frances Perkins, for her efforts toward making the benefits of wage and hour legislation available to workers in intrastate commerce through the appointment of a special committee of State representatives on State minimum wage maximum hour laws; and be it further

Resolved, That this association make available to the committee appointed by the Secretary of Labor, both as a body and through its individual members, such services as may be conducive toward the realization of such benefits to workers in intrastate commerce.

3. *Resolved*, That the International Association of Governmental Labor Officials actively support:

The amendment of State child-labor laws to bring the State standards for the productive industries up to those of the Fair Labor Standards Act, and extend these standards to intrastate occupations not covered by the Fair Labor Standards Act;

The provision for employment certificates for all minors up to 18 years of age and for adequate supervision of the issuance of such certificates by the State department of labor or the State department of education;

The extension of State compulsory school attendance laws to all children under 16 years of age and to those between 16 and 18 unless legally employed; and be it further

Resolved, That in the enforcement of the Fair Labor Standards Act the greatest possible utilization be made of State and local officials enforcing State child-labor laws and issuing employment certificates, and that the fullest cooperation of the State labor departments be extended to the Children's Bureau in the administration of the child-labor provisions of the act, and be it also

Resolved, That State industrial accident and disease reporting systems be extended with a view to providing sound statistical information with respect to the accident and health hazards of young workers to provide a basis for the determination of hazardous occupations under the Fair Labor Standards Act and under the State child-labor laws.

4. *Resolved*, That the International Association of Governmental Labor Officials reaffirm its position with respect to the vital importance of ratification of the pending child-labor amendment and urge that every effort be made to secure ratification in those States that have not yet taken affirmative action.

Industrial Home Work

5. *Whereas*, the United States Congress has enacted a law regulating wages, hours, and child labor in interstate industries; and

Whereas, industrial home work is a method of industrial production which is characterized by low wages, long hours, and child labor through which the manufacturer may evade the requirements of wage, hour, and child-labor regulations; and

Whereas, a number of States have already enacted regulatory legislation making ultimate elimination of industrial home work possible, and

Whereas, the International Association of Governmental Labor Officials has repeatedly urged strict control looking toward the eventual elimination of industrial home work; be it

Resolved, That the Administrator of the Wage and Hour Division and the Chief of the Children's Bureau be urged to take every step possible to insure application of the wage, hour, and child labor provisions of the Fair Labor Standards Act to the home-work practice, and that the Administrator be urged to include in each minimum-wage order issued under the law a provision prohibiting industrial home work in the industry or industries covered; and be it further

Resolved, That in addition each State not having adequate home-work legislation be urged to enact promptly legislation looking toward the elimination of industrial home work within the State.

Small-Loan Laws

6. *Whereas*, it is generally recognized that wage earners over the United States are being made victims of exorbitant money interest rates charged by associations and individuals commonly known as "loan sharks"; and

Whereas, the workers of the United States generally are looking to the several departments of labor for active assistance relating to their welfare; therefore be it

Resolved, That this convention instruct the incoming executive board to appoint a committee for the investigation of this practice and to make its report to this body at its next annual convention.

General

7. *Whereas*, at the request of the International Association of Governmental Labor Officials, the Bureau of Labor Statistics of the United States Department of Labor undertook a thorough survey of State labor departments as to (1) their structure and functions, and (2) their inspection activities, and

Whereas, this report now has been completed for distribution at this meeting, and

Whereas, after the field work was completed and in the midst of the compilation of this report, Miss Estelle Stewart, who had put devoted and intelligent effort into its preparation, was called from our midst; be it

Resolved, That the International Association of Governmental Labor Officials express: First, to her family our sense of loss at her going; and second, to the Bureau of Labor Statistics our thanks and appreciation for the final completion of the report built on her efforts, which gives to the members of this Association and to other State officials a most valuable and much needed background of information on the status and the inspection activities of State labor departments, and which we hope the Bureau of Labor Statistics may now furnish in printed form and keep current from time to time.

8. *Be it resolved*, That this convention extend its sincere thanks to the Honorable Olin D. Johnston, Governor of the State of South Carolina, the Honorable Burnet R. Maybank, mayor of the city of Charleston, Commissioner John W. Nates and members of his staff, and the Boy Scouts, for the fine hospitality accorded the delegates during our stay in Charleston; and be it further

Resolved, That we extend our thanks to the Francis Marion Hotel and all others who have contributed to our pleasure while guests in this city.

9. *Be it resolved*, That the convention accept the reports of the following officers: the president, the secretary-treasurer, and the executive board; and be it further

Resolved, That the convention accept the reports of each of the following named committees: Old age assistance laws, minimum wages, apprenticeship training, unemployment compensation, women in industry, child labor, wage-claim collections, home work, and civil service.

10. *Be it resolved*, That this association recognize the contribution of Maj. A. L. Fletcher to the welfare of labor as commissioner of labor of North Carolina, and as president of this association; and be it further

Resolved, That in appreciation of the above service he be elected to an honorary life membership in this association.

11. *Be it resolved*, That the association hereby extends to the president, the Honorable W. A. Pat Murphy, our appreciation of his fine service both as to his program of labor legislation in his home State and as president of this association.

Be it resolved, That this association meet in Tulsa, Oklahoma, for its twenty-fifth annual convention in 1939, and that this body recommends to the twenty-fifth convention that it vote that the 1940 meeting be held in New York City.

Report of Auditing Committee

Your auditing committee reports that it has examined the books of the association and has found them to be neatly kept and in balance as reported by the secretary-treasurer.

The cash balance carried over was \$1,478.32. Receipts for the year totaled \$780; disbursements amounted to \$242.87, making a net gain of \$537.17, and leaving a total cash balance of \$2,015.45.

Report of Nominating Committee

The nominating committee submits its recommendations for officers for the ensuing year, as follows:

President.—Martin P. Durkin, Illinois Department of Labor, Chicago, Ill.

First vice president.—Adam Bell, British Columbia Department of Labor, Victoria, B. C.

Second vice president.—Frieda S. Miller, New York Department of Labor, New York, N. Y.

Third vice president.—Voyta Wrabetz, Wisconsin Industrial Commission, Madison, Wis.

Fourth vice president.—John W. Nates, South Carolina Department of Labor, Columbia, S. C.

Fifth vice president.—E. I. McKinley, Arkansas Department of Labor, Little Rock, Ark.

Secretary-treasurer.—Isador Lubin, United States Bureau of Labor Statistics, Washington, D. C.

These recommendations have the unanimous support of the nominating committee.

Appendixes

Appendix A.—Partial Report on Activities of State Departments of Labor

Explanatory Notes

At the request of the executive board of the International Association of Governmental Labor Officials, the United States Bureau of Labor Statistics early in 1937 undertook to make a survey of the activities of the State departments of labor. Between March 1 and August 31 representatives of the Bureau visited 38 State departments in order to obtain factual material on their operations. Data so obtained were supplemented from annual or biennial reports and other official publications of the State agencies, the latest session laws, and by correspondence. In all, information was obtained covering 43 States. The study did not attempt to cover Arizona, Idaho, Mississippi, and South Dakota, which do not have departments of labor as defined in this report, and Montana, where there is a division of labor and industry within the department of agriculture, labor, and industry, but where the major employment is in agriculture and mining.

The preparation of this material for presentation at the 1938 session of the International Association of Governmental Labor Officials was well advanced in the spring of the current year, when the death of Miss Estelle M. Stewart, who had planned, directed, and done most of the work on the survey, made it impossible to carry it to completion within the time allotted. At the time when the work was interrupted Miss Stewart had almost completed two of the major sections of the study, namely, those dealing with the structure and functions of State departments of labor and with their inspection services. In order that this information might be made available to the association, the effort was made by the Bureau to complete the report by sending copies of Miss Stewart's preliminary drafts to the various State offices and asking for corrections and suggestions, and in some cases for additional material. As the material for this report was assembled in 1937, changes in personnel and activities since that time are not covered, except in a few instances where the States have voluntarily supplied additional data.

The attached copy of the two sections of the report referred to have been corrected in the light of the communications received from the States which replied. In the case of the States which did not reply or did not reply in full, there are necessarily certain points on which information is lacking or unsatisfactory.

September 1, 1938.

ISADOR LUBIN,
Commissioner of Labor Statistics.

Section 1.—Structure and Functions of State Departments of Labor

A State department of labor¹ is a unit of the executive branch of a State government, created by law for the specific purpose of serving the interests of the workers of the State. This service lies primarily in the administration and enforcement of definite laws enacted by the legislative branch of the State government to regulate working conditions. Secondly, it takes the form of educational and promotional work directed toward greater safety and security for the workers and improved industrial relations between employers and employed, and of helping workers, individually and in groups, to obtain the maximum benefit of the laws, policies, and programs designed to promote their welfare.

The scope and effectiveness of a State department of labor are conditioned first by the law creating it; second, by the nature and extent of the labor laws over which it has jurisdiction; and third, by the adequacy of its appropriation and personnel. In all three particulars the importance of labor departments as administrative branches of State governments and as social-welfare agencies has been growing constantly.

Historical Development of State Labor Departments

State departments of labor as they exist today had their beginnings in the "bureaus of statistics of labor" which were created in the period 1869-90. These were primarily fact-finding mediums, not administrative agencies. Their activities were confined to acquiring and disseminating information concerning the industrial conditions of their

¹The term "department of labor" is used throughout to apply to the State agency administering labor laws. That is the term used in 25 States, some of which include "industry" in the title. In 7 States the agency is known as the industrial commission and in 2 States the term "department of industrial relations" is used. In 4 other instances, the agency is known as a "bureau of labor" or "bureau of labor statistics," and in 3 States the expression "commissioner of labor and statistics" is used. Functionally, however, within the limits of the organic acts creating them, they are departments of labor as here defined. Labor activities are carried on to some extent by subordinate units in governmental departments of varied scope in 3 States, while 4 States have not developed agencies that would come within the accepted definition of department of labor. Two of the last-mentioned group have industrial accident boards, and in all States a governmental unit exists, either independently or in some branch of the State government, for the administration of the unemployment compensation act.

day. The surveys of wage rates and methods of payment, working hours, child labor, accident hazards, sweatshops, and living and social conditions of workers that were made by these pioneer State labor agencies furnished the factual background and the stimulus for much of the early labor legislation. Enforcement of the labor laws they were instrumental in passing was delegated to the bureaus of labor statistics, however, only in exceptional cases. In nearly every instance a new State agency was created to administer each type of labor law as it was adopted. Thus, as the volume of labor laws expanded, the number of unrelated, independent administrative agencies increased. A child-labor board, a State board of arbitration and conciliation, free employment offices, and later, a minimum wage commission and a workmen's compensation commission, might exist side by side within the framework of a State's executive machinery, each administering one law or set of laws, while the bureau of labor statistics continued its statutory function independently.

A movement was started in Wisconsin in 1911 to coordinate and consolidate these scattered activities into one administrative State agency. Because the enforcement of most of the labor laws had been assigned to the Wisconsin Bureau of Labor Statistics, that State had somewhat fewer administrative agencies than could be found in more industrial States in 1911. Even so, other agencies were functioning in the fields of adjustment of industrial disputes, job placement, and workmen's compensation, when the Industrial Commission of Wisconsin was established on July 1, 1911.

The Wisconsin Legislature of 1911 had passed an extraordinary number of labor laws, aimed at a comprehensive program for protection of the worker and the improvement of working conditions. Under the law creating the industrial commission, administration of all these laws, as well as earlier legislation affecting workers, was taken over by the newly formed agency. This jurisdiction extended even to the workmen's compensation act, although that law had created a board for its administration. This board was organized and had been functioning only a few weeks when it was superseded by the industrial commission.

In addition to the integration of administrative and enforcement activities under one head, the act creating the Industrial Commission of Wisconsin contained a new and revolutionizing theory of administrative government. This was the grant of legislative authority to the commission by which rules and regulations having the force of law could be adopted and enforced by the administrative agency to amplify and supplement statutory regulation.

The unitary plan of labor-law administration, coupled with the power to issue orders and regulations enforceable as law, came to be

known as the "Wisconsin idea." It was so widely discussed and debated as to develop into a movement in a very short time. Massachusetts followed the example of Wisconsin in 1912, centering its varied activities relating to labor into one agency. The New York Department of Labor, which had been organized in 1901 by consolidating several agencies administering labor laws, was reorganized in 1913 into a still more integrated body with legislative authority. Several other States took similar action in the same year. For many years thereafter there was a marked trend toward integration and concentration of labor activities under one head as State departments of labor were created or expanded. Two functions, however, were excluded from the jurisdiction of the labor department in many States. These were the administration of workmen's compensation laws, which was regarded as quasi judicial in character, and the supervision and regulation of working conditions in the mining industry. In those two fields the earlier practice of setting up separate and independent agencies was retained to a great extent. Massachusetts is nevertheless the only predominantly industrial State in which the department of labor is wholly dissociated from administration of the workmen's compensation act. While mine regulation is included in the jurisdiction of the department of labor in some of the mining States—notably Ohio, Indiana, and Kansas—that function is performed by separate departments in other leading coal States.

Social-security legislation reversed to a considerable degree the movement toward integration that had been in progress for a quarter century. The agencies for the administration of unemployment-compensation laws which have been set up are, in all but 19 of the States, wholly unrelated to the State department of labor, although in some instances they have been combined with the agency administering accident compensation. Moreover, in many of the 29 States having separate machinery, the unemployment-compensation agency has absorbed the placement function previously exercised by the department of labor, and in at least two instances the statistical activities of the labor department have been transferred to the newer agency. With this division of function, the number of State departments of labor having jurisdiction over the entire field of labor activity has been materially reduced, since in several States in which labor-law administration was formerly centralized in one body the independent agency created to discharge the unemployment-insurance function has limited the field of the original labor agency.

The same tendency is apparent in the grant to State departments of health of social-security funds for work in connection with occupational diseases and health hazards in industry. In that case, however, the fusion has not actually occurred, since State departments

of labor which were carrying on industrial-hygiene activities have continued to do so.

Four milestones mark the progress of State departments of labor over the half century during which they have been developing. The first was the creation, in rapid succession, of bureaus of labor statistics. Starting in Massachusetts in 1869, these fact-finding agencies were established in practically all except the purely agricultural States within the next 20 years. They were the trail blazers that marked the paths the departments which superseded them were later to follow. Their investigations into industrial and social conditions in the early days of the industrialization of the United States were revealing, and because they carried with them the prestige of impartial study by governmental authority they opened the way for legislative regulation of the conditions they exposed. The social purpose to be served by the pioneer bureaus of labor statistics was suggested in 1873 by the Governor of Massachusetts, in his annual message to the legislature. He was in fact appealing to that body not to abolish the first permanent governmental agency ever created for the continuous study of working conditions and labor relations in industry. In the course of his address he said :

We ought approximately to know, for instance, how many grown persons there are in the State, not prevented from labor by vice, indolence, or physical infirmity, who cannot procure comfortable homes for themselves and their dependents, fair education for their children, adequate provision for sickness and old age, and sufficient leisure for the comprehension and discharge of the duties of citizenship. The incapacity to procure this is poverty. We ought to know whether the proportion of such persons is increasing or diminishing; whether our legislation hastens or can be made to hasten the decrease or counteract the increase. If there is carried on in the State any business so unremunerative that it will not permit the employers to pay those employed such wages as are necessary to keep them from poverty, however desirable that business is it ought to cease. And surely we ought to know, if it be possible to ascertain, whether there are really among us employers who are laying up great riches for themselves by keeping their employees in a condition of impoverished dependence.

The second essential step was taken when labor-law administrators were clothed with police power and given the right of entry into all places of employment affected by the labor laws, to check up on the extent of compliance and to take action against violators. The right of entry was accepted in many States as a matter of course, inseparable from the right of the State to regulate working conditions. In some States, however, it was a right that had to be fought for, and even now is not absolute in all States. Similarly, not all State departments of labor have original jurisdiction in the matter of proceeding against violators of the labor laws.

The third step, integration, has already been discussed. That development, like the creation of the Federal Department of Labor,

tended to give to workers a recognized status as one of the dominant factors in society and in government, and to endow the governmental agency representing them with the prestige of a coordinate arm of government, equal in rank with those serving in other fields. Again, this end has not been attained in all States, but every State has an agency of some type that is engaged in furthering the interest of the workers. In a few instances these activities are confined to workmen's compensation and safety promotion, and unemployment compensation and placement.

The fourth milestone, which until recently had been reached by only a small group of State labor departments, was the power to issue administrative orders and to make rules and regulations having the full force and effect of statute law. Within the past few years that authority has been granted to a considerable number of the older organizations and has been written into the organic acts of most of the State departments of labor that have been created within the past decade. This expansion of authority made it possible to get away from the inflexibility of statute law, by which the province of inspectors and enforcement agents was limited to carrying out specific and often wholly inadequate provisions of the law. By building up codes to supplement statute law, departments of labor are enabled to keep pace with changing conditions, processes, and practices in industry.

The creation of State departments of labor has been an accompaniment of industrialization. The first departments were in the predominantly industrial States of Massachusetts, New York, Pennsylvania, Ohio, Illinois, and New Jersey. Industrial and labor activity, as these have advanced to other sections of the country, have produced the need and the demand for such governmental agencies, and their establishment has followed. Ten years ago only Virginia and Tennessee, among the southern States, had active State labor departments. As industry has spread to the South, one after another of the southern States has established these agencies, and in most instances plans and programs that have proved successful in the older industrial centers have been adopted. At present only the nonindustrial mountain States are without the integrated machinery present in greater or less degree in the remainder of the States for the regulation of industrial conditions affecting the health, safety, and welfare of wage earners.

Jurisdiction of State Labor Departments

While the statutory jurisdiction, functions, and procedures of all State departments of labor are similar, and in a number of respects are identical, there is, in practice, no one function which is discharged by all of them. Some States have no general factory inspection

service, although that is the basic function of most departments of labor. One State limits its inspection activities to conditions affecting women and children, while in other States enforcement of the child-labor law is outside the jurisdiction of the department of labor. The expression most frequently used in the organic acts to define the duties of State labor agencies is "general administration and enforcement of all labor laws," as well as any specific functions which may be listed. Occasionally, with respect to the smaller, weaker agencies, the statutory jurisdiction granted in the organic act is limited to "all labor laws the enforcement of which is not specifically and exclusively vested in any other officer, board or commission." Laws enacted subsequent to the passage of the creative act ordinarily stipulate that administration and enforcement thereof are in the hands of the State labor departments.

Custom and necessity have combined to add functions and activities not specifically assigned by law. Among these probably the most usual and most important are intercession in industrial disputes, and collection of wage claims. Both these duties are specified in the organic act creating departments of labor in some States. In Massachusetts, for example, the procedures to be followed by the board of mediation and arbitration are outlined in the law, and the South Carolina act makes it mandatory upon the department of labor to intercede in strikes. Similarly, some State departments are charged with the duty of assisting workers to obtain unpaid wages, and in other States the enforcement of laws requiring the payment of legitimate wage claims is assigned to the department of labor. On the whole, however, the discharge of those and similar functions has been assumed by common consent, in the absence of any direct authorization, because activities of that nature are necessary in promoting the interests of the workers.

On the other hand, some departments of labor find it impossible, because of insufficient money and personnel, to discharge duties specifically assigned by law. To some extent, therefore, to say that certain statutory duties devolve upon an agency does not necessarily mean that that duty is regularly discharged. In the matter of licensing fee-charging employment agencies, or home workers, for example, it may be wholly beyond the capacity of the agency to make the inspections that are legally a prerequisite to the granting of licenses. In such cases the granting of the license is a perfunctory clerical task rather than an administrative function.

Structure and Organization

With the exception of three States—Georgia, North Carolina, and Oklahoma—in which the head of the labor agency is an elected offi-

cial, departments of labor are under the executive direction of persons appointed by the governors of the respective States.

Qualifications of appointees other than "competent" and "suitable" are seldom set forth in the laws. When conditions are named, they call either for a person "identified with labor interests," as in Virginia and West Virginia, or one who "shall have been for—at least 5 years immediately preceding his appointment actively identified with labor" in the State, as in Kansas and North Dakota. The Governor of South Carolina is required to "appoint the commissioner of labor from three persons whose names shall be submitted to him by the South Carolina Federation of Labor."²

Of the 43 organizations treated throughout this report as departments of labor under the definition given on page 175, 6 are under multiple-head administration, and 37 are under the direction of a single administrative head. The multiple-head, or commission, form is found in Colorado, Delaware, Florida, Minnesota, Utah, and Wisconsin. The commission type of administrative machinery is quite general in dealing with workmen's compensation, and, except in Delaware, the commissions listed are compensation commissions as well as the heads of the department of labor. It by no means follows, however, that these are the only States in which workmen's compensation administration and the general functions of a department of labor are combined.

Various structural forms have been developed as increased activities have called for expanded machinery. A considerable number of State departments of labor of the single-head type—including the large departments of California, Illinois, and New Jersey—have within them subordinate units of the commission type which administer the workmen's compensation laws. In Pennsylvania the workmen's compensation bureau within the department of labor administers the workmen's compensation law, but a special board hears and determines appeals from decisions of the referees in workmen's compensation cases. A more recent development extended the commission form of administration within a single-head department to unemployment insurance. On the other hand, departments of labor under the administration of a single executive may exist, as in Kansas, Michigan, Nevada, and New Mexico, as units of a commission whose primary function is administering workmen's compensation.

General, basic structure of this character is usually prescribed by the organic act. Within the organization as created by statute, the administrative machinery is determined by the extent and diversity of functions to be performed and the size of the staff. The extent

² Act No. 694 of 1936, sec. 2.

of organization in terms of staff depends in turn more upon the amount of money available for salaries than upon the needs of the service. The consequence of that condition is that specialization and departmentalization are in many instances impossible because of lack of funds and personnel. That means that the small staff that can be maintained must often serve as inspectors, prosecutors, conciliators, and in any and all other capacities called for in the performance of the duties of the agency, with the exception of placement and mine inspection, which are always specialized functions. In contrast to these single-unit organizations, the larger, and more particularly the older, State labor departments have specialized and departmentalized their administrative machinery to a high degree.

Departmentalization, like the basic structure of the agency, is determined by the organic act in some States. Where this practice has been followed, the most generally used wording of the act is merely to list the bureaus or divisions that shall be created and maintained within the department. Thus the act creating the Oklahoma Department of Labor (sec. 3746, C. O. S.) states that it "shall be divided into four bureaus as follows: Statistics, arbitration and conciliation, free employment, and factory inspection." The Washington law provides that "the department of labor and industries shall be organized into and consist of three divisions." California, Ohio, and Tennessee are additional instances in which departmentalization has been written into the organic act by creating specific bureaus or divisions. In Illinois and in New Jersey the law goes much further, and in addition to making statutory bureaus, stipulates in considerable detail the functions, duties, and procedure of each bureau.

Other laws, found in several States, avoid this rigidity by creating statutory units to discharge functions already within the jurisdiction of the department, and granting its administrative head power to establish new divisions to carry out new duties, or whenever necessary to effect efficient administration of the agency. This is the system under which the departments of labor in Arkansas, Minnesota, North Carolina, and Rhode Island, for example, operate.

Complete authority is granted the commissioner or other directory head in New York, Pennsylvania, Wisconsin, Massachusetts, Alabama, Georgia, and Virginia to create such administrative machinery as his judgment directs and as may prove necessary or desirable for effective administration. The point is not covered at all in some laws. In such cases the commissioner is apt to proceed in the same manner as that followed by commissioners having statutory authority, and create functional units within the department as needed. The Connecticut Department of Labor and Factory Inspection and

the Maryland Commissioner of Labor and Statistics are instances of this practice.

Organization may follow geographical as well as functional lines through a system of branch offices. This division is, as a rule, made necessary by the dispersion of industrial areas. The Missouri Department of Labor and Industrial Inspection, for example, maintains administrative offices in Jefferson City, the State capital, and a field office in each of the largest cities of the State, St. Louis and Kansas City. These offices are working units organized in the same plan and discharging the same functions as the central office and each is under the direction of a deputy commissioner. California and Washington follow a similar plan. The New York Department of Labor has a dual system, maintaining administrative offices in the State capital, Albany, and in New York City, and additional functional offices, each under the direction of an assistant commissioner and more or less duplicating the main office in structure and activities, in four important industrial centers (Albany, Buffalo, Rochester, and Syracuse).

Certain activities, in some States, may be carried on through branch offices located nearer the industrial center of the State than is the administrative office at the capital. The work of the Industrial Commission of Wisconsin dealing with women and children and with apprentices is handled through the commission's office in Milwaukee, because that is the employment center for those workers. Mine inspection bureaus of State labor departments are apt to have headquarters in the mining center of the State, rather than in the capital, as is the case in Kansas. The State employment service, in all States, functions through a main administrative office and local employment offices situated throughout the State to serve the entire population.

*Single-unit agencies.*³—The simplest structural forms and the smallest staffs are to be found, obviously, in the States with a minimum of industrial activity and of labor legislation. The smallest offices, in point of personnel, are those of Nevada and New Mexico, each of which consist of a commissioner and one clerical assistant. In Nevada the commissioner of labor is also a member of the industrial commission, the agency which administers the workmen's compensation act. He is designated commissioner of labor by the governor, and his jurisdiction is limited to the enforcement of labor laws "the enforcement of which is not specifically and exclusively vested in any other officer, board, or commission." An identical statutory

³ State employment services are not considered in the following discussion of organization. They are in all cases separate functional units with subdivisions based upon functions or geographical location or upon both. The nature of the placement activity and the requirements of the Wagner-Peyser Act make it necessary for the employment service to be organized as an entity.

limitation is placed upon the activities of the labor commissioner of New Mexico, who is employed by the labor and industrial commission as its administrative officer. In both States the principal activity of the labor commission, outside the accident-compensation field, is the collection of wage claims. The Nevada commissioner compiles and publishes a biennial report of his activities which includes also recommendations for legislation, the placement record of the employment service, some wage data, and other material of labor interest.

The North Dakota agency is similarly constituted, the commissioner being the deputy commissioner of the larger State department of agriculture and labor, of which the labor division is a subordinate unit. The chief activity of the commissioner here also has to do with wage claims and the publication of a monthly bulletin presenting material of interest to labor. He cooperates with the minimum-wage secretary, who administers the minimum-wage law. There is no inspection staff. The labor agency in Kentucky is also a unit of a State executive department of broader scope, the department of agriculture, labor, and statistics. In this instance the activities are almost wholly inspectorial, under the direction of a chief labor inspector. Inspection is directed toward compliance with the labor laws, which deal in large part with working conditions of women and children.

The structure of the Labor Commission of Delaware differs from that of all other States. The commission is a nonsalaried body of five members appointed by the governor, the chief function of which is advisory and policy forming. It employs a staff of three, two of whom are administrative officers enforcing the labor laws through inspection; the third is a secretarial assistant to the two inspectors. One inspector administers and enforces the child-labor law; the other, the laws applying to women. Except for the workmen's compensation act and the unemployment compensation act, each administered by a separate commission, Delaware has no general labor laws. Other small agencies with limited activities are those of Vermont and Wyoming.

Single-unit structure does not necessarily indicate either limited activities or a lack of labor laws. Rather it often means an appropriation so small that the size of the staff which can be employed does not justify functional division and specialization. This situation obtained in a number of States where both industrialization and the volume of labor laws coming within the jurisdiction of the department of labor would normally call for the setting up of bureaus or divisions. The Missouri Department of Labor and Industrial Inspection is a case in point. There a small staff of inspectors, a chief clerk, a statistician, and three stenographers, in addition to the commissioner and the two deputy commissioners in charge of branch

offices, carry on such unrelated activities as general industrial inspection, inspection of mattress and bedding manufacture in the interest of public health, regulation and licensing of fee-charging employment agencies, and the necessary research work involved in serving as the official source of information relating to labor legislation and working conditions. Moreover, the department is required to compile a directory of manufacturers in the State and statistical data dealing with articles manufactured, production costs, and other matters not immediately related to labor. Other less industrial States present the same problem of diversified duties through a general staff that in most instances consists primarily of inspectors. The South Carolina Department of Labor, with a staff of 12 exclusive of the commissioner, has the same statutory obligation to compile a directory and specific data dealing with manufacturing enterprises in the State as that called for in Missouri, and in addition to the inspection functions it is required by law to intercede in all labor disputes.

On the other hand, specialization is possible without departmentalization, as the organization of the Texas Bureau of Labor Statistics and the Industrial Commission of Utah illustrate. While the general inspectors on the staff of the Texas bureau make the customary inspections of industrial and mercantile establishments, special inspectors deal with oil and gas wells and with boiler inspections, but all are under the direct supervision of the commissioner. Similarly, each of the various activities discharged through the Industrial Commission of Utah, which include inspection of coal and of metal mines, general factory inspection, industrial relations, wage-claim adjustment, and minimum-wage administration, is carried on by a staff member who has no other duty and who is under the immediate direction of the commissioners.

Departmentalized agencies.—In its simplest form the departmentalization of a State labor agency calls merely for the distribution of each of the various duties that the agency is organized to perform to the section of the staff best qualified to handle it, and delegating supervisory authority and responsibility for the proper discharge of that particular function to a section or bureau chief. This is the most usual practice among State labor departments. The bureau thus segregated then can, and does, train the personnel and develop the special techniques necessary for the discharge of the duties in its own limited field. Insufficient personnel may, however, militate against the specialization that is usually the objective in breaking the staff up into sectional units. The Washington Department of Labor and Industries, for example, is organized into functional divisions, but the statement was made to the Bureau repre-

sentative that it is frequently necessary to assign division staffs to different types of work.

The extent to which division of work is carried out depends chiefly on the diversity of statutory duties and customary functions discharged by the labor agency, which, in turn, is determined by the volume of labor laws. The simple form of coordinate bureaus under the direction of bureau chiefs responsible to the commissioner is found in States in which labor legislation ranges from inconsiderable to quite comprehensive. Thus the organization in New Hampshire falls into four groups: Factory inspection, minimum-wage administration, unemployment compensation, and State employment service. The North Carolina Department of Labor is divided into (1) the division of standards and inspection, the enforcement unit which is subdivided into three bureaus (factory and mercantile inspection, boiler inspection, and mine inspection); (2) division of statistics; (3) bureau of labor for the deaf; (4) veterans' service division (placed in the department of labor by statute, but having little labor significance). Closer subdivision is found in the Maryland agency, which operates through the divisions of industrial inspection, children, street trades, statistics, boiler inspection, and bureau of mines. Even in a highly industrial State like Illinois, the organization machinery follows the simple pattern of coordinate bureaus responsible directly to the head of the department.⁴ In this case the machinery is statutory rather than administrative, as previously pointed out. Divisions through which the Illinois Department of Labor functions are: Factory inspection; private employment agencies; statistics and research; women's and children's employment (including minimum wage); unemployment compensation; State employment service.

A slight difference in administrative detail is found in two multiple-head agencies, the Industrial Commission of Colorado and the Minnesota Department of Labor and Industry. In these organizations the three commissioners divide among themselves administrative and supervisory authority over the various functions. Thus in the Minnesota department activities are classified into three groups, and each commissioner takes charge of one group. The bureau chief at the head of each of the activities within a given group is responsible to the commissioner controlling that group. The system in Colorado is similar, except that there two commissioners share coordinate functional responsibility under the general administrative direction of the third commissioner, who is the chairman.

A more complicated administrative mechanism is introduced into a number of organizations through the medium of a commission with

⁴ With the single exception of the organization administering the workmen's compensation law, which is outside the scope of this report.

which the administrator divides responsibility. In most cases this mechanism applies not to the whole organization but to specific functions. It is, in fact, in many instances, a survival of the days of independent administrative agencies. California offers the clearest example of this system of commission administration of specific functions within the structural form of a unitary department. Thus, three of five functional divisions of the California Department of Industrial Relations (divisions of industrial accidents and safety, immigration and housing, and industrial welfare) are under the direction of a commission appointed by the Governor. These commissions, with the exception of the industrial welfare commission, act through staff officers appointed under the State civil-service system, so that in practice they may have little actual connection with routine, day-by-day, administrative affairs. They do, however, determine policies and procedures, and to that extent affect administrative practices and standards.

California shares with Arkansas and Oregon the method of administering the minimum-wage law through commissions which are not organic units of the department. The Arkansas Industrial Welfare Commission is composed of two members appointed by the Governor to represent employers and two members appointed by the commissioner of labor to represent the workers. The administration and enforcement of the statutory minimum wage is in practice the function of the commissioner of labor and the woman inspector on his staff, but the commission is a policy-making and appeal board. The State Welfare Commission of Oregon is a tripartite body of three members appointed by the Governor, which makes rules and regulations for the enforcement of the minimum-wage law and other special legislation for women and minors, and determines policies and procedures which are then put into effect by State employees. The Oklahoma Department of Labor is the medium through which the industrial welfare commission, an *ex officio* body of State officials, administers the law regulating minimum wages and maximum working hours for both men and women. The Minimum Wage Commission of Massachusetts, which also determines policies and procedures, is a tripartite body, but the members are officials of the administering agency, the Massachusetts Department of Labor and Industries.

A tendency is evident to create this type of machinery, which might be characterized as being a related part but not a working unit of the department of labor mechanism, in the administration of the newer laws dealing with unemployment compensation and labor relations. Commissions discharge both these functions within the framework of the departments of labor of Connecticut and Massachusetts. A tripartite board within the Rhode Island Department of Labor, repre-

senting industry, labor, and the public, administers the unemployment compensation system, while in New York, Pennsylvania, and Wisconsin labor boards administering labor relations act are appointed by the governor. Although attached to the State labor agencies, their status differs from that of the subordinate administrative bureaus created by the labor agencies themselves.

The most elaborate departmental machinery is found in the two leading industrial States, New York and Pennsylvania. In addition to functional units which are themselves closely subdivided, each department has attached to it, as an integral administrative authority, a board which establishes rules and regulations, formulates and promulgates codes, determines policies and methods of procedure, and hears and decides cases appealed from the administrative acts of the commissioner and his subordinates. In New York this is a salaried board; in Pennsylvania the members receive expenses of \$15 per day plus traveling expenses. To emphasize the contrast between the comparatively simple structural forms of the single-unit departments and those whose functions require only a minimum of functional division with the minute specialization practiced in the largest State labor department, it may be of interest to present in outline the plan of organization of the New York Department of Labor. Eliminating divisions and bureaus which deal with workmen's compensation, that plan is as follows:

Administrative office.

Bureau of accounts.

Labor publications editor.

Board of standards and appeals.

Labor relations board.

Labor mediation board.

Division of inspection.

Bureau of factory inspection.

Bureau of mercantile inspection.

Bureau of boiler inspection.

Bureau of mines, tunnels, quarries, and explosives.

Bureau of building constructions and public assembly.

Division of engineering.

Division of placement and unemployment insurance.

State employment service.

Bureau of junior placement.

Division of statistics and information.

Division of women in industry and minimum wage.

Bureau of home-work inspection.

Bureau of enforcement of woman- and child-labor laws.

Division of bedding.

Division of industrial hygiene.

Division of industrial relations.

Bureau of mediation and arbitration.

Bureau of labor welfare.

Division of industrial code,

Appropriation and Salaries

Among the many problems that State labor departments have to meet, the one that the administrators stress most in discussing their work is insufficient appropriation. Industrial expansion, increased labor legislation, and growing economic problems and disturbances all react upon State labor agencies, not only to augment the volume of work they are called upon to do, but also enlarge their opportunities for contributing to social progress. But the available money seldom keeps pace with increased duties and is almost never sufficient to meet the challenge of greater opportunity.

In practically all States boiler inspection is a self-supporting activity and in some instances elevator inspection is nearly so. Administration of the bedding laws is income producing. Licensing of occupations in most cases and of private employment agencies in all cases produces revenue either for the State or for the labor department directly. But by and large, a labor department is dependent upon the appropriation it receives from the legislature, even when a portion of that amount is income from its own activities.

The appropriation available to each State labor department is not in all cases the total amount available for the work of the labor department. This is because where the department operates the State employment service⁵ the sum appropriated by the State is matched, dollar for dollar, by the Federal Government, and where the labor department administers the unemployment-insurance system it does so without expense to the State government, since all administrative costs of unemployment compensation are borne by the Federal Government through the Social Security Board.

It must be emphasized that no comparative analysis of appropriations as between the various State labor departments, even in similar jurisdictions, can be fairly made. To begin with, it is, unfortunately, not always possible to separate the cost of workmen's compensation administration from that of other activities. Secondly, the volume of labor laws may be much greater in one State than in another of comparable population and industrial development. Thirdly, the appropriation allotted to a State labor agency dealing with highly centralized industrial areas, as for example Maryland, might be more nearly adequate than the same amount of money at the disposal of a State agency which, to reach a comparable number of workers, would have to spend large sums for travel and maintenance expenses of its staff.

The minimum salary for a commissioner in the reporting States was \$2,400 a year, the maximum \$12,000, and the average about \$4,000.

⁵ The appropriation for the employment service sometimes exceeds greatly the amount available for all other activities combined.

For an assistant commissioner the range was from \$1,800 to \$9,000. Bureau chiefs received between \$1,375 and \$9,000 per year.

Section 2.—Inspection Activities of State Departments of Labor

The basic and in some cases the only function of a State labor department is the administration and enforcement of State laws relating to industrial and public safety and health, hours of labor, and the terms and conditions under which men, women, and children work in occupations protected by laws. The primary medium by which these laws are enforced and continuing compliance with them is secured is regular, routine inspection. Hence a close relation is apparent between the volume and kind of labor laws in force in a given jurisdiction and the nature and extent of its inspection activities.

The inspection work of State labor agencies may be grouped broadly into three fields, as being directed toward securing observance of (1) general labor legislation dealing with working conditions for practically all wage earners; (2) specific legislation affecting women and children; and (3) legislation concerned primarily with public safety and public health. All three fields are covered by the inspection staffs of labor departments in some large industrial States. Other States, with less of the specific type of laws generally classed as labor laws, pay more attention to safety measures provided in statutes dealing with elevators, boilers, and construction for public use, which are directed toward safety of the public rather than of workers as such. A few States limit their inspection activities to the working conditions of women and children. The corollary of the last-mentioned situation is, of course, that labor laws in those States apply only to women and children.

Limits are set by law to the jurisdiction of State labor agencies in all three fields. Even where labor legislation is comprehensive as to the hazards and working conditions regulated by law, its application may be limited to plants with a specified minimum of employees. This varies from 3 in some States to 10 in others. Certain occupations and industries, such as domestic service and agriculture, are usually exempted from the operation of all the labor laws of a State. Mercantile and commercial establishments are excluded in a number of States. The jurisdiction of State agencies with regard to public safety is to a large extent limited to areas not covered by municipal and other local authority. On the other hand, certain activities of State labor departments, which in several instances consume considerable time and effort on the part of inspection staffs, are in fact a public health function. These activities are concerned with laws

regulating the sanitary conditions under which bedding and upholstered articles, children's clothing, toys, etc., are manufactured.

Thus, there is no uniformity as to what constitutes the inspection work of State labor agencies. The extent and nature of the function is predetermined by the laws to be enforced by the agency by means of inspection. These vary from State to State. Practically all States that have a governmental unit concerned with labor have some degree of jurisdiction over the working conditions of women and children, but even in that field laws and standards differ. The degree of adequacy achieved by State labor agencies in the discharge of their inspection functions is necessarily conditioned by the amount of money and personnel available for the purpose. In those respects also uniformity is totally lacking, except in the attitude of all State labor department executives that money and personnel are never sufficient for complete enforcement.

This discussion deals specifically with the work of inspection staffs in connection with the administration and enforcement of general labor laws. Some activities confined to specific fields, such as the administration of minimum-wage laws and home-work regulations, are merely touched upon. Neither is inspection by agencies other than State labor departments, such as the Interstate Commerce Commission, Bureau of Marine Inspection, etc., included, as it was intended to treat this subject separately in a broader discussion of the activities of governmental agencies in accident prevention. The purpose of this report is to outline the scope and general functions of the regular inspection staffs of State labor departments and to indicate the part they play in the administration of the labor laws.

Historical Development of Factory Inspection

Factory inspection grew out of the necessity for providing special machinery to enforce child-labor laws. When these laws were first enacted, the legal theory was that enforcement could be secured through complaints of persons affected by violations and consequent prosecution through ordinary court channels. Nullification through inaction was the result.

In 1866, a generation after it had passed its first law restricting the employment of children, Massachusetts deputized one police officer to enforce observance of the child-labor and school laws, but did not give him the right to enter factories for purposes of investigation. It was not until 11 years later, in 1879, that that power was explicitly given by an act which provided for the delegation of two or more police officers as inspectors of factories and public buildings. Later still, factory inspection was made a distinct division within the district police department.

New York created a factory-inspection service by legislation in 1886, after having depended upon general legal and penal machinery to enforce its labor laws, which at that time concerned women and children almost solely. Prior to 1899 tax assessors in Pennsylvania were supposed to act upon violations of the labor laws, but in that year factory inspection was established. In Connecticut the enforcement of the child-labor laws devolved upon the State board of education until 1887, when a special office was created.

As early as 1884, Ohio had established an independent office of State inspector of shops and factories, at a salary of \$1,500 a year. The duties of this office covered not only enforcement of laws applying to women and children, but the maintenance of safe and sanitary working conditions, as they were at that time understood. The law dealt specifically with "heating, lighting, ventilating, and sanitary arrangements" of shops and factories, with fire hazards, and with the prevention of accidents by proper guarding of "belting, shafting, gearing, elevators, drums, and machinery."

New Jersey had created a similar office by statute in 1883, but appointment thereunder was not made until 2 or 3 years later. Wisconsin created a bureau of labor and industrial statistics in 1887 and made the inspection of factories, hotels, and public buildings one of the duties of the bureau through a special inspector appointed under the act.

In 1887, then, factory inspection in the United States was carried on in Connecticut, Massachusetts, New Jersey, New York, Ohio, and Wisconsin. The entire force in these States consisted of only 19 men—7 in Massachusetts, 4 each in New Jersey and Ohio, 2 in New York, 1 in Wisconsin, and 1 in Connecticut—and the emphasis was on protection of women and children. In that year, at the instigation of Henry Dorn, the chief inspector in Ohio, factory inspectors, with the exception of those in New York and Wisconsin, met in Philadelphia and organized a national association. This organization met annually thereafter until it merged in 1914 with what is now the International Association of Governmental Labor Officials.

During the early years, discussions on the floor of these conventions, and official reports of the factory inspection departments, show that their greatest problem and chief interest were child labor and compulsory education, with working conditions and accident prevention a gradually growing but still secondary consideration.

By 1890, Illinois, Maine, Pennsylvania, and Rhode Island had been added to the States which had established State regulation and official inspection, and these States were represented at the 1890 convention. Also by that time women had been added to the inspection staff in both New York and Pennsylvania. Addressing the conven-

tion, the first woman factory inspector—she was called inspectress then—said:⁶

I do not wish to be misunderstood and to be considered a so-called "blue-stocking" or advocate of woman's rights and suffrage, but I do claim that there are certain spheres in life where women's efforts are unquestionably essential and almost necessary to accomplish satisfactory results. * * * As long as society permits the labor of women and children in factories, either to earn their own livelihood or to assist their husbands and parents to eke out an existence, so long as this deplorable state of affairs lasts, I say women as factory inspectors are a necessity, and that it becomes a woman's duty to help and look to it that they are not abused and imposed upon by avaricious or immoral employers.

Three years later a woman was made chief factory inspector in Illinois. Now the laws of many States require that women be employed as factory inspectors, sometimes specifically in the interests of woman and child workers, but oftener, in actual practice, in regular inspection work.

Effective compulsory education and truancy laws and the gradual raising of the age limit for working children throughout the country as a whole have materially changed the inspectors' field of operations. With new conditions to meet and, by and large, a complete reversal of the employers' attitude toward inspection and supervision, factory inspection today really bears little resemblance to the pioneer movement of the close of the nineteenth and the beginning of the twentieth century.

Aspects of Inspection

So many phases of inspection for purposes of enforcement have developed as labor laws have increased in number and coverage that the generic term "factory inspection" is misleading. Much more than inspection of manufacturing plants is involved. Inspection of boilers, elevators, and fire escapes, which is called for under laws directed at public safety as well as labor conditions, involves buildings used by the general public, such as schools, theaters, hotels, etc. In practically all States which make boiler inspection a function of the State labor agency that phase of inspection is specialized. To some extent elevator inspection is also a specialized activity. But the factory inspector's field of operation may take him, for example, into private homes (in the enforcement of industrial home-work laws and regulations) and into mercantile establishments, beauty parlors, private employment agencies, and lumber camps, as well as into factories.

Still another aspect of inspection as carried on by some State labor departments concerns the product of a factory rather than its work-

⁶ International Association of Inspectors of Factories and Workshops. Fourth annual convention, held at New York City, August 27-30, 1890, pp. 51-54: *Women Factory Inspectors and Their Usefulness*, by Mrs. Alex Bremer. Boston, 1890.

ing conditions. The product in such cases is mattresses and other kinds of bedding, upholstered furniture, and the like. Inspection is in the interest of the general public and the consumer, not the worker, and involves protection against public health hazards and illegal adulteration of materials used in production.

Factory inspection.—The following concise analysis of factory inspection to enforce regulatory laws applying to manufacturers was made several years ago by an experienced factory inspector.⁷

Inspection can be considered in two ways. One is the inspection of physical equipment. This inspection covers, first, the production equipment, by which is meant the machinery that is used directly in the manufacturing processes. The study of this machinery is made for the purpose of listing unguarded danger points for which guards are required in the law. * * * The inspection covers, second, such physical equipment as is used indirectly in production, such as elevators, fire escapes, etc. The inspection covers, third, the sanitation equipment, by which is meant the machinery for removing dust, fumes, and gases; the sanitary conveniences, washrooms, lockers, etc., chairs for workers; and all other equipment which may be known as sanitation requirements, as distinguished from safety requirements, may be considered in this classification. The study of this machinery is made for the purpose of listing such items as do not comply with the law. * * *

The other phase of inspection is the inspection of factory supervision. This inspection covers the field of hours of labor of women employees, hours of labor and permit requirements of employed children, and the regulated or prohibited employments of both women and children. This is an inspection responsibility quite different from the inspection of physical equipment for safety and sanitation. This type of work requires most careful and thorough examination of records. It frequently requires personal interviews with employees, either in the shop or at their homes. In the child-labor inspection there is required not only careful examination of time cards and records but search for and examination of the original evidence of age upon which labor permits are issued. * * *

In the inspection of the physical conditions of a shop, it is conceivable that the time may come when it could be said that a shop complies with the law. By that is meant that, insofar as devices are required for safety and health, everything has been done. If the law requires automatic covers on extractors, then when such covers are installed the machine is safe. This does not, however, relieve the department of inspection of responsibilities altogether, as there will always be the need of inspection of the maintenance of the safeguards, though such inspections are not as imperative nor needed as frequently.

In the inspection of factory supervision relating to hours of labor, wages, child labor, and controlled or prohibited employments, however, a factory cannot safely be said to comply with the law except for the specific time when an inspection is made. Changes in the working force, in supervisory and managerial personnel occur much more frequently than changes or deterioration in physical equipment. Therefore, if it is contemplated to enforce all laws with the same faithfulness, the inspections of factory supervision should be made oftener than inspections of physical equipment. It is to be noted, also, that these two purposes in inspection obviously call for different types of procedure,

⁷U. S. Bureau of Labor Statistics Bull. No. 352, pp. 84, 85: Inspection service, by Tracy Copp. Washington, 1923.

Inspection of nonmanufacturing establishments.—In many States the laws give the State labor department very little jurisdiction over the physical conditions of work in nonmanufacturing establishments other than laundries and dry-cleaning plants. Legislation calling for seats for women employed in retail stores comes within the province of State labor departments, while in some cases the sanitary facilities and conditions of those same stores are the concern of the public health authorities. The equipment and facilities of beauty shops are seldom subject to inspection or regulation by the State labor agency, although in some instances local electrical and health inspectors may exercise a degree of jurisdiction. Working conditions other than those growing out of the physical aspect of an establishment may, on the other hand, be regulated by statute. Thus, hours of labor and the length of the workweek, rest periods, child labor, and, in the minimum-wage States, earnings may be regulated by law in establishments not affected by laws dealing with safety and health. These laws are administered and enforced by the State labor agency. The procedure, however, is that described in the foregoing quotation as inspection of supervision. It involves detailed examination of time records, pay rolls, age certificates, and any other pertinent evidence, and personal interviews and visits with employees to obtain confidential information. Inspection of work premises may be limited to checking up on the posting of the notices required by law, such as schedules of hours permitted and hours worked, wage scales or piece prices, minimum hourly rates, etc. Regulation of fee-charging employment agencies calls for examination of their books and their methods of doing business.

Organization of Inspection Staffs

The size and type of the inspection staff of a State department of labor, its composition, and the extent of subdivision and specialization, depend upon the volume and coverage of the labor laws, the money appropriated for inspection purposes, and the personnel available, rather than on the actual needs of workers and employers for State supervision and assistance. Probably little exception will be taken to the attitude common to all State labor department executives that the number of inspectors and the amount of money are never sufficient to do thoroughly the work demanded by an adequate enforcement program, however limited the coverage of the labor laws may be. When more laws are enacted or the field to be inspected expands for other reasons, the staff is seldom increased proportionately. Thus, as the responsible officials point out, the issue to be decided is what phase of the work is imperative and what phase is the least likely to suffer from lack of supervision.

Most State laws require at least an annual inspection of all places of employment within the State that are subject to inspection. With the present organization and money available for the discharge of that function, however, even that minimum is not possible in all jurisdictions.

The labor departments of two States—Alabama and Delaware—attempt no general factory inspection, confining their activities wholly to enforcement of laws applying to women and children, or, in the case of Alabama, to children. Only one inspector is employed in Alabama. Delaware has two inspectors—one to enforce the child-labor law and one to supervise the working conditions of women. One general factory inspector was provided for by the Legislature of Arkansas in 1937.

From this irreducible minimum of coverage and personnel the scale ascends through various types of organization to that of the New York Department of Labor, which has separate staffs of inspectors for most of the activities which it pursues in the administration and enforcement of the labor laws.

Specialized staffs.—In New York a corps of 100 industrial inspectors deals with safety and sanitation, factory management, time records, the posting of the labor laws and other notices required by law, etc. Nearly every other function of the department which calls for inspection is discharged through a special unit. These units cover mercantile establishments, with a staff of 49 inspectors; construction, with 25; bedding and upholstery manufacture, with 20; tunnels and quarries, with 3; industrial home work, with 20; employment conditions of women and minors, with 20; and inspection of boilers and other pressure vessels with a special detail of 12 boiler inspectors.

Few other States subdivide their staffs as closely as does New York, although California and Pennsylvania follow somewhat the same plan. Special mercantile inspectors were reported in only three other States. Although Pennsylvania has no mercantile inspectors as such, the female inspectors attached to the various supervising offices act almost exclusively as mercantile inspectors. Supervision of working conditions in buildings and construction is a specialized function in eight other States, while elevator inspection, not separately treated in New York, is a specialized activity in several States. The manufacture of bedding and upholstery is under the supervision of separate units in Connecticut and Pennsylvania, as well as in New York. Those two States also have a special detail for investigating the conditions under which industrial home work is carried on. Inspection of tunnels, caissons, quarries, and sand and gravel pits is assigned to a single inspector or to a special

unit in several States, in addition to New York. Activities not included in the New York program which in certain other States call for specialized inspectors cover labor camps, oil fields, electrical installations and processes, and marine inspection.

Two fields, on the other hand, are in most instances assigned to special inspection staffs. These are the administration and enforcement of laws dealing with women and minors, and the inspection of boilers and unfired pressure vessels. With regard to women and children, these units may deal with general inspection and enforcement of special legislation, including minimum-wage laws. With few exceptions, specially organized staffs within the State labor agency concentrate upon general labor laws applying to women and minors, upon observance of the minimum-wage laws, or upon both types of legislation.

The inspection of boilers and other pressure vessels is a technical process requiring knowledge, training, and an inspection technique that differ entirely from those called for by inspection to enforce labor laws. Hence a separate technical unit is demanded and is practically always set up in the State labor departments of those States which place boiler laws under the jurisdiction of that agency. Boiler inspection divisions are found in the State labor departments of almost half the States covered by this survey. The number of inspectors in each division varies from 1 to 50.

However, not all States have State boiler laws, and not all State boiler laws come under the jurisdiction of the department of labor. In Massachusetts, for example, the administration of all laws of that nature, which are public safety measures rather than labor laws, is the function of the department of public safety.

A third field in which inspection is always a specialized function is mining. That function is not included in the duties of State departments of labor as a rule. On the contrary, in most mining States a State department of mines is responsible for the administration and enforcement of all laws and codes governing the mining industry.

Specialization in general inspection staffs.—The foregoing outline of specialization is concerned solely with instances in which the unit deals only with a special field. The unit may consist of one inspector or of many, but in any case it exercises a specific function to which, normally, it is limited. Specialization is also found to some extent among general inspectors. The distinction is that the general inspector is a specialist only incidentally or occasionally, while the specialized inspector might conceivably not even be qualified to do general work. Thus an analysis of the organization and field of activity of State factory inspection staffs suggests that the general, all-round inspector is the backbone of the inspection system.

At the same time, a degree of specialization in the general staff is frequently expedient and sometimes necessary. There is a growing tendency to assign woman inspectors exclusively to mercantile establishments, laundries, beauty parlors, and other woman-employing enterprises. Inspection of certain types of mechanical equipment or of processes may be intrusted to general inspectors whose special training or experience qualifies them for that particular field. In Ohio, for example, high-pressure piping comes under the jurisdiction of general inspectors especially equipped to handle that type of work, and in Minnesota certain inspectors are assigned exclusively to construction duty and wrecking operations. Some inspectors in New Jersey have emphasized the technique peculiar to the inspection of bakeries and are occasionally called upon by their colleagues in other districts to assist in handling problems connected with the baking industry. Specialization along administrative rather than industrial lines was reported in a few instances. To illustrate, the services of an inspector with exceptional experience or unusual skill in handling difficult cases may be used in any locality or any industry when an emergency arises or when evidence is needed in connection with prosecution for violation.

General inspection staffs.—On the whole, however, inspection to secure continuous compliance with the State labor laws is the task of the general inspection staff of the State labor agency. It is to a representative of this group that the generic term “factory inspector” is usually applied. As already suggested, he is not only a factory inspector, but also an inspector of retail stores, laundries, restaurants, and other types of service establishment, and in some instances of private homes. He frequently fulfills the duties of fire marshal in inspecting the fire protection of theaters, schoolhouses, and hotels, as well as of factories and other workplaces.

The smaller the staff the greater and more diverse the field covered by each inspector. Vermont, for example, has only one inspector. His duties embrace all establishments in the State employing five or more workers. His field of operation thus including not only manufacturing plants, but quarries, restaurants and lunchrooms, and retail stores. Theoretically it covers boilers as well, but boiler inspection has been delegated to the insurance carriers. No other State has a one-man all-purpose inspection staff, but general inspection staffs of two and of three are maintained in several States. The general staff is sometimes supplemented by a special detail covering women and minors.

Allocation of inspectors.—An inspector is assigned to a given district in most States—a system which the State of New York claims to have originated. Within that district he plans his own itineraries and routes his own work, as a rule. In a few States, however, all the

inspectors⁸ work out from the headquarters of the department of labor, on assignments prepared by the executive head of the inspection service. The duration of assignments varies, but in general, work is planned for 1 week or for 2 weeks, and the inspector returns to headquarters when the assignment is completed.

Another variation of this system is found, notably in California, where the State is divided into geographical areas, and the inspectors work out of the field office of the area to which they are assigned.

Territorial division is not usual in the case of special inspectors dealing solely with woman and child labor. In most States this special detail consists of only one or two inspectors, who cover the entire State. The same system of assignment out of a central office is used, however, in Wisconsin, where a staff of six inspectors is attached to the woman and child labor department.

Elsewhere the practice of districting the territory to be covered is followed, and inspectors are assigned to and responsible for routine work within the district. The New Jersey Department of Labor follows a slightly different plan, by which inspectors are located in given districts but receive their assignments through the executive office. In districting, the aim is to divide as equably as possible the number of establishments to be covered. In concentrated industrial areas such as are found in New York City, Chicago, and Philadelphia, an inspector's district may comprise, territorially, only a few city blocks. In West Virginia, on the other hand, the average area assigned an inspector is 14 counties, and in some States even larger areas must be covered by a single inspector. Five of the nine inspection districts into which New York is divided are in the metropolitan area of Greater New York. Similarly, Maryland is divided into 11 inspection districts, 9 of which are in Baltimore County. The rest of the State is divided territorially into western Maryland and the eastern counties, each covered by 1 inspector.

The assignment of inspectors to districts is usually rotated, although the method used in rotating differs. In some States, Maryland and Rhode Island among them, allocations are changed at regular intervals. The more usual practice, however, is an indeterminate duration subject to administrative action. The theory with regard to shifting personnel is, as expressed by one chief inspector, that "an inspector should not be too well acquainted with his district." In exceptional circumstances an inspector may remain indefinitely

⁸ With the exception of one in Minnesota, who is located in Duluth.

in a district and instances of 20 years of service in the same location have occurred in New York.⁹

The block system is ordinarily followed in carrying out routine inspections in congested city districts; that is, the inspector divides his district into "blocks" of convenient size, and then visits consecutively each establishment in the block subject to inspection. Thus a day's work might involve the inspection of many different types of places of employment—a large chain store and a small neighborhood notion store, a large bakery and a small job print shop, a dry-cleaning plant and a cigar factory, a restaurant and an automobile repair shop.

Outside the cities, the block system is not especially applicable, and in nonindustrial centers and States inspection is more apt to proceed by industry or type of establishment.

This discussion of the routing of work applies only to regular, routine inspection. A large part of an inspector's time, however, is taken up with investigation of complaints and of accidents, as directed by his supervisor or the main office. Ordinarily, investigations take precedence over routine inspection.

Supervisory staffs.—Few factory inspection divisions have a supervisory personnel other than a chief factory inspector and a chief boiler inspector. Some State labor commissioners are themselves the chief factory inspectors, and in a few instances the deputy commissioner discharges that function.¹⁰

The term "chief factory inspector" is used in a considerable number of States, while "safety engineer" is the title used in a few cases. Where the entire inspection service is organized as a bureau or division within the State labor agency, the executive in charge, in most cases called the director, is in effect the chief inspector.

Local supervisors are found in a few instances. In Missouri the supervisors are located in the St. Louis and Kansas City offices of the Missouri Department of Labor and Industrial Inspection. They are in fact deputy commissioners in charge of the offices serving the urban centers of the State. At the same time they supervise and direct the work of the inspectors attached to those offices.

The New York Department of Labor, with its large inspection staff responsible for about 65,000 inspections annually, has a rather elaborate organization. Each of the 9 inspection districts into which the

⁹ This discussion of length of service in a district is applicable to relatively few States, as it presupposes a condition of tenure of office. That condition is far from general, and the practice of changing the entire personnel of a State labor department with each change of administration prevails in a number of States. Moreover, the turn-over rate of the factory inspection staff in some States is high.

¹⁰ States in which the commissioner of labor or the deputy commissioner function as chief of the inspection service are: Colorado, Iowa, Kansas, Michigan, Nebraska, New Jersey, Oklahoma, and Oregon.

State is divided—5 in Greater New York, and 4 up-State—is under the direction of a supervisor. Over the New York City supervisors is a chief factory inspector and a chief mercantile inspector, and over the supervisors in up-State districts is one chief inspector serving in both the factory and mercantile fields. The director of the division of inspection is the executive head of the entire inspection service.

Personnel.—The merit system is applied to the selection of inspectors in comparatively few States. In these States applicants for positions as inspectors are subjected to examination, either competitive or noncompetitive.

Most State labor commissioners express a preference for experienced mechanics or factory workers in selecting inspectors. In one State, for example, just half the staff of general inspectors were machinists. In two specialized fields—boiler and elevator inspection—inspectors and supervisors are practically always mechanical tradesmen familiar with the technical aspects of the manufacture and installation, as well as of the operation, of the equipment with which they are concerned. The chiefs of the safety and factory inspection divisions of State departments of labor are in a few instances men with engineering degrees who have had special training in safety work and accident prevention.

General inspectors are preponderantly men—exclusively so in New York and Minnesota, and as a rule in the States having only small staffs. The laws of some States, however, specify that a certain number of inspectors, usually one or two, shall be women. The special inspection staffs dealing with working conditions of women and minors and the legislation governing their employment are composed almost entirely of women.

Some boiler-inspection laws contain a clause specifying the qualifications that must be met by the inspectors enforcing the law. Specific standards of that character are seldom encountered, even as administrative measures, with relation to general inspectors.

As before stated, department heads prefer as inspectors men trained in the mechanical trades or those with definite factory experience. In a conference on the administration of labor laws held in Washington, D. C., under the auspices of the United States Department of Labor in October 1937, several State labor commissioners stated that they recruited applicants for positions as factory inspectors through the trade unions.

While there is considerable turn-over among the inspection staffs of State labor departments, long terms of service were also reported from States without civil-service tenure, as well as from the States having a merit system. Turn-over is accounted for in a number of ways, but probably political changes and the slow rate of advance-

ment from low entrance salaries explains it in large part. Statements were made to Bureau representatives by administrative officers in a number of instances that difficulties are often found in filling vacancies on the inspection staffs, partly because the entrance salary is not commensurate with the educational qualifications and experience demanded by the work or by civil-service rules.

The salary scales of the predominant groups of inspectors employed by State labor departments in the enforcement of labor laws range from \$1,248 to \$4,200 for general inspectors, \$1,200 to \$3,000 for boiler inspectors, and from \$1,200 to \$2,700 for woman and child labor inspectors. Practices with regard to expense accounts and per diem allowances in addition to salary vary widely. An allowance for gasoline and oil is general, and in a few States is the only additional compensation. Other States pay a definite daily rate for time away from the home office, and still others use the expense-account system, reimbursing the inspector for all costs incurred during an inspection tour that are definitely chargeable to State work. Specific data on the subject of remuneration other than salary were not obtained by the Bureau.

Training of inspectors.—Systems and programs for training new inspectors are almost wholly lacking. Except in a few States, new men, whatever their qualifications and experience, and however selected, are put into the field on their own resources as soon as they are appointed. Unless their selection was made upon the basis of knowledge of the labor laws of the State and the industrial hazards and conditions which inspection is designed to correct, their training is apt to be obtained by a costly method of trial and error.

A degree of coaching and supervision is, however, practiced in some States. These are, generally speaking, the same States as those using some form of merit system as a basis of selection. Thus, the recruit may be assumed to have the fundamentals of labor legislation at his command, and some sort of background of related experience upon which to draw in his new undertaking.

For new appointees the training method used is, first, to detail them for a brief period to the headquarters office for general instructions and to get a broad survey of the laws and their coverage, procedure, and office routine. Then each new man is sent into the field as understudy to an experienced inspector. This period, in Wisconsin, may range from a week to a month; in New Jersey 2 weeks is the usual term. The New York inspector who is in charge of a trainee's induction to field duty is required to give him specific instructions in the labor code, and in the procedure and details of making an inspection. In North Carolina a new man makes inspections under supervision of several inspectors, including the chief. The proba-

tionary period during which the new inspector is under supervision is indeterminate in most cases, although it is fixed at 4 to 6 weeks in Maryland, 3 months in New Jersey, and 6 months in North Carolina.

The supervisory staff in New York is expected to continue the field training of all inspectors, new and old, by occasionally accompanying them on their trips to observe and criticize. The chief of the inspection service of the Wisconsin Industrial Commission spends about 3 days a year in the field with each inspector.

Staff conferences for all inspectors are another training medium. These are held three times a year in Wisconsin and in North Carolina, and at regular intervals in New Jersey. The commissioner of the Missouri Department of Labor and Industrial Inspection inaugurated in 1935 an annual training institute of 1 day for the inspectors and supervisors in that State, at which scientific addresses and practical demonstrations are given. The Illinois factory inspectors assigned to the Chicago districts meet each Saturday morning in the office of the chief inspector for instructions and reports, and to discuss problems and exchange experiences.

The chief inspector of one highly industrial State remarked to the Bureau representative that "it takes 5 years to train an inspector." Another declared, at a meeting of governmental labor officials, that "even the best inspector is of very little value for a year after his appointment. After 2 or 3 years he begins to be fairly good. * * * He is better year after year as long as he is mentally and physically fit."

Recognizing the need of training programs for the inspection staffs of State labor departments, and appreciating the difficulties which the departments themselves face in meeting that need, the United States Department of Labor has undertaken to provide, through its Division of Labor Standards, a brief, intensive training course for States requesting that service. The Division of Labor Standards organizes the training classes and enlists the cooperation of officials of State and local labor and public health agencies, employers, and outstanding authorities in the fields of industrial safety and health and labor-law administration. Instruction is given through lectures and round-table discussions. Practical work is provided by visits to various types of industrial establishments, which are inspected under the guidance of experienced inspectors skilled in the various techniques required in an adequate technical and scientific inspection of workplaces.

This movement was initiated in Baltimore in February 1936, when factory inspectors from Maryland, North Carolina, Tennessee, and West Virginia attended an intensive training institute. The first meeting was followed by one organized at the request of the Penn-

sylvania Department of Labor and Industry. A third was held in Chicago, to which factory inspectors of other States were sent for instruction in the fundamentals of industrial safety and health and to observe the factory-inspection technique of especially competent inspectors. The training course provided by the Division of Labor Standards extends over a period of 10 days to 2 weeks.

Inspection Procedure

Broadly speaking, inspection of places of employment, as carried on by State labor agencies, is for the purpose of insuring continuous compliance with labor legislation and public-safety laws to which workplaces are subject, and prompt and satisfactory correction of conditions therein which do not conform to the standards set by those laws. The legal authority of a State labor department falls into one of three broad divisions—either it is specifically limited by statute, or the agency is given a general mandate to maintain acceptable working conditions for the groups of workers for whom the laws offer protection, or the statutory boundaries are so vague as to allow the agency considerable discretionary latitude. Inspection procedure, as well as enforcement, is necessarily affected by the degree of authority with which the inspector is invested. Inspectors have police power and the right of entry within the fields covered by law, but these fields may be quite limited.

Missouri and Tennessee afford examples of States in which the laws define explicitly what the labor agency may require of employers in the way of safety measures and employment standards. In the predominantly industrial States, and in several of the southern States in which departments of labor have been created recently, the State labor agency has power to issue rules and regulations supplementary to the labor law, which have equal authority. Inspection in those States can be far more detailed and exacting than is possible in States where the procedure, as to both inspection and enforcement, is prescribed by statute. In the third group of States, labor-law administrators frankly admit that at times they issue directions for the correction of conditions, both specific and general, which are in fact outside the scope of their absolute powers. They add, however, that by keeping within reason and practicability and by establishing the need for the directed change, the authority thus assumed is seldom challenged.

General inspections.—Inspections are made without advance notice, but the usual custom followed by an inspector is to go first to the employer or his representative in the plant and announce his purpose of making an inspection. A standard inspection form is used in most States, on which plant conditions, in varying degrees of detail, are

noted. These blanks are as a rule filled out in triplicate; one copy goes to the main office of the agency, one to the plant, and one to the inspector's file. The information entered on the inspection forms covers (1) the physical conditions of the plant structure; (2) adequacy and condition of machinery guards, etc.; and (3) the presence or absence of notices, records, etc., required by law. Where inspection methods are highly systematized, a different form is used for each type of information, and for each type of establishment (manufacturing, mercantile, restaurant, etc.).

Information dealing with plant structure describes the adequacy of the light, heat, ventilation, floor and aisle space, and working space allotted each worker; the condition, with respect to safety, of the floors, stairways, elevators, and hoists; general cleanliness and "house-keeping"; toilet facilities and arrangements for drinking water; and the amount and kind of fire protection and fire prevention provided. In an initial inspection of a new building, or a building or workshop newly occupied as such, cubic air space, window space, floor dimensions, fire egress and fire escapes, and other pertinent information dealing with the structural aspects of the plant and its suitability as a workplace are determined for permanent record.

Inspection to determine proper safeguarding of machinery and equipment is a detailed, technical process, but it is also more concrete than most of the other phases of factory inspection. Safety laws and codes prescribe, either in general or in detail, the types of guards or other protective devices, vents, exhausts, etc., that are to be provided to meet known hazards connected with the operation of hand and power machinery, dust-producing processes, and the like. Inspection thus becomes a matter of scrutiny to make sure that these devices are properly installed and in working order, and that all normal and apparent hazards such as projecting ends, moving belts, and open pits, are being dealt with satisfactorily.

Detection of unsafe practices on the part of management and of workers is less objective, but fully as important to the realization of the inspector's purpose to make a plant safe. However, except in code States, he may be exceeding his authority if he undertakes to issue orders concerning practices and methods he regards as unsafe. Safety programs and educational campaigns are designed to take the place of mandatory orders in overcoming accident and health hazards growing out of carelessness and bad work habits.

The points to be considered in the aspect of factory inspection involving plant management are in all jurisdictions fixed by the labor laws. Hence they may be few and simple, dealing perhaps only with the provision of seats for woman workers, the proper filing of age records and employment permits of young workers, and the posting

of the labor laws. On the other hand, they may involve an enormous amount of detailed investigation into plant records showing working hours and overtime, pay-roll data, and compensation-insurance coverages, as well as into the legal status of employed children and statutory provision for the comfort of working women, and in some States, men. Check must be made of the posting not only of labor laws, but of time sheets, minimum-wage orders (where issued), safety regulations, and any other placards mentioned in the laws. Inspectors must ascertain whether or not engineers, firemen, electricians, and other maintenance employees have active licenses, where these are required by law, and whether or not evidence to that effect is displayed as called for by law. In many States first-aid kits and medicine chests, fitted up according to specifications, are required equipment in certain types of establishment, or where a certain minimum number of workers are employed. Making inventory of this equipment is one of the duties of an inspector during a general routine inspection of a plant.

Frequency of inspections.—State laws dealing with inspection of places of employment usually stipulate that each plant to which the law applies shall be visited at least once a year for inspection purposes. Every State inspection service attempts to meet that required minimum, but not all are able to do so every year. Entirely aside from the problem of wholly inadequate personnel faced by some State labor departments, three other time-consuming factors affect the carrying out of the annual inspection program. These are investigations of complaints, which call for visits to workers' homes, interviews, and conferences as well as special plant inspection; investigations of fatal and serious accidents; and reinspections to check up on compliance with official orders. The third activity mentioned is not discharged by inspectors in all States. Complaints, on the other hand, are always investigated, no matter what the source, and in most States are given precedence, within reason, over routine work. Accidents must be followed up as promptly as possible, for the double purpose of insuring correction of the causative conditions, and of determining causes and surrounding circumstances while evidence is obtainable.

If all or any of these related duties attain considerable volume during the year, the time must necessarily be found at the expense of routine general inspection.

By and large, however, the standard of one annual general inspection of each manufacturing plant and important nonmanufacturing establishment is met. In some States it is exceeded. The Connecticut Department of Labor and Factory Inspection, for example, reports that its staff makes a complete survey of the State three times in 2 years, with semiannual inspection of plants that are very large or unusually difficult. The Missouri law calls for semiannual inspection of all

plants affected by the law. Massachusetts makes an annual general inspection, and quarterly reinspections for particularly hazardous processes and substandard plants. The practice in Maryland is to carry on general inspections throughout the year and to concentrate on mercantile inspections during the Christmas holiday season, assigning the whole inspection staff to that duty for about 10 days.

Inspection for safety in construction, of course, requires timely action on the part of the inspectors. Supervision of building operations in Minnesota is carried on, according to the State official interviewed, "anywhere from once a day to once a month."

The practice is occasionally followed, of which Nebraska and Washington are instances, of inspecting all the plants in selected industries or services in succession, so planned and rotated as to cover the State in a year. Working under that system, an inspector in Washington is expected to report upon an average of 2 small and 1 large establishments within the industry daily.

With only 2 general inspectors in the field, the Kansas Commission of Labor and Industry finds it impossible to make a thorough survey of the State even once in 2 years. A complete inspection was made in 1934, with the help of temporary inspectors. On the basis of information obtained then, subsequent work has been planned to cover places in greatest need of attention. During 1937 the grain elevators of the State were intensively studied.

Special inspection fields.—Procedure and technique in some of the specialized fields are very different from those employed in general factory and mercantile inspection to enforce labor laws. In some cases protection of the workers is not the objective. This is especially true with regard to inspection of mattresses and other specified articles, and of hotels and buildings used for public assembly. At the same time, unless a special unit within the inspection service of a department of labor discharges these functions, the general inspector must.

Inspection to enforce the bedding and upholstery laws involves two points of detail in addition to regulating the general sanitary conditions of the premises in which the goods are manufactured. These are, first, determination of the cleanliness of any used material entering into the product; and second, inspection to enforce the label laws. A third item, covered by law in some States, deals with the permissible proportion of used and reconditioned material in articles sold as new goods. Label laws in some cases require that a statement of the kind of material used in manufacture appear on the label, as well as the inspector's stamp. In those States the inspector must be familiar with the contents of the mattresses and pillows that he stamps. In all cases he must be in a position to certify that all

worked-over material was properly sterilized before it was used. Enforcement of the label laws also calls for inspection outside the factory, as these laws stipulate that no mattress or other designated article may be sold within the State unless it carries an acceptable certificate of inspection. Hence a check of these goods on the retail market is occasionally necessary.

After buildings are erected and in use,¹¹ responsibility for public safety therein devolves upon State labor departments in comparatively few States, and in them it is in most instances shared with local authorities; that is, the State agency is responsible only where no local authority exercises jurisdiction. All types of buildings, including churches, may be subject to inspection by building inspectors. Their chief responsibility, however, relates to fire hazards and fire equipment, and sanitary matters. An interesting use of the technical knowledge of building inspectors attached to the State labor departments of Indiana and Ohio was reported. In both States building inspectors were sent into the flood areas after the disastrous floods of 1936 to make a thorough inspection of all buildings, including private dwellings, affected by high water. Pennsylvania also used its force to inspect buildings affected by flood waters in 1936. As a result of their surveys, many structures were shown to be seriously damaged or so undermined as to be unable to bear continual strain, and were accordingly condemned.

In some States—notably Iowa and Virginia—inspectors of the State department of labor are responsible for the enforcement of laws requiring fire escapes of an approved type on all buildings over a certain height. Inspection of elevators in buildings other than factories is the function of the State labor agency in several States. Some States limit that activity to uninsured elevators, leaving with the insurance carriers the responsibility for maintaining the safe condition and operation of the elevators for which they assume the risk. Generally, elevator inspectors employed by insurance companies are subject to examination and license by the labor department and act as its deputies in the inspection of insured elevators. If a municipality within the State has its own elevator-inspection service, the State does not exercise jurisdiction over municipally inspected elevators. The Wisconsin Industrial Commission accepts the reports of inspectors employed by municipal governments and by insurance companies, but it also registers and gives an official number to every building elevator in the States. It passes upon all plans for installation and makes the initial inspection after the equipment has been installed.

¹¹ Several State departments of labor exercise supervision over the erection of public buildings, or of all buildings of a certain type or size, to the extent of requiring approval of the plans for such structures before construction is commenced. This is not an inspectional function, however.

In several States the official elevator inspector occasionally checks up the reports received from the insurance company's inspectors, while in Iowa such reports have no official status.

The usual practice with regard to boiler inspection is similar to that followed in elevator inspection; that is, a certain amount of the work is delegated by the State labor agency either to municipal inspectors or to the insurance carriers. Actual inspection by the State boiler inspectors is thus limited to uninsured boilers under State jurisdiction. Practically all State labor departments require that the inspectors employed by the insurance companies qualify for State license before their reports are accepted as official. New installations, and changes in pressure in all boilers, whether insured or not, are subject to inspection and approval by the State boiler inspectors in a number of instances. The jurisdiction and activities of the boiler division of the New Jersey Department of Labor and of the Industrial Commission of Wisconsin extend also to refrigerating plants. Pennsylvania has taken over all elevator and boiler inspection under a law of 1937. Inspectors of insurance companies are permitted to inspect if they hold commissions.

Boiler inspection is a highly technical process. Unlike the procedure in factory inspection, arrangements must be made in advance of an inspector's visit, in order to have the boiler out of use, cooled and prepared for both internal and external inspection. Only one instance was found in which boiler inspectors perform other duties in connection with the work of the State labor department. This was in Wisconsin, where a considerable proportion of the uninsured boilers are in small cheese factories in remote rural districts. Boiler inspectors serving those districts also make general inspections. The factory inspectors are thus relieved of the necessity for covering inaccessible areas which the boiler inspector must visit.

Inspection to enforce industrial home-work laws is another activity requiring a special approach. Except in States with advanced legislative control of home work, laws regulating that practice are little more than public health laws. An annual inspection is made prior to the renewal of the license given by the State permitting manufacture on the premises. This inspection, however, is limited in most States to a survey of general sanitary conditions in the home and ascertaining whether or not any contagious or infectious disease is present in the household.

A somewhat similar public-health activity, that is, however, more directly in the workers' interest, is the inspection of labor camps. While, generally speaking, this obligation, so far as it is discharged at all, devolves upon county and other local health officers, some State departments of labor assume a degree of jurisdiction and responsibility. This is especially true of the Minnesota Department

of Labor and Industry, and of the Washington Department of Labor and Industries. In the latter case inspection of working and living conditions in logging and lumber camps comprises a large part of the duties of the department, since lumber is the leading industry of the State. In Minnesota the industrial inspectors attached to the department of labor assume the obligation of enforcing the health department's sanitary code for labor camps. Annual inspection is made if possible, and complaints are investigated as promptly as circumstances permit.

Enforcement

Inspectors are the primary agents through whom compliance with the labor laws is obtained. They take the initial steps to secure compliance on the ground when corrections are ordered, and they furnish the information on which administrative action is taken. Moreover, in many States, they are the prosecutors when court action becomes necessary. Although some States have wide powers, and may at once tag and seal a defective or dangerous machine and forbid its use, and may act peremptorily in a case of violation of the child-labor or the women's hours law, drastic action of that sort is practically never taken. The modern approach to observance of labor laws is to secure cooperation and willing compliance and to use compulsion only when the appeal to reason and self-interest fails. All State labor officials report that prosecution is a last resort, the need for which is constantly decreasing as efforts to educate employers with regard to the value of voluntary compliance become more and more successful. State labor commissioners and their legal staffs also frankly say that persuasion is often far more productive of results than is prosecution, because it is very difficult to get employees to testify to violations in a court of record, when this procedure is necessary, and also because even on the best evidence conviction is far from certain, particularly in local courts.

The changing viewpoint over the years with regard to methods of enforcement in the administration of labor laws is evident in the official reports of State labor commissioners. Educational campaigns in the interest of safety proved as effective as did police power in instilling respect for safety laws, while the rapid spread of workmen's compensation legislation gave point to the argument that "safety pays." Administrative officials agree that enforcement of safety laws grows less difficult steadily. That is less true of the newer movement to control health hazards, the seriousness of which is not recognized so fully as is that of accident hazards. Still less progress, relatively, had been made toward securing general compliance with laws governing working hours and employment conditions outside the safety field. Infractions and violations of safety

and sanitation laws are easily detected and action to correct them is definitive. But greater vigilance is required in the matter of observance of the women and child labor laws, and the cooperation of management is much more difficult to obtain.

A practice closely related to the movement for compliance through cooperation is the rating or "honor list" system, as in Missouri and North Carolina. The North Carolina Department of Labor issues a "Grade A Certificate" to any employer whose plant, on two successive inspections, meets or exceeds the requirements set by the department. The certificate remains the property of the department and is removable in case standards of working conditions and conformity with State laws and codes fall below grade A requirements. If removed, the certificate may be restored only under the same conditions as the original issue—that is, a grade A rating in two successive inspections. The list of grade A establishments is published from time to time in North Carolina Labor and Industry, the monthly bulletin of the department of labor. The Missouri Department of Labor and Industrial Inspection publishes an honor list of employers whose cooperation with the department is especially commendable.

Investigation of complaints.—Every labor department must rely to some extent upon complaints and charges of unsatisfactory working conditions made to them by the workers affected or by others interested. These are looked upon by State officials as an indication of the day-by-day attitude of employers toward conforming to the standards set by statute which could not be assessed fairly by any amount of official supervision. For that reason anonymous complaints are accepted and given the same weight and consideration as those that are identifiable, because of the workers' recognized fear of discharge or reprisal. State labor department inspectors investigate all complaints, so far as that is practicable. Usually this duty takes precedence over other work, with the exception of the investigation of accidents.

The handling of complaints calls for a different procedure and technique from those used in inspection. The inspector becomes an investigator and to some extent a detective. A very large proportion of the complaints concerning working conditions of women deals with long hours in mercantile employment, and of children, with illegal employments. In such cases inspectors may obtain evidence by purchasing goods or services in a normal manner. This type of technique is particularly useful in checking up on the growing problem presented by highway lunch stands and taverns, "curb service" refreshment stands, and similar businesses, where young girls are reported as working very late hours, sometimes serving liquor in violation of laws fixing a minimum age for that occupation.

Personal interviews with workers filing complaints and with their fellow employees are necessary and as a rule are carried on in the workers' homes, or in any event outside the place of employment. Persons not directly involved, but who may have information bearing on the case are also visited, in the effort to learn as much as possible about employment relations in a plant under investigation. Work of this nature occupies an appreciable part of an inspector's time, and encroaches severely on what should be free time so far as his own normal working hours are concerned. Most administrators feel, however, that it is work that must be done, even though little tangible proof of law violations results. Many complaints arise from misunderstandings that the inspector can straighten out. Some of them are unfounded grievances or deliberate misrepresentations; sometimes, on the other hand, they are the means of exposing systematic evasions of the labor laws that might not be apparent through ordinary supervisory methods.

Enforcement procedure.—When violations, infractions, and deviations from required standards are found by the inspector in the course of his survey of a plant, they are noted in detail on the inspection form in use by the State department of labor which he represents. Generally, he leaves with the employer or his representative a copy of the notation showing improper conditions in the plant. Then one of two methods is followed. Either the inspector makes out the correction order covering each point, and hands it to the management before he leaves the plant, or he reports conditions to the administrative office and orders are sent out from there. The first method is used chiefly in States with small organizations and insufficient clerical staffs. The highly organized departments have, as a rule, rather elaborate systems of handling compliance orders. In Massachusetts, for example, a letter is sent out over the signature of the director of industrial safety of the Massachusetts Department of Labor and Industries, dealing with each item noted on the inspector's report which calls for a formal correction order. This letter states the violation in specific terms and quotes the law under which the order is issued. The order is then issued, explicitly stating the action that must be taken to remedy the situation. A memorandum to that effect is sent to the inspector.

Most States grant a definite period of time in which the correction is to be made, the length of which depends on the seriousness of the hazard or the violation, and the amount of work involved. Where rebuilding or replacements are necessary, sufficient time is allowed for proper adjustment. In the case of certain types of administrative infractions, such as the employment of a young worker in an illegal occupation, or the absence of notices that are supposed to be posted,

immediate correction is ordered, and is usually demanded by the inspector before he leaves the premises.

From that point one of two methods is pursued. The most widely used practice is to accept the sworn statement of the employer or his representative that the order has been complied with and the correction made in conformity with the law and the official instructions. If the affidavit is not received within the time set for its return, a second letter is sent by some departments. Others send the inspector. Some States using the affidavit method try to make a reinspection to check up on compliance, particularly where the violation was a serious one. Usually, however, follow-up is left for the next regular inspection of the plant.

The second method is a personal follow-up of correction orders, either through the inspector issuing the order or the district supervisor. As many visits may be made as are necessary to insure a satisfactory adjustment. This is the method used in most of the industrial States, in which the limited territory covered by the individual inspector makes revisits feasible. The report of the work of the New York State factory inspectors for the calendar year 1936 shows 63,590 regular inspections and 66,233 compliance visits in connection with 153,730 orders issued by the department. Of 16,727 orders issued by the Massachusetts Department of Labor and Industries in a year, 6,930 were verbal orders issued and complied with at the time of the inspection, and 9,676 involved reinspections. The record in New Jersey in 1937 was 16,132 general inspections and 49,000 visits. The total number of visits, however, includes investigations of complaints and of accidents, and does not show what proportion involved compliance with orders.

Several State labor agencies—notably New York, Maryland, and Wisconsin—have a special technique for handling cases in which compliance with orders is not forthcoming or is unsatisfactory. Offenders are directed to appear in person for a conference with the State labor officials. At this conference the violation and the statute violated are reviewed and discussed, and instructions as to the proper corrective measures are repeated. The occasion is used to further the educational and cooperative approach to labor-law observance, while its specific purpose is to secure a signed promise that correction will be made. If the promise is not kept, or if the employer does not comply with the summons to a conference, punitive action is apt to follow.

Where the violation concerns safety, involving the use of dangerous and unprotected machinery or processes, some States resort at times to the practice of tagging and sealing the machine, or, where a health hazard calls for emergency action, shutting off power. Breaking the official seal in such instances is a criminal offense. The seal is remov-

able only by an official of the State labor department. Hence the defect must be remedied and a reinspection made before the machinery can be put back into production. Drastic action of this character is seldom actually taken, but administrators feel that the fact that they possess that power is a great incentive toward compliance on the part of a recalcitrant employer.

Prosecution.—When court action becomes necessary, some State labor departments must rely upon other agencies to institute and carry through a case. An uncooperative attitude on the part of local prosecutors is, it was reported, one of the difficulties encountered by certain labor departments in prosecuting violators and securing convictions. In several other States the inspectors handle their own cases, sometimes with the help of local prosecutors or of the State attorney's staff. The departments of labor in the larger industrial States have either their own legal divisions with staff attorneys, or the services of a special detail from the office of the attorney general of the State.

There is noticeable uniformity in the type of violations which State labor agencies have to take into court. For the most part these involve the illegal employment of women, either for too many working hours, or during hours in which such employment is prohibited, or in prohibited occupations.

Even in these cases, which, State labor-law administrators agree, respond less readily to the conciliatory approach than do other types of violation, court action is usually a last resort. In further support of their contention that even successful prosecutions are not always effective disciplinary measures, they point to the fact that court action must be taken repeatedly against the same offenders. The policy of making a separate offense and a specific charge for each day on which violations continue, and assessing the entire penalty against each count, is tending, in the States which are writing that policy into their labor laws, to curb the repeaters. But the difficulty of securing conviction, or, upon conviction, adequate penalty, leads most State labor departments to rely chiefly upon educational methods and guidance rather than upon either police power or court action. At the same time, they emphasize the fact that it is absolutely necessary that they should have unquestioned police power and effective penalty clauses, and that they do not hesitate to use either or both in circumstances where only drastic action gets results.

Appendix B.—Organization of International Association of Governmental Labor Officials

Officers, 1938-39

- President.*—Martin P. Durkin, Chicago, Ill.
First vice president.—Adam Bell, Victoria, B. C.
Second vice president.—Frieda S. Miller, New York City.
Third vice president.—Voyta Wrabetz, Madison, Wis.
Fourth vice president.—John W. Nates, Columbia, S. C.
Fifth vice president.—E. I. McKinley, Little Rock, Ark.
Secretary-treasurer.—Isador Lubin, Washington, D. C.

Honorary Life Members

- GEORGE P. HAMBRECHT, Wisconsin.
FRANK E. WOOD, Louisiana.
LINNA BRESEITE, Illinois.
Dr. C. B. CONNELLEY, Pennsylvania.
JOHN H. HALL, JR., Virginia.
HERMAN WITTER, Ohio.
JOHN S. B. DAVIE, New Hampshire.
R. H. LANSBURGH, Pennsylvania.
ALICE McFARLAND, Kansas.
H. M. STANLEY, Georgia.
A. L. ULRICK, Iowa.
Dr. ANDREW F. McBRIDE, Minnesota.
LOUISE E. SCHUTZ, Minnesota.
Maj. A. L. FLETCHER, North Carolina.

Constitution

Adopted at Chicago, Ill., May 20, 1924; amended August 15, 1925; June 3, 1927; May 24, 1928; May 23, 1930; September 15, 1933; September 29, 1934; September 16, 1937

ARTICLE I

SECTION 1. *Name.*—This organization shall be known as the International Association of Governmental Labor Officials.

ARTICLE II

SECTION 1. *Objects.*—To encourage the cooperation of all branches of Federal, State, and Provincial Governments who are charged with the administration of laws and regulations for the protection of women and children, and the safety

and welfare of all workers in industry; to maintain and promote the best possible standards of law enforcement and administrative method; to act as a medium for the interchange of information for and by the members of the association in all matters pertaining to the general welfare of men, women, and young workers in industry; to aid in securing the best possible education for minors which will enable them to adequately meet the constantly changing industrial and social changes; to promote the enactment of legislation that conforms to and deals with the ever-recurring changes that take place in industry, and in rendering more harmonious relations in industry between employers and employees, to assist in providing greater and better safeguards to life and limb of industrial workers, and to cooperate with other agencies in making the best and safest use of property devoted to industrial purposes; to secure by means of educational methods a greater degree of interstate and interprovincial uniformity in the enforcement of labor laws and regulations; to assist in the establishment of standards of industrial safety that will give adequate protection to workers; to encourage Federal, State, and Provincial labor departments to cooperate in compiling and disseminating statistics dealing with employment, unemployment, earnings, hours of labor, and other matters of interest to industrial workers and of importance to the welfare of women and children; to collaborate and cooperate with associations of employers and associations of employees in order that all of these matters may be given the most adequate consideration; and to promote national prosperity and international good will by correlating as far as possible the activities of the members of this association.

ARTICLE III

SECTION 1. *Membership.*—The active membership of this association shall consist of—

(a) The United States Department of Labor and subdivisions thereof, United States Bureau of Mines, and the Department of Labor of the Dominion of Canada.

(b) State and Provincial departments of labor and other State and Provincial organizations administering laws pertaining to labor.

(c) Federal, State, or Provincial employment services.

SEC. 2. *Honorary members.*—Any person who has rendered service while connected with any Federal, State, and Provincial department of labor, and the American representative of the International Labor Office, may be elected to honorary membership by a unanimous vote of the executive board.

SEC. 3. *Associate memberships.*—Any individual, organization, or corporation interested in and working along the lines of the object of this association may become an associate member of this association by the unanimous vote of the executive board.

ARTICLE IV

SECTION 1. *Officers.*—The officers of this association shall be a president, a first, second, third, fourth, and fifth vice president, and a secretary-treasurer. The executive board shall consist of these officers, together with the outgoing president, who shall serve as an ex-officio member of the board for 1 year.

SEC. 2. *Election of officers.*—Such officers shall be elected from the members at the regular annual business meeting of the association by a majority ballot and shall hold office for one year, or until their successors are elected and qualified.

SEC. 3. The officers shall be elected from representatives of the active membership of the association.

ARTICLE V

SECTION 1. *Duties of the officers.*—The president shall preside at all meetings of the association and the executive board, preserve order during its deliberations, appoint all committees, and sign all records, vouchers, or other documents in connection with the work of the association. He shall fill all vacancies caused by death, resignation, or otherwise.

SEC. 2. The vice presidents, in order named, shall perform the duties of the president in his absence.

SEC. 3. The secretary-treasurer shall have charge of all books, papers, records, and other documents of the association; shall receive and have charge of all dues and other moneys; shall keep a full and complete record of all receipts and disbursements; shall keep the minutes of all meetings of the association and the executive board; shall conduct all correspondence pertaining to the office; shall compile statistics and other data as may be required for the use of the members of the association; and shall perform such other duties as may be directed by the convention or the executive board. The secretary-treasurer shall present a detailed written report of receipts and expenditures to the convention. The secretary-treasurer shall be bonded for the sum of \$500, the fee for such bond to be paid by the association. The secretary-treasurer shall publish the proceedings of the convention as promptly as possible, the issue to consist of such numbers of copies as the executive board may direct. The secretary-treasurer shall receive such salary as the executive board may decide, but not less than \$300 per year.

SEC. 4. The business of the association between conventions shall be conducted by the executive board, and all questions coming before the board shall be decided by a majority vote, except that of the election of honorary members, which shall be by unanimous vote.

ARTICLE VI

SECTION 1. *Finances.*—With the exception of those organizations included under (a) of section 1 of article III each active member shall pay for the year ending June 30, 1936, and thereafter annual dues of \$25, except that where the organization has no funds for the purpose, and an individual officer or member of the staff wishes to pay dues for the organization, the fee shall be \$10 per annum for active membership of the organization in such cases.

The executive board may order an assessment levied upon affiliated departments not to exceed 1 year's dues.

SEC. 2. The annual dues of associate members shall be \$10.

ARTICLE VII

SECTION 1. *Who entitled to vote.*—All active members shall be entitled to vote on all questions coming before the meeting of the association as hereinafter provided.

SEC. 2. In electing officers of the association, State departments of labor represented by several delegates shall only be entitled to one vote. The delegates from such departments must select one person from their representatives to cast the vote of the group.

The various bureaus of the United States Department of Labor and the Department of Labor of Canada may each be entitled to one vote.

The rule for electing officers shall apply to the vote for selecting the convention city.

ARTICLE VIII

SECTION 1. *Meetings.*—The association shall meet at least once annually at such time and place as the executive board may decide unless otherwise ordered by the convention.

ARTICLE IX

SECTION 1. *Program.*—The program committee shall consist of the president, the secretary-treasurer, and the head of the department of the State or Province within which the convention is to be held, and they shall prepare and publish the convention programs of the association as far in advance of the meeting as possible.

SEC. 2. The committee on program shall set aside at least one session of the convention as a business session, at which session the regular order of business, and election of officers, shall be taken up, and no other business shall be considered at that session until the "regular order" has been completed.

ARTICLE X

SECTION 1. *Rules of order.*—The deliberations of the convention shall be governed by "Cushing's Manual."

ARTICLE XI

SECTION 1. *Amendments.*—Amendments to the constitution must be filed with the secretary-treasurer in triplicate and referred to the committee on constitution and bylaws. A two-thirds vote of all delegates shall be required to adopt any amendment.

ARTICLE XII

SECTION 1. *Order of business.*—

1. Roll call of members by States and Provinces.
2. Appointment of committees:
 - (a) Committee of five on officers' reports.
 - (b) Committee of five on resolutions.
 - (c) Committee of three on constitution and bylaws.
 - (d) Special committees.
3. Reports of officers.
4. Reports of States and Provinces.
5. Reports of committees.
6. Unfinished business.
7. New business.
8. Election of officers.
9. Adjournment.

Development of the International Association of Governmental Labor Officials ¹

Association of Chiefs and Officials of Bureaus of Labor

No.	Date	Convention held at—	President	Secretary-treasurer
1	September 1883	Columbus, Ohio	H. A. Newman	Henry Luskey.
2	June 1884	St. Louis, Mo.	do	Do.
3	June 1885	Boston, Mass.	Carroll D. Wright	John S. Lord.
4	June 1886	Trenton, N. J.	do	E. R. Hutchins.
5	June 1887	Madison, Wis.	do	Do.
6	May 1888	Indianapolis, Ind.	do	Do.
7	June 1889	Hartford, Conn.	do	Do.
8	1890 ² May 1891	Des Moines, Iowa	do	Do.
9	May 1892 1893 ²	Philadelphia, Pa. Denver, Colo.	do Charles F. Peck	Frank H. Betton. Do. Do.
10	May 1894	Albany, N. Y.	do	Do.
11	September 1895	Washington, D. C.	Carroll D. Wright	L. G. Powers.
12	June 1896	Minneapolis, Minn.	do	Do.
13	May 1897	Albany, N. Y.	do	Samuel B. Horne.
14	June 1898	Nashville, Tenn.	do	Do.
15	July 1898	Detroit, Mich.	do	Do.
16	July 1899	Augusta, Maine	do	Do.
17	July 1900	Milwaukee, Wis.	do	James M. Clark.
18	May 1901	St. Louis, Mo.	do	Do.
19	April 1902	New Orleans, La.	do	Do.
20	April 1903	Washington, D. C.	do	Do.
21	July 1904	Concord, N. H.	do	Do.
22	September 1905	San Francisco, Calif.	do	W. L. A. Johnson.
23	July 1906	Boston, Mass.	Charles P. Neill	Do.
24	July 1907	Norfolk, Va.	do	Do.
25	August 1908	Detroit, Mich.	do	Do.
25	June 1909	Rochester, N. Y.	do	Do.

¹ Known as Association of Governmental Labor Officials, 1914-27; Association of Government Officials in Industry, 1928-33.

² No meeting.

International Association of Factory Inspectors

No.	Date	Convention held at—	President	Secretary-treasurer
1	June 1887	Philadelphia, Pa.	Rufus Wade	Henry Dorn.
2	August 1888	Boston, Mass.	do	Do.
3	August 1889	Trenton, N. J.	do	Do.
4	August 1890	New York, N. Y.	do	L. R. Campbell.
5	August 1891	Cleveland, Ohio	do	Isaac S. Mullen.
6	September 1892	Hartford, Conn.	William Z. McDonald	Do.
7	September 1893	Chicago, Ill.	John Franey	Mary O'Reilly.
8	September 1894	Philadelphia, Pa.	do	Do.
9	September 1895	Providence, R. I.	do	Evan H. Davis.
10	September 1896	Toronto, Canada	C. H. Morse	Do.
11	August and September 1897	Detroit, Mich.	Rufus R. Wade	Alzina P. Stevens.
12	September 1898	Boston, Mass.	do	Joseph L. Cox.
13	August 1899	Quebec, Canada	do	Do.
14	October 1900	Indianapolis, Ind.	James Campbell	Do.
15	September 1901	Niagara Falls, N. Y.	do	R. M. Hull.
16	December 1902	Charleston, S. C.	John Williams	Do.
17	August 1903	Montreal, Canada	James Mitchell	Davis F. Spees.
18	September 1904	St. Louis, Mo.	Daniel H. McAbee	Do.
19	August 1905	Detroit, Mich.	Edgar T. Davies	C. V. Hartsell.
20	June 1906	Columbus, Ohio	Malcolm J. McLead	Thomas Keity.
21	June 1907	Hartford, Conn.	John H. Morgan	Do.
22	June 1908	Toronto, Canada	George L. McLean	Do.
23	June 1909	Rochester, N. Y.	James T. Burke	Do.

Joint Meeting of the Association of Chiefs and Officials of Bureaus of Labor and International Association of Factory Inspectors

No.	Date	Convention held at—	President	Secretary-treasurer
24	August 1910	Hendersonville, N. C., and Columbia, S. C.	J. Ellerly Hudson	E. J. Watson.
25	September 1911	Lincoln, Nebr.	Louis Guyon	W. W. Williams.
26	September 1912	Washington, D. C.	Edgar T. Davies	Do.
27	May 1913	Chicago, Ill.	A. L. Garrett	W. L. Mitchell.

International Association of Governmental Labor Officials ¹

[Resulting from amalgamation of the Association of Chiefs and Officials of Bureaus of Labor and the International Association of Factory Inspectors]

No.	Date	Convention held at--	President	Secretary-treasurer
1	June 1914.....	Nashville, Tenn.....	Barney Cohen.....	W. L. Mitchell.
2	June-July 1915.....	Detroit, Mich.....	do.....	John T. Fitzpatrick.
3	July 1916.....	Buffalo, N. Y.....	James V. Cunningham.....	Do.
4	September 1917.....	Asheville, N. C.....	Oscar Nelson.....	Do.
5	June 1918.....	Des Moines, Iowa.....	Edwin Mulready.....	Linna E. Bresette.
6	June 1919.....	Madison, Wis.....	C. H. Younger.....	Do.
7	July 1920.....	Seattle, Wash.....	Geo. P. Hambrecht.....	Do.
8	May 1921.....	New Orleans, La.....	Frank E. Hoffman.....	Do.
9	May 1922.....	Harrisburg, Pa.....	Frank E. Wood.....	Do.
10	May 1923.....	Richmond, Va.....	C. B. Connelley.....	Louise E. Schutz.
11	May 1924.....	Chicago, Ill.....	John Hopkins Hall, Jr.....	Do.
12	August 1925.....	Salt Lake City, Utah.....	George B. Arnold.....	Do.
13	June 1926.....	Columbus, Ohio.....	H. R. Witter.....	Do.
14	May-June 1927.....	Paterson, N. J.....	John S. B. Davie.....	Do.
15	May 1928.....	New Orleans, La.....	H. M. Stanley ² Andrew F. McBride ³ Maud Swett	Do.
16	June 1929.....	Toronto, Canada.....	Andrew F. McBride ³ Maud Swett	Do.
17	May 1930.....	Louisville, Ky.....	Maud Swett	
18	May 1931.....	Boston, Mass.....	John H. H. Ballantyne ⁴ W. A. Rooksbery	Do.
19	September 1933 ⁵	Chicago, Ill.....	E. Leroy Sweetser ⁶ E. R. Patton	Maud Swett.
20	September 1934.....	Boston, Mass.....	T. E. Whitaker.....	Isador Lubin.
21	October 1935.....	Asheville, N. C.....	Joseph M. Tone.....	Do.
22	September 1936.....	Topeka, Kans.....	A. W. Crawford.....	Do.
23	September 1937.....	Toronto, Canada.....	A. L. Fletcher.....	Do.
24	September 1938.....	Charleston, S. C.....	W. A. Pat Murphy.....	Do.

¹ Known as Association of Governmental Labor Officials, 1914-27; Association of Government Officials in Industry, 1928-33.

² Mr. Stanley resigned in March 1928.

³ Dr. McBride resigned in March 1929.

⁴ Mr. Ballantyne resigned in January 1931.

⁵ No convention was held in 1932, but a meeting of the executive committee and other members was held in Buffalo in June 1932 to discuss matters of interest to the Association.

⁶ Mr. Sweetser served as president from May 1931 to the end of December 1932.

Appendix C.—Persons Attending the Twenty-fourth Convention of the International Association of Governmental Labor Officials

UNITED STATES

Arkansas

E. I. McKinley, commissioner of labor, Little Rock.
H. C. Malcom, deputy commissioner of labor, Little Rock.
Mrs. Bess Proctor, secretary, industrial welfare commission, Little Rock.

Colorado

W. H. Young, chairman, industrial commission, Denver.

Connecticut

Morgan R. Mooney, deputy commissioner of labor, Hartford.

Delaware

James M. Reese, labor commissioner, Wilmington.

District of Columbia

Arthur J. Altmeyer, chairman, Social Security Board.
Mary Anderson, director, Women's Bureau, United States Department of Labor.
Elmer F. Andrews, administrator, Wage and Hour Division, United States Department of Labor.
Clara M. Beyer, assistant director, Division of Labor Standards, United States Department of Labor.
James P. Davis, Prison Industries Reorganization Administration.
A. L. Fletcher, Wage and Hour Division, United States Department of Labor.
D. Yates Heafner, Conciliation Service, United States Department of Labor.
M. D. Kossoris, Bureau of Labor Statistics, United States Department of Labor.
Sven Kjaer, Bureau of Labor Statistics, United States Department of Labor.
Isador Lubin, Commissioner, Bureau of Labor Statistics, United States Department of Labor.
Beatrice McConnell, Children's Bureau, United States Department of Labor.
A. Louise Murphy, Division of Labor Standards, United States Department of Labor.
William F. Patterson, Federal Committee on Apprentice Training, United States Department of Labor.
Miss M. E. Pidgeon, Women's Bureau, United States Department of Labor.
Charles F. Sharkey, Bureau of Labor Statistics, United States Department of Labor.

Arthur G. Stevens, Jr., Bureau of Labor Statistics, United States Department of Labor.

Louise Stitt, Women's Bureau, United States Department of Labor.

Sidney W. Wilcox, Chief Statistician, Bureau of Labor Statistics, United States Department of Labor.

V. A. Zimmer, Director, Division of Labor Standards, United States Department of Labor.

Florida

Robert W. Davis, director, division of workmen's compensation, industrial commission, Tallahassee.

Wendell C. Heaton, chairman, industrial commission, Tallahassee.

Illinois

Martin P. Durkin, director, department of labor, Chicago.

Iowa

W. W. Kelley, factory inspector, bureau of labor, Des Moines.

Milton Peaco, commissioner of labor, Des Moines.

Kansas

Bessie Cole, director, women's division, commission of labor and industry, Topeka.

Kentucky

W. C. Burrow, commissioner of industrial relations, Frankfort.

Emmett Durrett, department of industrial relations, Frankfort.

Edward F. Seiller, department of labor, Louisville.

Massachusetts

James T. Moriarty, commissioner of labor, Boston.

Michigan

George A. Krogstad, chairman, department of labor and industry, Lansing.

Missouri

Mary Edna Cruzen, commissioner of labor, Jefferson City.

New Hampshire

John S. B. Davie, commissioner of labor, Concord.

New Jersey

C. George Krueger, deputy commissioner of labor, Trenton.

New York

Meredith B. Givens, division of placement and unemployment insurance, department of labor, New York City.

Kate Papert, department of labor, New York City.

Eugene B. Patton, director, division of statistics and information, department of labor, New York City.

North Carolina

S. P. Brewer, Charlotte.
 Paul R. Christopher, Charlotte.
 Richmond C. Nyman, Charlotte.

Ohio

O. B. Chapman, director of industrial relations, Columbus.
 Harold M. Miller, department of industrial relations, Columbus.

Oklahoma

O. L. Crain, department of labor, Oklahoma City.
 Mrs. Zelda Harrel, department of labor, Oklahoma City.
 W. A. Pat Murphy, commissioner of labor, Oklahoma City.
 M. S. Runyan, department of labor, Oklahoma City.
 Mrs. Kathryn Van Leuven, department of labor, Oklahoma City.

Pennsylvania

Ralph M. Bashore, secretary of labor and industry, Harrisburg.

Rhode Island

Joseph L. Breen, department of labor, Providence.
 Thomas F. McMahon, director, department of labor, Providence.

South Carolina

Mrs. Anne A. Agnew, department of labor, Columbia.
 Claud R. Boland, department of labor, Columbia.
 P. M. Camak, industrial commission, Columbia.
 C. R. Carter, director of inspection, department of labor, Columbia.
 Maj. Henry F. Church, Charleston.
 John W. Duncan, industrial commission, Columbia.
 A. L. Gibson, Spartanburg.
 W. R. Harley, employment service, Charleston.
 A. J. Hatfield, unemployment compensation commission, Columbia.
 Gov. Olin D. Johnston, Columbia.
 B. A. Knowlton, Columbia.
 R. H. McAdams, department of labor, Columbia.
 James B. Mahoney, chamber of commerce, Charleston.
 Coleman C. Martin, industrial commission, Columbia.
 John W. Nates, commissioner of labor, Columbia.
 C. C. Scarborough, Jr., Winnsboro.
 Fred D. Townsend, Columbia.
 V. W. Vaughen, Belton Mills, Belton.
 I. J. Via, department of labor, Columbia.

South Dakota

Ralph S. Rice, deputy industrial commissioner, Pierre.

Tennessee

F. G. Scott, commissioner of labor, Nashville.

Virginia

Morton Beyer, McLean.

Thomas B. Morton, commissioner of labor, Richmond.

West Virginia

Clarence L. Jarrett, commissioner of labor, Charleston.

John F. Woods, Jr., factory inspector, department of labor, Charleston.

Wisconsin

Maud Swett, field director, woman and child labor, industrial commission, Milwaukee.

Voyta Wrabetz, chairman, industrial commission, Madison.

CANADA

British Columbia

Adam Bell, deputy minister of labor, Victoria.

