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

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Labor Laws and Their Administration

1939

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Proceedings of the Twenty-fifth Convention of the International Association of Governmental Labor Officials, Tulsa, Okla. September 1939

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., June 10, 1940.

THE SECRETARY OF LABOR:

I have the honor to transmit herewith a report on Labor Laws and Their Administration, 1939, embodying the proceedings of the Twenty-fifth Convention of the International Association of Governmental Labor Officials, which convened in Tulsa, Okla., September 7, 1939.

ISADOR LUBIN, *Commissioner.*

Hon. FRANCES PERKINS,
Secretary of Labor.

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Bulletin No. 678 of the

United States Bureau of Labor Statistics

Labor Laws and Their Administration, 1939

The International Association of Governmental Labor Officials held its twenty-fifth annual convention at Tulsa, Okla., convening on Thursday, September 7, 1939, and closing on Saturday, September 9, 1939. Representatives from 18 States, the District of Columbia, Puerto Rico, two Provinces of Canada and the International Labor Office were present at the convention.

At the opening session addresses of welcome were made by Hon. T. A. Penny, mayor of the city of Tulsa, MacG. Williamson, attorney general of the State of Oklahoma, and Hon. Leon Phillips, Governor of the State of Oklahoma.

In his opening address President Martin P. Durkin (director of the Department of Labor of Illinois) outlined the Federal and State legislation passed in 1939 which affected labor. The importance of the amendments to the Federal Social Security Act were stressed by him. He stated that in 1939, in spite of a tendency in the States to enact antilabor legislation, labor laws in a number of States were improved and strengthened.

The progress made in important fields of labor legislation and in the administration of such legislation, presented through the reports of standing committees and general discussion, occupied the first part of the convention. An address by Marshall E. Dimock, Second Assistant Secretary of Labor, on the present accomplishments and future possibilities of the United States Department of Labor, which was delivered at an evening session, was broadcast on Station KOME.

The administration by Federal and State offices of such important legislation affecting labor as laws on labor relations, housing, and employment security, and the Federal wage and hour law, was described in a series of papers at other sessions, and interesting points brought out in the general discussion.

The importance of factory inspection and industrial hygiene was stressed in a number of papers and in the general discussion thereon. A representative of the International Labor Office described the efforts being made to raise the international standards of factory inspection.

The business of the convention was considered at the opening and closing sessions. The president presided at the opening session of

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the convention and at both business sessions. The chairmen of the other sessions were as follows:

Voyta Wrabetz, Industrial Commission of Wisconsin, afternoon session, September 7.
W. A. Pat Murphy, Department of Labor of Oklahoma, evening session, September 7.
E. I. McKinley, Department of Labor of Arkansas, morning session, September 8.
Adam Bell, Department of Labor of British Columbia, afternoon session, September 8.
Forrest H. Shuford, Department of Labor of North Carolina, morning and afternoon sessions, September 9.

The twenty-sixth annual convention will be held at New York City in September 1940.

In the following presentation of the proceedings of the 1939 convention the arrangement is by topics rather than chronologically.

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International Association of Governmental Labor Officials

Review of Labor Legislation in 1939

President's Address, by MARTIN P. DURKIN

Since the beginning of 1939, all of the State legislatures have met in regular session with the exception of four (Kentucky, Louisiana, Mississippi, and Virginia). The first session of the Seventy-sixth Congress also convened on January 3d and after continuous deliberations for 7 months adjourned August 5th.

In the session of Congress recently ended and in most of the States, legislation was passed of vital importance and interest to labor. In some instances, the legislative measures were of a restrictive nature, especially in the field of industrial relations. It may be said, nevertheless, that in spite of this tendency in several jurisdictions, a considerable number of acts were adopted benefiting the wage earners of the Nation.

It is not my intention in this talk to outline in detail the various laws passed during 1939, but rather to indicate only the high lights of this legislation and to leave the discussion of details for later sessions in this conference.

With regard to Federal legislation, the amendments to the Social Security Act are of outstanding importance in that they provide greater security to a greater number of workers. Amendments to the old-age insurance section of the Social Security Act provide that monthly benefit payments will begin in 1940 instead of 1942 as heretofore specified, liberalize the payments to retired workers, make eligibility requirements easier for persons retiring earlier, and provide benefits for aged wives, widows, dependent parents, and children.

Amendments to the old-age-assistance section provide that the maximum amount of assistance for which a State may obtain 50 percent financial aid from the Federal Government was increased from $30 to $40 per month.

Further amendments authorized increased Federal aid to States for public health, vocational rehabilitation, crippled children, and maternal and child welfare.

Notwithstanding the recommendations of the National Health Conference to Congress, nothing was done about the Wagner bill pro-

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viding health insurance. In addition, it might also be noted here that no State enacted a health insurance law during 1939. If we are to have a completely integrated social security program in this country a plan for health insurance is a necessity.

In addition to the amendments to the Social Security Act, other Federal legislation of interest to labor included amendments to the railroad unemployment insurance law, the Federal Employers' Liability Act, and a number of acts applicable to seamen.

In the field of State legislation, the most important measures submitted to the legislatures affecting labor were those restricting the right of employees to organize, bargain collectively, etc. Many such bills were presented to the various legislative bodies, but in only four States (Michigan, Minnesota, Pennsylvania, and Wisconsin) did legislation result. Briefly reviewing previous legislation in this field, I might state that following the passage of the national labor relations law five States, including Massachusetts, New York, Pennsylvania, Utah, and Wisconsin, adopted so-called "baby Wagner" acts modeled after the Federal law. Two of these States (Pennsylvania and Wisconsin) drastically changed their laws during 1939. In all four of the States passing legislation during 1939 there is a striking similarity in the type of legislation adopted. Unfair labor practices have been defined both for employers and employees. Provisions were included outlawing so-called sit-down strikes and granting to employers the right to petition for elections. Likewise prevailing in this type of legislation has been the prohibition of the check-off of union dues unless the employees by secret ballot have specifically authorized the deduction in writing. Even the procedure that must be followed prior to the calling of a strike or lock-out is prescribed.

The Massachusetts Labor Relations Act was amended by requiring that the appropriate collective bargaining unit be designated, whenever desired by a majority of the craft. Other States that considered the subject matter of labor relations in some form or other and in a positive manner, include Alabama, Connecticut, Florida, and Vermont.

I might also mention here that Connecticut and New Mexico enacted new laws regulating the issuance of injunctions in labor disputes, and that anti-injunction legislation is now a part of the law in 24 States.

In spite of the tendencies to enact antilabor legislation this year, a number of States improved and strengthened their labor laws, particularly in the field of hours of labor, minimum wages, workmen's compensation, and social security.

Seven States (California, Montana, New Hampshire, North Carolina, Oregon, South Carolina, and Vermont) passed laws authorizing the labor departments to cooperate with the Wage and Hour

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Division and the Children's Bureau of the United States Department of Labor in the enforcement of the Fair Labor Standards Act.

Utah extended the 8-hour day and the 48-hour week law to cover females in any industry, with limited exceptions. Montana provided an 8-hour day and 48-hour week for persons employed in restaurants and eating places. Pennsylvania established maximum hours for females employed in charitable and welfare institutions operated on a nonprofit basis. Massachusetts extended the one-day-rest-in-seven law to mechanical establishments and workshops. The suspension of the night-work law for women in textile plants in Massachusetts was again extended, this time until 1941. On the other hand, New Hampshire made certain exemptions from provisions of the one-day-rest-in-seven law and New Mexico amended its law to permit females to work 7 days provided the 8-hour day and 48-hour week was not exceeded.

The new minimum wage law passed in Connecticut was the outstanding legislation in this field. This law eliminates the use of directory orders and makes all wage orders mandatory immediately. The Maine Legislature passed a minimum-wage law covering women and minors working in the fish-packing industry. Minnesota amended its minimum-wage law by adding telephone operators to the list of exempted employments. During the past year the Utah Supreme Court declared the minimum-wage law of that State constitutional, and attempts to repeal the minimum-wage law in Oklahoma were rejected by that legislature.

Legislation authorizing the creation of apprenticeship councils was passed in California, Minnesota, and North Carolina. In Nevada, the commissioner of labor was authorized to appoint an apprenticeship council.

West Virginia was the only State to pass an industrial home-work law during 1939. The brief review prepared by the Division of Labor Standards indicates that this law follows the principles established by the I. A. G. L. O. to the extent that employers are required to obtain a permit and pay a small license fee to carry on industrial home work, that it requires each home worker to secure an annual certificate, and that it requires home-work materials to be labeled. In addition, provision is made for investigations and enforcement of the law with penalties, and home work in a number of specified industries is prohibited.

The State of West Virginia also passed a new child-labor act. The brief review of this law by the Division of Labor Standards indicates that it does not reach the minimum standards established by the I. A. G. L. O. No additional States ratified the Federal child-labor amendment during 1939 and the count still stands at 28 States

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that have so far approved it. The United States Supreme Court, however, rendered an important decision in relation to the ratification. The Court on June 5, 1939, ruled that the amendment was still subject to ratification by the States, even though it has been pending for a period of 15 years. (*Coleman* v. *Miller*, 59 Sup. Ct. 972; *Chandler* v. *Wise*, 59 Sup. Ct. 992.)

Indiana passed a new wage-collection law during 1939. This legislation requires payment of employees separated from the pay roll within 24 hours, except in case of discontinuance of work due to labor disputes, when payment shall be made at next pay day, and authorizes the labor commissioner to take assignment of wage claims for less than $100 for collection purposes. An amendment to the New Hampshire law also authorizes the labor commissioner to act for the claimant in the collection of wages not to exceed $200. These wage-assignment provisions should expedite the collection of numerous small claims against single employers.

Considerable legislation was passed in the various States concerning workmen's compensation, occupational diseases, and health and sanitation. Arkansas became the forty-seventh State to pass a workmen's compensation law. The effective date of this law, however, has been held in abeyance pending the outcome of a referendum to be voted on by the people in 1940. The provisions of this law indicate that there is still a tendency to limit the coverage to employers hiring a given number of workers. Until workmen's compensation acts include every worker we cannot regard them as providing adequate security against the hazards of industrial accidents.

Legislation increasing either the amount or duration of medical benefits or amounts of benefit payments in particular instances was passed in Arizona, California, Illinois, Kansas, Maine, Maryland, New Hampshire, North Dakota, South Dakota, Texas, Washington, and Wyoming. The changes in the workmen's compensation law in Pennsylvania amend or abolish some of the desirable provisions in their former law.

From an accident-prevention point of view the amendment enacted by the Maine Legislature requiring reporting within 7 days of all industrial accidents causing either loss of time for 1 day or requiring medical attention is significant. If the inspectors are to operate effectively, immediate reports of accidents are imperative, and in addition the reporting of accidents requiring minor losses of time provide an indication of the type of accidents which might have been more serious and allow installation of needed safety devices.

Arkansas, Idaho, and Maryland passed new occupational-disease laws during the year. The Arkansas law covers 38 diseases, with provisions for extension of the list. The Idaho law contains 11 groups covering 15 or more diseases. The Maryland law contains a list of

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34 occupational diseases and provides for specific agencies to recommend increases in this list. These new laws make a total of 30 jurisdictions compensating for occupational diseases. These jurisdictions include 24 States, the District of Columbia, Hawaii, the Philippine Islands, Puerto Rico, and the United States laws for civil employees, longshoremen, and harbor workers.

During the year, Ohio amended its occupational-disease law to cover "any other occupational disease," thereby providing a flexible law, and Minnesota enlarged the list of compensable diseases to include some diseases due to the hazards of fire fighting.

The establishment and reorganization of departments of labor was the subject of legislation in some States. Unless I am mistaken, the reorganization in the State of Alabama has resulted in bringing together all of the functions which come under the head of "labor" and centralizing the responsibility for enforcement of all legislation which has to do with labor. The new department of industrial relations is given the powers formerly in the department of labor, mine inspectors, unemployment compensation commission, and compensation commissioner. In addition, a single three-member board is created to handle appeals in connection with unemployment compensation, appeals from department's orders concerning use of unsafe machinery or equipment, and to issue industrial health and safety rules.

A reorganization in Kansas separates activities in connection with administration of workmen's compensation from the State department of labor and industry. Provisions in the law authorize the commissioner of labor and industry to create a research division, a factory, mill, and mine division, a women's and children's division, an unemployment compensation division, and a wage-hour division.

The creation of a department of industrial relations in Vermont to take over all functions of the former commissioner of industries, who was located in the department of public service, should be noted. Legislation in Minnesota and Rhode Island takes the administration of unemployment compensation and of the employment service out of the departments of labor.

The transfer of the United States Employment Service out of the United States Department of Labor may cause disintegration and may lead to similar action in the States. It is noteworthy at this time that the Senate Committee considering Senate bill No. 1620 concerning a national health program would place the administration of industrial health in a division of industrial hygiene in the United States Department of Labor. Further, this bill also provides for agreements with State departments of labor for similar arrangements within their structure.

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In conclusion, let me say that this association should guard against such changes or amendments which would weaken already existing labor laws; that we should see that means of proper enforcement are provided by necessary appropriations for personnel and for adequate training programs so that this personnel will function more efficiently; and finally, we should cooperate whole-heartedly with the United States Department of Labor in its effort to extend its program of assisting the States in the administration of labor laws.

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Federal Department of Labor

The Accomplishments and Future of the United States Department of Labor

By MARSHALL E. DIMOCK, *Second Assistant Secretary of Labor*

When the Federal Labor Department prospers the State labor departments are likely to prosper, and when the Federal Department falls on evil days the States are pretty sure to be adversely affected also. The same forces which affect one operate equally upon the other. We rise and fall together. It is a reciprocal, mutual relationship which we are considering.

The United States Department of Labor has the largest interest group constituency of any governmental agency in the country, approximately 33 million workers, almost a fourth of whom are organized. Yet, despite the Department's significant gains in activities and financial support of the last 6 years, it is the smallest one in Washington today.

A comparison is enlightening. In spite of the fact that industrial workers are nearly three times as numerous as farmers, the Department of Agriculture, which represents the 11½ million farmers and farm workers, is given a billion and a half dollars (counting farm-relief expenditures) to look after their welfare; while the Department of Labor, whose purpose is to promote the welfare of 33½ million workers, gets an appropriation of 25 million—one-sixtieth as much.

I do not contend that the Department of Labor needs a billion and a half a year or more, or anything like that, but I do contend that on the score of both accomplishment and need, it deserves far more than it receives at present.

In speaking frankly about the Department's needs and possibilities we must take care not to overlook the splendid accomplishments of the last few years. The Bureau of Labor Statistics has been reorganized and greatly expanded in its scope and usefulness. The Children's Bureau has grown in strength and scope as it has moved into Federal relationships with the States on both a grants-in-aid and a law-enforcement basis. The Women's Bureau has also added to its practicality and effectiveness, while the Conciliation Service has been revamped and become one of the most signficant instruments in our

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economy. Finally, in a difficult period of unemployment, the Immigration Service has protected American interests by its vigilance and efficiency, and at the same time has endeavored to perform all its functions with strict regard to the principles of justice and equity.

New and important activities have been added. The Division of Labor Standards meets a long-felt need for information and service, and now constitutes one of our principal points of contact with your departments in the States. The Public Contracts Division has had a busy time and has rendered a valuable public service in helping to stabilize wage scales. The United States Employment Service has been one of the administration's big guns in the attack upon the depression. Finally, the Wage and Hour Division, rapidly becoming one of the largest units of the Department, contains possibilities for strengthening and improving our economic fabric whose benefits are lasting and difficult to overemphasize. I think you will agree that this record of growth, in and of itself, is a source of great encouragement and satisfaction.

In the last 6 years, however, the Department of Labor has done more than put out new branches—it has been a seedbed. Within its confines have germinated, with or without outside assistance, many of the country's major programs, chief among which are the C. C. C., the social security law, the various labor boards, the N. R. A., and part of the public-works program. It is merely a sober statement of fact to observe that if the programs which were thought out and rooted in the Department of Labor had remained in that department, it would be today one of the largest, rather than the smallest, of Washington's departments. That influence is not measured by size and numbers alone, as the recent history of the Department of Labor clearly illustrates, I need hardly tell this audience.

It is characteristic of us Americans to look forward rather than backward, however, and to be impatient with what we have and are, as good as they may be. The Department of Labor sees challenging opportunities for larger and more vital accomplishments, could resources but be made available for meeting them.

At this point the question arises, How are we to judge what needs to be done; what objective or objectives differentiate our work from that of other Departments; how shall we measure the extent of our success? Although separate questions, all three of these may be considered as one.

I seem to be thinking in terms of three's, because I am going to suggest three tests by which the Department of Labor may judge itself:

(1) Is it rendering the services which its clients want, and in which it will receive wholehearted cooperation?

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(2) Is it as complete and progressive as the best developed labor departments in the several States, and is it really servicing those which need help?

(3) Are its programs and decisions in the public interest?

There can be no doubt, I think, that in the long run the last-mentioned test, namely public interest, is the ultimate one. However, it needs to be emphasized at the same time that unless you take due and just care of the first two requirements, namely the two interests you serve, you will not have a chance to contribute to the third, the public interest. Both survival and influence are controlled in considerable part by the extent to which an institution renders service to the group which nurtures and supports it.

A department of labor's relationship to its clients is a subject in itself and not the one assigned to me this evening. I should merely like to observe that the problem which all of us face is that of finding out what the primary needs of labor are, and finding suitable ways of making progress in that direction.

From this point on, let us concentrate upon the second of the two tests I have enumerated, the service which the United States Department of Labor may be able to render to the labor departments of the several States. First of all, it is our job to serve you. Or, expressing the same idea with more exactitude, perhaps the United States Department of Labor is charged with a trusteeship which results from its being the one agency which is large enough to include all interests, all 48 States. It has very few action programs of its own, aside from the administration of immigration and the Fair Labor Standards legislation. Rather, it carries on studies and research, suggests standards and methods, acts as the channel for the flow of funds, and provides field agents for collaborative purposes—all that the work you are doing in the States may be assisted as much as possible.

It should be noted in passing that the Department of Agriculture underwent a series of steps in its growth similar to that of the Department of Labor. Starting out with the need for research and the exchange of information, it moved on to Federal extension stations; then was seen the need to apply the results of scientific research directly to the farmer; a grants-in-aid system was accordingly fostered; finally, there followed regulative and direct assistance functions, discharged to a large extent by voluntary organization and Federal-State-local cooperation. If you will study the history of our own Children's Bureau, you will find that it closely parallels this series of steps. All of our labor departments do. The growth of government functions relating to city wage earners is simply somewhat slower. But, note this important point: as direct services are added to merely research activities, the agency undertaking them is bound to grow in public

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appreciation, and hence in size and influence. As our labor departments undertake action programs, therefore, let us be aware of the social implications and possibilities connected therewith.

From one point of view, the Federal Department should merely do what the States request of it; from another standpoint it must take the lead if progress is to be made along all fronts. It must keep apace of the advanced States and yet, when invited to do so, walk closely beside those States which are having more difficulty getting ahead.

As a minimum requirement, the United States Department of Labor should include in its service and organization all those programs which form the common pattern at the State level. This is merely a way of saying that it should assist at the Federal level in what the States are doing out in the field. But does it?

Here we begin to be specific. Practically all of the States have workmen's compensation commissions, but there is no corresponding entity within the framework of the Federal Department. Perhaps all of us would do well to heed again the words expressed by Secretary Perkins in her 1934 Annual Report to Congress:

> I recommend the transfer to the Department of Labor of the Federal Workmen's Compensation Commission: First, for purposes of administrative coordination, and, second, for the purpose of bringing this important subject within the ministerial functions of the Department of Labor where it will profit by the cooperative relationship with State Workmen's Compensation Commissions. * * *

The Department in Washington also lacks an administrative set-up for industrial hygiene work, although it now seems to be on the road toward securing one. We have every hope that a new title will be added to the Wagner health bill providing for a flow of funds through the United States Department of Labor to the several States, assisting them in their control of industrial hazards and their compensation work. As you know, the Department has a well-developed advisory service on industrial hygiene already, but it has been handicapped financially. This new program, if and when enacted, would recognize the interest of the Public Health Service in the field and would concentrate upon the enforcement functions in the States.

Several State labor departments are equipped to deal with industrial relations. This is an area which is bound to be greatly expanded in future years and if preparation for growth is not made in labor departments it will occur elsewhere. Labor departments are the logical place. It is therefore time that we gave thought to more complete and effective administrative machinery. To me it seems clear that an expanded industrial relations program, centering around the Conciliation Service is a salient along which the United States

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Department of Labor may also be expected to advance in future years.

Closely related thereto is the need for apprenticeship and other training programs and for improved workers' education generally. This is a subject about which I should like to talk at some length. I must be content merely to observe that the various bureaus know a great deal about subjects which trade-unions and citizens want to learn about. But we have not perfected adequate techniques of transforming statistics and factual information into readable form and then finding inexpensive media through which the thousands who want this information can get ready access to it. Why don't we provide the industrial workers with the equivalent of Agriculture's farm bulletins? What service could we render which would be more gratefully looked upon by Congressmen desirous of sending helpful information to their constituents? Perhaps if we put our heads together we can work out something which will fill the bill.

Irrespective of the administrative arrangements, a department of labor cannot relinquish its interest in an adequate system of employment offices. Profitable employment opportunities are a main concern of any labor department; and employment offices, directly related to this objective, exist in order that the labor market may be organized to give wage earners the easiest, most effective access to existing jobs. Our Federal Department takes just pride in the accomplishments of the United States Employment Service under the Wagner-Peyser Act. Our interest in this field is not abated by the recent reorganization order transferring the Service outside the Department, where we hope it will continue to develop.

The social insurances which are created for workers' welfare and which organized labor has been chiefly instrumental in securing are naturally looked upon as a field in which labor department activities may be expected to expand. Of these, unemployment compensation is naturally the most intimately related to existing programs within the Federal Department. It is interesting to note that the President's Committee on Administrative Management in 1937 should state specifically that such services, which labor looks upon as a matter of "right" rather than of "need," should be attached to the Department of Labor.

Over a period of time we may expect to see a gradual drawing together of the numerous and diverse labor agencies which have been created at the Federal level. I have referred to several of these already. In addition, there are various tribunals dealing with jurisdictional matters and with particular industries which eventually will probably find that their best interests are served in the process of confederation.

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The Department of Labor needs a general staff, an expanded executive force. It is a Department in which industrial crises, such as the recent coal strike, are the normal rather than the exceptional occurrence. Trouble shooters are needed. It is a Department which is supposed to clarify and bring forward labor's interest in every matter affecting workers throughout the length and breadth of Washington's acres, and it seems to us most of the time that almost every question of any consequence does have a labor angle. The operation of Government shipping lines, check-off systems on public works, and the expansion of the airplane industry to meet mobilization needs are recent cases in point.

As you can see, there are a variety of things which deserve more attention than they can be given with the limited budget and personnel now available. This work is not that of a bureau—it is the work of executives within the Secretary's office itself. It is interesting and also encouraging that Congress recently gave the Department of Commerce a quarter of a million dollars for the very purpose I have in mind.

We need an expanded field organization. Without it we cannot even contact you regularly, much less serve you adequately. In this vital respect we are weak. In the United States Employment Service we had a field organization of excellent coverage, next only to that of the Department of Agriculture. Gradually other units, such as Wage-Hour, Children's Bureau, and Labor Standards are strengthening their field operations. What we need, however, I am convinced, is a carefully worked-out plan wherein is provided regional centers and offices along the lines of the labor departments of Great Britain and New York State. Service has to be taken to the user before it is of much value in this day and age.

In attempting to indicate some of the directions in which the United States Department of Labor may move in the future, I have not tried to look more than a few years ahead. I suppose no one of us can. What happens to State and Federal labor departments, and to the labor movement itself, is bound up with national and international problems whose issue is by no means clear. It seems perfectly certain, however, that labor departments and organized labor will continue to prosper only so long as democracy and the free-market system remain intact in any country, but that they are doomed if these fail.

Organized labor needs to work harder to make labor departments strong and serviceable. On the other hand, we officials are not doing all we should and can do to find out what our constituents want.

I personally have confidence that the future of the United States Department of Labor is a promising one, despite the adverse factors to which I have already referred. All of its bureaus perform socially

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useful functions. It has a good personnel. I know of no Federal agency which produces more from the taxpayer's dollar than this one, the smallest of all Federal Departments. It is clearly one of the Federal Government's best battlers in the fight upon our internal economic problems. It is doing fundamental economic analysis and remedial work. It could do far more if more encouragement were given it.

What may the Department of Labor become sometime in the future? Shall I prophesy? It might become one of the largest departments in Washington. If to its present bureaus were added workmen's compensation, industrial hygiene enforcement work, an augmented industrial relations service, training and educational programs for workers, a national employment service, social insurances, labor boards, and railway labor agencies, then a general staff and an adequate field organization would almost automatically come into being.

The social function is there. The need is great. Millions are still unemployed. Does the Department of Labor possess the ability and the backing to transform visions into living realities? We look to you, our professional constituents, to help us find the way.

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Factory Inspection and Industrial Hygiene

Raising the Standards of Factory Inspection

By Miss Carol Riegelman, *International Labor Office*

This is the first time that I have had the privilege of meeting with the members of this association, but your discussion and your procedure seems to me very familiar. The International Labor Organization is concerned with many of the same problems that have been treated here, and it deals with them in much the same way. While the participants of your meetings come largely from the States and Provinces, the meetings called by the I. L. O. are attended by representatives coming from its member nations. At the present time the membership of the I. L. O. consists of 57 nations. While the membership of the I. L. O. is by the governments of nations, participation in its meetings is almost always tripartite. Indeed its international tripartite structure is a unique feature of the I. L. O. At the last annual conference, held in June 1939, there were 345 persons taking part, coming from 46 different nations. Each country, in accordance with the constitution of the I. L. O., has four votes—two government, one employer, and one worker. While the number of delegates is limited to four, each may be accompanied by one or two advisers for each item on the agenda of the meeting. The employers' and workers' delegates and advisers must be nominated by the most representative employers' and workers' association of each country.

Government, employer, and worker representatives come together at the meetings of the I. L. O., whether at the annual conference or at the numerous sessions of special technical conferences and committees, to consider labor problems which affect standards within a country and the competition between countries, much as you are meeting to consider these problems as they affect your State and Nation. The similarity of approach may be illustrated by sketching briefly some of the subjects under consideration at the I. L. O., and in particular the question of factory inspection.

The international aspects of this problem were recognized before the I. L. O. came into existence. The first concrete steps to deal with the problem were taken as early as in 1890 at the Conference of Berlin when the international regulation of labor questions was first discussed in any detail. A review of the steps that have been taken

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both nationally and internationally to improve methods of inspection and provide for adequate enforcement of labor standards is set forth in a detailed report published by the I. L. O. in preparation for the annual conference of 1940. As is indicated in this report, the question was discussed at the 1919 peace conference and was incorporated in the guiding principles of the constitution of the I. L. O., namely: "Each State should make provision for a system of inspection in which women should take part in order to ensure the enforcement of the laws and regulation for the protection of the employed."

In 1923 the International Labor Conference adopted a "Recommendation concerning the general principles for the organization of systems of inspection to secure the enforcement of the laws and the regulations for the protection of the workers." This recommendation sets out what may be called a model code of labor inspection. A number of countries, including Belgium, Spain, Sweden, and Switzerland, have made partial reforms in their inspection system so as to bring them into line with specific points laid down in the recommendation, and two countries, Rumania and Estonia, have taken the recommendation as a basis for the organization of their new labor inspection service. In Cuba, in Ecuador, and in Venezuela, the labor inspection services organized during recent years are modeled on this recommendation. Since the adoption of the 1923 recommendation, such progress has been made in laying down standards of labor inspection by international action that it is now hoped that the 1940 conference will give these principles the more binding form of an international convention. While both recommendations and conventions must be adopted by a two-thirds vote of the conference, more specific obligations grow out of a convention than a recommendation. A recommendation that has been adopted at an annual conference must be submitted within 18 months by each member nation of the I. L. O. to the competent authority or authorities for consideration, and each country must then make an annual report as to any steps taken to put the principles of a recommendation into effect. No further obligation is derived from a recommendation. On the other hand, once a convention has been adopted, each country must, also within 18 months, submit the text for ratification. If ratification is refused, there is no further obligation on the national body. However, if the competent authority ratifies a convention, the nation is obliged to see that its terms are carried out and must report to the I. L. O. annually on the steps taken to see that the convention is observed throughout the nation. These reports are closely examined by committees of experts and published and publicly discussed.

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The I. L. O. has thus been doubly concerned with raising standards of inspection—first by its direct efforts to lay down principles to be carried out nationally, and second in endeavoring to ensure enforcement of the social legislation laid down in its international conventions. In 1934 it was suggested that the International Labor Office organize periodical meetings of representatives of national inspection services to increase the mutual collaboration between these services as well as between the inspection services and the international office. Two regional conferences were held, one at The Hague in 1935 and one in Vienna in May 1937. In January 1936, at a special regional conference of the American States members of the I. L. O., held in Santiago, Chile, special emphasis was placed on the importance of labor inspection and on the need for a special convention on this question.

As a result of these various initiatives, a meeting was held last spring in Geneva of qualified representatives of 34 nations to prepare a text for a convention. The United States, represented by Mrs. Beyer, participated actively in the conference. It was interesting to note the extent to which the principles and standards approved by you in your various meetings are accepted the world over. Although substantive law may be quite different as to form and even as to purpose in the various countries, the methods of making it effective through inspection are much the same. There was general agreement at the meeting that all labor-law inspection should be coordinated in one department; that the inspector should have free access to all places of employment and to records bearing on employment; that employers should post notices as required, should provide safe work places, and should submit plans for new buildings and for new operations involving hazards to the factory-inspection division for approval; that cooperation of employer and labor with the inspection service should be maintained.

In general, it may be said that while the United States has progressed beyond the European countries in some aspects of factory inspection, it is behind them in others, as, for instance, in the qualifications and training of the inspection staff. A mass of technical information is presented in the report, which I referred to earlier, which has been published by the I. L. O. for the 1940 conference.

Another example of the kind of problem that is dealt with in your meetings and that has played a part in the meetings of the I. L. O. is that of apprenticeship. The need for a recognized apprenticeship program in each country was voted by the conference last June and approval was given by all three groups—governments, workers, and employers alike—to recommendations setting forth the standards for such an apprenticeship program. These

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standards are in line with those promoted by your organization, and might be used by you in securing adoption of State legislation making the regulations of the labor-standards aspects of apprenticeship a permanent function of the State labor department.

Another subject under consideration at the last conference of interest to you was the hours of work of bus and truck drivers. After more than 2 years of discussion and preparation, the conference of 1939 adopted a draft convention which, when ratified, will regulate the hours that drivers and their helpers on public vehicles may work, and will determine the number of compulsory rest periods they must be given. The convention provides that the normal hours of work for the persons covered shall not exceed 8 in the day and 48 in the week. It prohibits any driver from driving for any continuous period of more than 5 hours. At least 12 hours of rest must be given in every 24-hour period. Normally, also, in every 7 days there must be 30 consecutive hours of rest, of which not less than 22 must fall in the same calendar day. There are a number of exceptions permitted to each of these standards in order to make the convention flexible in application. In spite of these exceptions, the convention sets up a model code for regulating driving hours which is considerably stricter than the regulations laid down in most of the States of the United States or in the rulings of the Interstate Commerce Commission. If it is widely applied it will mean a real increase in safety and in the betterment of the working conditions on road transport.

These are examples of the kind of problem with which the I. L. O. deals. Social insurance, women in industry, elimination of child labor, vocational training, industrial hygiene, and more particularly reduction of hours of work, are all subjects that have been continuously dealt with as research projects and in the various meetings during the 20 years of functioning of the I. L. O. These questions, when drafted into the form of recommendations and conventions, have become part of what we now proudly call the International Labor Code. The carrying out of social research, the adoption of conventions and recommendations, and the giving of technical advice and assistance, as well as furnishing information on social problems, constitute the normal peacetime function of the I. L. O.

But, you will ask, what does all this mean now? Can the I. L. O. carry on with several of the major countries engaged in war? The question is difficult and challenging, but it is not a new one. It has already been answered in practice by courage and careful planning. Though the final outbreak of war may have been a shock, it was no surprise to those who have lived and worked in Europe during the last year. Since the Munich crisis, every organization and every

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individual has been prepared and has planned what to do in case war came. The I. L. O. preparations have been on two levels—first, there have been the relatively simple plannings as to what preparatory steps should be taken by the individual members of the staff. In this regard the staff union cooperated with the administrative section of the office in laying down certain simple definite regulations. For example, every individual, ever since early last spring, has been required to keep ready for immediate use two blankets, a supply of gasoline, a certain amount of money, regular supplies of food for 2 days, and, in accordance with a Swiss decree, 2 months' supplies of certain specified foods, such as sugar, which would be forbidden to be sold immediately after the outbreak of war. We did not expect to need these commodities, but in the constant tension of the past year, such precautions were accepted as part of the normal course of life. The second and more difficult level of preparatory planning concerned the general policy of the I. L. O. itself. The part that the I. L. O. can play in seeking to maintain social progress during war and in preparing for peace when it comes has been carefully thought out by the Director, by his Governing Body, and by the member nations—and it formed the subject of a full discussion at the annual conference last year. Mr. John G. Winant, the newly elected American Director of the I. L. O., presented the issue squarely in the foreword to his first annual report, submitted to the conference as a basis for debate. He stated:

> It is not an easy matter to face the realities of the present situation and to continue to function within the limits of a nonpolitical organization, because the tasks we must set ourselves to do are necessarily influenced by the disturbances and confusions in the world in which we live. But I am certain that neither member governments nor nonmember governments would wish to see the I. L. O. used as an agency of foreign policy in the field of politics. On the other hand, in approaching labor and social problems we are forced to face the economic consequences of war and peace. * * * The degree to which opposing policies have compelled universal military preparedness, and the influence that such action has had on the everyday life of people is very much the business of the International Labor Organization. We know that the diversion of a substantial part of the total income of any nation from useful production and services to armaments reduces standards of living. We know these costs are added to each loaf of bread we buy, to every acre of land we cultivate, and to the length of day we labor to earn a living. These costs are the realities under the intangible shadow of war.

He continued, after discussing the similarity between war and the conditions brought by near-war, by showing that even armed peace has some of the same hard consequences. He added:

> The desire to speed up production leads to a prolongation of hours of work, with resulting danger to the health and safety of the workers. The standards set by protective legislation and by collective agreements with regard not only to adult workers but also to young persons are endangered. These developments,

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combined with the tendency for wages and earnings to fall behind prices as a result of inflationary conditions, lead to friction between employers and workers over the whole area of industrial life unless foresight and constructive action prevent. An attempt should be made to anticipate the needs arising from these situations and to outline a basis of international action.

He stated in closing this discussion:

Just as the world economic crisis caused the International Labor Organization to expand its activities to meet demands made upon it, and thereby enlarged its influence and membership, so the present international political crisis calls not for a contraction of activities but for an increasing effort and greater energy.

When the June conference met, it had before it, in addition to the Director's report, a special document entitled "The policy of the I. L. O. in the event of an acute international crisis." I should like to cite certain passages of this document, as it outlines the way in which the greater effort spoken of by the Director should be applied. This document was drafted by a special committee consisting of a limited number of members of the Governing Body, appointed by the Governing Body at its October 1938 session. The Governing Body is the executive organ of the I. L. O. and meets regularly at least four times a year. It is composed of 32 members, 16 representing governments and 8 each representing employers and workers respectively. Of the 16 government members, 8 are appointed by the 8 chief industrial countries and include the United States and Canada, and 8 are elected by the other government members of the annual conference. The 8 employer and 8 worker members are elected as individuals by the employers and workers groups of the conference, meeting separately and privately. Following the September crisis last year, the Governing Body appointed a special committee to consider what should be the work of the Organization in case of crises of war, and to act for the Governing Body in case it should prove impossible to convene a meeting at any time in the future. I believe that at the present time, a meeting of the special committee at the beginning of October may temporarily replace the normal fall meeting of the Governing Body. The committee met during the winter and spring of last year and finally drafted the report from which I am going to quote. It was adopted by the Governing Body and submitted to the conference. The report, after recalling a unanimous decision of the Governing Body that the office should maintain the fullest possible activity that the circumstances permit, states:

The Governing Body had in mind that, even though a war should take on an extensive character, the great majority of the members of the Organization would not, at all events in its early stages, be engaged in hostilities and that therefore so far as they are concerned the Office should maintain its functions and services so far as it might prove practicable.

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The report continues by stating that the neutrals would be entitled to expect the organization to continue its normal services to them, and then adds:

> If a large-scale war should involve a widespread disorganization of economic life, all countries will probably have to face social problems of great gravity. More particularly, war in Europe is likely to produce a sharp intensification of the present tendency toward the industrialization of extra-European countries. * * * Such an intensification of extra-European industrialization will inevitably bring in its train social and labor problems in the solution of which the I. L. O. could play a useful part.

The report then continues:

> The continued participation of as many states as possible in an active I. L. O. would serve to preserve and perhaps to develop the technique and habit of international collaboration which might otherwise be lost and which would appear to furnish the only possible basis on which to build up a solid and enduring peace. Judging from past experience the existence of a state of war would give a new acuteness to labor problems and lead to a great intensification of social legislation, in belligerent countries as well as in those not engaged in hostilities.

The report then goes on to cite the kinds of problems which would have to be dealt with and on which the I. L. O. could be of use, mentioning the problem of the relation between wages and cost of living, and the need to adapt the available information on these matters, problems of labor supply, functions of employment exchanges, development of training institutions, substitution, etc. The problems of fatigue resulting from increased hours of labor and intensification of effort, night work, etc., would also necessarily preoccupy the administrations dealing with labor and social questions. More technical problems would also arise, such as in the sphere of industrial medicine, where the experience of 1914–18 showed that occupational diseases which had previously been unknown as such became of urgent importance, owing to the use for the first time on a large scale of products and processes previously used only on an experimental scale. A similar position is likely to exist as regards safety problems. The vocational rehabilitation of wounded persons would be of first-rate importance, and the importance of the vocational rehabilitation work already undertaken by social-insurance institutions in peacetime would probably lead to their playing a leading role in this connection. Technical questions would arise in connection with contributions, the maintenance of rights, benefits, the relation between social insurance and war pensions, and the methods of adjusting the financial position of insurance funds. The I. L. O. would be the natural agency through which the social-insurance institutions could pool their experience in dealing with these problems.

At the conference many delegates took up the part the I. L. O. could play in the future, some speaking directly to this report or

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to the Director's report, others explaining, in view of the international situation, the difficult position in which they were placed in working for social reform. But all pledged their full support for the continuation of the work of the I. L. O. I should like to quote from the speech by M. Jouhaux, French workers' delegate, who in explaining the reason why he would permit a postponement, for the time being, of reduction of hours of work, for which he had so long led the national and international movement, stated:

The present situation cannot last indefinitely. It is our hope that the firm resolve of the democracies will bring the situation to an end in a renewal of peace, but we must remember that even if a reign of peace is restored, problems will again arise owing to the fact that the peoples of the world will be exhausted. Unemployment will increase on a vast scale in the democratic countries and the social problem will be so acute that it will have to be solved very quickly indeed. The International Labor Organization will at that stage have to take steps to restore the situation. The question of the 40-hour week will come before us again; as such problems did after the world conflict of 1914–18 and we shall have to solve the problem if we are to avoid social chaos.

He concluded:

If the sacrifice that the workers are willing to make now is not understood by the governments, then when peace returns the sacrifice will have proved to be in vain.

This statement was made by M. Jouhaux last June. How well-warranted his fears were regarding the effect of war on working conditions has already been demonstrated in France, for, according to the newspapers 2 days ago, the French Government has increased hours of work to 72 a week. Perhaps the greatest service the I. L. O. can render is to be fully prepared, as its special committee pointed out, to act "as an instrument of cooperation between governments, employers, and employed during the difficult period that is likely to follow immediately upon the termination of hostilities." The I. L. O. is already studying the serious problems of the effect of armament building as well as mobilization upon employment, and the no less serious questions of how to bring about demobilizaton, not only from the armies of warring countries, but also from the wartime industries of neutral nations without too great a dislocation of industry and with the greatest possible regard to social consequences. The I. L. O. must and will continue to function at the present time with no lessening of its activities, and through these activities it will be able really to further the world-wide improvement of standards of living. This meeting here shows that social questions transcend state boundaries; the I. L. O. has demonstrated that social problems recognize neither national frontiers nor national political difficulties. As Mr. Winant pointed out in his report:

The need for such an instrument as the International Labor Organization is no less in 1939 than it was in 1919; in some ways it is even greater. So long

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as the Organization can count on the support of the three elements—governments, employers, and workers—on which it is founded, it will be able to continue its struggle for social justice.

Industrial Hygiene and the Worker's Health

By LEONARD GREENBURG, *New York State Department of Labor*

The matter which I have to discuss this morning is very simple, and I see no reason to present a complex picture of the problem of industrial hygiene as it affects the inspector, the labor department, and the worker. It seems so logical a development in the field of health protection and safety protection that it is amazing that we have not done more about it in labor departments in the United States up to this time.

It is pertinent in this connection to look at the history of the development of factory inspection, because it is quite impossible to expect that one can protect the health of the worker without some organized, administrative, legally supported technique of control; and that is what the inspection division is or should be. These systems of factory inspection, for the most part, took their origin in the protection of child labor and female labor. This, I take it, is an outgrowth of the British Child Labor Acts, which, of course, were the roots from which all protective work in industry subsequently spread. You will recall that the Child Labor Acts were enacted primarily because of the hardships imposed on indentured labor in Great Britain at the beginning, and during the early days, of the industrial revolution.

In the United States, in 1887, factory inspection was conducted in six States—Connecticut, Massachusetts, New Jersey, New York, Ohio, and Wisconsin—and in all there were 19 inspectors. The duties of these inspectors and the duties of the division of inspection were primarily to protect the health of working children and women in industry. In 1887, the Association of Factory Inspectors was organized and from that time onward increasing attention has been given to the problem of the protection of workers against the health hazards of industry. About 1890, woman inspectors began to be attached to various departments of labor; and this, I think, should be borne in mind as an important trend from the social point of view. At the present time, departments of labor are looking after a great many diversified kinds of industries, establishments, persons, processes, and materials. In fact, it is hard to discover any fixed pattern in labor departments' inspection services. For example, you will find that some labor departments do boiler inspection; some inspect elevators, fire escapes, buildings and places of public assembly; others inspect industrial home work, mercantile

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establishments, beauty parlors, employment agencies, lumber camps, and, of course, the great category of factories, which play a major role. Curiously enough, in one or several of the States such inspections include bedding and bedding materials.

An important landmark in this whole field is the famous report of the New York State Factory Investigating Committee, and I think it is important that all of us who have not seen that monumental document study it at the first favorable opportunity. In New York State there were two outstanding fires in 1911. One was the burning of a shirtwaist factory in New York City in which 126 young girls were burned to death; and the other was an overall factory in Binghamton, N. Y., in which I think 30 or 40 persons met their death. These two conflagrations put the New York State Legislature in a mood to do something constructive about working conditions in factories, and in 1911 a now famous committee was formed, known as the New York State Factory Investigating Committee. The labor department we now have in the State of New York is primarily due to this committee and the vision of the persons who served on it. The chairman of the committee was Robert F. Wagner, and the vice chairman, Alfred E. Smith. Members of the committee were Simon Brentano, Mary E. Dreier, and Samuel Gompers, and others. Chief counsel was Abram I. Elkus, assisted by Bernard L. Shientag, who later became Commissioner of Labor in the State of New York. If my recollection serves me correctly, Frances Perkins was an investigator for this committee. So you can see the committee was well fortified with able, outstanding people.

That committee examined the whole question of factories, factory inspection, and factory regulation in the State of New York and rendered a report, from which I should like to quote one or two statements which I believe to be particularly pertinent:

> In this the greatest industrial State of the Union but little attention has been paid to the preservation of the State's most precious asset, the workers within its bounds. Consequently, very little attention has been given to the department which is charged with the responsibility for safe and sanitary working conditions. The principal work of the department consists in the inspection of factories and the enforcement of the statutes relating to the health and safety of employees. To this branch of the department's work the commission has devoted much attention. That the present system of factory inspection in this State is inadequate is the opinion of every witness who appeared before the Committee at public hearings and in executive sessions. This inadequacy of factory inspection is due to the lack of proper statutes and to the lack of sufficient number of inspectors, especially inspectors with scientific and technical training. Inspections of factories are infrequent; some are not inspected as often as once a year. No attention has been paid to the prevention of industrial poisoning and disease or to the supervision of workers employed in dangerous trades. The department of labor has confined its efforts to acting as a police department for the detention and punishment of violations of particular

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provisions of the statutes. It has failed utterly in developing its true function as a department of education for establishing closer and more frequent friendly relations between worker and employer and for enlisting their active cooperation, not only in the enforcement of the law, but in the steady and constant improvement of working conditions.

As a result of these statements and beliefs, the committee went on to make certain recommendations, and I should like to read you one relating to industrial hygiene:

The lack of a staff of trained scientific inspectors has always been a drawback in the enforcement of the labor law. It was not until very recently that a mechanical engineer was appointed who is also an expert on accident prevention. He receives a salary of $3,500.

It then recommends certain provisions for technical staff in the New York State Department of Labor, and says:

There will thus be created within the department an expert group of inspectors with scientific training who will perform the following functions: (1) Make inspections highly technical in character of factories, mercantile establishments, and other places subject to the labor law; (2) Conduct special investigations of industrial processes and conditions with a view to recommending the adoption or modification of standards, rules, and regulations of the industrial law; (3) Prepare material for leaflets and bulletins calling attention to dangers in particular industries and precautions to be taken to avoid them. This division will act as an expert investigating body on the subjects of industrial poisoning and diseases, dangerous trades, prevention of accidents, ventilation, lighting, and have charge of many other problems of sanitation and safety which for their proper solution require the careful, scientific study of experts. To leave such an important matter to the ordinary field inspector as has been done heretofore is a waste of time, of money, and is productive of no results. Neither the manufacturer nor the employee benefited thereby. It should be borne in mind, also, that the necessity for careful supervision is greatest in those very trades and occupations in which conditions are presented that are beyond the comprehension of the ordinary inspector.

It is quite apparent that this group saw the problem which was before the department of labor. They recognized the fact that industry presented very many technical problems which the ordinary inspector could not handle in his routine fashion. It became necessary to set up a trained staff of qualified personnel to deal with these special problems; and today we see a crystallization of these ideas of the famous New York Factory Investigation Committee in the division of industrial hygiene.

What are we trying to accomplish, anyway? What are we after in this whole program of factory inspection? It seems very simple. We are trying to provide the worker with an environment which will not be detrimental to his health, both from the viewpoint of accident and of disease, or both. And, that environment, of course, constitutes the factory building itself, all of the machinery in the building, all of the processes with which the worker is employed, all the mate-

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rials which he uses, and all of the end products which he produces in his daily work. The end product is important, because nontoxic substances may be mixed and result in a toxic end product.

These plants with which we are dealing are not primarily designed for health and safety. They are primarily designed for production. Of course, we see a great many plants and organizations today where those in charge are very well informed on these problems. Some companies have taken these problems to heart and often have done a successful job in protecting the health of the worker.

It is apparent for the control of these particular problems that we must have several tools at hand. In the first place, there must be an adequate labor law. And the labor law must be of such a character that it can keep pace with the technical developments of industry. In other words, it must be a flexible labor law. The members of the New York State Factory Investigating Committee were pretty smart about this also. They understood this part of the problem; and I should like to read you one or two statements they made on this question because I believe they are pertinent and significant. They said:

> The ineffectiveness of the administration of the labor law in the State of New York is due in large measure to defects in the law itself. Many provisions of the law now in force are so imperfect, inadequate, or antiquated as to preclude the possibility of successful administration.

and later on:

> The labor law is framed on what we believe to be a mistaken theory that the requirements for the protection of the health and safety of workers should all be expressed within the four corners of the statute itself.

In other words, as they looked at the statutes in New York State at that time, they realized that the statutes were so drafted that only those things specifically included therein were subject to enforcement by the labor department; anything which was outside of the statutes was not enforceable and not a part of the law governing factories and working conditions.

> They [the statutes] fail to take into account the varying conditions in different industries. In some instances * * * the provisions of law were made so vague and indefinite that their meaning or application could not be determined at all or had to depend on the exercise of an administrative discretion, a one-man discretion so arbitrary in character and so calculated to work injustice that it is either not exercised at all or when exercised became a natural subject of discussion on the part of the courts.

The committee recognized this procedure as fallacious and was of the opinion that the legislature should make broad and general requirements for safety and sanitation, setting forth, where practicable, minimum requirements, and delegating to some responsible authority the power to make more specific and more detailed rules and regula-

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tions. This is the procedure now operative in many States of the Union, and it is very satisfactory. In other words, the legislature sets up the broad powers of the labor law and the labor department; and then somebody, some separate body with quasi-judicial powers, is authorized to promulgate codes. That is how the development and promulgation of codes resides in labor departments. These codes are supposed to govern the conduct of labor in any particular process or part of industry. This is a very essential part of a good labor department. An inspector cannot do a good job if he has a poor labor law or poor codes, and the codes cannot be effective without the aid of an adequate staff of qualified inspectors on the one hand, and a staff of industrial hygiene experts on the other—experts who are trained to render medical, engineering, and chemical service so as to help the inspectors enforce the code. All of these approaches to the problem go together.

This technical division, which is often referred to as the division of industrial hygiene, is such a group of technical persons—physicians, chemists, engineers, and safety experts. They aid the code division draft such codes by supplying the necessary technical information; and they help the inspection division enforce them. Furthermore, they provide the necessary technical service and advice to the inspection division so as to guide them in their efforts to determine whether or not a particular process is dangerous or hazardous. The division of industrial hygiene thus provides a source of information with reference to hazards. You cannot expect the factory inspector to be informed about all industrial hazards because he has a large number of routine inspections to perform. It is not humanly possible for him to be familiar with the great body of literature on industrial hazards; to know about the chemical and the medical aspects of the problems involved; or to understand the engineering techniques required efficiently to control dangerous fumes or gases in factories. All one can hope to do is to have the busy factory inspector do the more routine work, and make available to him such technical data or services as he may require in his work. And this technical group of "industrial hygienists," composing what is called the "division of industrial hygiene" (or, as one of your members expressed it, I believe, at your last annual meeting at Charleston, a "division of health and safety"), should know about the important industrial hazards. The division of industrial hygiene must, among other things, keep in constant contact with the developing literature in this field. If a new substance is developed and it is particularly toxic, there should be somebody in the division of industrial hygiene who is informed and knows about it. This means that there must be a library at hand. It is quite impossible to function along these

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lines without a fairly good and adequate library or without contacts with adequate library material.

The division of industrial hygiene must know about new health hazards as soon as they arise; and, in fact, it must anticipate some of them. It must know and study and learn about the new hazards, because sometimes their use develops rapidly and if one is not on one's toes, they may produce serious damage before you are aware of it. We had an example of this in our State not so long ago. We learned that some of the printing companies in Philadelphia were using benzol in their printing ink and that one man was seriously ill. He later died. We immediately conducted an investigation in this rather new type of fast, high-speed printing work in the city of New York. We examined all of the men employed in the four plants engaged in this type of work, and we learned of some serious cases of poisoning. We have cleared up this whole problem. In addition, we have closed compensation cases for the men who were actually poisoned, not severely, but enough to make them stay away from work for a few weeks; and we have completed an arrangement with the company so that their men are routinely examined at one of the clinics and one of the medical schools of New York twice a year. A publication on that subject has been released.

In addition to knowing about these hazards, it is important and essential to know how to control them. That means that while the medical man on the one hand studies the hazards, with the help of the chemist, who determines the amount of toxic material in the atmosphere, the engineer plays his part in designing exhaust ventilation and other measures for the removal or control of the hazard.

We have made an extensive study of the foundry industry in the State of New York, and we have one engineer who spends his full time on foundries. He does nothing else but go around the State advising foundries what to do and how to do it in order to control their dust problem.

Then the division must deliver this information which it has accumulated to the inspectors of the department, to industry by means of personal contact and written contact, and to the workers through contacts with the labor unions. It is essential for a division of industrial hygiene not to play along with the inspection department alone, but to play along with industry continually and with workers continually in the labor union.

A very important part of the division's work is to aid the inspection division in enforcement. For example, if an inspector believes that a process is hazardous and issues an order and gets the division of industrial hygiene to back him up in that order and say, "We have sampled the atmosphere and find that there is a dangerous amount of dust there," the inspection division then is in a position

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to go to court, if necessary, to enforce its order against the employer. Very frequently it is important to let industry know that the inspection division has such information, and then you rarely have to go to court about it.

The division of industrial hygiene must carry on a continuous program of education. That means that one must speak at meetings and deliver written material to industry at meetings or other times on all pertinent subjects. You must have available publications on the more important industrial hazards and their prevention, so as to be able to deliver this matter over to industry; and actually, if the case makes it necessary, send a personal representative into industry to show them how to do the job.

In addition to these parts in the program, the division of industrial hygiene must play a part in the preparation of new codes. It is important that the labor law be elastic. It is important that codes be prepared from time to time to take care of changing conditions in industry; and in order to have these codes properly prepared, properly drawn and enforceable, it is important to put them on an objective basis so that they may stand up in court if necessary. I might refer to several codes which we have just drafted in New York State. One of these promulgated in May 1937 is a code on rock drilling. We have a few mining operations in New York State (29 at this time), but our most important rock-drilling operations are not mining but in the vast amount of underground work which we have in our State. For instance, at the present time we are building an aqueduct 84 miles long, and 20 to 24 feet in diameter. This aqueduct averages about 600 feet below the surface of the ground, and in one place is 1,500 feet below. The shafts, of which there are about 26 or 28, go down vertically, and from there the tunnels are projected in either direction, approximately, say, north and south or east and west. Some of these headings where the tunneling is done may be 2, 3, or 4 miles from the shaft, and it has been necessary to set up rigid provisions for the control of rock dust, most of which is high in silica in this operation. In the particular code to which I refer we divided the rock into two classes, that containing less than 10 percent of silica, in which case there may be a maximum of 100 million particles present; and that containing more than 10 percent of silica, in which case there may be a maximum amount of 10 million particles present in the air. These are standards which have been arrived at by a medical subcommittee of the department and our division of industrial hygiene. The division of industrial hygiene does all of the technical work, including the actual sampling of the air in these headings, so that it may turn the evidence on dust control over to the inspection division for enforcement.

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In other words, I should like to make this point clear: that the division of industrial hygiene is not an enforcement agency in any sense of the word. All enforcement in the department of labor is, and I believe should be, done by the inspection division, which division is authorized to issue orders and obtain compliance with the labor law. The division of industrial hygiene supplies the technical service and advice to the inspection division. Accordingly, we have delegated one engineer at this time, and we are going soon to put on another, who spends his full time on the Delaware Aqueduct, sampling the atmosphere for toxic gases after the blasting is carried out, testing the ventilation, making dust counts of the atmosphere at the time of drilling, and checking up on the drills which are required according to the provisions of the code.

In addition to the foregoing, the division of industrial hygiene is of considerable aid to the compensation division. This division, in most States handling occupational diseases, finds itself confronted with the question of whether or not causal relation is present; whether or not Mr. John Jones, for example, exposed to a certain substance in a particular factory, developed the occupational disease for which he makes a claim for compensation as a result of his work and contact with this substance. And being a repository of information on occupational diseases and their prevention, the division of industrial hygiene advises the compensation division on causal relation. In New York State, we actually have one physician who sits in with the compensation referee and advises him on these cases. In each case the physician makes a visit to the factory, obtains samples of the materials to which the worker was exposed; and if necessary, the chemists actually sample the atmosphere, bring all the samples back to the chemical laboratory and analyze them. The chemists' report then goes along with the physician's report, and the physician sits alongside the compensation referee and advises him as to what he thinks about causal relation in the particular case as it comes up for hearing.

The division of industrial hygiene assists the appeals board in the adjudication of cases which are contested. Sometimes the factory-inspection division issues an order against a factory, and the company says, "We are going to appeal this order because we do not think we have a hazard." When such an appeal reaches the board of standards and appeals, it sends a letter asking for an investigation of conditions and an opinion as to whether the appeal, in our opinion, should be upheld or granted or reversed.

Finally, I should like to mention direct aid to labor as being a most important function of a division of industrial hygiene. We find in our State that there is an increasing tendency on the part of labor and labor unions to become interested in the field of occupational-

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disease prevention, accident prevention, and to come to the State department of labor for aid. We have had many requests, and we are doing some studies in connection with the labor unions. We continue to get so many requests now from the labor unions that we just cannot keep up with the demand.

This division of industrial hygiene is interesting in another way, and right now I should like, before closing, to digress a moment from the subject in which you are particularly interested to call your attention to one other matter and to caution you about it.

If one looks back at the development of industrial hygiene in the United States, he will notice that at the present time there is a great tendency to develop industrial hygiene in health departments. It is normal to expect people to say, "Well, industrial hygiene, industrial health; industrial health is a health problem and therefore it belongs in the health department." This is a very natural and normal approach, and there may be a good deal of justification for such a view. I think that all of us, in general, keep our minds segregated in compartments, and naturally we would like in general to see labor problems in the labor department and health problems in the health department. But there arises the question as to where the division of industrial hygiene can accomplish work, and this is far more important in my mind that the question of subdivisions of a box-like character in our mind or on paper.

As I view this problem, having been associated with the health work for many years, I feel that it is quite impossible to develop the kind of inspectorial staff nor will you be able to do the kind of preventive work that you should in industry unless you have the aid and support of a hygiene division. Nor do I believe either that any health department—and this is a pretty strong statement—can do a complete job on the control of health hazards in industry without the aid of an inspection staff.

I often draw a parallel between the question we are discussing and the work of health departments in the control of the milk supply. The control of milk supplies in the United States is vested very largely in State and city departments of health. Now, if the governor were to say to the commissioner of health, "You are still in charge of milk control in the State. It is your duty to see that nothing but pure milk comes into the State of New York, but from this day forth you are not going to have any inspectors to help you do it," any sane commissioner of health would immediately put himself on record as refusing to undertake the job. For, without inspectors, he would not want to assume the responsibility should an epidemic break out. A division of industrial hygiene in a health department which is attempting to protect the health of factory

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workers without a staff of inspectors presents an entirely analogous situation. It is impossible to control factory conditions and impossible to protect health and safety in factories without an adequate number of inspectors, and without the necessary legal authority. Such legal authority is, as a matter of fact, now vested in labor departments, and not in health departments.

So, for these reasons, if you are in accord with the things I have been saying, you should make every effort to build up staffs of industrial hygienists, trained experts, in your labor departments to help you with these problems. To begin with, you will need one physician, one chemist, and one engineer. With a staff of three trained men of this type you can do a great deal to control industrial hazards. At the present time there are about 30 of these divisions of industrial hygiene in health departments, not all, but practically all, of which are supported by Social Security money under section 6 of the present Social Security Act. There are only three or four labor departments in the United States which have divisions of industrial hygiene. The logic of the situation would seem to make it incumbent upon us all to make every effort to get the Federal Government to support industrial hygiene in labor departments, where such work can be more efficiently carried out than elsewhere for reasons already pointed out.

In closing, I should like to summarize by saying that preventive work cannot be accomplished without legal and administrative authority and support; that the labor law cannot be enforced, and health and safety for workers cannot be achieved, without an adequate staff of trained factory inspectors; that health and safety cannot be guarded and protected without an adequate technical service which is known generally as "industrial hygiene," or "health and safety service," or "occupational hygiene," as they call it in Massachusetts, staffed by physicians, engineers, and chemists; that the complex nature of the industrial processes, machinery, and materials makes it imperative that these technical services be present as an important arm of prevention; and, finally, that these technical services be closely integrated with, and work in the closest possible cooperation with, all other divisions of the department of labor in the formulation and enforcement of codes, in the adjudication of compensation claims for occupational diseases, and in its many other activities directed toward the maintenance of safe working conditions in factories and the protection of the health of the workers. Considered in terms of functionally sound administrative principles, industrial hygiene very clearly, in my opinion, belongs in labor departments, where the necessary legal authority and facilities for enforcement now reside.

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Exhaust Ventilation in Industry

By Leslie C. Stokes, *Illinois Department of Labor*

Local exhaust ventilation is employed extensively in industry for the removal, at the point of generation, of toxic, explosive, or otherwise harmful concentrations of dust, fumes, mists, vapors, and gases. Industrial processes differ markedly, however, in their characteristics with respect to the application of exhaust ventilation, and it is not possible to prepare one set of specifications and regulations which will suffice for the successful design and operation of every exhaust system. Each process constitutes an independent problem. There are, however, certain fundamental requirements common to all exhaust systems which should serve as the basis of design in every case.

It has not been general practice in the past to test new exhaust systems to determine the degree of control effected nor have such systems been described in terms of basic engineering specifications. Since most of the existing State codes require only the development of a definite amount of static suction, it has been enough simply to check this value. The considerable experience gained in the design of exhaust systems has not been evaluated and systematized and made generally available to designing engineers. Personal experience still remains the principal guide to design.

Hazardous operations should be segregated, so far as is practicable, from nonhazardous work. In certain industries in which most of the processes produce harmful concentrations of polluting material, it is best to isolate the safe operations in a separate building or room.

Hazardous operations should be housed in buildings suitably adapted to the purpose.

Generators, tanks, and other equipment in which toxic and explosive gases and volatile liquids are handled should not be housed in cellars or pits. Enclosed structures require, in addition to adequate ventilation for normal operation, means for generous ventilation in emergencies, such as quick-opening doors and windows. It is sometimes preferable to locate equipment in the open or cover only with a roof. Tanks containing different gases or liquids which combine to produce dangerous compounds should be safely separated.

Processes to be connected to an exhaust system should be located close together and arranged symmetrically about a center. Such an arrangement permits the use of short lengths of pipe, with the least number of bends, and insures proper proportioning of air flow from the various hoods.

Processes generating different kinds of dusts, fumes, or vapors must never be connected to the same exhaust system when the mixture results in the formation of toxic, flammable, or explosive compounds.

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It is undesirable to connect to the same exhaust system processes whose requirements, with respect to the velocities required for the transportation of the different materials collected, differ widely or where there is a wide difference in the initial resistance of the pieces of equipment being exhausted. If such combinations must be made, the higher velocities and static suction values should control the selection of fan and motor, and determine duct sizes.

Equipment to be connected to an exhaust system should be arranged: 1. To permit the locating of exhaust ducts so as not to interfere with the operation of cranes, elevators, trucks, etc.; 2. To allow ready accessibility to the ducts for inspection, cleaning, and repairs; and 3. To provide maximum protection of the ducts against damage from outside and to prevent condensation within the ducts.

When it is necessary to carry exhaust ducts through fire walls, automatic dampers as recommended by the National Fire Protection Association should be provided in the ducts. In certain industries similar restrictions are applicable to the passage of ducts through floors.

Scattered processes and equipment which is operated only infrequently are often protected most economically by means of separate exhaust apparatus connected to each machine. Such individual equipment should conform in every essential respect to the requirements which apply to multiple exhaust systems. Storage tanks, etc., which may contain dangerous dusts, fumes, vapors, or gases should be adequately ventilated before entering. Portable exhaust fan units are employed for this purpose.

Air-cleaning equipment should be located so as to permit the removal of dust or other collected material from the apparatus without creating a hazard and to allow for cleaning and repairing the apparatus without recontaminating the general plant air. Workers engaged in cleaning or repairing air-cleaning equipment should be protected by means of approved respirators or masks.

Provision must be made for the entrance of clean air into the room or building to replace that removed by the exhaust system. Three conditions must be maintained:

(1) Inlets must be so arranged and located that the workers are not subjected to drafts of air having a temperature more than 10° F. below the general room temperature.

(2) In any room the static pressure must not be lower than in an adjoining room from which contaminated air may flow.

(3) Inlet velocities must not be high enough to cause undesirable air motion near hooded processes and the influence of outside wind pressure must not be great enough to disturb the orderly flow of air into the building and out through the exhaust system.

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Many obnoxious or dangerous fumes are produced through industrial or chemical processes. Fumes may be harmful, obnoxious, pungent, corrosive, or poisonous, depending upon their source. Therefore, the method of their removal should be largely governed by their nature. As in the case of vapors and dust, collection should be made as close to their source as practicable to prevent their escape into the working area or room.

Overhead hoods are used for the removal of smoke, gases, vapors, and fumes, in many different fields of application. In general, hoods of this type should be confined to cases where the extracted smoke or fume-laden air has a natural tendency to rise. Vapors which are considerably heavier than air should be removed through floor gratings, or through side-wall openings at the floor level. Upward exhaust is suitable for forge fires, paper-drying machines, kettles and vats containing hot liquids, drying apparatus in textile factories, and other similar work.

In many instances the natural upward movement of the smoke or vapor is not very rapid, and in consequence horizontal drafts or air movements are apt to deflect the ascending gas beyond the confines of the overhead hood. In some cases this can be avoided by enclosing the forge fire, vat, or kettle on three sides, leaving no more of an opening on the fourth side than necessary, which will eliminate the effect of cross-currents of air. Even if there is no horizontal air movement, the ascending smoke or vapor will diffuse or spread as it rises and therefore the superimposed hood must be considerably larger than the source of smoke or vapor. A point of importance is to provide an exhaust duct of proper size for the hood to which it is connected.

When sources of smoke and vapors cannot be entirely or partially enclosed, it is sometimes feasible to install hinged plates or aprons on three sides of an overhead hood or canopy. These aprons are of value in localizing the ascending fumes and preventing diffusion due to horizontal air movements. When conditions permit, hoods for certain classes of work can be hinged horizontally at one side. Hinged aprons can be swung up out of the way when necessary. In other instances entire hoods are suspended and counterbalanced, so that normally they will be close to the source of fume or vapor, but they can be raised well out of the way when desired. Hoods of the two last-mentioned types are frequently applied to tanks containing hot liquids.

It should be realized that the greater the distance between the source of the gases or smoke to be withdrawn and the collecting hood, the greater will be the diffusion. Increased diffusion necessitates the extraction of an increased amount of mixed gases and air, which in turn calls for larger hoods, ducts, and fans and increased operat-

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ing expense. On the other hand, hoods cannot be so closely applied as to interfere with operations.

Some gases are heavier than air, so that in still atmosphere they readily settle to the lowest points they can reach. For this reason it is desirable to take off gasoline fumes at the floor level unless they can be diffused and disposed of by copious general room ventilation.

In dealing with explosive fumes, the basic principle is to obtain sufficient air dilution to prevent unsafe concentration, or the forming of an explosive mixture. Such gases should be removed as nearly as possible at their points of origin. It is good practice to provide extended shafts for fans which handle air mixed with combustible gases, and in this way locate the driving motors outside dividing walls or partitions. Motors should not be placed in rooms containing flammable vapors unless they are of the explosion-proof type. In some cases it is desirable to equip fans with nonferrous inlet rings, and sometimes it is necessary for fans to be entirely constructed of nonferrous materials. All metal parts should be electrically grounded. All ducts used for mixtures of combustible gases and air should be of metal or other fireproof construction.

In the process of chromium electroplating, large amounts of obnoxious and dangerous fumes are produced. Hydrogen is given off by the cathode and oxygen by the anode. The bubbles of these gases bursting at the surface of the chromic-acid solution diffuse chromic acid in the form of spray particles into the atmosphere. The fumes, when breathed for considerable periods, cause bleeding of the nose and ulceration of the nasal passages.

Overhead hoods are not suitable because the fumes are heavy and the tank area must be readily accessible. Horizontal fume removal is therefore used.

It is customary to place collecting ducts having slots along the edges of the tank on two sides and join them at one end. Slots should be of the tapered type so as to produce uniform air flow across the liquid surface.

Velocity of air through slots and volume of air exhausted per minute depend on size of tank and air diffusion in vicinity of tank.

Since the liquid solution is heated in many tanks, vapors as well as fumes are exhausted. This makes it desirable to provide traps for condensed vapors at low points in the exhaust system.

All ducts should be of black iron liberally coated with asphaltum or resistant paint because galvanized iron is attacked by the vapors.

It is sometimes necessary to use the ejector system of fume removal. Typical cases are where fume temperature is too high to allow application of a standard fan; where an air and fume mixture might reach an explosive concentration; where fumes might be highly acid or corrosive; or where substances carried in suspension in the air stream

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might collect on the fan wheel. In this system, a fan discharges an air blast into the duct or flue handling the fumes, thus inducing flow. No fumes pass through the fan.

The ejector system of fume removal involves high operating cost on account of the low efficiency of the device in which the primary (fan) and secondary (fume) air currents are merged. On the other hand, as standard fans can be used to inject the air blasts the first cost is low. In many cases it is best to use special fans for handling the fumes in preference to using the ejector system. Fans can be made of various steel alloys, copper Monel metal, or they can be made of regular metals and be given protective coatings of lead or rubber. While such fans are comparatively expensive, their use is warranted in many instances on account of the annual saving in operating cost.

The collection and removal of dust is necessary in almost every industry for sanitary and hygienic reasons. Depending upon the nature of the material being collected, the system may involve the use of enclosing hoods, open hoods, inward air leakage or general-room ventilation. Hoods should be used where possible to enclose the source of dust to prevent escape of dust into the room.

Enclosing hoods are used on buffing and grinding wheel exhaust systems and on some woodworking machines. Open hoods are used on some woodworking machines, rubber mills, crushers, and sandblast machines. Inward air leakage is used on tumbling barrels, and some types of grinding and screening operations are isolated in a separate room. Such jobs are handled by providing a rapid air change through an exhaust from the room.

Hood systems and inward air leakage systems involve the correct selection of suction pressure, air velocities. branch connections, main ducts, separators or collectors, and fans.

It is obvious that a hood or enclosure must not interfere with the efficiency of the workman or process. By conferring with those in charge of the machines or processes involved, it is usually an easy matter to determine the proper design of hood so as not to interfere with the work.

Building of Safe Machinery

By R. P. BLAKE, *Division of Labor Standards, United States Department of Labor*

I was invited to come here to talk to you about the building of safe machinery; that is, of getting the manufacturers of various types of machines to design them for the maximum in safety and guard them before offering them for installation and sale.

During 1937 the American Society of Safety Engineers, which is the engineering section of the National Safety Council, formed a committee, of which I was made chairman, to study the subject of safe-

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guarding machinery at its source and to try to do something about it. We have to date spent most of our effort on study of the problems involved. It is a very big subject and has so many ramifications that our survey is by no means complete, but at least we know enough about it now so that we think we see quite clearly the important outlines of the picture and the lines along which progress can be expected.

The first thing I want to mention is the fact that already many machines, as, for instance, laundry machinery, dough mixers, food grinders, paper cutters, abrasive wheels, and some others, are available which are well guarded by their manufacturers. But the machines that are most important in the production of serious accidents—in other words, the common, familiar, woodworking and metalworking machines—are almost without exception guarded only as an afterthought. They are sold on a competitive-price basis and, as a rule, the idea of guarding them does not appear to occur to the great majority of purchasers until after they are installed. The result is that in most cases these machines, if guarded at all, are guarded more or less grudgingly or unwillingly. This does not make for safety. In most cases the guard is applied only when some inspector requires it or when someone has been hurt. That is a pretty strong statement. I realize that in making it I am indicting a lot of employers, but unless my experience is seriously misleading, the indictment is fully justified. As you probably know, the majority of the larger employers in this country are doing a fine safety job. You will find most of them paying careful attention to machinery safety. Most small employers are not. According to the 1935 Census of Manufacturers, roughly one-third of our employees in the manufacturing industries are in plants employing between 100 and 500 each; one-third in plants employing 500 and up; and one-third in plants employing less than 100 each. This census also shows that only 1.3 percent of these firms employ over 500 persons each, and 92 percent employ 100 or less each.

Effective safety work must rest on a foundation of safety-mindedness. The larger employers have mostly become safety-minded. The smaller employers generally have not. There are so many of them that to carry the gospel of safety to them is a selling job of tremendous magnitude. The arguments and factual considerations that have caused the larger employers to become safety-minded have not as yet reached most of this multitude of small employers. Progress is being made but it is slow. In the meantime, we have this condition of unsatisfactory afterthought guarding, and the question is, What can be done about it?

After our committee had developed its study enough to size the situation up, we went to representative manufacturers of machines of this sort to determine their attitude. Almost without exception those whom we approached were favorable to going along on any

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reasonable program. They realize the situation and seem not unwilling to aid in correcting it but say they are prevented by two conditions. First, they will tell you it is a matter of consumer demand. The non-safety-minded buyer is not willing to pay the extra cost necessary for fully safeguarded machinery. They buy machines that will give them the performance they want at the lowest possible price. Second, and from our standpoint here today I think more important, is the fact that the written codes of the various States and the approval and acceptance practices of the various inspection departments of the States have grown up each in its own State without much effort to coordinate, and they are, therefore, full of conflicts. They are so full of conflicts of one sort or another, in fact, that the manufacturer of, for instance, a circular woodsaw—which is our commonest finger cutter off—cannot so guard it so that it can be sold in every State with that same guard.

You are probably all familiar with the statement that 15 percent of all accidents are due to machine causes and 85 percent to human causes. We did not accept that statement. We proceeded to dig into figures to find out the exact facts. That statement is seriously misleading. It is true that if you examine the compensation reports of an industrial State, you will find about 10 percent or 20 percent of the compensated accidents are assigned to mechanical causes and about 80 percent to 90 percent are assigned to human causes. But when you go to investigating the individual accidents, what do you find? And common sense should have given us this answer. We find that nearly every accidental injury has both a physical hazard (which usually could be reduced or eliminated) and a human fault. In other words, the preventable hazard was there and yielded its injury where the human fault occurred. If we could get workers who would never fail to do all that they should do and would never do anything they should not do, there would be no accidents and no need of safeguarding machinery. If you will go to any of the establishments where a fine safety job is being done—such firms as Pittsburgh Plate Glass, United States Steel, National Cash Register, Dupont (there are instances throughout all industry)—you will find that they have achieved their fine degree of elimination of accidents by searching for every possible physical hazard and eliminating it, or, if that is not possible, by reducing it to the maximum degree practicable; then, on top of that, they do everything they can by training and supervision and selection and care to eliminate the human fault. In the manufacturing industries, which is where the bulk of these point-of-operation machines are used, we find in looking over the 5-year record of a typical industrial State that roughly 30 percent of all compensated injuries were on machinery. So that while the 15 percent ratio might be true for a whole State, it is emphati-

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cally not true for the manufacturing industry. When it comes down again to this particular State which I have just mentioned, the circular saw produces more injuries than all the other machines commonly used in woodworking, and the power press produces a similar percentage of the accidents in the metalworking industry. Furthermore, over 50 percent of all the injuries charged to circular saws, jointers, wood shapers, power presses, and metal shears were permanent disabilities. You see the seriousness of the picture.

One more thing I want to mention is this fact, that those of us who are accustomed to visiting during the year a large number of establishments of all sizes cannot help but be struck by the fact that in the case of non-safety-minded management (again chiefly small employers), the standard of the safeguards that it is possible to get, even in the States which have alert, progressive inspection departments, is not high. They are largely make-shift afterthoughts, and they show it. Their effectiveness is small. Part of that is due to the fact that you cannot guard those machines, as a rule, as effectively after they are built and installed as the manufacturer of the machine can guard them when his guard and his machine design are considered together. For instance, it is impossible, after the saw table is built, to guard the ordinary table saw effectively in some of its most dangerous operations. The guard and the spreader must be so arranged, so carried, on a carriage with the saw itself, that they will retain their relative position for all positions of the saw. After the saw table has been built, you cannot put that kind of an arrangement on it. It is not possible, afterwards, to guard it as it should be guarded.

What we are trying to do, what we think is necessary, are two things. We are asking this association to go on record as wanting and undertaking to get some system set up whereby the conflicts, not only in the written codes of the various States and governmental agencies, but also in practice and in the procedure of acceptance, will be ironed out and we will be able to say to any manufacturer, "All right. You go ahead and design this circular saw, offer it for sale with an effective guard, and it will be as salable in Maine as in New York or in Pennsylvania as in California." That has to be done.

The second thing that has to be done is for State inspection departments and agencies to undertake a program of promoting the idea of the purchaser ordering the maximum safety in his machine when he orders it. We have a very important sales argument there. We asked manufacturers of specific machines what they would have to add for the built-in guarding of a standard, properly designed, and fully safeguarded machine. Upon comparing their estimates with the actual cost of installing reasonably effective guards on them after-

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wards, we found that the cost of such after-guarding would not be less than that of preguarding and would often run from two to four times as much. After-guarding as actually applied is often quite inexpensive but it is also very often quite ineffective.

In closing, I want to say that the committee of the American Society of Safety Engineers wants to help in any way it can to improve this condition. It offers its services in any way. It will work with any plan that is feasible. And the Division of Labor Standards of the United States Department of Labor will be happy similarly to cooperate in any way within its power. It might, for instance, serve as a clearing house on code information. It will be necessary, of course, for all the various State labor agencies to feed the information in of what they have done and what they propose to do, and it will be necessary for us from time to time to get such material out so that all may be guided by it and avoid conflicts. Where it is necessary to resolve differences of opinion, some form of meetings will have to be arranged in order to reach a practical middle ground where all can go along.

Industrial Hygiene in Factory Inspection

By CLYDE MCCLURE, *Illinois Department of Labor*

In the following brief consideration of the part played by industrial hygiene in factory inspection, the viewpoint is that of Illinois practice under the direction of Martin P. Durkin, director of the department of labor of that State.

Factory inspection, for our present purpose, is limited to inspections having to do with the health and safety of workers employed in industrial establishments, which, in Illinois, is largely a matter of routine carried on by the 52 inspectors assigned to the inspection districts into which the State is divided. The contact between industrial hygiene and factory inspection is made through the cooperation and close working association of the industrial hygiene unit in the division of factory inspection with the district factory inspectors.

Surveys and studies conducted in industrial establishments by the industrial hygiene unit, composed of physician, engineers, and chemists, establishes a working basis for the application of the science of hygiene to the environment of the industrial worker. In other words, it serves as a medium through which scientific data may be converted into a practical working tool for the district inspector in the field.

Industrial hygiene may be defined as the science of health, its preservation, and the laws of sanitation as applied to industrial establishments. It is a broad subject, involving the sciences—pathology, toxicology, chemistry, and physics—the chemical and ventilating branches of engineering, and the legal aspects of regulation and

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enforcement. Any activity that calls for the combined services of the administrator, the physician, the engineer, the lawyer, and the chemist can hardly escape an aspect of mystery. As a result, it seems that industrial hygiene is apt to be considered as something related to, but hardly a part of, routine factory inspection. This impression should not be allowed to grow, for it seriously limits the use of an instrumentality of great importance in safeguarding the health and safety of those employed in factory and mill. As safety engineering provides the basis of inspection for mechanical hazards which may lead to accidental injury, industrial hygiene provides the basis of inspection for the hazards, chemical for the most part, that may result in occupational disease.

Industrial hygiene has to do with excessive temperatures, humidity and pressures, fatigue, inadequate lighting and ventilation of work spaces, insufficient provision for the personal hygiene of workers, and the degree of cleanliness, or lack thereof, in the place of employment; and, in addition, that most important and least obvious problem of possible exposure to toxic or deleterious substances, mostly chemicals or chemical compounds, associated with so many processes in present-day industry. Applied science is constantly pushing into industrial use chemicals and chemical compounds, many of which have heretofore been known only to the chemist, and all too frequently a large part of which have not been subjected to physiological test, thus complicating the problem of occupational disease.

Factory inspection is carried on to detect and eliminate conditions detrimental to the health, and safety of the workers during the course of their employment in industrial establishments. Whether one is injured, permanently disabled, or killed because of violent contact with parts of machinery or is the victim of the same unfortunate circumstances through exposure to toxic substances, the ultimate result is the same. Lost time, reduced income, impaired efficiency and consequent reduced earning power, complete disability, and death may as readily be the tragic consequence of exposure to toxic substances as the result of violent accident due to defective or unguarded machinery.

To detect possible exposure of workers to any potential health or safety hazard, whether mechanical or chemical, and to secure proper safeguards against such exposure is the business of the factory inspector, and by factory inspector I mean the district inspector who covers an assigned territory. Few of these men are trained chemists and it is not necessary that they have such training to make an industrial hygiene inspection. They have been trained, however, to observe closely the environment of the worker and the tools with which he works. The same observation applied to processes with

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which are associated dust, vapors, or odors, or which involve contact of the skin of the worker with unknown liquids, leads to inquiry as to the nature of the process and the materials associated with it. Many processes are well known to all inspectors, who also possess a working knowledge of the effects of exposure to a number of the substances which by nature are potential occupational-disease hazards. The method of guarding against exposure to some of these is also as well known as the more common methods of guarding machinery.

Industrial-hygiene studies have shown that certain occupations are definitely associated with occupational-disease hazards. Buffing and grinding, the shake-out and milling in foundry work, the cutting of granite with air-driven tools, and sandblasting are sources of silica dust exposure and the hazard of silicosis. The manufacture of lead storage batteries, the melting and casting of lead and its alloys, the making of lead-base paint pigments, involve exposure of the workers to lead-bearing dust and the danger of lead poisoning. These facts are known to all inspectors, as are the means of guarding against exposure. When the inspector uses this knowledge in the course of his work, he functions as an industrial hygienist and industrial hygiene becomes a practical part of factory inspection.

The factory inspector is not expected to evaluate the effect of any suspected occupational-disease hazard upon exposed workers, nor, on the other hand, is he expected to design guards for machinery. He can, however, note the use of chemicals, and in this connection this term includes such substances as paints and lacquers, glazes, silica, lead, solvents, and in fact, any liquid, solid, or vapor which is a part of any industrial process, either as a raw material, a finished product, or as incidental to a process of manufacture. His report of an inspection may refer to headquarters questions of suitable guarding of intricate mechanical processes or the possible harmful effects of exposure to substances with which he is not familiar. Such problems then become the business of those who because of training, experience, and the possession of special facilities are in position to deal adequately with the more obscure problems.

Without going into the qualifications of factory inspectors, it may be noted that the inspector with a well-developed and intelligent bump of curiosity will function best, other things being equal, as an industrial hygiene inspector. It is not necessary that he know anything of chemistry, pathology, or toxicology, nor even be able to pronounce the scientific jargon of these sciences. A properly developed curiosity will lead to questions such as: What is this material? Where do you get it? What is in it?—and to noting how materials are used, the process, the presence of dust, vapors, or odors. In some cases he will take samples of materials and forward them to headquarters with a report of his observations. He has then made an industrial-

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hygiene inspection. The evaluation of the potential hazards involved, if any, and the recommendations for control are then the business of the engineers, doctors, and chemists of the division of industrial hygiene.

Many scientific and technical studies in industrial hygiene have been conducted in recent years and much has been learned. The knowledge thus gained has been published for the most part in scientific and technical literature. As this information is made available for the use of the factory inspector and its application becomes a part of factory inspection, it serves as an important instrument in the protection of the industrial worker from the ever-increasing hazards of modern industry.

Discussion

Mr. MURPHY (Oklahoma). I want to add my hearty approval to what Mr. Blake has just said about what the Division of Labor Standards in Washington is doing along this line. Under the direction of Mr. V. A. Zimmer, it is doing a real, practical piece of work. It is not everybody who understands the practical end of mechanical or any other kind of safety. You can install safety devices on any kind of a machine, but you have to do it so you do not interfere with the operation of the machine. You think you have recommended something that will serve the purpose, and when it is installed the operator of that machine hates you and the equipment too. But if it is properly installed, it does not interfere with the operation of the machine. It adds to efficiency and increases production.

The best lesson I had in safety—and that is one of the most important things I was ever engaged in, accident prevention work, the preservation of human life and limb—was when I was a factory inspector several years ago. I was attending a meeting of the National Safety Congress in Cleveland, Ohio. The mechanical safety equipment people had their exhibits in the armory there, and they had plenty of them too. I went over there. There was a little woman there who was telling the fellows in charge of a machine: "Don't ship this machine into my State until you do this and do that. It is not this; it is not that. Now, if you will do this and you will do that, it will be all right." She attracted my attention. I said, "Who is that little lady there who is so interested in this stuff?" And one of the boys said, "Why, that is Miss Perkins, factory inspector in the Department of Labor of New York." I followed that little woman along, and she never saw me or anybody else. Finally, when she got through, got to where she could stop, I introduced myself. I

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told her that she had attracted my attention and that I had learned more in that hour that I had been following her than I had in the year that I had been with the department of labor.

If you think that Madam Perkins cannot inspect one of these industrial plants and issue orders that will safeguard that machinery, you are wrong, because she knows that little game of accident prevention from a practical standpoint. Mr. Zimmer is doing a wonderful work in the Division of Labor Standards. As I said a while ago, it is practical; that is why I admire it. My factory inspectors follow that system all the way through. I think there is nothing that is more interesting than that work. The very fact that in one plant you eliminate some hazard that in some other plant has cost somebody his life or a limb gives you satisfaction, whether you get credit for it or not.

Mr. MARTINEZ (Puerto Rico). This is a problem which has been of vital interest to me for many years because of the large number of accidents that have been registered in Puerto Rico. Of course, ours is mainly an agricultural country, and most of the accidents that occur in the island occur in farming. Cane cutters, for example, have about 35 to 40 percent of the accidents, and the number of accidents last year was a little over 54,000. I feel that we have made a little progress this year by passing an industrial safety law. Act No. 112, passed May 5, 1939, creates a board of industrial safety for the purpose of preventing labor accidents in industry, determines its duties and functions, authorizes said board to prescribe industrial safety rules, charges the commissioner of labor with enforcing such safety rules as may be approved pursuant to the act, etc.

Last year a law was passed by the legislature of Puerto Rico dealing with the prevention of accidents which come under the jurisdiction of the superintendent of insurance. We are satisfied that this special law will help in the prevention of accidents.

It is my feeling that in Puerto Rico it is a question of education more than law, because we have found from experience that we have to teach the workers how to prevent accidents. In many places where guards are provided for their protection they put these guards aside and say that it is easier for them to work without them. We have had no law up to this time under which we can tackle this problem, but we have been doing some research work in 43 sugar mills and other modern factories, and we are satisfied that nearly $50,000 was spent last year in different safety devices for the prevention of these accidents.

I want to bring you some information as to the organization chart of our department as of July 1, 1939. We have these different services comprising the office of the commissioner of labor: The insular

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board of labor relations; the board of industrial safety, recently created by the law previously mentioned; the board of examiners of social workers; the mediation and conciliation commission; the industrial commission; the secretary and chief clerk; the homestead service; wage protection and claim bureau; the division of inspection, investigation, and diffusion of labor laws; the division of accounts, property, and statistics; the division of economic social research and investigation; the bureau of women and children in industry; and the employment service.

The division of economic social research and investigation has been our agency in charge of education as to industrial safety and industrial hygiene, and I think we have been doing a splendid work in the prevention of accidents. We are now trying to devise some guard for the protection of the people employed in the cutting of cane, and we would like to have suggestions or advice as to the best method of protecting these workers. This law gives us sufficient authority to dictate rules and regulations which have the force of law. Most of these accidents that occur to cane cutters cause damage or hurt in the left hand. I have been devising some sort of a half-glove of skin protected with flexible steel bars which they may strike without causing injury to the hand. We would like to know if any of you have thought about this proposition or have any information that we might use for the prevention of accidents in the sugar industry. I should like to read from this bulletin [1] a discussion of this act.

The passage of Act No. 112, approved May 3, 1939, should be a good reason for sincere satisfaction among the working and socially minded people of Puerto Rico. This statute creates a board of industrial safety for preventing labor accidents. This board shall be composed of five members—the commissioner of labor, who shall preside over it, the commissioner of the interior, the commissioner of health, the attorney general, and the manager of the State insurance fund. It will operate annexed to the department of labor, and will hold regular sessions during the last week of each month.

The powers and duties of the board of industrial safety, as fixed by Act 112, are as follows:

1. To investigate, ascertain, declare, and prescribe what safety devices or systems, safeguards, and other means or methods of protection are best adapted to protect the life and health of laborers or employees; to protect the welfare of laborers or employees in all employments or places of employment, and to protect the welfare of laborers or employees as required by law or by rules having force of law.

2. To ascertain and fix such reasonable standards, and to make, amend, and enforce such reasonable rules, as uniform as possible, for the adoption of safety devices, safeguards, and other means and methods of protection, as may be necessary to carry out all laws and rules having force of law, relating to the protection of the life, health, safety, and welfare of laborers or employees.

[1] Puerto Rico Labor News, May–June 1939.

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3. To ascertain, fix, and direct such reasonable standards and rules for the construction, repair, care, and maintenance of places of employment, as shall render them safe.

Pursuant to section 7 of Act 112 the board of industrial safety is authorized to make drafts for rules on industrial safety after advising itself with employers, laborers, technical experts, and other interested persons or groups as it may determine. These rules shall be published in the daily press, with specification of the date fixed for the holding of public hearings for the purpose of discussing, and if necessary amending them.

All rules, once approved by the board, shall become effective 30 days after their promulgation and publication in the most reasonable manner that the board may prescribe. Special rules shall take effect as therein directed.

The commissioner of labor is authorized to put into effect and see to the faithful enforcement of all rules, being empowered to use such personnel of his department as he may consider necessary to comply with the provisions of the act.

If there shall be practical difficulties or unnecessary hardship in carrying out a rule promulgated by the board, this body may, after public hearing, make changes therein, provided the spirit of the rule and the law is upheld. Any party affected by a rule may petition the commissioner of labor to propose changes, stating his reasons therefor. The commissioner shall fix a date for hearing of such petition.

The enactment of the law already summarized marks the joining of Puerto Rico to the humane and constructive crusade of diminishing, through the best way known, the occupational diseases and accidents which bring so much suffering and affliction to the homes of our working-class population.

The necessity of affording the workers adequate protection against industrial hazards and risks first manifested itself, partly as a humanitarian movement, shortly after the middle of the nineteenth century. In 1867, an Alsatian employer known as Dollfus organized a society for the prevention of accidents. His example extended rapidly and by the end of the century there were some 25 accident-prevention associations operating in the factory enterprises of the continent. The social legislation, embodying industrial safety measures passed by the European nations, particularly Germany and Great Britain, notably contributed to the development of said movement.

In the United States work risks began to receive positive attention during the first decade of the current century, even though several States had legislation of this kind prior to that time. To those who have studied the social history of North America it is well known that by those days American industry was generally regarded as the least humane. This circumstance accounted for the fact that the industrial-safety movement, once initiated, developed surprisingly successfully, to the point that during the last three decades it has placed itself among the most advanced and efficient in the whole world.

At present, the United States industrial-safety movement has reached what has been called the fifth stage of its evolution, i. e., that related with the formulation of legally enforceable rules and codes aimed at diminishing labor risks.

In most countries and States rule and code making in labor legislation has been delegated to departments dealing with social matters. In the United States more than 30 States have explicitly empowered labor officials to issue administrative regulations with force of law, and by 1935 a total of 20 States had delegated broad administrative rule-making power in industrial-safety legislation to labor departments and other similar executive agencies.

It is a general and undeniable fact that industrial-safety rules and codes are of imperative necessity for reducing to a minimum occupational hazards and

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accidents. Engineers specialized in this subject assert that it is possible to eliminate up to 98 percent of the labor accidents, and this at a very small expense to industry.

For reason of occupational accidents, during 1937 some 17,000 workers lost their lives in the United States; another 112,000 became permanently disabled by the impairment of use or loss of such members of the body as arms, legs, fingers, and eyes, and nearly 1,500,000 were disabled beyond the day of the accident. In terms of money this meant a loss of income by such wage earners of approximately $275,000,000.

In Puerto Rico there occur around 50,000 labor accidents every year. During the fiscal year which ended in June 1937 the figure rose to 54,964, which represents an increase of 2,966 over the previous year. Out of that total of 54,964 labor accidents, 28,000 caused temporary disability, 1,177 caused permanent disability, and 94 caused death. Sixty percent of all the injuries and fatalities with which our working classes contribute to the creation of wealth in Puerto Rico occur within the sugar industry. The year ended June 30, 1936, recorded 30,000 labor accidents in the sugar industry of Puerto Rico, which employs more than 110,000 people.

We feel confident that with the means provided by Act No. 112, and with the hearty cooperation of labor and industry, encouraging results will be obtained in the praiseworthy task of diminishing industrial accidents.

This division of ours is in charge of a very competent industrial safety engineer. He is a Puerto Rican and very capable. There is on his staff a chemical engineer. We have our laboratory. We have a physician. We have a civil engineer who takes care of the scaffolding and other things relating to construction. We are doing our share, and we would be very happy for suggestions from you as to the prevention of accidents in the cutting of cane in the sugar industry.

Mr. WILCOX (Washington, D. C.). I should like to congratulate Mr. Martinez on the experiments that Puerto Rico is making in pushing safety measures and workmen's compensation into the agricultural field. I believe that Puerto Rico is doing more in trying to apply workmen's compensation to agricultural fields than practically any State in the country.

I want to ask Dr. Greenburg if there is any analogy between the way the attorney general's office assigns attorneys to various State departments, whereby the staff officer of the attorney general's office is brought into intimate contact with the operating problems dealt with by the various State departments, and a possible set-up in connection with the placing of doctors where they can be of most use for industrial hygiene. What I am getting at, of course, is the question that you raised as to the relative relationship of the public health authorities and the department of labor.

Dr. GREENBURG. I think there is an analogy, Mr. Wilcox. My big criticism of industrial hygiene in health departments is that they fail to act as an enforcing arm in their agency. They have no technique of going into factories on a continuous basis, day in and day out, on

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a wide scale and enforcing safe conditions. In the absence of that, some of the men in health departments have suggested that they would use the labor department inspection staff for enforcement and do industrial hygiene in health departments. This means a bridging over between two State departments, which in general does not work too easily.

I do not know that I have answered your question. In fact, I am not exactly certain that I understand the question you have in mind unless you speak with reference to industrial hygiene in the labor department itself and our delegation of one physician to the compensation bureau.

Mr. WILCOX. I had that in mind and also, of course, the fact that the health departments to a large extent are operating in this field. If the inspectional part of the work is important, as you pointed out and it seems obvious that it is, I was wondering whether, as a practical scheme, it might not be possible to have the members of the staff of the health department who are charged with these duties located in the offices of the department of labor, become on intimate terms with the operating staff, and work through the inspectors in the sense of knowing them and explaining the problems, etc.

Dr. GREENBURG. Such a scheme might work, but I do not see that it has any real advantage. All that means is that the man is on the pay roll of the health department and appointed by the State health commissioner and delegated to work in the labor department. I cannot see that such an arrangement has any special virtue, can you? It still divides responsibility.

Mr. WILCOX. Not on a theoretical basis, but from the practical standpoint of adjusting the difficulties between the two departments I thought that might be a way out. It is clear that the attorney general's staff is divided and assigned to various State departments to give them legal advice. This avoids arousing those feelings that might arise if the various departments tried to have attorneys of their own.

Dr. GREENBURG. I am afraid that I do not know much about the arrangement with reference to the attorney general's office, except that we have one such man in our department, but I cannot see any particular virtue in such a set-up connected with health departments. I think the labor departments have all the precedent they need and have done an excellent job in most cases. Even in the instances where they have, perhaps, not formally set up divisions of hygiene, they have had one man who is a physician, or an expert ventilation man, or an engineer, and in some cases an expert chemist or chemical engineer. I think the answer to the problem has to be dictated by who can do the best job, and I must confess that, as I see the administrative hook-up,

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the best job can be done in the labor department. That is my personal opinion, and I think that time will support this view. I think that, perhaps some 10 or 15 years from now, we will see most of this work done in labor departments.

This is not a research problem. Research is a part of it, but it is not a research problem. It is a problem of supplying the inspection staff with that information which is essential in order to do a proper job in the administration and enforcement of the act, and I think that time will show that the labor department is where this duty belongs. An attorney general is in the position of a detailed consultant. He is not a part of the administrative organization, so that there is really little analogy here.

Mr. McCLURE. Might I suggest to Dr. Greenburg that possibly we should differentiate between the development of the science of industrial hygiene by research and its practical application in the department of labor. Perhaps some other agency should function in the development of the science itself.

Dr. GREENBURG. That seems like a possibility, but I hardly think that is very practical, because in order to do a good job and to help the division of inspection do a good job on enforcement, you have to keep on adding to your knowledge all the time. In other words, if you hear about a new process or a new hazard, you have to be prepared to step in and study it, and the particular organization that does the studying is better fitted to do the enforcing. If the hygiene division is located in the labor department and it does the original investigation, it is in a better position to help the inspection division control it. I have examined this whole question. Health departments have made recommendations, but in general their work has stopped at that point For example, I can cite a case not far from here, concerning the Tri-State mining area, which was studied in 1914 and 1915 by the United States Bureau of Mines. Subsequent to that time, it was studied by other agencies. But active steps in control have not been achieved. If that work had been centered in a State labor department and had been intensified and then translated into legislation and enforcement, something more might have been accomplished.

I think the question should be decided purely on the basis of who can do the best job. We have got to be practical and realistic about it, and so far as I can see, the logical place, from my experience and my knowledge of the problem, is in most cases in a labor department.

Mr. KOSSORIS (Washington, D. C.). Is it your feeling that as long as there are two separate agencies, one carrying on the study and the other the enforcement, the enforcement agency will not concern itself

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too much with the study unless it is directly involved? In other words, if the study is made directly under the supervision of the enforcement agency and then followed through with inspection and other types of services, the results of the study will be made effective, but if another agency does the study job, it is not likely to reap such results, as you just pointed out.

Dr. GREENBURG. That is what I have in mind. There are other aspects of this problem. Take, for example, this question of codes. In order for a labor department to function properly it has to have satisfactory codes. They cannot be antiquated. They have to be properly drawn up to meet new and changing problems from time to time. If all of this industrial-hygiene work is to be done in the health department, how is this division in the labor department going to obtain this technical aid? It is going to be difficult. If I may cite New York State again, we have about 1,900 or 2,000 cases of occupational diseases a year. In the industrial hygiene division we have access to the files of all these cases, and we make a practice of examining these files and copying out of them what we desire. For example, we have a standing rule in the division that if there is an autopsy in the file on occupational diseases, we obtain a transcript of the autopsy. At the end of 5 years, we may have 200 or 300 autopsies on lead-poisoning cases, which will be of tremendous value to us and everybody else in the field.

If this industrial-hygiene work is being done in the health department and the files are in the compensation division of the labor department, the chances of the two getting together are rather slim. As I look at the problem, I must confess that the logical place for this work to be headed up, when all things are taken into consideration, is really in the labor department.

The functions of providing safe working conditions and of protecting the health of the worker are so much one and the same function that to have this work arbitrarily divided up and performed by two separate and independent agencies attempting to work in cooperation with one another seems a questionable way in which to get a job done. It is poor administration.

Mr. BLAKE. I think it could be summed up this way. Experience has shown, and logic supports the showing, that the very close degree of coordination necessary between the industrial-hygiene unit and the enforcement and inspection units cannot be obtained when they are subject to administration in two separate, sovereign departments of the State. Is not that the fact?

Dr. GREENBURG. Yes. I want to add just one thing, so that nobody will carry away a wrong impression. I did not mean to say or intimate that the Public Health Service and the Bureau of Mines and

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several other Federal agencies have not done first-class industrial-hygiene work. I want to say for the record that the Public Health Service and the Bureau of Mines have done excellent industrial-hygiene work. From the point of view of research they have made contributions of enormous importance to this field. My remarks have been confined entirely to the problem of the control of industrial conditions on a wide scale in the various States of our Union, and Mr. Blake has summarized my views, I think, very well.

Mr. MORTON (Virginia). Looking at this subject from the point of view of the head of a small labor department, I am of the opinion that you are talking in ideals rather than of a problem that is immediately before us. What I mean is this. I have 20 people in my entire department in the State of Virgina, which is largely agricultural, and the legislature does not look with a great deal of favor on some of our labor laws. We have not nearly enough factory inspectors, and I think it will be, as the Doctor says, at least 15 or 20 years before we will have a mechanical engineer and these other scientific people on the staff of the labor department. The problem is, what are we going to do in that 15 years? I met the problem to some extent in this way. I appeared before the mechanical engineers in session several times, the safety engineers several times, and I have gotten them to appoint committees from that group who meet with me in my office. They have rendered very good service and real assistance. I have appeared before the State health department, and I found the officials there very cooperative. When these problems come up which our factory inspectors cannot handle, and are not expected to handle, I borrow doctors from the State health department. It has been perfectly willing to lend them to me and to give me a report in writing.

It is fine to talk about these problems in New York where they have so many people and they can get these doctors and add these experts to their staff. But it is not possible to do anything like that in Virginia and will not be at any time soon, and I presume some other States represented here are in the same fix. What are we going to do in the meantime is a problem on which I should like to have some suggestions.

Dr. GREENBURG. I think Commissioner Morton is doing just what I should try to do, and what we do in New York. In the first place, your problem is not the factory problem that we have in some of our more highly industrialized States. In some States your problems may be largely problems of mining, where you may even have a separate commissioner of mines or guardian over the mines. In another place the problem may be largely agricultural, and in another largely lumbering.

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In your case I think you are doing just what I should attempt to do, and that is to get all the cooperation you can. I do not say that you should not cooperate with everybody. In fact, we have had certain problems in connection with gases after blasting where we have called in experts from some of the big powder companies. We call on the National Fire Prevention Association frequently. Right now we are dealing with the United States Bureau of Mines, because, for the first time, we have allowed a Diesel engine to be operated underground. The Baltimore Locomotive Co. designed a locomotive to be operated underground, and the United States Bureau of Mines has sent up several gas chemists to work with us in testing the equipment.

You do not require an elaborate staff. A chemist, an engineer, and a physician working together, constitute an excellent staff. You can, however, get along for quite a while without one or another of these. Certainly, you cannot do a good engineering job without the help of a good, trained ventilating engineer. I think if I were forced to select one of the three, I should try to get an engineer first. Possibly after that I should look for a chemist, and leave the physician for the last. I do not think research, however important, is our most pressing or immediate concern from a practical point of view. The important thing to do is to spot the plant where you think there is a hazard and satisfy yourself that there is a hazard to control, and then control it.

Mr. MORTON. We have five mine inspectors and two of them are graduate engineers, so we are very well fixed in that way.

Dr. GREENBURG. That is an ideal arrangement.

Mr. FLAHERTY (Iowa). In Iowa we find the same thing as Mr. Morton does in Virginia, and we meet the situation practically the same way. We use the health department in our hygiene work, and it has been very successful on several occasions. However, I should like to ask Miss Riegelman a question. We find in our State, and I presume it occurs in other States throughout the country, that the use of the speed-up system has caused more accidents in factories and more trouble for factory inspectors than probably any other one thing. Has the International Labor Organization ever taken any steps toward recommendations of legislation to abolish those systems?

Miss RIEGELMAN. As far as I know, the most we have done has been some research projects to see the effect of the different systems. I do not think we have ever gone so far as to make recommendations. We do not have adequate information at present to know in what direction to make recommendations. That kind of suggestion, as to whether the results of any research should be put into the form of

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practical recommendations, would have to come from the governments to the International Labor Office. Perhaps Dr. Greenburg knows more nearly the answer to that question than I do from the point of view of the I. L. O.

Dr. GREENBURG. We have not had any experience with it in New York State.

Mr. BLAKE. It happens that I submitted that problem to the plants of two or three of the leading companies who have achieved splendid accident records, and they insist that if you lay out the work properly, if you guard properly, and lay out your processing properly, you can have faster production within quite wide limits with no increase in accidents. In other words, the speed-up systems that do produce an increase in accidents are not soundly managed.

The sound way to get maximum production in any process is to plan every bit of the work to require the least labor, the fewest operations, and the greatest certainty of results, and make it go the way it is planned. In other words, an accidental injury is almost always simply the result of something going wrong in the planning and operation, so that when we find these speed-up systems in plants increasing the accident rate, as we often do, we know that the root of the trouble is in the poor planning. Speed-up systems can be handled safely, as far as accidental injury is concerned. Their effect on health is a different matter. They do not necessarily increase the accident rate, however objectionable undue speed-up is from other standpoints.

Mr. FLAHERTY. We find too that in some places where these different machines have been in operation for years and safeguards are just added to them, unless there is somebody right over the men all the time, they will remove the guards and are often crippled for life as a result. They will remove the guards to speed up and make their production higher.

Mr. BLAKE. That is true, but if the guard is right, the men have no reason to remove it and you do not have the accident. That all comes back to the sort of thing I advocated. Incidentally, another advantage of having guards designed and built by the manufacturer is that the manufacturer who designs that machine knows it better than any other man. He is in a position to design a more practical effective guard than anybody else, and if the machine is bought fully guarded, one of the worst troubles of the factory inspector disappears.

Mr. MURPHY. We have a very definite factory act giving our safety men all the power needed to enforce their orders and recommendations, but that is the wrong way to go at it. Safety is the easiest

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thing to sell on its own merits. If the inspector sells safety to the employer and the worker, they take care of the rest of it.

We have a very comprehensive set of codes. We have safety standard sheets. Our codes are illustrated. When the factory inspector issues an order, he has to be the judge of that machine, of what it is going to take to safeguard it properly. We require all shafting, friction drives, and things like that to be completely enclosed, but not necessarily a gear, unless it is large enough so that there is a hazard there. We require everything to be properly safeguarded to the point of 6 feet from the floor—gears, friction drives, coupling, etc. It is easy to enforce if the inspectors know their business and can sell the idea of safety to the employer and the worker. The worker has to be sold on it just as well as anybody else.

In a plant there are different kinds of belts and pulleys and gears, especially belts and pulleys, and we specify the material to be used in safeguarding the particular machine. If it is a high-speed belt, the heavier the material we require to be used in building the safety guard. In one experience I had in that connection, I was doing inspection work and went into a cotton-oil mill. I issued an extensive order. I asked how soon the work could be started and was told right away. I asked if the employer had the material there and he said, "We will go out and look around the plant, salvage anything around the plant, save us from buying." I said, "All right; I'll be back in 2 weeks." We always tell them we will be back.

In 2 weeks I went back to that cotton-oil mill and there was no sign of safety equipment there. I said, "I thought you were going to install safety equipment." He said, "I did." "Where is it?" "You see that pile of debris out there? That was it." I said, "That was safety equipment?" He had taken orange crates, dismantled them, tacked them with shingle nails, and installed that "safety equipment" around the belt and pulley. "Yes," he said, "and that big belt over there broke the other day, and it scattered that stuff all over the room and the Negroes went out the windows and every place else." I said, "You didn't have safety equipment installed," and we specified the weight and dimensions of the material to be used.

Where there is a fire hazard, we do not recommend wood construction. In this case we had issued orders, and the employer admitted he had not used the material we had asked for. We determined then that we must tell the employer what kind of material to use, and we do that now.

Of course, we do not have much to do with industrial hygiene. We have a State health officer, a commissioner of public health. We get along fine with him.

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Mr. MORTON. In discussing factory inspection with special reference to safety, I am wondering if the experience of our State has been repeated in other States in recent months. While going over the State, it was my privilege to appear before the safety meetings a number of times and encourage them, and our inspectors did that as they went about in an effort to sell their safety program. We thought that was part of our work.

Recently there was issued an order by the Wage and Hour Division stating the employers would have to pay the men for attending these meetings, unless the attendance was voluntary on the part of the men. Some of the employers have taken a very arbitrary stand and are not having any meetings at all. We have between 18,000 and 20,000 miners in Virginia, and the operators have refused to have any safety meetings. They have reduced the first-aid program. I do not think this was intended, and I regret very much the stand they have taken. They have been afraid even to post notices for fear they would be held responsible and have to pay the employees for the time spent attending safety meetings. I wonder if any of the other States have had an experience like that.

Mr. SHUFORD. That would have been an excellent question to have asked the representative of the Wage and Hour Division yesterday afternoon. However, I think that a recent bulletin issued by the Wage and Hour Division states that safety meetings of the type which you describe will not have to be paid for. That release came out recently. I had a bulletin on it just the other day, and I believe you will find that is what it says.

Mr. MORTON. As I said to the operators—to a few of them assembled the other day—I was sure such a bulletin would come out, and stated that I felt sure that order was not intended to have that effect on safety meetings.

Mr. SHUFORD. That is quite a recent release, but I think it covers the point you raised.

Mr. FAUST (Illinois). I might mention this to the gentlemen from Iowa, in connection with speed-up systems. If you can get a man interested in safety, you can very soon get him interested so that he will not speed up production on his manual help, but he will divert his attention in most cases to faster machinery, such as automatically-fed machines, and in that way he will secure the increased production he wants. Eventually he will forget about speeding up production through having his employees do certain things, and take chances in order to bring up their average and will depend on new apparatus to do it. I know that to be a fact in and about Illinois.

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Training for State Labor Department Inspectors

By MARIAN L. MEL, *Division of Labor Standards, United States Department of Labor*

The Division of Labor Standards program for training State labor department inspectors is part of a growing recognition of the need for trained and able inspectors in the enforcement of labor laws. It is the experience of specialists in this field that the well-qualified inspector is able to secure compliance, and at the same time impress the employer with the fact that his department has a real service to offer. Since he is frequently the only actual contact between the employer and the State department, the employer's appraisal of the effectiveness of the department is apt to rest upon his evidence of efficiency.

The United States Department of Labor, charged by Congress with promotion of the general welfare of workers, naturally has a direct interest in building up a trained State personnel. It is equally natural that the Secretary of Labor, who herself has been responsible for the administration of a comprehensive State code of labor laws in an outstanding industrial State, wished to contribute to the program. She directed the Division of Labor Standards, therefore, early in its operation, to explore the possibility of aiding States to train inspectors.

The first training group of State inspectors met in Baltimore, Md., in 1936 and included 26 inspectors from the Maryland, West Virginia, North Carolina, and Tennessee State labor departments.

Two points should, perhaps, be clarified: (1) These State training groups are set up only upon request of State labor departments; (2) they are really cooperative enterprises. This latter point may be illustrated by the Baltimore course, which is typical of those which followed. In this case, the facilities of the School of Hygiene and Public Health of Johns Hopkins University were made available for the whole period of the course. The Baltimore City Department of Health and the Industrial Accident Commission of Maryland arranged for plant inspection and gave assistance in many other ways. Two experienced inspectors from the New York State Labor Department were loaned to serve on the teaching staff with staff members of the Division of Labor Standards. A number of employers cooperated by making their plants available for inspection purposes.

The basic idea of the training course is to call together inspectors from a group of neighboring States and, in collaboration with an educational institution which is active in kindred fields, carry the inspector through a period of intensive training with whatever follow-up may be necessary. A fundamental part of the training plan is to provide opportunity for field inspection. The length of the train-

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ing period (2 weeks) is necessarily limited by the length of time for which inspectors may be excused from their regular duties without seriously curtailing the regular inspection activities.

As a result of the courses which have been held, the general plan for a training group and the subject material presented have taken a definite form, which, however, must remain sufficiently elastic to adjust itself to specific conditions in any State and to the change in techniques necessary to changing industrial processes. The course begins with a presentation by the chief administrative officer of the sponsoring State of the general principles of sound inspection and of the philosophy underlying the labor laws for whose enforcement the inspectors will be responsible. In general, a course consists of lectures on specific subjects, inspection visits to selected plants, class work—question and answer, seminar discussion, daily written quizzes, final written quiz. As drill in giving short safety talks which inspectors may be asked to give upon the request or approval of management or labor, each student during the course may be asked to give several 2-minute talks upon assigned subjects.

Plant visits are made in small groups not to exceed 8 men, with a staff member in charge and conducted by a plant representative. The necessary arrangements are made in advance. The plants selected for use in such courses represent a wide diversity of problems, illustrating both satisfactory and unsatisfactory conditions. No discussion of findings takes place in the plant, but upon return to a discussion group, methods of safeguarding are studied, and where incorrect conditions are found, methods of control are discussed. To aid in the next day's discussion, staff members are designated to take notes, develop questions, and prepare problems for discussion. The inspectors participate in the group discussion following plant visits and are able to contribute valuable ideas drawn from their own experience.

Subsequent to the Maryland course, a group of 35 inspectors from four States—Illinois, Wisconsin, Arkansas, and Iowa—was given training in Illinois in 1937. A second similar course was held for the "down State" inspectors, and was attended by approximately 30 inspectors. In 1938, three courses were held in various sections of Pennsylvania in cooperation with the State College at Pittsburgh, the University of Pittsburgh, and the University of Pennsylvania, respectively. Each course was attended by approximately 30 inspectors from the Pennsylvania State Department of Labor and Industry. Of particular significance in the case of Pennsylvania were 15 weeks' continuation courses, in the nature of seminars. These courses took place on Fridays and Saturday only and were well attended by inspectors. A course was held in Michigan in 1938 in cooperation

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with the Michigan State College and attended by approximately 20 inspectors from Michigan and Indiana.

Additional courses to be held in the immediate future include one to be given in Alabama, in cooperation with the University of Alabama and Alabama Polytechnic Institute, to be attended by approximately 25 factory inspectors from Alabama, Georgia, Florida, Tennessee, Arkansas, and Colorado. In December a course, to be held in cooperation with the University of Richmond, is planned for approximately 20 inspectors from Virginia, West Virginia, and North and South Carolina.

Staff members of the Division of Labor Standards have also participated in the training of inspectors in the enforcement of other labor laws, such as those relating to hours, wages, and child labor, and these subjects will be included in the next courses to be conducted.

The Division of Labor Standards is very glad to make available the material which has been developed for such courses and to extend its service in training to any State which cares to avail itself of such assistance.

Carrying the Safety Message to the 92 Percent

By Joseph T. Faust, *Illinois Department of Labor*

The subject assigned to me is Carrying the Safety Message to the 92 Percent, and I ask your permission to approach this subject somewhat along the following lines: (a) What does this 92 percent of small industries consist of? (b) Where are they to be found and how do they operate? (c) What is wrong with this group with respect to safety? (d) What work has been done up to date? (e) What remains to be done now?

We all agree the small plant is not sold on safety. We know that a safety program in its entirety, one to correct all evils, would be too expensive. We are also aware that accidents that happen within the scope of these small plants make a high frequency rate because of the limited number of man-hours involved.

With these thoughts in mind, I shall consider this subject and conclude with our conception of what should be done to reach these small plants and to arouse their interest in safety.

For a satisfactory approach to this subject some sort of an outline of the experiences of these small concerns in the past might be necessary. A distinction must be understood between the employer who has a very small number of employees, say from 1 to 5, and those with a total up to possibly 101. In safety work, where the small plant leaves off and the large one commences is a matter of varied opinion, but research work has revealed a positive understanding that some general ideas of safety are applicable to all plants, while

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specific rules will have to be applied to those concerns with a limited number of employees, of a certain type and nature of business, etc.

In the past we have been familiar with such items of safety connected with the small industry as employer attitude, lack of knowledge, cost, reliance on insurance companies, and unsuccessful attempts to organize safety work. Each of these should be touched on briefly in comparing the past and future, in an attempt to reach this 92 percent. But I hope that I can reveal some new phases of safety interest in connection with the small employer that will give a little encouragement to us in this sphere of safety work, and enable us to utilize them in the education for safety of that large percentage group that has made the frequency and severity records so high in the past.

At the outset we all agree that records among these small employers are lacking, and that information as to one particular type would not be applicable to another. If records were available and could be compiled and broken down, so that the recapitulation would show how to get at the causes of typical accidents, much could be done in standardizing the kind and type of safety to be provided.

All of us, I am sure, agree that some kind of a record for safety should be kept, but as to who should keep such records and how they should be kept is not so clear. We would run into the item of expense again and the other small details that the small employer tries to avoid. I am quite sure, however, that a survey might be started, and with this beginning, interest would be aroused so that eventually either the employer, the insurance company, or the State would be able to extend its safety work to the point where statistics adequate for our purpose and on which to base our activities could be developed.

What and Where Are They?

In every nook and corner of the United States we find these small plants with from 1 to 100 employees. In large cities they are located in all sections—some buildings housing a group of them. These small employers seldom get first-hand information or experience in safety work. They lack the rules and discipline that you find in the better organized industries. The boss or foreman or worker does everything, from loading a truck to operating a large press. He is not an expert in any of these particular operations, but does them the way he has seen them done at some other place or by some other individual. He has qualifications for certain duties, but he cannot be considered an expert in every branch of the work he does. In the large plant, men are trained for each job, but the small plant uses one man for several jobs. You will find this small plant very

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crowded, with a great variety of machinery scattered about in a way entirely unrelated to the flow of production.

An attitude of animosity toward anyone who might advise them on safety work is dominant among the small employers, because of their competitive field and their personal control over their own businesses. The small employer is of the opinion that if he carries insurance, the insurance company should worry over his safety problems, and therefore he can give all his time to production. This attitude, which is a very serious one, is encountered in all our work and makes our job difficult. Each of you is acquainted with many such small employers, who are exceptionally hard to convince as to providing safety for their workers.

It is, therefore, very difficult to approach these smaller establishments with regard to safety, as their operations, raw material, etc., are so diversified. In making a survey it requires, without doubt, the knowledge of a well-trained inspector, so that he can convince the employer that he can talk his language and can give him something worth while in safety work.

What Is Wrong?

All of us who are part of the safety work in our particular sections or districts can point to those types of industry, or industries, that are not up to date in their safety work. We are well acquainted with the activities of the plants, particularly the larger ones, that make safety a part of their organization and provide a department exclusively for this work. Many of the men in these plants have spent much time in getting the real facts in order to prevent accidents, and their experience has been extended to others, so that they can benefit therefrom. We can also point to those industries that provide ample first aid and nurses and doctors to take care of their employees. From these industries, because of their past experience, much good has spread to the others.

But still we wonder, What is wrong? With all the good that has come from all these fields of safety work and with the vast amount of money that has been expended for the prevention of accidents in the years gone by, why has the safety program not yet reached, in its entirety, the 92 percent? Here we have a variety of opinion. You and I can recall a small plant here and there that has received the benefits of the surveys that have been made for safety work in the past. But still we ask, What have we neglected? What have we forgotten? Has our approach been incorrect?

In Illinois, in our opinion and we believe we are no different from other States, the trouble lies in the effectiveness of the program. We believe that we have used the wrong tactics; that our program

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has been hit and miss, so to speak, rather than one which would permeate all the sections of our State where small industries exist. One of our remedies, for example, has been to attack the monument and brickmaking industry. We have asked our inspectors to send in complete lists of every such industry operating in their particular districts. Our hygiene division has visited a large percentage of these concerns and standardized the type of safety and methods of operation, which would effectively safeguard typical industries throughout the State. Our inspectors have been given standard letters of instruction and a form to fill out, so as to take care of this type of industry in their respective districts. We believe this will permanently give us control of the monument and brickmaking plants.

A similar program extending throughout the State will take care of, for instance, foundries, laundries, chemical plants, etc. Departmental standardization surveys will also be made, covering, say, power presses, grinding, polishing, buffing, etc. This, we believe, will give every type of inspection the same method of approach, so that, regardless of his experience, the inspector will be able to control his district according to the instructions of those with wider experience and knowledge of controlling methods, who can keep him informed at all times.

When we attack the phrase, What is wrong? we realize, too, the importance of the programs and personnel of the agencies directing this safety work. Much has yet to be done in perfecting the personnel of the organizations, by the selection of persons adapted to the work. As stated upon previous occasions, the merit system among factory inspectors is being recognized more and more each year.

You and I can point out many other conditions which we know are wrong, and when our attention is directed primarily to obtaining the desired results, many methods employed at the present time will have to be changed. The men in this safety work deal with the general public, and their duties require experience and ability, which cannot be acquired in a few years. We have to combine the experience of the past with the ever-changing methods used in production today, in order to keep up with the times.

So when we consider, What is wrong? we might say, almost everything.

What Has Been Done?

Feeble efforts on the part of employers, employees, and interested groups of individuals of these small concerns have only scratched the surface, but they have provided some small measures of safety which have indirectly been beneficial here and there. We cannot

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emphasize too greatly the work that has been done or comment upon the intended purpose of these efforts.

Associations, individually and in groups, have also provided some means of protection to the workers where the situation was obvious. This interchange of ideas, small as it has been, could have been broadened for the protection of the small employer, and, no doubt, would have paid good dividends. Insurance companies assuming these risks have exerted themselves to obtain compliance with their recommendations, but in the years gone by many of the hazards have been overlooked because of the variation in the premiums and the competition among the various insurance groups. Their laxity has been apparent, both from the standpoint of enforcement and from the standpoint of compliance. The insurance companies have, as shown by their records, suffered many a great loss in the assumption of these risks, being fortunate only in that the law of averages has kept their percentage to the minimum. We have had insurance companies begging for cooperation from the governmental agencies in carrying the risk of many small employers. Statistics will not reveal an understanding of this situation, so you will have to accept these facts as true.

Governmental-inspection organizations have in the past covered this type of employer, issuing orders and recommendations in an effort to make the plant safe. Extension of time has been granted over and over again, and because of the nonexistence of codes or of conflicting codes, some binding by law and others not, many of these recommendations have been neglected. Delays in litigation and other reasons with which you are familiar have allowed these small concerns to continue operating under conditions which we consider very hazardous.

Summing up what has been done, we might say the combination of employers, employees, insurance companies, and governmental enforcement agencies cannot boast of the progress made with this 92 percent in the years behind us.

What Can Now Be Done?

We shall consider now the proper method in which these small plants can be reached and an interest in safety aroused. There is no question but that we should use a lot of psychology. We have so many different types of individuals to contend with. The owners of these small industries are not standardized by any means, and therefore a program of safety which we might consider standardized would fit only a certain percentage of them. This brings us back to the important consideration of having qualified inspectors who have a thorough understanding of psychology. I have before me a pam-

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phlet of a manufacturer which states emphatically that only the insurance company and the State factory inspector can solve this problem. We know that some of these industries are thoughtful of safety only when a serious accident occurs. At that time we, as inspectors, have an opportunity with our accident cards to force them to consider safety.

Take, for example, a small metal plant where orders were on record from the State department to safeguard its equipment. Some weeks after they were issued a young man lost four of his fingers on the identical press that was ordered to be guarded. The owner was given a ticket to come into the office, and it was explained to him that under the law he was criminally negligent in not complying with the safety orders on his desk. This man was aroused and left the office with a more thorough understanding of safety than he had ever had before. The program he inaugurated in his plant would be well worth while in one of the larger plants in our State today.

Another point I should like to emphasize here is that all governmental agencies that control this type of work should have in their files lists of unguarded machinery and other apparatus or dangerous health conditions, so they can show the owner that these matters have been called to his attention previously. Owners, knowing that these records can be subpenaed, will take a different viewpoint when they are forced to admit negligence.

Do not misunderstand me. I am in favor of prosecution of these cases, but only from the standpoint of forcing the idea of safety upon those individuals who need it. From our records in Illinois very few cases have to be prosecuted. A good heart-to-heart talk with an individual or group will sometimes change the entire picture; that is, if each one has confidence in the other, and the inspector is able to talk the language of the employer. The inspector must show that he has something to sell, just as a good salesman has to know his product and how to make sales.

We had another plant with which for many years we had a difference of opinion in the analyzing of the different phases of safety. An adjacent industrial neighbor was more easily convinced, and after his completion of an extended safety program, in which he expended a vast amount of money, this antagonistic employer was invited, through the State inspector, to visit his neighbor. As a result, we have a similar program under way in this plant where the owner had misunderstood our original purpose.

Another method of approach is by selecting the type of inspector who can meet the mind of a certain type of small employer. This we have found has been successful in getting a better understanding of safety than in the past. The selection of an inspector solely for educational purposes, such as preparing programs, taking of motion

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pictures, and showing them to these small groups, has gone a long way in getting the confidence of the employer. Another plant that had many items that needed attention is now cooperating because of this type of work.

Still another plant was given an order consisting of 75 different items. Naturally, a small owner who received an order like that would be up in arms against the agency that had asked him to make expenditures which would practically put him out of business. A little study in psychology changed this picture, and the next inspection order contained only three of the most serious items, which were immediately cared for in the next budget and the conditions remedied. At the next inspection the inspector gave him an order for three more. This also was taken care of without any question. After several of these inspections, some of the other items were cleaned up automatically, and as a result this plant is today on the way to having a safety record to be proud of.

To sum up, the successful governmental agency will have to have a program that will fit each type of individual small employer, and at the same time include all employers within one group, so as to standardize the type of orders and recommendations to be issued and to get away from the hit and miss type of inspection, in order that the districts may be thoroughly covered. This will give us more time in the future to devote to changes in operation and in the use of new raw materials, which we believe should be controlled while the use of the new material is in its infancy.

Thoroughly trained inspectors, experienced executives, constructive and effective programs, and the confidence of the employer and employee groups are factors essential toward carrying the safety message to the 92 percent.

The inspector should arrange a meeting with the smaller employer after a thorough understanding of the character and nature of his business and his attitude toward safety, and, as the modern salesman does, gain his confidence and interest. If the inspector is then referred to some other official of the business, to carry on he must first get a clear understanding of how far the boss will allow him to go. The effectiveness of this contact insures safety being introduced into this plant with the certainty that it will remain permanently. Whether it is the issuance of orders, a program of education, motion pictures, a safety talk, or a meeting—whichever it is—it must be kept alive. Many openings will occur here and there to admit the inspector into one of these plants, either through an accident, raised insurance premium, or a complaint, but in each instance he can make use of it to stir up an interest in safety.

While in one of these places you may encounter the owner who depends on his business for his bread and butter. He is usually a

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hard man to deal with, an independent type who may control his business from a small window in his office which looks out into the shop. He buys on price, stores up supplies and raw materials, builds up his stock of finished products; if doing a job-shop business, he tells you conditions change every few minutes and asks what you can do about it.

So my proposed program would include psychology, a program for each type of industry, a thorough well-trained inspector, who has all of the qualifications needed, and who holds his position because of merit alone.

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Social Security

Employment Security for Workers

By Oscar M. Powell, *United States Social Security Board*

The Social Security Act and its administration, in which labor has such a great stake, have undergone significant changes since your meeting last year.

The last session of Congress saw two important legislative events of interest to those concerned with the administration of labor legislation in the field of social security. The first of these was the Reorganization Act, out of which grew the President's Reorganization Plan No. 1 establishing the Federal Security Agency; the second was the Social Security Act amendments, which marked another step forward in the expansion and liberalization of the social security program.

As you know, the Federal Security Agency brings together six major governmental services for the general welfare, designed, as President Roosevelt has stated, "to promote social and economic security, educational opportunity, and the health of the citizens of the Nation." The six organizations are the United States Employment Service, the Social Security Board, the United States Public Health Service, the Federal Office of Education, the National Youth Administration, and the Civilian Conservation Corps.

The amendments do not alter the foundation for cooperative protection provided by the original act of 1935; they do, however, broaden and liberalize its scope. They offer a more adequate and well-rounded program of insurance protection for wage earners and for their families; they make more Federal money available to the States for public assistance, public health, and child welfare; they provide substantial tax savings for workers and their employers; and they should help to increase Nation-wide buying power.

The public assistance titles have been strengthened by providing more adequate funds to the States, which will allow them better to provide for the needy aged and for dependent children. It is now possible for the Federal Government to match State expenditures for old-age assistance up to $20 per month instead of $15 as previously authorized. But of greater importance, I believe, is the amendment which permits a reimbursement to States on an equal basis for moneys

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granted on behalf of dependent children. Provision has been made for the aged in every State, and in Alaska and Hawaii and the District of Columbia. It is true that the grants varied widely from State to State from a high of $32.45 and a low of $6.02 in June 1939. But the needy children of the Nation fared much worse under the old plan, which required the State to spend $2 for each $1 spent by the Federal Government. The result, which can in part, I think, be attributed to this financing arrangement, was that only 42 States had any plan at all for aid to dependent children and the average payment in some of those was woefully inadequate.

I am entirely sympathetic with this plan to care, and to care adequately as is feasible, for our people who have passed the age of productive usefulness and are in need, but I am equally, if not more greatly, concerned that the new generation be cared for in a fashion which will permit them to become productive members of the community and to take their places as good citizens. It is hoped that this amendment will enable the States better to meet the responsibility which they have to their dependent children, and to maintain them with their families, which is so essential to normal growth and development.

The most far-reaching changes made by the amendments relate to the Federal old-age insurance program which went into operation on January 1, 1937. First and foremost, the Federal old-age insurance program has been changed to an old-age and survivors' insurance program; benefit payments have been advanced to 1940 and have been liberalized in the early years. In addition to the payment of benefits to the insured worker, there will also be payments to the wife and widow of an aged annuitant; to the young widow with dependent children; and in certain cases to aged dependent parents. Thus, the system has been extended from one of individual protection to one of family protection.

Older workers, in particular, will benefit from the amendments in several ways. For example, the "stop date" on wages earned after age 65 is removed as of January 1, 1939. This change will be of material help to such workers in meeting the qualifications for monthly benefits. Previously, as soon as a man became 65 he was out of the system. Now, if a man keeps on working after reaching 65, his wages will continue to be added to the total on his social security account, and such periods of employment will be counted in determining whether he qualifies for a retirement annuity.

Another change which increases protection for both older and younger workers is the provision of supplementary benefits for aged wives and dependent children and of monthly benefits for survivors. These additions represent a tremendously significant step in the direc-

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tion of greater social security. The family is the basic unit in our society, and adequate security for the wage earner must include the security of those dependent upon him. This is recognized in the amendments. They provide additional monthly benefits for an annuitant's wife if, or when, she is 65, and for his minor children. When an insured worker dies, survivors' benefits are provided for his widow, if she is 65 or has minor children in her care, and for such children themselves; or for the worker's parents, if they are aged and dependent, and if there is no widow or child.

I know that many of you who are here will be gratified to know that in planning these extensive changes in the old-age insurance program the legislative and administrative experience under workmen's accident compensation was of great value. For instance, the types of survivorship benefits payable under workmen's compensation and the administrative problems connected with such payments were studied very carefully in the planning of the survivorship benefits under the extended Federal insurance program. This very fact brings home to us the necessity and importance of exchanging ideas and experience in the various fields of labor legislation. By such exchange we can all serve more effectively in developing sound legislation and efficient administration.

The much-discussed reserve has been replaced by an Old Age and Survivors' Trust Fund, under the management of a board of ex officio trustees.

The tax increase scheduled under the act, as originally written to go into effect next year, has been postponed.

These legislative changes, of course, necessitated a revision of administrative plans and will require many procedural changes. Fortunately, the fundamental base of records needs no alteration, and it is our belief that the machinery set up can and, with minor adjustments, will turn out a satisfactory result.

That this result, made possible by the very painstaking work of the advisory counsel and of the Congress, will benefit the people of the Nation, I have no doubt.

Before I turn to employment service and unemployment compensation, with which I have been most immediately concerned in the past weeks and which I know is of interest to you, reference should be made to another statutory change which is of importance to the States, in all of the cooperative programs provided for under the Social Security Act. I refer to the amendment which provides that the State unemployment compensation plans (and also the public assistance plans) must provide merit systems for personnel beginning January 1, 1940. After discussion in the Senate, this amendment was passed by the overwhelming vote of 72 to 2. The Federal law now reads that the State plan must provide, by Janu-

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ary 1, 1940, methods of administration including methods relating to the establishment as well as the maintenance of personnel standards on a merit basis as are found by the Board to be reasonably calculated to insure full payment of unemployment compensation when due. Definite provision is made in the law that the Board shall not exercise any authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods.

The authority to carry out the new provision in the Federal act can be established by the States without the necessity of legislative action. Practically all State unemployment-compensation programs now provide some type of merit system for personnel, and where changes are necessary these can be easily made, and the Social Security Board is prepared to render all possible service and help in this connection. A statement of personnel standards is now being prepared for the guidance of State agencies and will be available shortly.

It is our hope that, with the firmer foundation provided by the amendment, a better structure can be built which will prove to be a source of strength and a protection to State administrators against those pressures which all too often result in inefficiency and impaired morale.

We appreciate the importance of this matter to the State administrators, and desire that through the closest kind of collaboration details of application can be worked out which will be reasonable enough to achieve ready acceptance and flexible enough to permit of adaptation to the varied conditions in the several States. I hope that we will have a chance to discuss this at greater length another time.

The changes made by the amendments in the unemployment-compensation sections of the act relate mainly to the tax and employment provisions. The Federal tax base was changed so that beginning January 1, 1940, only the first $3,000 of wages paid by an employer to an employee for a year will be taxed. This $3,000 limit will save employers about $65,000,000 per year when all States have made the necessary changes in their own legislation. In addition, refunds and adjustments of taxes of employers who were late in paying their 1936, 1937, and 1938 contributions to State unemployment funds will mean a saving to employers of some $15,000,000 in Federal taxes.

Coverage of the unemployment-compensation provisions has been extended to some 200,000 employees of certain banks and building and loan associations.

Tax reporting for employers is simplified by making the old-age insurance and unemployment compensation tax provisions more

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nearly identical. Unemployment compensation taxes are now based on "wages paid," as they always have been for old-age insurance; in both programs only the first $3,000 a year paid to an employee is taxed, and employment exclusions for both have been made more nearly parallel.

I have outlined to you only the more important changes made in the Social Security Act; there are many others which are going to help men, women, and children in every State, such as the increased funds for public health work, vocational rehabilitation, and maternal and child welfare.

In accordance with the Reorganization Plan, the Social Security Board has consolidated the functions of the United States Employment Service and the unemployment-compensation functions of the Social Security Board in a new Bureau of Employment Security. There was some debate over the name, but that was chosen because it seemed to place the emphasis where it ought to be—upon employment. In this new Bureau the employment service and unemployment compensation are on an equal plane, thus maintaining the integrity of each service but so organized as both to serve a common purpose—the employment security of the individual and the Nation.

With the rapid industrialization of our country, and in spite of our vast increase in national wealth and income, the problem of obtaining employment and economic security has become more acute for the individual. The Bureau of Employment Security has been established better to assist the States in dealing with the problems of unemployment. The first objective of the program is to find jobs for individuals. When no job is found, the individual has every right to expect prompt payment of the insurance benefits which have been provided.

The Federal responsibility in connection with the program is stated in the Social Security and Wagner-Peyser Acts and is to be discharged largely through the Bureau of Employment Security. These functions of the Bureau include assistance to the States in: (1) Developing a system of public employment offices to find jobs for workers and to find workers for employers, with special provision for serving farmers, veterans, and counseling the inexperienced and physically handicapped; (2) Promptly paying unemployment-insurance benefits; (3) Collecting unemployment-insurance contributions; and (4) Developing standards for proper administration.

The Bureau also has the responsibility of advising the Social Security Board as to the amounts necessary to be granted to the States for proper administration.

At this time, I wish to say that the Social Security Board is deeply aware of the great responsibility which it has to maintain the gains which have been made and to help stimulate further progress in these

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important public services. In carrying out this responsibility we know we can count upon the experience and counsel of the many State and Federal officials and private organizations intimately connected with the administration of these services. We hope that you will feel free to make suggestions to us from time to time so that we may carry out efficiently and satisfactorily the work we have before us.

The new Bureau has two major program divisions which are coordinated and headed by assistant directors—the Employment Service Division and the Unemployment Compensation Division. These two will develop standards and material, and render technical assistance to State agencies in their respective fields. They will do, in short, the same general kind of technical professional jobs they did before the merger. It is hoped that, by a pooling of the resources, a somewhat better job may be done in some respects.

For example, it appears the junior placement work might well be strengthened with profit. I hope that the provision in your constitution, which states as a purpose of your organization: "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," is ample ground for the hope that you will actively help in giving impetus to a real junior placement program.

We shall attempt to do more toward cost analysis and cost study, with the hope that more objective criteria may be developed to measure State budgetary requirements, to the end that factors of individual judgment may be reduced to a minimum. This, I believe, is particularly desirable as to staffing requirements.

Work of the Bureau in the field of research and statistics has been placed in a single division, and a field division, through which contacts with State administrators will flow, has been set up.

The field division and the Bureau as a whole, in fact, will function through the regional representatives, who will be vested with broad responsibility and authority in dealing with State agencies in matters concerning both unemployment compensation and employment service.

It is contemplated that a single budget, reflecting the needs of the State for both services, will replace the present dual budgets. Greater responsibility will be given to bureau representatives in the region with regard to negotiating on budget matters, and it is expected that only those questions which involve new policy will be handled by the field division in Washington, with the advice of the Unemployment Compensation and Employment Service Divisions.

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This move toward decentralization should make possible a more prompt and a better service to the States.

It is my belief that headquarters' technicians must maintain close contact with operations if they are to preserve a sense of reality, without which the results of their labors are likely to become sterile. And so the pattern of the new bureau anticipates extensive field work on the part of personnel in the program divisions.

The administrative structure of the Bureau, as you see, is simple—a director, and an assistant director who will assist in coordination and will be responsible for work on fiscal and management standards which concern both employment service and unemployment compensation, a division of research and statistics, the field division, and the two program divisions.

The problems with which we shall deal and are dealing immediately are not so simple.

We are giving attention to a rather complete overhauling of our grant and budget procedure, simplifying it, and setting controls so that the delays which have resulted in grants being certified, in some cases, after the beginning of the period for which the grant was made, may be eliminated. Some of this delay has been our fault, some the fault of the States. It is not necessary, I believe, and should be prevented.

Relaxation of line control of personnel items in the budgets of 12 States was effected in August. We expect to move toward a similar relaxation for all States as soon as conditions warrant.

The State administrators have suggested changes in the procedure which require affiliation agreements and State plans covering employment-service operations. Our present thinking is that some of these changes seem feasible and desirable.

The creation of this new bureau should provide us with a better opportunity to serve the States, to make the task of the State administrator a little less difficult by providing him with one person with whom to deal rather than two. It should give us an opportunity better to serve the States on the technical aspects of these programs and, by so serving the States, better to serve the people of the country; because it is true now, as it has been, that the results of the job are either good or bad as the States do it.

And there is much to be done in the field of providing security in employment. The first and only real solution, of course, is jobs—jobs which will provide people with enough to live on in decency.

Obviously, we do not control all of the factors which need go into the solution. The economics are not in our field. But neither is our field so restricted that we cannot help.

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What a challenge we have in our labor exchange job—to demonstrate the usefulness of joint governmental action in guiding the fluid labor supply of the Nation into the turbines of industry, that production can be had from men and independence and security be given to men who before were idle and therefore a prey to all that goes with idleness.

These services are young. The history of both placement and unemployment-compensation work is measured by a few years. There are between 30 and 35 thousand people in this country engaged in this work who, until a very short time ago, had no training or experience in the fields. The making of good placements requires a knowledge of industrial conditions and industrial labor needs in the community. The prompt payment of the benefits provided as an insurance against society's failure to provide a job requires skillful trained technicians. Despite the very real progress which has been made during these recent years, a task of training remains to be done, a constant and never-ending task which will call for all of the ingenuity and intelligence and skill that we can muster.

Facts and statistics, available for the first time with the advent of these programs, need analysis and study. They should give us more insight into the magnitude and complexities of the problems of employment security and through them we should be better able to direct our course.

I want to emphasize, in closing, that in setting up the Bureau of Employment Security, we kept always in mind two things: (1) That the major objective of the program was to fill every available job with a worker capable of doing it and, failing in this, to pay, and pay promptly, the insured worker the benefits to which he is entitled; and (2) that the States are responsible for the operation of these programs and that we in Washington best serve the people by making the task of the State as easy as possible, by removing obstacles to operation and by acting as a clearing house for and supplying to States information which should tend to improve administration.

Though the new Social Security Program is not complete nor final, it does represent constructive progress, in line with the experience gained during the 4 years since the original law was passed. It provides greater protection for more people, at the same time making a better distribution of costs. It recognizes the Government's obligation to give thought to the well-being, not only of the individual, but also of the family. All in all, it is a more adequate, yet safer and sounder program—one which, as President Roosevelt said in signing the amendments, "represents another tremendous step forward in providing greater security for the people of this country."

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Discussion

Mr. GOLDY (Illinois). I appreciate very much the opportunity to discuss Mr. Powell's remarks with respect to employment security for workers. You know, I have never seen a woman who did not think she could raise her neighbor's children better than her neighbor could. I think we who are in the States and they who are in the Federal Government feel pretty much the same way about each other's operations.

We in the States have gotten the impression, I think, that the officials in Washington felt they could run the State programs better than the State administrators could, and I think that we in the States have likewise felt that we could run the Washington program better than the Washington administrators could. I should like to take Mr. Powell at his word and offer some very frank criticisms. These criticisms are not offered in any derogatory sense. As a matter of fact, we in the States feel very definitely that the Bureau of Employment Security has a very difficult, if not impossible, situation to cope with. The situation is briefly this: The States have passed laws to provide unemployment-compensation benefits to workers when they are unemployed. They have in some cases coordinated, and in one or two cases integrated, the State employment-service activities with the unemployment-compensation activities. Some of the administrators of those State programs are elective officials. All of the administrators are held responsible to some State authority, the governor or the legislature. While the State has the responsibility for administering the program, the Bureau of Employment Security maintains so-called budget control. They pay the "freight." If, in one of the States, the administrator does not do so well, he is the person who is held responsible, not the boys in Washington. Yet the officials in Washington are the ones who really control operations because they control the budget. That is inherently a rather impossible situation, and the fact that there has not been more trouble than there has is a tribute to the intelligence and the patience of both the State administrators and the people in Washington.

As Mr. Powell indicated, the officials in Washington have not been unmindful of the criticisms of their operations by the State administrators, and they have already taken certain steps to meet some of the criticisms. They are to be commended for this action. We are in substantial agreement with everything that Mr. Powell proposes. However, we feel that the Bureau of Employment Security might well go considerably farther in its contemplated program. We would also like to see exactly how it attempts to put some of its well-stated purposes into effect. For example, let us examine the budget matter. Mr. Powell mentioned that certain of the States had gotten into rather

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serious difficulties over the fact that budgets had been held up, and he said that he hopes that such difficulties will be avoided in the future. He admitted that the Federal Government was partly to blame for it. To this, there were some fervent and enthusiastic agreements expressed by certain of the administrators who are now in the audience.

With respect to a solution of the budget problem, Mr. Powell has indicated that there is going to be, first of all, a single budget for the State unemployment compensation and employment service agency, rather than a separate budget for the employment-service and unemployment-compensation activities. We heartily endorse that proposal. Mr. Powell has also indicated that the Bureau expects to decentralize its activities by giving the regional representatives additional authority for dealing with the States on budget matters. Again we are in hearty agreement. However, Mr. Powell indicated that there was some fear in Washington that they might be going from one extreme to another in so doing. I think that is a very legitimate fear, and I hope that the Bureau of Employment Security will properly distinguish between those of the regional representatives who can assume the function and those who cannot when decentralizing budgetary authority. If they do not make that distinction, they might be putting a State at the mercy of a person who is not sufficiently trained or competent to carry on.

Mr. Powell indicated that there was a tendency toward granting the States lump-sum budgets. We hope that this is true, and believe that immediate steps can be taken if proper distinctions are made between States which can well assume the responsibility of properly allocating lump-sum grants from those which cannot.

In addition to budgets, which have been one of the prime sources of friction between the Federal and State governments, there has been another very important area of friction. That is the situation that exists in Washington with respect to getting procedures and regulations cleared. Those of you who have never attempted to get a procedure cleared in Washington will not know what I am talking about. Those of you who have made the attempt will know very well what I mean. We had the experience of traveling down to Washington just a couple of weeks ago on 12 or 15 matters relating to procedures and regulations, and we ran up against some very peculiar difficulties. For example, we had been told just a few weeks before that a regulation which we had drafted was out of conformity with the Board's minimum standards. We had worked it out by a very democratic process. We had called in the operators and the union representatives to work out regulations to handle a very special situation of mass partial unemployment in the coal industry. The regulations were worked out to the entire satisfaction of the coal-mine

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operators, the union, and the State agency. Almost as an afterthought, we cleared with Washington. The regulation was declared to be out of conformity, and had we pursued our way without regard to the Board's opinion, we might have wound up behind an administrative "8-ball" without funds with which to administer the program.

That regulation was one of the subjects discussed while we were in Washington. Imagine our surprise to find that there was a goodly number of Bureau technicians in Washington who held opinions completely contrary to the individuals who told us that we were out of conformity. This other group of experts in Washington felt that we had proposed the only sensible method of operating in a mass partial unemployment situation.

That is why I say, as I believe most of you will say, "Amen" to Mr. Powell's suggestion that there ought to be some very definitely defined minimum standards. The Board ought to come along and say to the State administrators, "There are certain fields in which we know nothing. We frankly admit it. There is more knowledge in the States than there is in Washington on these subjects. We do not propose to draw up minimum standards for those fields. However, there are, in the realm of management problems, clearly defined minimum standards of operation and cost which can be drawn up. We will draw up these standards and insist that all the States adhere to them." The States will then know where the line is, when they are crossing it, and should be willing to accept the consequences of any violations. At the present time, the Board's standards are so poorly defined and are concerned with such unmeasurable factors that the States do not know when they are or are not out of conformity.

May I illustrate to you how far this conformity matter has gone. We had the pleasure of meeting with the members of the general counsel's office from the Social Security Board, as well as the experts from the Bureau. We had proposed a regulation which we felt was administratively necessary in Illinois to carry out the intent of the law, if not the written letter of the law. We had sent the regulation to Washington 10 days in advance of our coming to give the lawyers and Bureau technicians a chance to review it.

We sat down with the representatives of the general counsel's office and the experts from the Bureau and we asked them, "How about this regulation that we have proposed? Is it all right or isn't it?" One worthy gentlemen from the general counsel's office looked at us and solemnly said, "Very sorry; if you adopt that regulation, you will be out of conformity." My colleague from Illinois and I sat back for a while and considered the implications of that statement. We reflected on what we, who were responsible for administering the Illinois law, would do if we could not put this regulation into effect. Two or

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three minutes passed in this way, and then lo and behold, the other gentleman from the counsel's office spoke up. This gentleman, equally solemnly, told us that we would be out of conformity if we did not adopt the regulation. Thus, we were hanged if we did, and worse off if we didn't.

I am probably sticking my neck way out in so doing, but I should like to submit a proposal to Mr. Powell with respect to the internal organization of the Social Security Board. I should like to see done in the Bureau of Employment Security what they have allegedly done in the Bureau of Public Assistance. That is, certain gentlemen from the general counsel's office should be definitely assigned to the Bureau of Employment Security. They should not sit in an ivory tower and write opinions with no regard whatsoever for the operating problems, but should work directly with the operating heads. They should attempt to write opinions which can conceivably be administered by the Bureau and by the States. We in Illinois do not permit our legal staff to sit off in a corner somewhere and issue dictums. The legal counsel works directly with us and finds legal ways for us to do those things which we find we must do. It would, in my opinion, help the States no end if the Bureau of Employment Security in Washington organized its activities in the same way.

Mr. Powell spoke of the function of the Bureau of Employment Security of acting as a clearing house for States on unemployment-compensation and employment-service matters. You cannot imagine, Mr. Powell, how much we in Illinois wish that the Bureau could act just in that capacity. Frankly, up to now I do not believe the Bureau has adequately performed that function. Many is the time we have asked for information as to what the other States were doing on a given problem, and we have not been able to get very much help. Not getting help, we would have liked to have traveled ourselves to the other States to find out what they were doing. Thumbs were turned down on these requests for travel authorization, and it was pointed out that the costs would be tremendous if every State were permitted to travel for such purposes. We recognize your problem, and we hope you will be able to provide us with the service that we really need in order to carry on in the States.

Mr. Powell has covered very well the problems of the Bureau of Employment Security. We know it has been operating on a pretty slim budget and that it has not been able to send its experts out in the field to learn what the operating problems are. It is my opinion that until the experts in Washington get out in the field and work with the States, they will be in no position to advise us on operating and procedural problems.

With regard to organization—and this matter is even nearer and dearer to my heart and to the hearts of some of the gentlemen gath-

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ered here than is the matter of the internal organization of the Board—Mr. Powell has mentioned the fact that since the President's Executive Order reorganizing certain branches of the Federal Government, the United States Employment Service has been moved over into the Social Security Board. The words Mr. Powell used to describe the reorganization were that the United States Employment Service and the Bureau of Unemployment Compensation had been consolidated, and that they are now both operating on an equal plane. Then he went on to say that there has been considerable disinclination on the part of the States similarly to amalgamate their operations on the State level.

We in Illinois take a very different view of the situation. We started out as two separate agencies—an unemployment-compensation division and a State employment service. In those days our State employment-service officials and the regional representatives of the United States Employment Service in our area were just as vehement as any employment-service officials in the country in expressing their desire for a complete separation of the benefit and placement functions for fear that the placement function would get lost if the separation were not maintained. It was because Mr. Durkin took a very vigorous stand on the matter that we were able to integrate—not consolidate nor coordinate—but integrate the two functions in Illinois. We do not have two agencies in Illinois any more. We have only one agency, a division of placement and unemployment compensation. We do not have two contending groups, each fearing that its function will be absorbed by the other. We do not have any walls erected between our personnel based on employment-service and unemployment-compensation labels, and we are operating on a very economical basis as far as our budgets are concerned. We have established joint staff services for the entire division. We have set up a single local office operations section to handle all local office activities, and, believe it or not, the very employment-service officials who feared integration most are now its most enthusiastic supporters because they have found from their experience that it helps them in making placements. The placement function is materially benefitted by a close tie-up with unemployment-compensation activities. We feel very definitely that we have evolved something good in Illinois, and we would like the other States to examine it.

On the other hand, we are rather critical of the organization on the Federal level. We feel that there will be a disinclination on the part of the States to integrate benefit and placement activities so long as the Federal Government maintains a coordinate type of organization.

Here, Mr. Powell says, we have two programs, unemployment compensation and employment service. The Unemployment Com-

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pensation Division is on this end; the Employment Service Division is out here (indicating). I am very much afraid—and I hope that our fears will be groundless—that the expression "hanging out on a limb" may be of particular significance with respect to this type of organization.

In this Bureau organization there is a joint field service. That is fine. The States want only one agency to deal with; they want only one regional representative. But, of course, that joint field service cannot operate effectively if there is going to be maintained within it any semblance of this employment service and unemployment compensation break-down, based on the two coordinate divisions idea.

Let us suppose there is in the regional office a former employment-service individual and a former unemployment-compensation man, both assisting the States with the program, and suppose one differs with the other on a matter of policy. Where is the matter going to be settled? Will it go to Washington to let the contending groups fight it out, or will the regional representative, regardless of his former affiliation, be permitted to settle the matter?

Mr. Powell mentioned that the budget procedure is being overhauled. Under the revised procedure will the Employment Service and Unemployment Compensation Divisions, each with separate staffs, be given a separate "crack" at the budget before it is approved? If so, how rapidly can the budgets be reviewed and sent back to the States? Why cannot the Bureau be organized on the basis of joint staff services for budgets, for research, for standards of operation, for procedures, etc? Why cannot joint staff services be established without regard to whether or not the personnel were former unemployment-compensation or employment-service people? Why should not the Bureau have one joint operating section with which to contact the States, just as we have three operating sections in Illinois because we have three functions to perform?

These ideas are all tossed out in the form of recommendations or suggestions, perhaps not with the due humility that should come from a State that has only begun to pay benefits. We feel, however, that we are doing the thing that most people said could not be done. We have integrated the two services. I have here a copy of our organization chart. If any of you care to see it, I will leave it here for your examination.

I should like to say a few words with respect to the type of department that should administer the unemployment-compensation and employment-service functions. Mr. Powell's report indicated that there had been certain progress made during the legislative sessions of the past year in the unemployment-compensation and employment-service field. He mentioned certain amendments to the Federal act.

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However, on the State level, while there has been considerable progress in some States, there has been considerable retrogression in other States. That retrogression is what worries us. There is every reason to fear a general deterioration of the unemployment-compensation program in certain States which are intent on reducing employers' taxes, and through interstate competition, a leveling down of the unemployment-compensation program all over the country. For example, four States have done two things simultaneously in the way of amendments last year: they have considerably deliberalized the benefit structure of their State law, thereby reducing the amount of benefits payable to workers, and at the same time they have made it easier for employers to achieve reduced contribution rates through so-called merit-rating schemes. What is the ultimate outcome of such a policy? A constant pressure is exerted to cut benefits so that employers can further reduce their contributions. Eventually you do not pay out any benefits and you do not collect any money, and then, of course, you do not have an unemployment-compensation program. Even if that ultimate is not reached, the unemployment-compensation program is, nevertheless, weakened throughout the country, because interstate competition will force the States with better programs to reduce benefits and contributions in line with the actions of the less socially minded States.

There has been another tendency manifest in State laws toward imposing excessive penalties and punitive measures on workers for very minor offenses. For example, there are a whole series of decisions which indicate how very subtle is the line of distinction between what constitutes voluntary leaving with good cause and what constitutes voluntary leaving without good cause. Yet certain States have gone so far in penalizing workers who have voluntarily left employment "without good cause," that they completely wipe out all wage credits, thereby denying compensation for an indefinite period. The same excessive penalty is frequently applied to cases of alleged "discharge for misconduct." Excessive penalties are also imposed on workers by disqualifying them from benefit payments for long periods of time and charging benefits against the workers' accounts during this period as though they had been paid.

Perhaps one way of halting such tendencies is for this Association actively to press for administration of unemployment-compensation and employment-service functions by labor departments. Presumably, labor departments are set up to administer labor functions. The placement and unemployment compensation program directly and vitally affects employee-employer relationships. It directly affects—perhaps more than any other single labor program—the well-being of millions of workers in every State, and as such should be administered by labor departments. The shaping of future legisla-

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tion and the day-to-day administration of the present laws should be in the hands of individuals who sympathize with and understand the purpose of the legislation.

In closing, may I repeat that any of the criticisms we have offered with respect to the operations of the Bureau of Employment Security in Washington are criticisms which were not meant in any derogatory sense, but were presented in an honest and sincere effort to be helpful. We have had nothing but the finest kind of personal relations with the Bureau, in spite of the difficulties we have run into on technical matters. We have a very high regard for the Bureau's representative in our region, and we are, therefore, very happy to note the Board's policy of decentralizing authority in the regions. We feel that we can work closely with him to the mutual advantage of Washington and ourselves.

I should like to take Mr. Powell up on his frank offer. He said that if the Bureau of Employment Security in Washington cannot provide some services for the States that are worth while, they ought to recognize that fact and let the States run their own show. I think we in the States ought to accept the challenge, if challenge it be. We ought to do everything we possibly can to work with the Bureau. But if we find that the Bureau cannot actually provide any services to the States, if it does not serve as a clearing house so that each State can obtain the benefit of the experience in the other States, then the Bureau ought to say frankly to the States, "O. K., boys, administratively it's your show. Do with it as you like."

Mr. DIMOCK. May I ask Mr. Powell a question, and in doing so bring out the words which he used in describing the combination of functions which is being set up under the new bureau? I made a note of it as he was talking. He used all of these words: consolidation, amalgamation, integration, coordination, and combination. If words mean anything, there should be some important differences between those words, and hence what I am asking is, which one of these words, if any, has the greatest significance from the standpoint of defining what your objective is? If you will keep that in mind just a moment, and let me point out also that in talking about those aspects of the two services which are going to be unified—you mentioned research and statistics, personnel, finances, field operations, and also said there should be unification of policy—the question which arises in my mind, as a student of administration, is, "Well, what is left?"

Mr. POWELL. Some of those words were probably used very loosely. I think perhaps clarification of some of the matters that Mr. Goldy raised, along with yours, might be of some help.

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We have felt so keenly the necessity for not submerging the placement function that perhaps we may have gone not quite so far toward an integration as we would otherwise have gone. We have put into the office of the assistant director responsibility for the function of setting standards on matters of general management that are of concern to both employment service and unemployment compensation. You must keep in mind, as Mr. Goldy pointed out, that integration in all of the States has not been effected. Some States run entirely separate outfits. Some have one degree, some another, of coordination, of integration. It is our feeling that there are technical aspects to the work of unemployment compensation that are dissimilar from the technical aspects of placement work. I think it would be useless and probably extravagant to try to integrate the staffs as to all matters. The divisions of employment service and unemployment compensation, to which I referred, will concern themselves largely with standards for those two aspects of the job. The fiscal matters are all to be handled by the field division. There will be no dual review of budgets by the divisions of unemployment compensation and employment service. There will be a fiscal section. Contacts with the State will be the concern of the field division. It is hoped that most, if not all, matters can be handled by the regional representative in the field. If matters of policy come up regarding the technical aspects of contributions, interpretations, benefit decisions, and what not, on which the field staff does not feel sufficiently informed to make a determination, the advice of the Division of Unemployment Compensation will be asked. Likewise, on special technical problems of placement, the advice of the employment service division will be asked, and I expect that where services are required or requested by the State in either field, arrangements will be made by the field division for technicians from those two program divisions to go into the field to work with the State people.

It is dangerous, I think, to try to epitomize or describe an administrative set-up by an adjective or a set of adjectives. There are aspects of it that have been integrated—certainly research and statistics, certainly the field service, certainly standards and procedures for fiscal and management matters that concern both. I hope that there will be a coordination through the field division and through the office of the Director. Coordination, integration—what were the others—amalgamation, unification? Yes, unification of the several functions in one bureau, if that is unification. Amalgamation, yes, or putting together. Perhaps all of these adjectives might apply to some extent. I do not think I was very precise nor did I use the words with great discrimination. I do not know whether I have clarified or confused the issue.

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Mr. GOLDY. There is a question I should like to raise. What, if anything, can the Social Security Board do under this new amendment if the States should violate their merit systems in securing employees for the divisions? Will you be in a position, when the amendment goes into effect next year, to enforce whatever merit systems are adopted by the States?

Mr. POWELL. Yes, I think so, but I hope that it will never be necessary to have to invoke the only penalty that the Board has for violation.

Mr. GOLDY. Should there be a change of administration, I am afraid you are extremely optimistic if you think you will get compliance without using the "big stick."

Unemployment Compensation

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

In the year since the last report of your committee, the unemployment-compensation program has rapidly forged ahead. Benefits are now being paid to unemployed workers in every one of the 48 States, as well as in the District of Columbia, Alaska, and Hawaii. Those States which began benefit payments since the last report have been able to profit by the experience of the pioneers, and consequently began with less of the confusion that necessarily attended the introduction of such a widespread program.

Up to the end of June 1939, contributions to finance the payment of benefits and interest earned on accumulated funds amounted to 1.75 billion dollars. Since January 1938, workers have received 625 million dollars in benefits; and the remainder, something over a billion dollars, is available for the payment of benefits in the future. Approximately 4.5 million unemployed workers have received benefits during the 18-month period since January 1938.

The following tables present in summary form the most important facts for each of the States regarding the number of the persons covered, contributions paid in, the benefits paid out, and also give some indication of the administrative efficiency in this process. On the whole, the general efficiency of operations in the States has shown marked improvement over the past year—as was to have been expected. The time interval between the compensable week of unemployment and issuance of the benefit payment was reduced from an average of 4.5 weeks in June 1938 to an average of 2.2 weeks in June of this year. It should be mentioned in connection with the tables presented that these are but a crude measure of efficiency, representing as they do a picture as of a specified date without allow-

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ances for any special conditions which may exist in a given State. This is particularly true of the table showing initial claims, since these vary tremendously from month to month and from State to State.

The last table indicates the variations in benefit-payment experience among the States over the period of the past 18 months. Those States which began in 1938 faced a period of very extensive unemployment; consequently, very heavy drains upon their fund. The later experience of these States and the experience of States beginning payments in 1939 reflect the somewhat better business conditions that have prevailed in the country. While the experience of the States has revealed, as one would expect, a number of important difficulties in the program which called for remedial action, the operation of the system as a whole has indicated that it is on a sound basis and has successfully weathered its first major tests.

Almost all of the State legislatures were in session during the past year and considered modifications of the various State unemployment-compensation acts. This represented the first real appraisal by each of the States of its operating experience. One of the most striking aspects of the legislative discussions was the emphasis placed upon the need for simplification, although many of the changes introduced went beyond mere simplification of procedures. Among the more common changes that were made were the shortening of the base period; reduction in the waiting period; adjustment of benefit-duration provisions; the introduction of fixed minimum benefits; and a strengthening of the eligibility requirements for benefits. These last two measures have gone far to eliminate the payment of checks of very small amounts which last year was mentioned as one of the serious difficulties.

During the year summarized by this report the railroad unemployment compensation system, referred to in our last report, has begun the payment of benefits. Arrangements have been made for transferring funds from the various State agencies to the Railroad Retirement Board, and eligible workers are now being paid benefits by that Board. It is as yet too early to say what effect, if any, this change will have on the operations of the various State agencies.

Several issues have focused discussion upon the problem of the relationship between unemployment compensation and relief. From the extensive discussions of the Senate Committee on Unemployment and Relief, from the debates during the session of Congress before both House and Senate committees, and from the debates in many State legislatures, it has become evident that the only systematic long-range approach to the unemployment problem which we have on the statute books today is the Federal-State system of unemployment compensation provided for in the Social Security Act. The

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purpose of unemployment compensation is to provide some minimum protection when those persons who are ordinarily employed become unemployed. It is not relief nor is it intended to meet all unemployment under all conditions. The primary objective of unemployment compensation is to provide benefits to persons who become unemployed in normal times due to ordinary changes in business conditions and to provide a first line of defense during a period of unusual unemployment and severe business depression.

The first steps towards reformulating the relationship between unemployment compensation and relief have been taken during the past year. These involve the wider establishment of substantial minimum benefit amounts in order that the necessity for relief supplementation may be reduced. They also include the establishment of experimental and preliminary clearance arrangements between the relief authorities and the unemployment-compensation agencies of information concerning the receipt of unemployment compensation. However, students of the problem have been impressed with the fact that only a very small proportion of the workers receiving unemployment benefits have been known to the relief agencies as applicants for either relief or WPA employment. This, of course, is to be expected. If, as suggested above, unemployment compensation is intended primarily for those workers who are, as a rule, more or less regularly employed, it is evident that these workers will not have been assisted by either relief or WPA. Only after a prolonged period of unemployment and only after exhausting his "first line of defense" will such a worker be compelled to resort to such other means of assistance. It begins to appear from actual experience that if benefits are made reasonably adequate, unemployment compensation may be able to carry a great portion of our workers through the periods of their normal unemployment, so that an application for relief may be either postponed or rendered unnecessary.

It has become increasingly clear that the dual functions of placement and unemployment insurance can be performed most efficiently by a unified administration of these functions at both the State and Federal levels. Substantial progress in this direction has been made in the States over the year and just recently a Bureau of Employment Security has been established within the Social Security Board, in accordance with the reorganization order of the President. In this bureau will be centered the national leadership in the unified program of finding available work for the unemployed and distributing to them benefits to which they are entitled if jobs cannot be found.

The year has witnessed a significant but inconclusive discussion in Congress of several of the underlying principles of unemployment compensation. It is apparent from the tables included in this report that substantial reserves have been accumulated by most of the

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States. As the chairman of the Social Security Board pointed out to congressional committees, these reserves have not yet reached the point that was originally visualized as necessary for the protection of the system at the time of a severe and prolonged depression. But even though the reserves may not be adequate for such an emergency, their existence has given rise to two main lines of suggestions for modifications of the program. From a number of directions have come suggestions for liberalizing the benefit formula in order that more adequate benefits may be paid to eligible unemployed workers for a longer period of time. But the State legislatures, on the whole, apparently still uncertain of the issues involved and unwilling to assume that the experience of the first year of benefit payments was sufficiently typical to warrant major changes in the financial provisions of the acts, refrained during their past sessions from any significant liberalization. The coverage of the laws has remained practically unchanged. There has been no general trend toward increase in the maximum duration of benefits, although eight States now allow all eligible claimants a uniform duration of benefits. Also, the waiting period has been substantially reduced in most States, which will enable the majority of claimants to draw somewhat more in benefits than formerly. Other aspects of the benefit formula have not been significantly liberalized and in a number of States disqualifications have been made more severe.

On the other hand, a number of proposals for reducing the contributions paid by employers have been made in Congress. These have turned on the alternative devices of providing for a uniform reduction in taxes to all employers in the States which have accumulated a certain reserve, or a more rapid introduction of the plan of experience rating providing reduction in rates for those employers whose employment record is favorable.

Any reduction in contributions of the first type to be of value to the employer would require amendment of the Social Security Act. The second type of reduction is permissible under the act as now written, except that it cannot be put into effect under the provisions of most State laws until benefits have been paid for 3 years. It was suggested, therefore, that the Social Security Act be amended to permit reduction of either type and allow employers the full 90 percent offset against the Federal tax. However, it was pointed out in connection with the discussion that if a reasonable Federal-State system of unemployment compensation is to be maintained the basic contribution rate should not be reduced directly or indirectly, except on condition that certain maximum eligibility provisions and minimum benefit standards be established. Otherwise, the equalizing effect of the title IX tax would be entirely removed. An

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amendment to accomplish the double purpose of maintaining reasonable standards and allowing reduction of contributions was passed by the House of Representatives but was not accepted by the Senate.

It is true that reserves are mounting rapidly in several of the States, and even with considerable liberalization of benefits it may be desirable to permit some adjustment of the contribution rate in the light of actual experience. With more experience in the actual payment of benefits, it will be easier to deal with this problem at a later session of the Congress or of the State legislatures.

TABLE 1.—*Number of employers and number of workers under State unemployment-compensation systems as of June 1939*

[Preliminary and subject to revision]

State	Size-of-firm inclusion	Estimated number of employers	Estimated number of workers	State	Size-of-firm inclusion	Estimated number of employers	Estimated number of workers
Total		719,600	27,980,000	Missouri	8 or more	10,600	650,000
				Montana	1 or more	8,600	105,000
Alabama	8 or more	4,400	325,000	Nebraska	8 or more	3,300	145,000
Alaska	do	500	23,000	Nevada	1 or more	2,500	30,000
Arizona	3 or more	3,100	78,000	New Hampshire	4 or more	3,000	125,000
Arkansas	1 or more	14,900	190,000				
California	4 or more	51,000	1,700,000	New Jersey	8 or more	14,800	1,000,000
				New Mexico	4 or more	2,000	70,000
Colorado	8 or more	4,300	200,000	New York	do	97,600	4,000,000
Connecticut	5 or more	8,300	485,000	North Carolina	8 or more	6,800	700,000
Delaware	1 or more	4,800	65,000	North Dakota	do	1,100	42,000
Dist. of Columbia	do	14,900	180,000				
Florida	8 or more	4,400	255,000	Ohio	3 or more	44,400	1,720,000
				Oklahoma	8 or more	5,100	324,000
Georgia	do	7,200	400,000	Oregon	4 or more	7,400	225,000
Hawaii	1 or more	3,900	119,000	Pennsylvania	1 or more	145,000	3,100,000
Idaho	do	8,000	110,000	Rhode Island	4 or more	5,700	300,000
Illinois	8 or more	27,300	1,620,000				
Indiana	do	9,000	838,000	South Carolina	8 or more	3,500	292,000
				South Dakota	do	1,200	45,000
Iowa	do	6,700	320,000	Tennessee	do	4,500	450,000
Kansas	do	6,200	245,000	Texas	do	13,300	800,000
Kentucky	4 or more	7,400	380,000	Utah	4 or more	2,500	90,000
Louisiana	do	12,000	425,000				
Maine	8 or more	2,900	190,000	Vermont	8 or more	1,100	70,000
				Virginia	do	5,800	450,000
Maryland	4 or more	11,000	475,000	Washington	do	6,400	300,000
Massachusetts	do	35,500	1,450,000	West Virginia	do	3,300	350,000
Michigan	8 or more	16,100	1,300,000	Wisconsin	7 or more	7,900	500,000
Minnesota	1 or more	40,600	525,000	Wyoming	1 or more	4,800	49,000
Mississippi	8 or more	3,000					

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TABLE 2.—*Status of State unemployment compensation funds as of June 30, 1939*

[Data reported by State agencies [1] corrected to July 17, 1939; amounts in thousands of dollars]

State	Month and year benefits first payable	Total funds available for benefits as of June 30, 1939			Cumulative collections and interest credited as of June 30, 1939		Collections January–June 1939 [5]	Benefits charged				Percentage of—	
		Amount [2]	Percentage change from May 31, 1939	Index [3]	Total collections and interest [4]	Collections [5]		Cumulative total through June 30, 1939 [6]	January–June 1939 [6]	June 1939		1939 benefits to 1939 contributions	Total benefits to cumulative collections and interest
										Amount	Percentage change from May		
Total, all States		$1,139,376	−2.1	135.4	[7] $1,764,444	$1,723,194	$367,527	$625,068	$229,135	$43,566	+10.2	62.3	35.4
States collecting quarterly, total		956,695	[8] −2.6	136.1	[7] 1,500,420	1,465,913	316,151	543,725	204,716	39,468	+10.6	64.8	36.2
Alabama [9]	January 1938	9,514	−2.8	107.6	19,884	19,488	4,250	10,370	2,242	362	−17.4	52.8	52.2
Alaska	January 1939	842	−3.2	95.1	1,067	1,045	172	225	225	35	−50.7	130.8	21.1
Arizona	January 1938	2,248	−4.4	111.6	4,988	4,898	1,124	2,740	838	127	−9.3	74.6	54.9
Arkansas	January 1939	6,135	−2.2	115.6	7,135	6,970	1,756	1,000	1,000	193	−10.6	56.9	14.0
California [9]	January 1938	127,242	−2.1	189.4	171,216	166,916	38,422	43,974	20,259	3,778	+15.3	52.7	25.7
Colorado	January 1939	9,467	−3.6	105.8	11,626	11,291	2,565	2,159	2,159	454	+4.4	84.2	18.6
Connecticut	January 1938	21,743	−1.4	142.1	37,052	36,291	8,294	15,309	3,055	487	+7.5	36.8	41.3
Delaware	January 1939	4,773	−.5	121.9	5,171	5,054	1,202	398	398	62	+10.7	33.1	7.7
Florida	do	12,698	−.9	128.6	13,473	13,171	3,462	775	775	220	+27.2	22.4	5.8
Idaho	September 1938	2,412	−3.7	80.2	4,581	4,463	972	2,169	1,802	116	−44.5	185.4	47.3
Indiana	April 1938	27,262	−.8	100.6	49,965	48,675	10,495	22,703	6,395	919	+16.5	60.9	45.4
Iowa	July 1938	12,051	−2.9	120.9	18,327	17,893	4,160	6,276	3,690	448	+20.1	88.7	34.2
Kansas	January 1939	11,629	−1.0	114.2	13,148	12,825	2,831	1,519	1,519	197	−16.9	53.7	11.6
Kentucky [9]	do	21,970	−1.8	116.0	24,974	24,292	5,782	3,004	3,004	575	−26.3	52.0	12.0
Maine	January 1938	2,556	−8.9	68.0	9,041	8,901	2,022	6,485	1,950	275	−14.6	96.4	71.7
Maryland	do	12,095	−2.4	133.5	25,588	25,163	6,047	13,493	3,349	529	−8.2	55.4	52.7
Massachusetts [9]	do	60,965	−2.4	145.9	98,193	95,850	18,660	37,228	10,129	2,009	+26.7	54.3	37.9
Michigan	July 1938	44,479	−6.0	70.3	100,938	98,849	22,817	56,459	16,556	3,174	+39.8	72.6	55.9
Minnesota	January 1938	18,224	−1.9	152.8	31,618	30,994	7,127	13,394	5,233	501	−25.9	73.4	42.4
Mississippi [10]	April 1938	3,429	−2.2	117.6	5,726	5,586	924	2,297	882	107	−3.6	95.5	40.1
Missouri	January 1939	41,833	−.5	122.9	44,498	43,511	9,986	2,665	2,665	539	+5.7	26.7	6.0
Nebraska	do	8,336	−.4	117.7	9,198	8,993	2,023	862	862	85	−27.4	42.6	9.4
Nevada	do	1,598	−4.0	104.6	2,020	1,973	472	422	422	82	−15.5	89.4	20.9
New Jersey [9]	do	81,419	−.7	122.1	90,243	87,862	22,656	8,824	8,824	1,449	1.8	38.9	9.8
New Mexico	December 1938	2,594	−2.7	105.5	3,240	3,150	727	646	637	92	+1.1	87.6	19.9
New York [10]	January 1938	143,977	−6.0	146.4	276,491	270,402	48,404	132,514	45,183	10,499	+39.4	93.3	47.9
Ohio	January 1939	114,389	−1.7	116.9	126,875	123,242	27,668	12,486	12,486	2,961	+7.6	45.1	9.8

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Oklahoma	December 1938	12,950	−1.7	102.4	15,770	15,294	2,340	2,820	2,749	331	−13.1	117.5	17.9
Pennsylvania	January 1938	78,952	−6.6	111.9	182,393	178,925	39,331	103,441	31,895	6,488	−10.0	81.1	56.7
Rhode Island [9]	do	7,655	−6.6	96.4	19,769	19,419	3,426	12,113	2,820	651	+13.6	82.3	61.3
South Dakota	January 1939	2,292	−.7	115.9	2,582	2,507	578	230	290	32	−22.0	50.2	11.2
Tennessee	January 1938	10,781	−3.5	138.6	19,305	18,920	4,465	8,525	2,381	488	+26.4	53.3	44.2
Utah	do	2,615	−3.8	102.1	6,033	5,972	1,351	3,468	1,006	126	−19.2	74.5	57.0
Virginia	do	13,924	−2.9	166.4	22,204	21,725	5,159	8,280	2,644	525	+9.6	51.3	37.3
Washington [10]	January 1939	19,269	−1.3	102.0	22,902	22,340	3,776	3,633	3,633	435	−24.5	96.2	15.9
Wyoming	do	2,376	−3.8	99.0	3,135	3,063	705	759	759	117	−7.9	107.7	24.2
States collecting monthly, total		182,681	+3.0	153.9	264,024	257,281	51,376	81,343	24,419	4,098	+6.5	47.5	30.8
District of Columbia	January 1938	13,631	+4.0	231.3	16,159	15,711	3,558	2,525	853	104	−7.1	24.0	15.6
Georgia	January 1939	18,708	+3.0	120.7	20,207	19,757	4,506	1,499	1,499	321	−3.6	33.3	7.4
Hawaii	do	4,039	+.8	124.3	4,127	4,033	833	88	88	23	+21.1	10.6	2.1
Louisiana [9]	January 1938	14,462	+2.2	189.0	21,995	21,501	5,025	7,533	3,526	559	−12.8	70.2	34.2
New Hampshire [11]	do	4,814	−.6	113.4	8,418	8,219	1,283	3,604	872	196	+24.1	68.0	42.8
North Carolina	do	14,169	+3.9	150.5	25,105	24,614	5,544	10,936	2,720	462	+9.2	49.1	43.6
North Dakota	January 1939	2,031	+3.1	109.7	2,457	2,401	535	376	376	45	−13.8	70.3	15.3
Oregon	January 1938	6,644	+4.1	113.5	15,294	15,000	3,223	8,650	2,733	306	−3.5	84.7	56.6
South Carolina	July 1938	9,035	+2.7	145.1	10,877	10,570	2,318	1,782	1,187	189	−7.8	51.2	16.4
Texas	January 1938	38,986	+3.8	197.4	54,221	52,893	11,693	15,235	5,891	915	−5.4	50.5	28.1
Vermont	do	2,467	+4.1	174.7	3,652	3,573	763	1,185	363	42	−26.3	47.6	32.4
West Virginia	do	9,840	+1.2	96.5	24,241	23,883	4,835	14,401	2,335	676	+141.4	48.0	59.4
Wisconsin	July 1936	43,742	+2.7	144.4	57,271	55,118	7,257	13,529	1,975	260	+1.6	27.2	23.6

[1] Except interest earned on funds in State accounts in unemployment trust fund which is credited and reported by the U. S. Treasury in last month of each quarter.

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

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

[4] Includes refund of $40,561,886 by Federal Government to 13 States, Alaska, and Hawaii, collected on pay rolls for year 1936 under title IX of the Social Security Act.

[5] Includes contributions plus penalties and interest collected from employers since contributions were first payable. Figures are adjusted for refunds of contributions and for dishonored contribution checks. 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 is 3 percent.

[6] Adjusted for voided benefit checks.

[7] Does not include collections and interest of $154,175,000 for Illinois and $6,224,000 for Montana, because benefits not payable until July 1939.

[8] Percentage change excludes those States changing from a monthly to a quarterly collection basis as of the pay-roll month of April 1939.

[9] Employee contributions of 1 percent are collected in Alabama, California, Kentucky, and New Jersey; of 0.5 percent in Louisiana; and of 1.5 percent in Rhode Island. Employee contributions in Massachusetts have been suspended for July 1, 1938-June 30, 1939.

[10] Mississippi, New York, and Washington changed to a quarterly collection basis as of Apr. 1, 1939.

[11] New Hampshire will make quarterly collections as of July 1, 1939, although some contributions have already been made on that basis from selected employers.

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TABLE 3.—*Unemployment compensation: Claims for benefits by States, week ended July 1, 1939*

[Data reported by State agencies corrected to July 7, 1939]

Initial claims

State	Pending disposition beginning of week	Received during week [1]		Disposed of during week		Pending end of week	
		Number	Percentage change from previous week	Number	Ratio to receipts [2]	Number	Ratio to average weekly dispositions [3]
Total for States reporting	203,088	190,945	+26.9	151,213	0.8	236,712	1.6
Region I:							
Connecticut	918	2,124	+61.4	1,850	.9	1,192	.6
Maine	845	1,678	−40.6	1,571	.9	952	.4
Massachusetts	20,247	9,069	−12.7	10,678	1.2	18,638	1.4
New Hampshire	55	273	−17.8	322	1.2	6	0
Rhode Island	642	3,456	+10.4	3,524	1.0	574	.2
Vermont	53	201	−7.8	189	.9	65	.2
Region II:							
New York	35,280	27,626	+13.9	32,164	1.	[2] 30,742	1.3
Region III:							
Delaware	28	228	−3.8	222	1.0	34	.1
New Jersey	11,832	[4] 8,091	+23.8	1,635	.2	18,288	3.4
Pennsylvania	36,406	32,400	+109.3	21,591	.7	47,215	3.0
Region IV:							
District of Columbia	1,153	375	+.3	129	.3	1,399	5.0
Maryland	1,215	1,528	−6.1	1,699	1.1	1,044	.6
North Carolina	2,249	6,605	+78.9	5,793	.9	3,061	.6
Virginia	1,999	2,065	−9.0	1,866	.9	2,198	1.0
West Virginia	518	1,342	−14.8	1,362	1.0	498	.3
Region V:							
Kentucky	1,671	1,437	−25.0	2,180	1.5	928	.5
Michigan	23,932	31,925	+106.2	6,552	.2	49,305	7.5
Ohio	14,101	4,643	−12.6	7,707	1.7	11,037	1.6
Region VI:							
Illinois [5]		6,108					
Indiana	1,219	5,408	−1.0	4,675	.9	1,952	[6] 3
Wisconsin [7]	916	1,328	−10.3	1,366	1.0	878	.6
Region VII:							
Alabama	67	1,619	−9.6	1,660	1.0	26	0
Florida	6,583	3,061	+9.7	3,029	1.0	6,615	2.1
Georgia	2,366	2,650	+5.5	2,391	.9	2,625	.9
Mississippi	382	784	−13.0	930	1.2	236	.2
South Carolina	4,681	1,548	−5.6	2,505	1.6	3,724	1.2
Tennessee	114	2,629	+27.1	2,593	1.0	150	.1
Region VIII:							
Iowa	4,053	1,009	−33.9	4,253	4.2	809	.4
Minnesota	318	1,081	−19.5	1,112	1.0	287	.2
Nebraska	515	568	−5.2	388	.7	695	1.2
North Dakota	50	77	−30.0	70	.9	57	.5
South Dakota	33	114	−8.1	120	1.1	27	.2
Region IX:							
Arkansas	368	770	+1.4	791	1.0	347	.3
Kansas	599	907	+5.1	988	1.1	518	.6
Missouri	2,561	2,681	−12.4	2,637	1.0	2,605	.8
Oklahoma	1,163	1,251	−1.7	1,538	1.2	876	.7
Region X:							
Louisiana	1,361	2,384	−6.0	2,869	1.2	876	.4
New Mexico	536	388	−27.1	866	2.2	58	.1
Texas	9,780	4,440	−7.8	4,205	.9	10,015	2.0
Region XI:							
Arizona	244	451	+26.0	531	1.2	164	.4
Colorado	1,139	874	−7.0	949	1.1	1,064	.9
Idaho	32	190	−.5	173	.9	49	.2
Montana [8]							
Utah	567	1,915	+148.1	227	.1	2,255	3.4
Wyoming	136	303	−2.6	325	1.1	114	.3
Region XII:							
California	5,748	8,916	+18.5	5,960	.7	8,704	1.0
Nevada	25	122	+.8	124	1.0	23	.2
Oregon	2,567	909	−5.5	1,251	1.4	2,225	1.9
Washington	1,539	1,097	−5.9	1,274	1.2	1,362	.8
Territories:							
Alaska	9	29	−14.7	30	1.0	8	.1
Hawaii	273	268	+67.5	349	1.3	192	1.6

[1] Includes reopened claims.

[2] These ratios indicate whether dispositions were greater or fewer than receipts. A ratio in excess of 1.0 indicates that dispositions were greater than receipts and hence some reduction in backlog was effected.

[3] These ratios indicate the approximate number of weeks of work represented by the volume of claims pending. The average used is based on the preceding 4 weeks unless otherwise noted.

[4] Excludes reopened claims.

[5] Claims first taken July 1, 1939.

[6] Average based on dispositions of preceding 3 weeks.

[7] Report based on local office receipts; excludes claims for partial unemployment.

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TABLE 3.—*Unemployment compensation: Claims for benefits by States, week ended July 1, 1939*—Continued

[Data reported by State agencies, corrected to July 7, 1939]

Continued claims

State	Pending disposition beginning of week	Received during week		Disposed of during week		Pending end of week	
		Number	Percentage change from previous week	Number	Ratio to receipts	Number	Ratio to average weekly dispositions
Total for States reporting	409,058	936,077	−1.4	987,548	1.1	357,587	0.4
Region I:							
Connecticut	10,264	10,410	+19.3	20,008	1.9	666	.1
Maine	3,385	8,945	−17.3	10,724	1.2	1,606	.1
Massachusetts	36,686	40,125	−9.3	46,294	1.2	30,517	.7
New Hampshire	600	5,695	+7.7	6,095	1.1	200	0
Rhode Island	0	15,069	−2.6	15,069	1.0	0	0
Vermont	349	1,089	−18.7	1,048	1.0	390	.2
Region II:							
New York	28,077	190,245	+.2	185,296	1.0	33,026	.2
Region III:							
Delaware	0	1,737	+6.2	1,737	1.0	0	0
New Jersey	4,277	31,650	−5.7	29,031	.9	6,896	.2
Pennsylvania	78,899	115,688	−8.2	129,713	1.1	64,874	.6
Region IV:							
District of Columbia	5,594	3,879	−1.6	6,048	1.6	3,425	1.0
Maryland	6,628	20,127	+5.3	19,816	1.0	6,939	.4
North Carolina	1,878	33,590	+7.3	33,964	1.0	1,504	.1
Virginia	3,956	15,102	+5.1	15,449	1.0	3,609	.2
West Virginia	7,955	16,367	−6.0	19,683	1.2	4,639	.2
Region V:							
Kentucky	2,512	15,471	−.7	15,341	1.0	2,642	.2
Michigan	20,786	55,125	+10.9	53,764	1.0	22,147	.5
Ohio	26,606	58,226	−4.1	63,134	1.1	21,698	.3
Region VI:							
Illinois [5]							
Indiana	0	17,493	−6.2	17,493	1.0	0	0
Wisconsin [7]	3,115	6,093	−20.4	5,981	1.0	3,227	.5
Region VII:							
Alabama	5,302	13,298	+3.7	13,337	1.0	5,263	.4
Florida	3,422	8,867	+2.2	7,695	.9	4,594	.7
Georgia	3,384	13,230	+6.0	16,298	1.2	316	0
Mississippi	1,182	4,079	−6.4	4,299	1.1	962	.2
South Carolina	46,939	12,734	+.6	22,216	1.7	37,457	3.5
Tennessee	19,958	21,373	+7.2	23,974	1.1	17,357	.6
Region VIII:							
Iowa	1,106	8,453	−8.7	9,502	1.1	57	0
Minnesota	4,949	9,785	+1.7	10,037	1.0	4,697	.4
Nebraska	464	2,264	+4.0	2,152	1.0	576	.2
North Dakota	200	977	−7.6	975	1.0	202	.2
South Dakota	139	888	+5.0	880	1.0	147	.2
Region IX:							
Arkansas	0	7,843	+16.3	7,843	1.0	0	0
Kansas	356	4,335	−6.5	4,075	.9	616	.1
Missouri	3,794	13,166	−6.7	13,758	1.0	3,202	.2
Oklahoma	1,414	7,024	−4.9	7,124	1.0	1,314	.2
Region X:							
Louisiana	2,281	15,067	−1.3	15,427	1.0	1,921	.1
New Mexico	280	2,268	−3.0	2,530	1.1	18	0
Texas	3,210	15,633	−7.1	16,395	1.0	2,448	.1
Region XI:							
Arizona	448	2,393	−4.4	2,436	1.0	405	.2
Colorado	2,308	9,671	+8.9	9,701	1.0	2,278	.3
Idaho	302	1,264	−32.7	1,274	1.0	292	.2
Montana [5]							
Utah	811	2,786	−7.5	2,963	1.1	634	.2
Wyoming	7	2,171	+1.6	2,171	1.0	7	0
Region XII:							
California	54,767	75,501	+4.4	74,885	1.0	55,383	.7
Nevada	247	1,442	−6.4	1,368	.9	321	.2
Oregon	8,430	7,708	−26.9	7,995	1.0	8,143	.8
Washington	1,719	8,521	−4.0	9,321	1.1	919	.1
Territories:							
Alaska	68	488	+59.5	505	1.0	51	.1
Hawaii	4	722	−2.4	724	1.0	2	0

[5] Claims first taken July 1, 1939.
[7] Based on local office receipts; excludes claims for partial unemployment.

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TABLE 4.—*Unemployment compensation: Number of claims and number and amount of benefit payments, by States, week ended July 1, 1939*

[Data reported by State agencies, corrected to July 7, 1939]

State	Cumulative totals since Jan. 1, 1939				Cumulative totals since benefits first payable		
	Initial claims	Continued claims	Number of payments	Amount of payments	Date first payable	Number of payments	Amount of payments
Total for States reporting	5,019,516	24,274,542	22,005,217	$230,025,238		60,011,972	$624,277,102
Region I:							
Connecticut	80,042	309,038	313,873	3,054,186	Jan. 1938	1,529,365	15,313,088
Maine	78,966	338,193	263,012	1,955,628	do	846,596	6,480,182
Massachusetts	252,644	999,588	973,511	9,960,941	do	3,523,503	37,043,673
New Hampshire	19,759	109,328	106,655	878,916	do	430,819	3,612,836
Rhode Island	109,009	317,001	317,001	2,853,150	do	1,372,355	12,286,579
Vermont	11,916	56,187	39,598	363,198	do	134,815	1,185,144
Region II:							
New York	902,442	2,960,795	2,972,957	45,836,496	do	10,381,968	133,167,135
Region III:							
Delaware	14,954	51,282	50,979	397,563	Jan. 1939	50,979	397,563
New Jersey	225,803	941,291	922,528	8,896,948	do	922,528	8,896,948
Pennsylvania	557,116	2,878,927	2,895,251	31,905,241	Jan. 1938	9,296,040	103,533,060
Region IV:							
District of Columbia	12,706	163,345	102,772	861,506	do	298,831	2,534,714
Maryland	54,456	623,955	406,689	3,368,083	do	1,565,288	13,516,977
North Carolina	159,755	806,967	434,808	2,739,980	do	1,550,393	10,951,119
Virginia	70,034	367,733	358,020	2,645,431	do	1,117,318	8,285,194
West Virginia	96,137	285,830	274,083	2,364,427	do	1,530,660	14,431,008
Region V:							
Kentucky	88,802	373,462	355,276	3,022,122	Jan. 1939	355,276	3,022,122
Michigan	200,947	1,284,923	1,259,870	16,566,348	July 1938	4,220,309	56,473,654
Ohio	298,166	1,357,634	1,320,443	12,583,573	Jan. 1939	1,320,443	12,583,573
Region VI:							
Illinois [1]	6,108				July 1939		
Indiana	74,170	654,857	654,498	6,412,400	Apr. 1938	2,122,874	22,720,962
Wisconsin	[2] 49,224	[2] 198,028	228,836	2,049,366	July 1936	1,516,420	11,573,725
Region VII:							
Alabama	62,520	363,379	336,520	2,260,561	Jan. 1938	1,499,847	10,391,376
Florida	64,131	118,308	107,003	775,207	Jan. 1939	107,003	775,207
Georgia	83,856	292,132	260,864	1,526,658	do	260,864	1,526,658
Mississippi	34,337	172,751	161,779	884,743	Apr. 1938	402,006	2,300,780
South Carolina	63,069	367,517	236,000	1,191,561	July 1938	348,923	1,786,755
Tennessee	66,324	654,229	339,655	2,250,291	Jan. 1938	1,206,670	8,395,874
Region VIII:							
Iowa	62,714	427,303	430,147	3,686,731	July 1938	710,501	6,243,032
Minnesota	72,652	535,272	418,608	5,232,844	Jan. 1938	887,008	13,432,359
Nebraska	36,909	106,413	101,471	868,421	Jan. 1939	101,471	868,421
North Dakota	9,338	45,685	41,499	376,653	do	41,499	376,653
South Dakota	7,756	33,711	31,637	289,670	do	31,637	289,670
Region IX:							
Arkansas	47,818	175,149	158,752	1,011,548	do	158,752	1,011,548
Kansas	53,136	183,074	160,114	1,554,766	do	160,114	1,554,766
Missouri	123,990	339,562	326,480	2,680,813	do	326,480	2,680,813
Oklahoma	53,986	294,294	281,133	2,760,377	Dec. 1938	287,864	2,831,608
Region X:							
Louisiana	69,944	530,141	440,752	3,541,825	Jan. 1938	994,930	7,549,174
New Mexico	20,795	70,319	66,309	642,774	Dec. 1938	67,326	651,984
Texas [3]	150,701	813,579	537,984	5,883,257	Jan. 1938	1,582,664	15,305,829
Region XI:							
Arizona	13,725	76,514	75,818	843,807	do	237,425	2,749,470
Colorado	52,753	221,434	206,275	2,131,676	Jan. 1939	206,275	2,131,676
Idaho	19,675	176,858	154,249	1,736,673	Sept. 1938	188,397	2,103,035
Montana [1]					July 1939		
Utah	29,699	113,010	102,320	1,009,922	Jan. 1938	321,509	3,472,980
Wyoming	17,523	83,660	57,169	761,643	Jan. 1939	57,169	761,643
Region XII:							
California	268,259	2,202,937	2,066,205	20,291,847	Jan. 1938	4,550,516	44,040,177
Nevada	8,017	34,868	33,805	422,036	Jan. 1939	33,805	422,036
Oregon	44,862	377,038	247,489	2,720,254	Jan. 1938	780,017	8,641,145
Washington	108,781	350,927	347,955	3,652,058	Jan. 1939	347,955	3,652,058
Territories:							
Alaska	5,218	25,105	15,681	225,618	do	15,681	225,618
Hawaii	3,872	11,009	10,884	95,501	do	10,884	95,501

[1] Claims first taken July 1, 1939.
[2] Based on local office receipts; excludes claims for partial unemployment.
[3] In the absence of central office data for one or more weeks of January, data were secured from weekly figures as reported on Form UC–236, which is on a local office basis.

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Recent Developments in Old-Age Assistance

Report of Committee on Old-Age Assistance, by W. A. PAT MURPHY
(*Oklahoma Department of Labor*)

During recent months, legislative action in the United States Congress and 45 State and Territorial legislatures has produced substantial changes in old-age assistance programs. Some of these changes will, probably, in the long run, prove of great importance in the development of this type of public assistance.

Amendments to the Federal Act

On August 10, 1939, the President approved the bill known as the "Social Security Act Amendments of 1939." This new legislation altered in several respects the relationship of the Federal Government to the State programs for old-age assistance, as well as the State programs for aid to the blind and aid to dependent children.

PERSONNEL STANDARDS

Perhaps the most significant and far-reaching amendment to the Federal act was that relating to the establishing and maintenance of personnel standards on a merit basis in State public assistance agencies including those administering old-age assistance. It will be recalled that the original Social Security Act of 1935, in enumerating the requirements which a State must meet in order to secure approval of its old-age assistance plan, had specified in section 2 (a)(5) that the State plan must "provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the [Social Security] Board to be necessary for the efficient operation of the plan." Under this provision, with its parenthetical limitation, Federal efforts to stimulate the adoption of objective personnel standards in State old-age assistance agencies were somewhat hampered. The Federal Board was limited in any attempt it might make toward encouraging State agencies to employ a higher quality of personnel, and to resist political pressure and activity within the ranks of such personnel. In spite of these limitations, the efforts of the Board, during more than 3 years of operation, did result in a notable increase in the numbers of merit systems for the personnel of State agencies.

One of the recent amendments to the Federal act has changed section 2 (a) (5) to specify that a State plan for old-age assistance must "provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Board shall exercise no

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authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Board to be necessary for the proper and efficient operation of the plan."

It is almost axiomatic that the degree to which State public assistance programs attain their purposes depends largely upon the knowledge and skill of the personnel employed in the State and local agencies responsible for the administration of these activities. It is recognized, of course, that in many States it will not be possible to have a full-fledged and completely satisfactory merit system in operation by January 1, 1940, the date mentioned in the amendment, and that, if such a system is to be successful in the long run, it must meet the needs of and be adapted to the specific conditions existing in each State. The process of developing merit systems, therefore, will involve, in some States, intensive work in the State agencies over a period of many months. It will also be necessary to bring about appropriate improvements in the personnel practices of some States which already have State civil service or departmental merit systems, in order to bring these systems into line with modern personnel administration.

Use of Old-Age Assistance Records

Another amendment to the Federal act, effective July 1, 1941, requires that State old-age assistance plans shall provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of old-age assistance. This provision will assure needy persons, for whose benefit the programs are being operated, that the confidential information which they are required to furnish the State and local agencies is to be protected. It will also tend to reduce the solicitation and harassment of these individuals during political campaigns.

"Need" in Relation to Assistance

The Federal act, as amended, also requires that, effective July 1, 1941, State plans for old-age assistance shall "provide that the State agencies shall, in determining need, take into consideration any other income and resources of an individual claiming old-age assistance." It will be recalled that, in the past, questions arose on several occasions as to whether the Federal agency had authority to require that State plans for old-age assistance provide assistance only for needy individuals. In several States a tendency has developed to exempt from consideration certain amounts or types of income or resources in determining whether an individual is eligible for aid. Because State

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funds available for public assistance have never been sufficient to provide adequately for all individuals who might require some assistance, this practice has resulted in certain inequities as between persons who were completely destitute and those able to meet part of their needs through their own resources. The amendment makes it clear that, after July 1, 1941, an approved old-age assistance plan may not permit any such arbitrary exemption.

The "need" approach to old-age assistance has been further strengthened in the amended definition of old-age assistance which became effective on the date of the approval of the amendments, August 10, 1939. The word "needy" has been inserted so that the passage in section 6 of the Federal act now reads "when used in this title the term 'old-age assistance' means money payments to needy aged individuals." It is thus evident that the intention of Congress is clearly to provide that old-age assistance, within the meaning of the Federal act, shall be granted on the basis of need, and not as a pension.

Collections From Estates

The fiscal relationship, as between the Federal Government and the State, in regard to the moneys collected by a State with respect to old-age assistance previously granted, has likewise been altered by the amendments. The original Federal act required that the State pay to the United States one-half of the amounts so recovered, in order to reimburse the Federal Government for its contribution to assistance payments. As amended, effective January 1, 1940, the act requires that such reimbursement to the Federal Government shall be effected by means of adjustments when subsequent grants are made to the State, instead of by cash repayment.

The amendment also permits the State to deduct from the total collections the amounts paid out by the State for funeral expenses for deceased recipients, and to calculate the Federal share on the basis of the net remainder.

Higher Maximum for Federal Contributions

Under the amended act, the maximum amount of payment to which the Federal Government can contribute has been increased from $30 to $40 per month for each person aided. The equal matching basis for Federal grants is retained. This means that, whereas the Federal share formerly could be as much as $15 per month, provided the State paid $30, beginning January 1, 1940, the Federal share may be $20 per month if the State pays the recipient $40. It is doubtful, however, that this permissive higher maximum for Federal contributions will, at this time, make any substantial difference in

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the payments actually made to recipients by the great majority of the States. Few States are at present able to pay over $30 a month in any appreciable number of cases, and it appears unlikely that any great increase in State resources will be available in the immediate future. Statistics for the month of July 1939, show that during that month only two States, California and Colorado, were paying more on the average than $30 a month per individual. For the same month, the Nation-wide average, for all 51 States and Territories, was $19.47 per individual.

Trends in State Legislation

With 45 State and Territorial legislatures in session during the spring of 1939, many changes in State old-age assistance programs were effected. Important changes in the organization of State agencies were brought about in Hawaii, Idaho, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, New Mexico, Oklahoma, Oregon, Texas, and Washington.

Interstate Agreements

In Michigan, North Carolina, North Dakota, and South Dakota, legislation was enacted authorizing the making of reciprocal agreements with other States regarding the care and transportation of nonresidents and transients.

Personnel

In the field of personnel, civil-service laws were enacted in Alabama, Hawaii, Minnesota, and Rhode Island, but the Arkansas civil-service law was repealed. The statutory bases for departmental merit systems were strengthened in Idaho, Louisiana, Montana, Nebraska, Oregon, Texas, and Vermont; and Illinois revised and extended its merit system for county employees in down-State counties.

Age

Three States—Missouri, New Hampshire, and Pennsylvania—still retain 70 years as the minimum age for the receipt of old-age assistance. The Social Security Act requires that, after January 1, 1940, the minimum age in approved old-age assistance plans shall be 65 years. To conform to this requirement, the recent session of the Missouri legislature provided for a reduction to 65 years after December 31, 1939. The laws of New Hampshire and Pennsylvania had already contained similar provisions.

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Citizenship

Oklahoma, Oregon, South Dakota, and West Virginia deleted citizenship as a requirement for old-age assistance. As an alternative to a citizenship requirement for old-age assistance, North Carolina provided 10 years' residence in the United States plus a declaration of intent to become a citizen; and North Dakota, 30 years' residence in the United States. In Iowa, the requirement of 25 years' residence in the United States as an alternative to citizenship was retained, but the legislature deleted from it the requirement that an applicant for old-age assistance shall have thought himself to be a citizen. In contrast to these liberalizing changes, the 1939 legislatures in Maine and Florida imposed a citizenship requirement for old-age assistance.

Residence

During the recent sessions, changes relating to residence were made in several States. West Virginia reduced its requirement for old-age assistance to 1 year. North Carolina reduced its requirement to 2 years out of the preceding five years (and also by regulation considers those persons eligible for old-age assistance who have lived in the State for 5 of the last 9 years). In Utah, recipients of old-age assistance who change county residence are now to remain charges of the county of former residence for 9 months. Kansas raised its requirements for old-age assistance from 1 year to 5 out of the last 9 years.

Standards of Need

Oklahoma now provides specifically that need is to be a condition of eligibility for old-age assistance; and Oregon, that old-age assistance shall be granted on the basis of need.

Provisions requiring the consideration of all resources in determining need for old-age assistance have been enacted in Missouri, Nebraska, South Dakota, Vermont, and Washington.

The Nebraska old-age assistance law now has a provision that the amount of aid shall be determined on a budgetary basis; this replaces its statutory provision that aid be determined on a $30-less-income basis. Idaho now provides that sources of support, as well as the individual's income and resources, shall be taken into consideration in determining eligibility for old-age assistance. An amendment to the Wyoming old-age assistance law limits the consideration of resources to the applicant's net income in determining the amount of the grant.

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Maximum Grants

Connecticut increased its maximum grant for old-age assistance from $7 to $9 per week. In North Dakota the former old-age assistance maximum of $30-less-income for old-age assistance has been repealed, by an initiative measure, in favor of a minimum of $40-less-income; however, lack of funds prevents observance of the new standard. Wyoming has made permanent the former temporary provision that old-age assistance grants would be increased if and when the Federal act should be amended to provide for greater Federal participation in old-age assistance grants. Vermont reduced its maximum old-age assistance grant from $30 assistance grant to $30 assistance plus income. Washington has replaced its $30-less-income minimum old-age assistance grant with a maximum of $30 assistance and resources. Oklahoma repealed its statutory provision for maximum old-age assistance grants, but the $30 limitation remains in the constitution.

Exemptions

Under the Iowa old-age assistance law, income now includes gratuities from any source, although occasional gifts or personal earnings up to $120 per year, rather than $100 as formerly, may be exempted.

In Washington—although all resources are to be considered and old-age assistance is to be granted on a budgetary basis—resources are not to include the home, household goods, personal effects, or foodstuffs produced by the applicant for himself and his family.

In Texas, the resident homestead and the financial ability of relatives other than the spouse are exempted from consideration; applicants may own $1,500 in personal property if married or $1,000 if single; and recipients may retain $1,000 in life insurance of which the cash or accrued value is not regarded as a resource. But possession of more than $360 in cash disqualifies an applicant for assistance.

Effective January 1, 1940, Minnesota will raise its property limitation for old-age assistance from $3,500 to $5,000; household goods, furniture, wearing apparel, and burial lots will be exempt from consideration. Applicants will be required to sell realty located outside the State.

In Arizona, the value of household furniture has been exempted from consideration in determining resources.

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Recoveries and Liens

Florida has repealed its recovery and lien provisions. Kansas, Louisiana, and Oregon have repealed their lien provisions but retain their recovery provisions.

Washington now provides for recovery from the estates of recipients, although enforcement is discretionary with the State agency. Minnesota and Nebraska have enacted lien provisions in addition to their recovery provisions.

Transfers of Property

Florida and Maine now apply to recipients as well as applicants the prohibition against transfers of property for the purpose of qualifying for old-age assistance. For aid to the aged, Maryland increased from 2 to 3 years the period prior to application during which no transfers of property may be made. On and after January 1, 1940, Minnesota will disqualify recipients of old-age assistance who transfer property in order to defeat the lien provision. In Kansas, transfers of property made with intent to prevent recovery from estates of old-age-assistance recipients are voided.

Other Qualifications

Utah and Michigan no longer disqualify persons who have committed a felony within a specified time. Michigan no longer disqualifies applicants because of desertion. And Iowa and Michigan no longer disqualify professional tramps and beggars.

Institutions

Louisiana, Nebraska, New Hampshire, and West Virginia enacted legislation which will make it possible for residents of private institutions to be eligible for old-age assistance.

Records

In view of the pending Federal amendment [now passed], which concerns the confidential nature of old-age-assistance records, legislation authorizing or strengthening the authority of the State agency to safeguard the confidential character of its public-assistance records has been enacted by Alabama, Idaho, Louisiana, Maine, Michigan, Montana, North Carolina, Oklahoma, Oregon, Tennessee, and Vermont. Minnesota enacted a provision designed to authorize the State agency to safeguard the confidential nature of records, but another enactment authorized county welfare boards to publish all expenditures.

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Other Amendments

Maryland provided for the granting of assistance to those aged most urgently in need, if funds should not be sufficient to permit a grant to all who apply. Michigan authorized the State department to determine the number of recipients of old-age assistance that can be cared for adequately from available funds.

In Colorado, recipients of old-age assistance are declared eligible for temporary assistance and surgical and medical care for the prevention of blindness or the restoration of sight. Provision is also made in Colorado for paying funeral expenses not exceeding $100 if the estate of a deceased recipient of old-age assistance is insufficient and responsible relatives are unable to meet such expenses. In North Dakota, recipients of old-age assistance have been declared eligible to receive sight-conservation services. In Oregon, medical and surgical care may be granted in addition to the maximum grant of $30 in the care of recipients of old-age assistance and aid to the blind.

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Adjustment of Industrial Disputes

Some Aspects of the Work of the National Labor Relations Board

By Edwin A. Elliott, *National Labor Relations Board*

The National Labor Relations Act and the work of the National Labor Relations Board, the agency which administers the act, are greatly misunderstood, and because of this misunderstanding they have been misinterpreted, maligned, and opposed.

Opponents of the National Labor Relations Board seldom pause to look at the record. They do not know the law from which it derives its powers, and they do not know the background of this law. They furthermore do not know in any detail what the Board has done. A report of the Board, issued on the third anniversary of the signing of the bill and covering the first 32 months of operation, shows that it has been extraordinarily successful. It has been almost uniformly sustained by the courts, and this in part accounts for its success.

Of the cases coming before it, 55 percent, covering 1,247,878 persons, were settled amicably by agreement. Sixteen percent were dismissed and 24 percent withdrawn. This left only 5 percent that had to go to formal hearing and eventual court review. In only 2 percent of the cases was the Board's power exercised in the issuance of "cease and desist" orders against employers. Of the strike cases coming before the Board, 76 percent were settled. Five hundred and eighty strikes, involving 149,948 workers, were averted. The Board held 1,280 elections, in which 450,842 valid ballots were cast. The few cases of open controversy which make the newspaper headlines are a tiny minority. The Board has done a workmanlike job in removing thousands of difficulties that the public seldom or never hears of.

While it is true that for many years workers have had the theoretical "right" to organize and bargain collectively, it was in 1935, for the first time in our history, that a Federal agency was created solely to protect this long-recognized abstract right, in much the same way the Government sought to protect other groups, such as shippers and passengers, merchants and manufacturers, consumers, farmers, bank depositors, and home owners.

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The freedom of employees to self-organization is a freedom recognized by reasonable men, but before it became recognized by law it had to be fought for and not until the Supreme Court spoke, in April 1937, did some concede this principle, and even now some employers seek to evade it, and reactionary elements the country over oppose it.

The Supreme Court said, "Employees have as clear a right to organize and select their representatives for lawful purposes as the respondent has to organize its business and select its own officers and agents. Discrimination and coercion to prevent the free exercise of the right of employees to self-organization and representation is a proper subject for condemnation by competent legislative authority." The Court said further that, "union was essential to give laborers opportunity to deal on an equality with their employers."

The right of workers to organize and join labor unions and to choose representatives for collective bargaining or other purposes is clearly set forth in section 7 of the National Relations Act as follows: "Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection."

The act further holds that interference by the employer with the exercise of this right on the part of the worker or workers is an unfair labor practice. To protect workers in the exercise of this right is the function of the Board. Collective bargaining is essential to the well-being of employees. It is essential to industrial peace under decent conditions. It is essential to self-respect of our industrial system. But collective bargaining cannot exist in the face of employer coercion of the individual employees in their choice of bargaining agents; it cannot exist if those practices forbidden by the act are used by the employer.

The National Labor Relations Board consists of three nonpartisan members appointed by the President for 5 years. There is a Washington staff and a field staff operating in 22 regions over the Nation.

When a charge alleging an unfair labor practice within the meaning of the act is filed by a complainant in a regional office, the regional director examines it for sufficiency, dockets it, acknowledges receipt of it, and notifies the respondent. The case is then assigned by the director to a field examiner, who investigates the charges—contacting the respondent and the complainant. The examiner obtains all details of the circumstances affecting the case and all facts. These facts, as well as the points of view, are gained both from the employer and from the union or from individuals. These investigations are scientifically and impartially made. The first objective of

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the examiner is to gain all the facts from all parties. If the facts indicate an unfair labor practice is being committed by the employer, the examiner seeks to gain a settlement in compliance with the law. Fifty-five percent of the cases have been thus settled. If the facts reveal that the charges are unfounded, or interstate commerce is lacking, then the union is asked to withdraw the charges. Twenty-four percent of all cases have been withdrawn. If the union refuses to withdraw the charges in cases where the facts do not reveal an unfair labor practice, the case is then dismissed. Sixteen percent of all cases have been disposed of in this manner.

Where a case, upon investigation, is found to represent an unfair labor practice, and the agents of the Board are unable to obtain compliance with the law, a complaint, upon authority of the Board, is issued by the regional director and a hearing is called before a trial examiner appointed by the Board. All parties are given opportunity to be heard and present witnesses. The trial examiner, after reviewing the transcript of the hearing, makes his intermediate report, to which either or both parties may file exceptions, with which the Board may agree or disagree. If the report of the examiner finds an unfair practice, the regional director of the Board again attempts to get compliance. If this fails, then the Board makes its finding of fact, and if the law has been violated a decision and an order are issued. Again the regional director attempts to get compliance to accomplish the purposes of the act and save expensive court procedure. It is only after all these efforts have failed that the Board resorts to court action.

The fact that 55 percent of all cases, affecting 1,297,091 workers, are settled equitably and in compliance with the law, by agreement between the parties, is a compliment to the agents of the Board, and specifically a compliment to the good sense of representatives of industry who have manifested a desire to be law abiding and give to workers not only their inherent, but also, their lawful and just, right to enjoy the benefits of self-organization.

In the sixteenth region in the past 9 months we have had a marked improvement in compliance. Less than 6 percent of the cases have become the subject of formal procedure, while prior to that time more than 18 percent were the objects of such action.

Dr. J. Warren Madden, chairman of the National Labor Relations Board, has well said of these law-abiding and upright employers:

> Great credit must be given to those employers who have led the way toward the acceptance of this law. Their calm voices have been most effective to overcome the irrational fears which agitators have sought to cultivate. Such employers serve themselves and their country well.

In only 2 percent of the cases coming before the Board has it seen fit to issue cease and desist orders against employers. It is

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this 2 percent of unwilling and law-breaking employers that flaunt labor's right to self-organization. This group does not represent, in our opinion, American industrialists. These industrial anarchists are prophets of doom and defeatism. They are agitators who bring industrial strife. They are industrial termites who bore into the very economic structure which supports them, and thwart labor's right to self-organization; they bring their own economic house down upon them and encourage others to do likewise. These feudal lords of American industry, in their violation of human rights, stand in the rear guard of economic progress, sniping at the very vitals of industrial democracy; they are heralds of the disease of Fascism, in an America dedicated to Democracy.

At this point, I think it pertinent that we quote from an address of Senator Wagner, the father of the National Labor Relations Act, who points us to the source of Fascism and explains that its source is found, not in the government but in industry itself. I quote:

> The struggle for a voice in industry through the processes of collective bargaining is at the heart of the struggle for the preservation of political as well as economic democracy in America. Let men become the servile pawns of their masters in the factories of the land and there will be destroyed the bone and sinew of resistance to political dictatorship.
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> Fascism begins in industry, not in government. The seeds of communism are sown in industry, not in government. But let men know the dignity of freedom and self-expression in their daily lives, and they will never bow to tyranny in any quarter of their national life.

There are some of the smaller industrialists who ape these industrial overlords and become Charlie McCarthys in the hands of the Bergens of certain employer open-shop associations. These employers are also victimized by certain avaricious members of the legal fraternity who encourage them not to comply with the act and to oppose the Board, when the facts are such that compliance with the act and cooperation with the Board would make for harmonious relations with employees. These misled employers suffer loss of production in their plants, and otherwise are put to great expense because they follow this ill-advised course of action.

Employers of labor are often made to feel that their interests lie with those interests which fight every piece of social legislation benefiting the masses of the people, including labor—while as a matter of fact the interest of business lies not with those reactionary forces but with the masses, for if the masses have security and purchasing power, business has security and a market for its goods and its services.

It is the duty of the Board to administer the act and enforce the statute without fear or favoritism. It is the duty of the employer to comply with the act frankly, openly, and without reserve. Those

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of us in the field who administer the act are not interested solely in getting compliance with the terms of the statute but also in justice, and in the continuity of production, and in the continuity of employment, and in industrial peace. Compliance with the act contributes to these ends.

We feel that an adjustment of a matter before us should go beyond mere compliance with the act. It should result in better understandings between the parties, more consideration one for the other, and lasting peace. This cannot always be accomplished, but it is a worthy goal. In other words, we are not only administering an act, but we are educating to a new way of life in employer-employee relationships.

The act has been bitterly attacked. Any law which changes a status is subject to attack by those vested with interest in the status quo. No reasonable person will argue for industrial autocracy any more than he will argue for political autocracy. We shall never reach a true democracy until we have not only political democracy but democracy in industry—employer with employees around a conference table determining jointly and with equality conditions of employment.

We have had a great groundswell of industrial unrest, for which labor too often has been unwarrantedly held responsible. More truly the cause of industrial unrest has been the denial by the employer of rights guaranteed to the worker by the act. It is not the National Labor Relations Act which has caused industrial unrest but noncompliance on the part of unwilling employers.

It is interesting to us to note that statistics show that the National Labor Relations Act and the work of the National Labor Relations Board, instead of contributing to industrial strife—as Senator Burke and others have recently accused—to the contrary have contributed definitely to industrial peace.

In the year 1938 there were 50 percent fewer strikes in the United States than in 1937, and only one-third the number of employees engaged in strikes in 1938 as compared to 1937.

It is true that labor leadership in many instances has erred, but industrial leadership has likewise erred. Labor leadership is but a reflection of industrial leadership. The act should not now be changed in the heat of controversy, but it should be given the test of time and should be changed only if compliance with it works injury. It is more sane to let the merits of the act be tested in an era of compliance, and then determine whether it should be amended, rather than to consider amendment in the era of noncompliance. It is interesting to note that it is not the employer who is complying

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with it who wishes it changed, but those who are not complying with it in their labor relations.

A spokesman of the General Electric Co., according to press reports, had the following to say about the Wagner Act:

> Nine times out of ten, strikes are the management's fault, and nine times out of ten when there are grievances, it's the management's fault. * * *
>
> We have had no trouble with the Wagner law. It was designated to take the part of the employee who can't take care of himself. My suggestion would be to let the Wagner law ride and let some of these employers who haven't tried it, give it a try. * * *

Employers who comply with the spirit of the act have profited by recognition of labor's right to self-organization—as General Motors, United States Steel, the men's clothing industry, the printing industry, and the General Electric Co. can testify.

Employees and the public have benefited, for a billion dollars annually have been added to the pay rolls of the American workingmen as the result of collective bargaining.

The Board likewise has been criticized, but the record of this Board is good. The decisions of the Board have been upheld in 18 of the 23 cases acted upon by the Supreme Court of the United States. In the circuit courts the Board has won 38 decisions and lost in 13 cases and the honors were evenly divided in 5 cases.

In the face of this indorsement by the highest court in the land, the editorial writers, the United States Chamber of Commerce, the National Manufacturers' Association and certain members of the American Bar Association have shouted to high heaven that the Board is unfair, biased, and has interfered with the freedom of speech and due process of law. The Supreme Court in these decisions has decreed, however, that the Board's decisions and interpretations are within the law and based on fact.

The Board does not prejudge the cases before it. It seeks only the facts. If the facts show the employer is complying with the law, we acknowledge it. If they show noncompliance, we require compliance. Each party is given a full and fair opportunity to present his facts and his point of view.

In 83 cases closed in one regional office, 35 were adjusted by mutual agreement satisfactory to both parties. Thirty-five were dismissed or withdrawn because of lack of merit or because jurisdiction under commerce was lacking. Two cases were transferred and 11 went to formal hearing. The Board has ruled on 5 of these, 3 of which rulings were favorable to the employees and 2 were favorable to the companies. This record is not one of partiality but rather one of carefully weighing of fact and judicial-mindedness in decision. This act was enacted by Congress to protect labor's right to self-organiza-

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tion. It is a labor law—we make no apology for administering it as such.

While the Congress of the United States has protected, in a Federal statute, labor's right of self-organization, some five of our commonwealths have written into their State statutes legislation protecting labor engaged in intrastate business. These "little Wagner" State labor relations acts have made a great contribution to the security of heretofore unprotected employees in thousands of sweatshop establishments.

We need not less but more enactments of State labor relations laws, not merely to protect labor against abuses of certain elements of management but to protect legitimate and fair business enterprises, which pay decent wages and provide wholesome conditions for their labor, against the unfair competition of exploitative business.

Before concluding our remarks, I think it well that we call attention to some of the larger contributions made by the act and by the Board, which demonstrate the contribution of our Government, not merely to the material welfare of the people, but to their spiritual welfare by creating a new liberty and by making more secure our democracy.

I quote from a speech by Doctor Madden, given before the American Political Science Association at Columbus, Ohio, December 29, 1938:

> This law, then, has had about a year and a half of recognized validity. After the Supreme Court decisions, such a flood of cases came into our regional offices as could not possibly have been foreseen by the Board or the fiscal officers of the Government. We did not have the staff to handle them adequately, and did not succeed in recruiting such a staff for many months thereafter. In consequence, so far as formal hearings and decisions are concerned, our work has been far from current. We regret this, because it is particularly important that labor problems should receive prompt attention. Fortunately, more than 90 percent of all the cases which are brought to our regional offices are either dismissed or adjusted after an investigation, without any formal hearing or delay.
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> In most sections of the country, most employers are now obeying the law.
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> As a result of vigorous organization campaigns and under the protection of the act the two great labor organizations claim about 8,000,000 members, as against less than 3,000,000 in 1934.
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> Freedom of speech, press, and assembly are enjoyed in greater degree and in more communities in America than ever before. This has resulted almost entirely from the insistence by workers and the Government that the new liberty of unionization be respected.
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> Through union meetings and workers, education programs set up by unions and their sympathizers, millions of Americans are receiving an education and experience in the principles and practices of self-government which seems to me to be more valuable to the country than any other type of adult education. They there discuss their problems, commend or criticize their leaders, learn what it is practicable to ask for, and why compromise is often necessary. Their education in self-government is carried on under the most realistic conditions, since they are participating in the solution of their most vital problems. In

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my opinion, these workers are becoming one of the most intelligent and stable forces in American society, and if the test comes as to whether we can preserve our form of government, it will not be they who will be first misled by the demagogue.

Many thousands of new labor agreements have been arrived at by collective bargaining between employers and unions. Each of these agreements represents peace, stability, and mutual respect, and most of them represent improved conditions for the workers. Perhaps the largest single enterprise in the United States, which only recently had a published policy of not recognizing independent unions, has now had a union contract for more than a year, which contract has, the company says, been scrupulously observed by the parties. The conditions which, according to the report of the President's commission, have made for industrial peace in England and Sweden, are being realized to a notable extent in this country, and the progress of the past year in that direction has probably been the most rapid in our history.

Our millions of workers have more understanding of and confidence in their Government and its several branches today than they have ever had before. They understand and appreciate the fact that the Congress and the President provided this law, the Supreme Court upheld it and gave it wide application, and the Board has administered it sympathetically and vigorously.

Workers in local enterprises not covered by the act, and in States where there are no State labor relations acts, have to a considerable extent received the benefits of the national act. When the great national enterprises in a community have conceded labor's right to organize, the community resistance to organization is largely broken, and lesser employers are likely to concede the right.

In the United States we have developed a great machine economy but have not prepared ourselves for its consequences. We have developed a scientifically efficient and effective technique of production. In our technique of distribution, however, there is a tremendous and tragic lag, and as a result we have on the one hand plenty and on the other want. Progress is written large in our history, but poverty blurs the achievement. This maldistribution of wealth and income accounts for these periodic depressions which shock the vitals of our economic life.

These economic shocks of depression can only be allayed by a saner balance between production on the one hand and distribution on the other. In a market economy a balance can be had only where there is a substantial and consistent purchasing power in the hands of the masses of the people.

If the benevolence and intelligent self-interest of employers of labor are unable to maintain a consistent and sufficient purchasing power in the hands of the masses of the people, then the organization of workers should be freely permitted in order that they may have a chance to save our economic life from these disasters.

The organization of labor is essential to a better system of economic distribution. The fair-minded and thoughtful employers realize these obstacles to economic stability appear when rights of labor are denied. Cooperation between capital and labor is essential not

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only to industrial peace but also to economic well-being. Conformity to the principles of the National Labor Relations Act offers the doorway through which this cooperation may be gained.

To do less than the act requires is to fail in our duty. To go beyond it is rank bureaucracy. To keep the middle course is not an easy task, but it is the only course in which those of us who administer the act can keep our self-respect. From this course we shall not be moved.

The task of industry, of organized labor, of the Government, is to bring the good life, the abundant life, not merely to some, but to all our people.

The Record of the New York State Labor Relations Board

By PAUL M. HERZOG, *Member of the New York State Labor Relations Board*

Two years have passed since I had the pleasure of addressing the association at its annual meeting at Toronto. Then, in September 1937, the National Labor Relations Act had only recently been held constitutional by the Supreme Court of the United States. Five State labor relations acts, or "little Wagner" acts, had just been enacted in Massachusetts, New York, Pennsylvania, Utah, and Wisconsin. With minor variations the five statutes followed closely the pattern of the Federal act. The probabilities then seemed great that other States would soon follow the initial five, and thus supplement throughout the country the protection already afforded by the United States Government to employees of those employers who fell within the Federal jurisdiction.

However, the trend in 1939 has been in the opposite direction. No new "little Wagner" acts have been enacted. What is more significant, in Pennsylvania and Wisconsin the original labor relations acts have been supplanted, after less than 2 years, by statutes which seriously limit the rights and privileges of employees and labor unions. Other States, such as Michigan and Minnesota, have enacted new statutes, which must give some concern to those who still believe that the principles enunciated in recent Federal labor legislation are sound.

I am neither disposed nor qualified to attempt to assert the reasons for this new trend in State legislation. Instead, I will, against the background of this regrettable recent history, seek to give you a picture of our experience during the past 2 years in the administration of New York's Labor Relations Act, which has survived intact.

I think it can be fairly said that the New York experiment has worked well. Although the State legislature has met twice since the orginal enactment of the statute, no amendments to the act have been passed by either house. Indeed, none were even introduced which would have materially affected the substance or administra-

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tion of the State labor relations act as originally written. Perhaps it is symtomatic that when one of the three board members was reappointed by the govenor this May, his nomination was immediately and unanimously confirmed by a State senate of opposing political faith.

Needless to add to an audience of labor administrators, the act has not always worked perfectly. The board has been criticized at times, as it well might have been, but we have not, at least so far, been the recipients of virulent criticism. It would hardly become me to give the reasons for this, even if I knew them. I can only say that we have been fortunate from the beginning, and turn, as I do now, to the record itself.

It is scarcely necessary, in addressing this professional audience, even to outline the purposes and provisions of a Wagner act—whether Federal or State. The New York Legislature, like Congress, found, after studying the statistics of the Bureau of Labor Statistics, that a majority of the bitter strikes of recent years were caused by the refusal of employers to recognize their employees' right to pool their economic strength by joining labor unions, and thus to achieve equal bargaining power with their employers. Employers had for many years discharged their employees for joining or assisting labor organizations, had fostered company-dominated unions, and had declined to bargain collectively with outside labor organizations which were freely chosen by their employees. The employees' only recourse was to use their economic power. This meant the use of the strike, a costly weapon for the employer, the public, and the employees themselves. The Wagner acts were designed to diminish the use of the strike in this type of dispute by providing a peaceful and orderly alternative through the intervention of government. The tendency today in New York State is for employees, who formerly felt that the strike was their only remedy against employer interference with their right to organize and bargain collectively, to remain at work and bring their grievances to the State board for adjudication.

The board has two main tasks. The first is the prevention of unfair labor practices, such as espionage, discrimination against employees because they had joined unions, the establishment of company unions, and the refusal to bargain collectively with representatives selected by a majority of the employees within an appropriate bargaining unit.

Our procedure with respect to alleged unfair labor practices is substantially the same as that of the National Labor Relations Board. Thus an employee who believes he has been dismissed for union activities may file a charge directly, or through his union, with our board. The board first endeavors to learn the facts by calling a conference which the employer and the complaining employee are both

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invited to attend. A large proportion of such cases are closed at this stage, sometimes by a settlement in which the employer agrees to reinstate the man, sometimes by a withdrawal or dismissal of the charges following the complainant's realization that the discharge was for good cause, and not for union activities. I believe that this informal procedure, which accounts for the closing of 15 out of every 16 cases filed with the board, can best be given reality if I cite specific examples.

A typical settlement ought first to be described. In one case, charges were filed that a large retail chain store in the city had discharged six employees because they had joined a union. The board investigated and discovered that prior to the discharges, certain of the store's managers had called the employees together and warned them against joining the union, threatening them with the loss of their jobs. The union had met and had authorized the calling of a strike. The board further discovered that though there was strong evidence that three of the discharges had been for union activity, it was by no means sure that the other discharges had not been for cause. This was made clear to the representatives of both sides. The employer thereupon agreed to reemploy three out of the six discharged employees, with whatever amount of back pay the board should decide was fair and equitable. Representatives of the union accepted this settlement as fair. The employees were reinstated with 4 weeks' back pay apiece. The union withdrew its charges and a serious strike was averted.

Still another case, representing a voluntary withdrawal by a union, involved the alleged discharge of a drug-store employee because of his union activities. At the conference conducted by the board both the employer and the complaining employee stated in detail their versions of the circumstances dealing with the discharge. The factual data presented by the employer in response to inquiries by our investigator indicated quite strongly that the dismissal was motivated by the poor work and inefficiency of the employee. Immediately after the conference the attorney for the union informed the board's investigator that, after reporting to the union, he was sure it would withdraw its charges. Some 2 days later the board received such a withdrawal and marked the case closed.

Another recent case is an instance in which a union declined to withdraw its charge, but the board found it to be without merit. A charge was filed that a manufacturer had dismissed three men from his employ shortly after they had joined the union. It appeared that these were the only three union members in his plant out of some 25 individuals in his employ. The board's investigator studied the matter carefully. It developed that these three employees had worked with many others in the creation of a special prod-

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uct. The employer had brought forward clear evidence that he had been losing money in the manufacture of this product and some months before the beginning of union activities had decided to lay off certain of the men in this department. It appeared further that two other men in the same department had also been discharged and that all five men discharged had been lower in seniority than those retained. The labor relations investigator reported these facts, and the board decided that since the evidence did not warrant the issuance of a complaint, the charges should be dismissed.

Of course there remain an appreciable number of cases in which informal disposition is not possible, and a board decision becomes necessary. If, after listening to both sides, and after further investigation, the board is convinced that union activity was the reason for the dismissal, but the employer is still unwilling to reinstate the man, the board issues a formal complaint and calls a public hearing. The employer is given at least 1 week's notice of such hearing, which is held before one of the three members of the board or an attorney designated as trial examiner. Ample opportunity is given to all parties to be represented by counsel and to examine and cross-examine witnesses. The trial examiner then prepares an intermediate report, stating his findings as to the facts and his recommendations.

The losing party is given an opportunity to file exceptions and to be heard in oral argument before the board itself. The full board later considers the evidence and argument and decides whether or not the charges of unfair labor practice have been proven. If they are not proved, they are dismissed. If the board finds that the unfair practices were committed, it orders the employer to refrain from them in the future, and also requires him to offer restitution to employees who have already been injured. Thus if it finds that an employee has been discharged because of union activities, it will normally order his reinstatement with back pay from the time of his dismissal.

The board's decisions are not self-enforcing. They must be enforced by the courts of the State. If an employer fails to comply with our order or if he desires a review of the board's action, the entire case is taken to the New York Supreme Court for review and enforcement. The law provides, however, that the board's findings of fact are conclusive, if supported by substantial evidence, and cannot be reviewed by the court. Our court record in enforcement proceedings has been most encouraging. We have won 23 out of the 25 adjudications by lower and appellate courts in which our orders have been subjected to judicial scrutiny.

So far I have spoken only of unfair labor practice cases. The board's second task is a more affirmative one, and derives from its power to investigate controversies concerning employees' desires in

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selecting their collective bargaining representatives. An employer is obliged to bargain with the representatives selected by a majority of his employees. It is therefore of the highest importance that some method be employed to ascertain which representative, if any, this majority actually desires. An election by secret ballot is the obvious democratic method, and it is the one most frequently employed by the State labor relations board. More than three-fifths of our cases have involved requests for elections.

An election case is usually begun by the filing of a petition for certification of representatives by a union. As in the unfair labor practice cases, the board's first step is to call a conference of all the interested parties. These include the petitioning union, the employer, and nowadays in many instances a competing labor organization. A member of our staff attempts to obtain the consent of all these parties to the conduct of an election, or to the use of some other method to determine the desires of the employees, such as a comparison of signatures on union membership cards with authenticated signatures obtained from the employer's files. If consent can be obtained, an atmosphere of good will is established at the outset, and delay in collective bargaining is avoided. Both unions and employers apparently recognize the value of our election machinery, since we have been fortunate in obtaining consent in the overwhelming majority of these cases. That confidence in the democratic procedure of board investigation and election has grown is shown by the fact that in 1939 employers have only rarely insisted upon a formal hearing or election order. They are normally ready, after one or two informal conferences at the board's offices, to sign a consent stipulation for an election or comparison of signatures. Once the wishes of the majority are established in this manner, collective bargaining negotiations are likely to proceed with a minimum of friction.

One example may be of interest in this connection. A petition was recently filed with the board calling for the investigation and certification of representatives among almost 1,000 employees of a large drug chain store in this city. Two unions were organizing these employees. Feeling was high. Delay might have meant a strike. In this instance, however, the board after several conferences with the representatives of the employer and both unions was able to secure their agreement that the appropriate unit for collective bargaining should include the employees in all the stores within the New York City metropolitan area. The parties agreed further that the board should conduct an election among the individuals employed in this unit as of the date of the petition for investigation, and that if either union won a majority of the votes cast in the election, the board might certify it as the representative of all employees for the

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purposes of collective bargaining. The election was held, with more than 700 individuals voting. One of the unions won a close victory. The board certified it and the company sat down with the union representatives and after a few days of discussion signed a contract with them.

Naturally, the parties do not always agree on the terms of a consent election or certification. In these cases the board must proceed to formal hearing. At the hearing, testimony is taken concerning the appropriate bargaining unit, as well as on the desires of the employees. The question frequently arises as to whether balloting and subsequent bargaining should be conducted on the basis of a plant, department, or craft unit. The issue is the practical one of what types of employees should join together in negotiating with the employer. The determination necessarily turns upon the facts in each particular case. Where the record does not allow of a definite determination, the board leaves the choice of unit to the desires of the employees themselves, as expressed in an election. Here I should mention that the New York act, unlike the National Labor Relations Act, contains an express provision that whenever "the majority of employees of a particular craft shall so decide the board shall designate such craft as a unit appropriate for the purpose of collective bargaining." Surprisingly enough, this proviso, which has received much comment in the press, has been specifically invoked in only two or three cases in the past 26 months.

If we are convinced, on the basis of evidence introduced by the company and the unions at such a hearing, that a particular union represents a majority of the employees, we may certify that union without finding it necessary to order an election, by means of a comparison of signatures on union cards with authenticated signatures furnished by the employer. We are, however, decreasingly willing to make a determination on this basis except in very small units, unless all parties consent. An election is always directed if any doubt exists as to the desires of the employees. The names of all competing labor organizations are placed on the ballot, unless, of course, they are shown to be company unions, inspired, dominated, or financed by the employer. Both employers and unions recognize that the election by secret ballot is the most convincing and most peaceful way to determine the free choice of employees. Before the labor relations acts were passed, the strike was the only possible test of strength, and it was not always either peaceful or convincing.

Ordinarily, election petitions are filed by labor organizations. However, it is important here to call attention to the fact that the New York State Labor Relations Act differs materially from the national act in that it expressly gives our board power to conduct elections

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upon the request of an employer. As most of you know, the National Board until only recently declined to entertain employer election petitions, the Federal statute being silent on the subject. Now the National Board has changed its rules, and does investigate an employer's application in cases where two or more labor organizations assert that they represent a majority of his employees.

I think it can be fairly said that the presence of the employer election provision in the New York act from its inception in 1937 has contributed materially to public confidence in the act and its administration. I must add, however, that the experience in New York State convinces me that the criticism to which the National Board was until recently subjected on this score has been out of all proportion to the importance of the subject. I say this because, although the presence of the employer election petition provision in the New York act has been widely publicized, the employers of the State have apparently not found it necessary to take frequent advantage of it. During our first 2 years only 85 employer petitions were filed, as compared to almost 2,500 filed by labor organizations. Employer petitions, therefore, have represented only a little over 3 percent of the total.

Although the law is silent as to the manner of holding elections, whether requested by unions or employers, the board from the outset has taken minute precautions to conduct the balloting with adequate notice, with fitting formality, and in such a manner that all concerned instinctively recognize that the elections are always completely secret, and fair in every respect. Prior to the election a printed or mimeographed notice is posted conspicuously throughout the employer's place of business, alongside of an eligibility list, and, even more important, is handed to every individual employee. The notice contains, among other things, a full size facsimile of the ballot to be used.

The board takes great pains to conduct the election so that all concerned are immediately conscious that the balloting is supervised by officials of the State of New York, and is conducted under its laws. Elections are not held on the employer's premises or during working hours. Large elections usually take place in public schools or other public buildings to accentuate their official character. Members of the board's staff are in charge of the proceedings. Only duly accredited persons are permitted within the polling place. Voters are protected from intimidation or mental pressure from any source by the exclusion of all persons in authority in either management or unions. The observers appointed by the parties to assist the board's agents in identifying voters are ordinarily eligible to vote themselves.

Identification at the polls is assured by having each voter sign his name on a register, and comparing his signature with one filed

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with the board in advance. If it compares properly, as it almost always does, the voter receives his official ballot from an agent of the board and proceeds to a regulation voting booth, entirely enclosed, marks his ballot in privacy, folds it, and drops it into a sealed ballot box himself. When the polls are closed the ballots are counted immediately by agents of the board in such a manner that the authorized observers have full opportunity to inspect each ballot and participate in the count. The result is declared at once, and all observers sign the report of count. If a union wins the election, a certification is issued by the board, after a reasonable time has expired for the filing of any protests. Pursuant to a board rule, these certifications of representatives are ordinarily valid for a period of 1 year.

A surprising and encouraging feature of employee election is the extremely small number of ballots which must be rejected because of defective marking. Apparently because of the advance circulation of sample ballots, but even more because of the care with which workers study the proper method of declaring their choice, the number of spoiled ballots is negligible. In a recent election among 2,500 unskilled workers, only 5 ballots were rejected because of improper marking. While this speaks well for their intelligence, care due to self-interest is probably the correct explanation of the accurate voting. Even more significant is the fact that full participation is not unusual. For example, in an election among 2,500 insurance agents, over 99 percent voted. They did this on their own time, some journeying more than 75 miles in order to vote. Similarly, in an election among 2,200 grocery clerks employed in 545 widely scattered stores in New York City and adjoining counties, 96 percent voted, although the vote took place after the close of business at 6:30 p. m. and entailed much travel on the part of many. That the average worker is so much more keenly interested in his job than in the conduct of public affairs throws an interesting light on the existing economic situation.

I have spoken of the nature of the State labor relations board's task. The members of the association may also be curious to know something about the volume of our work.

I shall not burden you with detailed statistical information, which can be obtained by writing directly to our office in New York City. However, I suppose that I would not be in error to outline certain basic statistical facts.

In addition to the three board members, the general counsel and executive secretary, we now have 16 attorneys and 6 investigators attached to our New York City office. There is a regional attorney in Albany and one in Buffalo. The clerical staff consists of about 45 stenographers and clerks.

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From July 1, 1937, until June 30, 1939, the board handled 4,252 cases, involving almost a quarter of a million employees. It can be fairly said that 584 strikes were either averted or settled as the result of the enforcement of the "little Wagner" act by the New York State Labor Relations Board. Much more important, however, in my opinion, is the fact that 94 percent of the cases filed with the board were closed before hearings or other formal action became necessary. Three-fifths of this 94 percent involved settlements between the parties, consistent with the policy of the act, made possible by the action of the board or its staff. The remaining two-fifths were closed before hearing as a result either of the board's dismissing the case, on the ground that the union's charge was without merit, or by reason of a voluntary withdrawal by the union after investigation revealed that its original claim was without merit. I have already given examples of cases which have been closed in this manner.

During the 2-year period only 212 cases out of more than 4,000 reached the hearing stage. The greater part of these were election or representation cases. Indeed, it is a significant commentary on the acceptance of the principles of the State labor relations act by New York's employers that the board found it necessary during its first 2 years to issue only 40 orders finding that employers had engaged in unfair labor practices and directing them to reinstate employees, dissolve company unions, or bargain collectively. Half of these orders, in turn, were complied with by the employers without the board's having found it necessary to obtain enforcement through court proceedings. Where enforcement has been necessary, however, we have invariably sought and almost invariably obtained it. I have already pointed out that the courts have upheld the board in over 90 percent of the cases which were brought before them.

I find that I have succumbed to the usual temptation of an administrator to expand upon the good features of the work of the agency which he represents and to say very little about the difficulties and the mistakes. I know, as you must know, that the New York State Labor Relations Board has been beset with many difficulties, and has not been free from error. Perhaps our most serious problems have arisen from the inadequate size of our staff, which, while admittedly greater than that of other State labor boards, is much too small to cope with the huge mass of cases which have arisen in the largest industrial State in the Union. We are far behind in our calendar and, as a result, unions have sometimes felt that they might be better off to rely upon their old economic weapon of the strike rather than come to the board and wait many months for a hearing or a decision. Similarly, employers suffer from delays in those cases which go to hearing and in which violations of the

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act are found, since back pay due to discharged employees accrues during the entire period that a case is pending before the board. We are doing all that we can to meet this situation within the limits of our budget, but I cannot in all frankness say that we are satisfied with this aspect of our record.

It must also be apparent to all of you that the continuing conflict between the American Federation of Labor and the Congress of Industrial Organizations has multiplied the problems with which a labor relations board is faced. In the nature of things, a three-sided case is a more difficult one to handle than a two-sided one, and it is unfortunately true that a substantial number of the matters which come before the board are of the former character. We can only hope that this condition will not long continue and be thankful, meanwhile, that neither of the great labor organizations has yet expressed any lack of confidence in the impartiality of the New York board.

A word should be said about the need for State labor relations acts to supplement the Federal Wagner Act. The jurisdiction of the National Labor Relations Board is, of course, limited under the Constitution by the Federal commerce power. The National Board can assume jurisdiction only over cases in which labor disputes might affect or diminish interstate commerce. Even under recent Supreme Court decisions, which have greatly broadened the Federal power, there still remains a large field of trade and commerce to which the power of the United States Government does not extend. There is no valid reason why employees who happen to work for employers whose businesses are not subject to Federal regulation should not have their right of self-organization protected to the same extent as is that of employees in larger establishments within the very same State.

The jurisdictional lines between State and Federal boards have not yet been clearly established by the courts but as a practical matter the National and New York Board have had no difficulty in defining their respective jurisdiction. We have found more than enough to do, with our limited budget and staff, in dealing with those concerns which are unquestionably intrastate in character, to attempt to expand our field of activity to companies with which the National Board normally seeks to deal. The State board has concerned itself primarily with employers in the following fields: Retail stores, service trades, public utilities (including transit lines), small manufacturing establishments, and the building service industry.

I spoke in Toronto 2 years ago about a case in which an employer operating a retail chain store sought to escape our jurisdiction by taking advantage of a section in our statute which provides that, "The provisions of this article shall not apply to the employees of

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any employer who concedes to and agrees with the board that such employees are subject to and protected by the * * * National Labor Relations Act * * *." In this case the employer "conceded to" the board that his employees were protected by the national act. The State board believed, however, that in view of the large proportion of his intrastate retail business, it was extremely doubtful whether the National Board's jurisdiction would ultimately be upheld by the courts. Thus he would have fallen, deliberately, between two stools, and his employees would have been without protection. We therefore declined to "agree with" him that the national act applied, and proceeded with the case ourselves.

The delays inherent in the administration of our statute are all too well exemplified by the fact that although I spoke to you about this problem in September 1937, it was only in July of the present year that the highest court of New York State made a final determination of this matter in the *Davega case.* The court held, in the first place, that an employer's concession that the National Board had jurisdiction was insufficient to deprive the State board of its power unless the State board expressly agreed with his concession. The court went much further, however, and this should be of especial interest to the State officials present. It held that regardless of the extent of an employer's interstate business, the State board can assume jurisdiction over any employer in the State unless and until the National Labor Relations Board has actually sought to exercise its paramount power over him under the Federal Constitution. In theory, therefore, we are authorized under the State's police power to handle any case arising in New York, even though the employer is clearly engaged in interstate commerce, except in those cases where action has been taken by the National Board. In practice, of course, we will continue to refer complainants to the National Board in all cases where we believe that that Board's jurisdiction is clear. It seems especially wise to do this, and to aid them in expanding this field of Federal activity at a time when so few of our sister States are protecting the free self-organization of employees within their borders.

The participation of the New York State government in the elimination of industrial strife is not limited to the work of the State labor relations board. There has been for many years a competent staff of State mediators and conciliators ready to assist employers and employees in settling their differences. But there has been a more significant recent development. In 1937, due to the foresight of Governor Lehman, the legislature not only enacted the State labor relations act, but also a statute establishing the State board of mediation. Both the governor and the legislature realized that the "little Wagner" act would tend to obviate only one source of industrial

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strife, and that other types of controversies which also frequently lead to strikes would have to be dealt with by a different technique. They realized that the task of government is not always ended when the bargaining power of employer and employee is relatively equally balanced. They knew that even after this parity is attained, there may still be fundamental disagreement between the two, concerning the substantive terms of a proposed collective agreement. The State board of mediation was therefore established to supplement the work of individual conciliators. The board is composed of five distinguished public-spirited citizens. These five men and women, who have continued active in their normal fields of endeavor, are devoting a substantial portion of their time to this important public service. The services of the mediation board are principally invoked when a conflict arises between employers and already recognized labor unions concerning wages, hours, and other conditions of employment. The board's record in settling strikes has been an enviable one. During its first 2 years it was instrumental in settling 917 industrial disputes out of 980 submitted to it by employers or labor unions. It is interesting to note that of these 980 disputes, 40 percent were submitted by employers. Not only has the board used its own good offices to conciliate the differences between employers and employees, but it has created a panel of leading attorneys and other citizens from which the parties may select arbitrators if they decide, voluntarily, to submit their dispute to arbitration. Over 565 of the 917 settlements already referred to were reached by arbitration. The board members have not recently served as arbitrators themselves, feeling that if they rendered decisions in particular cases, they would destroy much of their usefulness as disinterested conciliators in others.

The mediation and the labor relations boards have worked in the closest cooperation. They share offices on a single floor and it has become increasingly frequent practice for the boards to refer cases to one another. My personal view is that the coexistence of these two boards has contributed to the prestige of both. The fact that there is a labor relations board has made it possible for the State board of mediation to operate as it should operate, entirely as an agency to which parties come voluntarily, with the sure knowledge that the State, acting through that particular board, is not concerned with possible violations of law in the past, but only with working out a satisfactory relationship for the future. On the other hand, the fact that there is a State board of mediation has made it possible for the State labor relations board to concentrate its efforts on controversies in which the choice of collective bargaining representatives or the elimination of employer interference with self-organization is the primary issue. When unions bring cases to the State labor relations

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board which merely involve a breakdown in negotiations, we are able to tell them that they have come to the wrong doctor and to send them down the hall to the place where they really belong. This is important in establishing good will, since it means that unions give up the effort of trying to prove that there has been a violation of law in cases where the real remedy is not a formal hearing, but friendly negotiation, with a State representative acting merely as catalytic agent. Some members of the audience will recall that Dr. William M. Leiserson, recently appointed as a member of the National Labor Relations Board, recommended several months ago that a Federal Mediation Board of equal dignity with the National Labor Relations Board should be established to handle disputes which are really the subject of negotiation, rather than formal hearing and adjudication. If the relative success of New York's dual system is to be a criterion, I believe that this recommendation is worthy of further serious consideration by both State and Federal labor officials.

It seems appropriate to conclude with this reference to the board of mediation. The purpose of the State labor relations act is to protect and encourage collective bargaining and to furnish democratic machinery to achieve the desired result. I am confident that once the policy of the act is more fully understood and accepted, normal evolution will lead to a change of emphasis in government intervention. It is to be hoped that as time goes on and the employers and employees of New York State become increasingly accustomed to the principle of equal bargaining power, unfair labor practices will tend to disappear and industrial elections will be held as a matter of course. Thus, if good fortune continues to attend us and the State labor relations board is permitted to seek the goal of industrial peace under the present statute, its members may some day succeed in working themselves out of a job. If this ideal result should be attained, a State board of mediation would still be needed. Indeed, its duties would undoubtedly increase. Government would find it decreasingly necessary to expend its effort upon the protection of the rights of the weaker party in industrial disputes. It will be able to concentrate its attention upon the more affirmative task of assisting both employers and employees, bargaining on an equal plane, in working out peacefully the terms of collective agreements.

Discussion

Mr. BELL (British Columbia). The subject of industrial relations, or, as it has been referred to, labor relations, opens an opportunity for lengthy discussion. We might say that practically every type of labor legislation that we have on the statute books has its effect, to

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a greater or lesser extent, on labor relations. Our minimum-wage laws, our hours-of-work laws, our statutes with regard to conditions of labor, days of rest—all of these legal enactments have an effect, to a greater or lesser extent, on labor relations.

I do not wish to wander too far afield and the few remarks that I make will be confined to that type of legislation which I think has the most direct influence on labor relations. I refer to the type of legislation such as the Wagner Act that has been described here already this morning, and an act which brings into operation conciliation, mediation, and arbitration in industrial disputes. I feel that it might be of interest to the members assembled here if I were to give a brief summary of our experience in British Columbia in that connection.

With regard to industrial relations, we may say that there are three factors which are brought into play. We have capital; we have labor; and we have the State. By "capital" I mean employers; by "labor" I mean employees; and by the "State" I mean the departments of labor which are called upon to function in these circumstances. That sounds like a very simple proposition, and it would be a simple proposition if we had only those three factors in simple form. But we might take each of the three and on further analysis find that each one is split up into subfactors, as we might term them. For example, under the heading of "capital" and "employers" we have employers' organizations. And then we have the type already referred to by Mr. Elliott as the feudal lords of industry who conduct themselves in the autocratic manner which the term implies. Under the heading of "labor" or "employees" we have our unions. Then we have the rival unions who do not always cooperate or see eye to eye on the same problems. Then we have, as we might as well speak bluntly and frankly, the labor union racketeer. I am not speaking offensively toward organized labor, and I would like to differentiate between the bona fide and genuine organization as compared to the labor racketeer as we know him and recognize him both in your country and mine. Then we have the great mass of unorganized labor. So that you see we have labor split up into a number of subheads which all tend to make our problem more difficult.

Under the heading of "State" we have a department of labor, and there again we cannot say that in that particular respect we are entirely free at all times from criticism because, whether we like it or not, we find that political considerations sometimes enter into the activities of labor departments, hampering their effective work, retarding progressive legislation, and in that way further complicating the situation and making it more difficult.

And then in all three cases we have the great, difficult question of human nature, because whether we are employers or whether

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we are employees or connected with the State, we are all human and all subject to the faults and failings that invariably go with humanity.

I should like, as I said, to make some reference to the act that we have in force in British Columbia. In 1937 we passed an act entitled, "The Industrial Conciliation and Arbitration Act, or an Act Respecting the Right of Employees to Organize and Providing for Conciliation and Arbitration of Industrial Disputes." So far as I know, it is the only act of its type. When I say "of its type," I mean exactly of its type on the North American continent. It was designed after a comprehensive study of similar legislation, not only on this continent but on other continents, such as Australia, New Zealand, and many other places. It was, however, designed to suit and meet our own immediate needs in British Columbia, which, I venture to say, are not much different than the needs of other places in this North American continent.

We found considerable difficulty in the years prior to 1937 in industrial disputes in British Columbia. Our hands were tied. The efforts of the department were rendered ineffective, and it was decided that it was high time that some effective legislation was placed on the statutes that would empower the department to function properly in such circumstances. We already had the Industrial Disputes Act of Canada, which was effective in all Provinces, but that act was limited in its application to mines and public utilities, and a great number of our disputes in British Columbia, as in other Provinces, could not be classified under that heading. We found frequently in some of our major industries in British Columbia, lumbering being one of them, that a strike would be on our hands before we really had a chance to conciliate or mediate with the parties concerned. We also found that by the time the department had been brought into the picture so much false and confusing information had been spread that the general public was ignorant as to the real facts underlying the strike. So our minister of labor, with commendable courage, practically took his political life in his hands and decided that he would put through an act empowering the department to take some hand in such matters. The act was not popular at its inception. It was not well received either by employers or employees. Organized labor criticized it very strongly. But in spite of that, the act was placed on the statute books. Since 1937 we have continued to apply it with a good measure of success. Today we find that those who so strongly objected to it at the start are now ready to admit that it is functioning to their mutual benefit.

To describe briefly the provisions of the act, I may say that a dispute is defined as meaning any dispute or difference between an

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employer and a majority of all his employees or a majority of his employees in any separate plant or department of his operation, as to matters and things affecting either, etc., and then a general description of disputes goes on from that point. Then the act in the very next section proclaims the right of employees to organize for any lawful purpose. "The right of employees to organize for any lawful purpose is hereby recognized." I may say that the right of employees to organize was never illegal in Canada. They always had that right, but the right was not affirmed by law. Here we have a practical affirmation or declaration of principle that employees have the right to organize for any legal purpose. In regard to collective bargaining, the act says, "It shall be lawful for employees to bargain collectively with their employers and to elect their representative by a majority vote of the employees affected, and any employer or employee refusing so to bargain shall be liable to a fine not exceeding $500 for each offense."

That section was not well received by organized labor. Several trade unions took the position that no recognition was made of organized labor. However, it was pointed out to them that in any case where a union had control of the majority of the employees, all that was necessary was for the majority to so inform the minister and union officials or anyone else appointed by them could act on their behalf. However, that did not satisfy them and, as I say, organized labor was anxious to have something in the act that would specifically mention the powers and responsibility of a union in these circumstances. So at the next session of the legislature that section was amended. It now reads, "It shall be lawful for employees to bargain collectively with their employers and if the majority of the employees are on the 7th day of September, 1938, organized into a trade union, to conduct such bargaining through the officers of such trade union," etc.

Then the next section of the act goes on to provide the method and machinery for handling industrial disputes. I may say that this act does not prevent a strike, but it places a strike in the last position instead of in the first. No strike can take place until the question has been subjected to conciliation first, and if conciliation fails, to arbitration later on. The procedure is this: When the minister is informed of a dispute which has all the possibilities of a strike, or when he of his own account may discern such a condition, he appoints a conciliation commission. The conciliation commissioner acts in the usual way that a conciliator does. His powers are clearly set out in the act. He gets both parties together and tries to effect an amicable settlement. In a great many cases he is successful, because you all know that most men are reasonable and if

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you can only get them to the point of sitting down around one common table and frankly and honestly discussing their problems, they can in the majority of cases come to some fair understanding. But if that fails and the conciliation commissioner so reports, the next step is arbitration.

The appointment of an arbitration board is in the usual way. Each side appoints a member and the two members appoint a chairman. Now, the board meets and brings in an award or a report, which is sent to the minister. That report is made public, and it is then put before the employees concerned and the employees vote by secret ballot on the acceptance or nonacceptance of the board's award. That vote is conducted by a representative of the department of labor.

Here I might digress for one moment to give you a concrete example of the benefit that is to be derived from an association such as the I. A. G. L. O. In 1937, when we met in Toronto, the Wagner Act was under discussion. We had heard Mr. Herzog's paper, which has been referred to today. Some questions were asked and I was extremely interested in the proceedings that followed. I asked questions and found out all that I could about your method under the Wagner Act of taking the ballot of employees, and that is why it was inserted in the Industrial Conciliation and Arbitration Act of British Columbia. I was convinced of its practicability and value by the discussion that took place at our meeting in Toronto. I mention that just to emphasize the value of conferences such as this.

Returning to my subject, the vote I have spoken of is taken by secret ballot and may be presided over by a representative of the department of labor, and the employees may either accept or reject the award. After 14 days they are free to strike or to take whatever course they think best, but throughout the whole procedure the time limit is set. A limit is set wherein the conciliation minister must function; a time limit is set for the appointment of the board and for the report of the board. These time limits are the maximum limits, but in the majority of cases the various functions can be carried out in a shorter time.

I might mention one more section which was put in at the request of organized labor, and that is the section which provides that where there is between an employer and an organization of employees an agreement approved in writing by the minister for the arbitration of disputes, the employer and organization shall, so long as the agreement remains in force, be exempt from the provisions of sections 10 to 46 of this act. That means that where a union and the employer have a signed agreement, the minister may approve the agreement, and while the agreement is in existence the provisions of this act do

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not apply. You will readily see that in such circumstances there is no occasion for the act to apply, because practically every agreement of that kind has ample provision for conciliation and mediation between the parties concerned. There is no occasion to bring the act into play as long as the agreement exists, because the two parties get together and in the great majority of cases settle their differences without any disruption of industry.

This was put in the act at the request of organized labor, as I said, so that, as you see, we went quite a long way with all the parties concerned and tried to make the act as fair and reasonable as possible.

The underlying principle of the act is to make the strike the last thing instead of the first and to be sure that the wish and will of the majority of the employees prevails, whether they are organized or unorganized. The minister took the position that he was not prepared, when an individual asserting to be the representative of certain workmen came to the department and said, "I am here representing the men down in that plant who have a dispute with their employer," to take that man's word for it. The minister said, "So far as I am concerned, I want those men to tell me that you are representing them, not you to tell me you are representing them." So it is in that way that our act is functioning in British Columbia, and, as I say, functioning very satisfactorily at the present time.

We have some difficult conditions in British Columbia. We have our industrial centers where our labor organizations function in the same way as they function in other large centers throughout the whole country, and then we have our difficulties in the more sparsely populated districts where, in a great many cases, the workmen are not conversant with the procedure of union activities. For example, take our logging industry. Not so very long ago, when we had any serious trouble and the industry was tied up throughout the whole Province, it was a common thing for a meeting to be called. Many of you know the type, I am sure, that loggers are. They meet in a hall, rather confused with smoke and other things, and the chairman calls the meeting to what is termed "order," and says, "Now, we are here, boys, to take a strike ballot. Hands up, everybody in favor of a strike! All the scabs get out the door!"

Again, on one occasion I was dealing with a dispute in one of our metal mines way up in the northern part of the Province, where some of the miners had been organized into the Mining, Mill, and Smelter Workers Union of America, which formerly belonged to the A. F. of L. and later swung to the C. I. O. column. It was at a place far removed from the larger centers of population, and some of the papers in the larger towns played up the strike as being a subversive C. I. O.

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movement. I had occasion to go up there with another gentleman, who was a member of my board, to find out what all this subversive movement was and to inquire into what was going on; what serious threat was being made against the liberties and constitution of the country. I found a group of miners who were in this particular union, but they did not know whether they were in the C. I. O. or the Salvation Army. They knew they were in a labor union. They wanted a little more money, but they didn't know much about unions. They thought I was talking about Joe Louis when I talked of John Lewis. That is the type of problem we run up against.

In conclusion I just want to say that we find that the act is functioning very satisfactorily in British Columbia. We have already had four arbitration boards. On three occasions the recommendation or award or report of the board has been unanimous. In the other case, it was not. But one instance where the men subsequently went on strike was in one of the cases where the board brought in a unanimous award. They repudiated the decision and action of their own member on that board. We have had about 50 or 60 conciliation commissions, and you just cannot estimate the value of the work they are doing. You cannot see the strikes that are averted. They are hidden. You cannot tell how many minor disputes might have developed into serious strikes, but you can be sure of this, that every dispute that is nipped in the bud destroys the possibility of a strike in that instance. Every dispute is a potential strike. In British Columbia our conciliation commissioners have gone in and have effected settlements, and nobody knows how far these things might have gone if they had not been settled at the start.

I trust that my few remarks as to what we are trying to do in British Columbia in this connection may be of some interest. This is a very pressing problem, and I wish to assure you that if any of you would be interested in having a copy of our act in British Columbia, I should be only too glad to furnish you with a copy.

Mr. MORTON (Virginia). It has been said here that most of the employers are good men, who are willing to abide by the law and anxious to do what is right, and that there are only about 2 percent who do not want to obey the law. But the pity of it is, my friends, that so many in that 2 percent are people of influence and they have, to some extent, brought the law into disrepute by their arguments and by the spending of money, and we must not discount that fact.

I note the large number of cases, as reported here, that have been settled without coming to trial. I am not sure this is complimentary to the Board, because in the early stages there were delays. The only criticism that I have heard is that the cases were not heard promptly, and I am sorry nothing has been said here about the time that elapses

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and the delays. In Virginia, that has been a serious criticism, but the situation has improved in recent months.

In reference to my own State, Virginia is one of the few States whose legislature meets in the first 3 months of 1940, and out of my experience, I expect to recommend many additions to and changes in the present laws. The papers that I have heard, together with the discussions, will be of great value to me in presenting information to the various committees, and I shall feel free to call on you, the representatives of other States, in my effort to find out how some of these ideas have worked out in your experience. I shall also call on Mr. Lubin and other officials of this Association. In my opinion, this illustrates one of the real benefits derived from meetings of this Association of Governmental Labor Officials.

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Housing

Housing for the American Worker

By JOHN W. EDELMAN, *United States Housing Authority*

I do not think it is necessary for me to "sell" the public housing program here. I think that the position I should take before this group this morning is that it is interested in knowing some of the more recent developments of the program of the United States Housing Authority. You are the natural friends and allies of the program, and it is my role to ask your assistance rather than attempt to "sell" you something.

In opening my talk before this Association of Governmental Labor Officials may I mention that there is now a group of people in the United States, the members and the professional employees of local housing authorities, with whom, probably, you should have a very much closer relationship than now exists.

We have in the United States today well over 250 housing authorities actually functioning. In many instances, in the larger communities, they have sizable staffs, as their local programs run into several millions. In time, no doubt, some kind of relationship will be developed between that group and your organization. It seems to me that these officials must look more and more towards organizations such as yours and to the agencies you represent for the assistance and understanding needed in developing the public housing program.

Originally, some of us thought that public housing should be not merely for the lowest income group but for the middle-income group also. The first governmental experience in this field resulted in housing which did not reach the very lowest income families. As a result, the idea became widely accepted that public housing was unable to meet the needs of lowest income families. Today, however, we are reaching the lowest income group and the lowest income group alone. Tomorrow, also, our efforts will be confined to this group.

Granted that there is a serious housing problem facing the middle-income families, those earning from around $1,100 a year to about $1,700 or $1,800 a year, the United States Housing Authority cannot assume the responsibility for solving that problem. All that the United States Housing Authority can officially say about that prob-

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lem is that the USHA will not compete with private industry in solving it.

The USHA was established in 1937. It is a Federal corporation with power to make loans and grants-in-aid to localities for slum clearance and development of low-rent housing projects. It makes loans to local housing authorities to cover 90 percent of the development cost of these projects. The other 10 percent is raised by local borrowing from sources other than the Federal Government. After a project is built the USHA makes grants to the local authority to bridge the gap between the rents which slum dwellers can afford to pay and the amount necessary to cover all maintenance and operating expenses of the project. These annual contributions extend over the whole life of the project. To supplement the Federal annual contributions and to make the rents even lower, the local annual contribution is generally in the form of complete tax exemption.

The planning, construction, ownership, and operation of all housing projects rests entirely with the local housing authorities, which are public agencies, generally, but not necessarily, independent of city governments. There are 39 States today which have enabling housing legislation.

The USHA has up to this point earmarked about $650,000,000 for localities throughout the country. As of May 16, 1939, 45 projects were actually under construction and new projects were entering the construction stage at the rate of about 20 a month, which means that about 8,000 dwelling units were going under construction each month. By the end of 1939, it is estimated, nearly 200 projects will be under construction.

Under the present program 160,000 families will be transferred from the slums into decent houses. The rentals on these projects, which are fixed in conformity with the formula prescribed by the Housing Act, will range from the low of about $7 per month per family dwelling unit in the South to the high of about $17 per month per unit in the North, and will reach families with annual incomes ranging from about $500 in the South to about $1,050 in the northern cities. In short, this program will reach down to the vast majority of the very low income families.

Public housing today is firmly grounded in local initiative and local responsibility. Yesterday public housing was based on Federal initiative and Federal responsibility. There were a few States with adequate State housing legislation when the act was passed in 1937. There were only a bare handful of housing authorities. The location of projects was decided upon in Washington, plans were drawn up there, completed projects were managed through Washington. The experience of the past 2 years has shown that American communities

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are by no means lacking in initiative and resourcefulness. The number of local authorities has grown from 46 to 250. The red tape that results from centralization has been cut to a minimum, while the efficiency and flexibility of the program have grown.

If I may say a word on the very much debated question of subsidy, there has been more misrepresentation on this question than on any other phase of the program. The subsidy is basic. Without it, the lowest income groups could not be reached. At the same time, the cost to the taxpayer is extremely small. The annual local grant which every project receives in the form of exemption from local taxes is always more than counterbalanced by the annual benefits which the community receives in the form of decreased costs for combating crime, disease, and fires in the slum areas. The annual Federal grants are counterbalanced by the benefit the Government receives through increased employment, increased production in the entire construction industry, and increased national income. Moreover, since funds for Federal aid to public housing are now granted on an annual basis rather than a lump sum, the burden on the national budget is extremely slight. Under the present program, for instance, the maximum net cost of the annual grants-in-aids—and that figure could not be reached for another 2 years or so—is only about $18,000,000 a year. Under the expanding program to be authorized by the bill which is still before the House, the net cost of subsidizing some 400,000 new homes for families now living in slums would amount to about $53,000,000 a year, or only about eight-tenths of 1 percent of the total expenditures under the national budget for the fiscal year 1940.

We expect, of course, to reduce the annual subsidy as costs are reduced, and we hope to make a smaller subsidy cover a larger number as development costs decrease, or a rise in workers' incomes may make it possible to reduce the Federal grants-in-aids for new projects and for projects that have already been built.

On the question of construction costs, I should like to say just one word. Today our costs are low for a multitude of reasons. We have learned from the early experiments. Construction is now carried on through the normal local building channels. Building trade unions have been extremely cooperative. Attention is given to a thousand small economies. Basements, which are nearly always costly, are eliminated and radiators are installed in interior walls so that they may heat more than one room at a time.

Let me give you a few averages. The net construction cost for a USHA dwelling is only $2,841, while the net cost of a privately built house in the same locality, according to figures gathered by the Bureau of Labor Statistics, is, on the other hand, about $3,655. That makes public housing $800 less than private housing, or more

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than 20 percent lower. This record is all the more notable when you remember that our public housing projects are built to last for at least 60 years, which is not the case with private housing, and that prevailing rates are paid to construction labor, which is not the case on most of the private housing which is being built on an average cost somewhat higher than ours. These figures which I have been using are all net construction costs.

How about over-all development costs? How do our costs run when we include land, community facilities, and everything else? Well, the trend in our over-all costs is steadily downward. In the 15 months from March 1938 to June 1939, 15 groups of projects were approved by the President. In the first of these groups, the over-all cost of new housing averaged a little more than $5,000 per dwelling. In the last three of these groups, the over-all cost hovered around $4,000 per dwelling. We predict that these costs will soon approach from $3,500 to $3,000 a dwelling. More than a score of projects have already been approved where the over-all costs will be only about $3,000 per dwelling.

Most of you, of course, know that there is a great deal of misapprehension as to what a public housing development is. You probably thought that it was necessarily apartment houses. That is not the case. Of 55 projects now under construction, only 5 are exclusively multifamily dwellings of three or more stories, and of these 5 only 2, right in the heart of New York City, are more than three stories high. Most of the projects are composed of one- or two-story houses or two-story flats. In a few projects, you will find separate two-family dwellings with open spaces on all sides. Even within a project there is a great variety of building types. Recent dwellings completed in Jacksonville, Fla., which are now occupied, consist of both one- and two-story dwellings and row houses and two-family buildings. In the future this tendency toward variety will be still more accentuated. Local technicians will undoubtedly produce a still greater variety of forms, thereby opening up new vistas for American architecture.

In past years, many of us thought public housing was merely a means of tearing down slums and replacing them with new and better built buildings. Today, when the public housing dream has become true, we are coming to realize that erecting new dwellings for families that have been living in slums is not enough. Our philosophy today is that a project must provide a new community life also. We refute categorically the idea that a local housing authority should build a few dwellings here and another few in another spot. We insist that homes built under the public housing program be integrated into a large-scale community development and not be scattered over the landscape like a load of buckshot.

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In serving these broad purposes, how does a housing program fit in with such other social measures as collective bargaining, wage and hour legislation, and social security laws? A chief characteristic of these more traditional social measures depend for their success on a nice adjustment with other factors which they neither embrace nor control. Collective bargaining, to be successful and equitable, must reckon with a fair rate of profits. Social security must be reconciled with a tax structure that does not hamper business. Shorter hours must be arranged without loss of profits. They all involve the reconciliation of various group interests and the modification of lesser interests in behalf of greater ones.

Housing is a nonpartisan issue. It is concrete and dramatic. It helps business. It helps industry, in the Nation as well as the locality. Thus it combines economic desirability with political feasibility, and these two must be combined by a practical process if we are to save democracy from the forces which threaten it throughout the world.

How to Get Good Housing for Workers

By PHILIP M. KLUTZNICK, *Omaha, Nebr., Housing Authority*

The problem of public housing has been very clearly delineated in a general way by the preceding speaker. I happen to be one of those individuals who is charged in a minor way with the progress of the program in a local community—Omaha, Nebr.

We are proud of the fact that Nebraska was the first State west of the Mississippi to secure enabling legislation. We in Omaha, in common with you in Tulsa and elsewhere, have for years been boasting of the fact—at least, our chamber of commerce has done a good job—that there are no slums in Omaha and that it is a beautiful and clean city and a fine place to come to, but our claims in respect to the lack of slums were akin only to the claim of sunny weather by the Los Angeles Chamber of Commerce.

We were quite astounded a few years ago to find that, while slums in the sense of tenement houses did not exist in Omaha, there were very definitely blighted areas, areas of deterioration, areas wherein private capital had remained aloof, which had resulted in the creation of housing conditions that were as deplorable as the worst slums in the city of New York or elsewhere.

My subject is how we can provide homes for workers, how to get good housing for workers, and before I can tell you how to get good housing for workers, I think it is important to recognize the existence of the problem and the fact that there is bad housing for workers in many communities today. We found in Omaha, for instance, that out of 60,489 dwelling units, by actual survey, 8,900 were unfit for use

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or in need of major repairs. Of this number 6,246 were occupied by tenants who could afford to pay a rental of $20 a month or less. We found that 10,868 were without adequate plumbing for sanitation facilities, and 9,187 were overcrowded, and that, mind you, in a community that for 50 years had boasted of a complete absence of slums.

The problem would answer itself if these 6,246 tenant families could be transported from their inadequate and unsanitary and indecent housing into decent environment. We looked at our vacancies and we found that at the same time we had a complete vacancy list of only 3.3 percent or about 2,000 units, and that of these 2,000 units nearly 500 were unfit for use or were in need of major repairs, and of the remaining number, less than 200 could be used for families who could afford to pay the type of rental that we are speaking about.

Only a few weeks ago I had occasion to cross-examine a real-estate man in connection with a hearing that involved these various questions. This hearing was being held before the city council to determine whether or not we should take on another public housing project, and I asked the gentleman, "For the sake of your business and forgetting everything else, what percentage of vacancy would be normal for such a city as Omaha?" And, remembering that he was our antagonist and not our friend, he still said that Omaha should have normally a 5 percent vacancy in order to provide for the shift in population.

That, briefly, was the problem. We found that we had families of the working class and those who were on relief that could not find a place with a decent, standard environment to go into. We then addressed ourselves to the question, Could existing methods of operation, could private enterprise, cope with the problem? And here is what we found. From 1930 to 1937 in our city 1,870 new dwelling units were erected; during that same period of time 472 were demolished, leaving a net increase of 1,398 dwelling units in the 7-year period. We found that we had had an increase in population during that same period of time of 2,052 families, which indicated clearly to us that private enterprise in its building activity had failed by 654 dwelling units to meet the increased need, assuming that conditions in 1930 were normal insofar as housing was concerned, without regard to deterioration, obsolescence, and the necessary replacements that must take place in housing. We further found that the average cost of each of these 1,870 dwelling units was $5,750, meaning most clearly that in no sense did this type of construction cope with the problem that confronted our community.

So we entered into a public housing program. Omaha was one of the places where one of the 51 demonstration projects was erected by the centralized Public Works Administration housing division,

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and, as has already indicated, the standards, the rentals, were not altogether sufficient to meet the need of the low-income family. We have now entered into a program of two additional housing projects in Omaha under the United States Housing Act of 1937.

The gentleman who discussed the National Labor Relations Act this morning made a very significant statement. He said that any law that changes the status brings criticism from those who have an interest in the status quo. What is true of the National Labor Relations Act is equally true of the United States Housing Act in many localities. There are those who believe themselves intentionally or unintentionally harmed by what is happening under this particular act. The result is that certain criticisms have been directed against public housing which I feel should be discussed here in concluding my particular portion of the program.

I believe, first of all, that many of the criticisms that are leveled against the public housing program today are splendid examples of lack of information. In Omaha, as well as in other communities, some of those criticisms are as follows:

(1) You increase the tax load. Let us examine that argument. The argument is that when you remove tax-paying property and you substitute in its stead tax-exempt property, that you increase the tax load. We removed 134 dwelling units from a certain area that had an annual tax bill in excess of $4,000. Actual payment experience disclosed that over a period of 5 years it paid only $917, despite a number of tax sales. When we acquired the property, on one piece we had to pay taxes for nearly 20 years. We have taken over two additional areas since that time, and the experience has been exactly the same. The fact of the matter is that we are now making a payment in lieu of taxes to the tax-collection agencies, and we find that our payment in lieu of taxes is actually 25 to 30 percent more in dollars and cents than the amount of tax money that was collected from the areas which were destroyed.

Let us assume that even that is not so. Let us say that no payments in lieu of taxes were being made. What is the cost to a community of a public housing program? We found that, by developing a $1,400,000 project which would accommodate 274 families, a $100 tax bill, if the loss in taxes was to be taken into consideration, would be increased by 1⅔ cents. We discovered also that if we were to take all the areas in Omaha that need demolition—and we estimate a minimum pool of such dwelling units as 5,000—we could completely rehouse those 5,000 families and it would increase a $100 tax bill, if no payment in lieu of taxes were made, by only 50 cents.

The contributing factors are clearly these: First (and the most important), these areas in which unsightly and substandard houses

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are located do not contribute to the upkeep of government; second (which I have not taken into consideration in my computations), there are benefits that more than offset the increased cost. This is an interesting example. At the time that this last project was pending before the city council of Omaha, involving $1,400,000 of construction, there was likewise pending a new WPA project, and at that time, on a comparative basis, to bring $1,400,000 worth of WPA work to the city of Omaha the city had to put up $210,000. At the present time, under the new regulations, that amount would be $350,000. The WPA program called for an investment of $2.33 per $100 tax bill. For the equivalent amount of work, with more permanent benefits in the maintenance and the rebuilding of human lives, the $1,400,000 program of public housing called for a net contribution of $90,000 over a period of 60 years by removing from the tax roll those houses that we intended to demolish.

(2) Not only is the tax load increased on the part of others, but the tax income of the tax-collection agencies is decreased. In Omaha in 1937 before the first public housing project was opened, the total amount of taxes collected from real property by the city was $1,571,000. After the opening of the project, a year later, we collected $1,628,000.

(3) Public housing is stopping private construction, is the third argument. In the first 6 months of 1938, 3 months of which was prior to the opening of the first public housing project in the city of Omaha, we built $836,000 worth of residential structures in Omaha. In the first 6 months of 1939, we built $3,282,000 worth of residential units in Omaha.

I cite these arguments principally because I want to indicate to you that in this business of providing good housing for workers of the minimum-income group, you must be prepared to meet the same type of criticism, much of it unintentionally uninformed, and much of it dictated by that small percentage of influential people whose interest it is to maintain the status quo.

The effects of a public housing program are too numerous really to delineate at this time. I have in mind the case of a young lady who had one child and a mother to support and who was earning $18 a week. She had to break up her family. Her mother went to live with a relative and the child lived with the mother. She saw that child once every month or so, as she could get away from the city in which she lived. Public housing made it possible, because of our ability to provide proper, decent environment for families of the low-income group, to bring that whole family back together under one roof.

I also have in mind the case of a young man who happened to be in the same class of college that I was, who was a trained teacher

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and who, because of economic circumstances, lost his position and found it necessary to go to work as a common laborer, earning $20 to $21 a week. He had a wife and child to support. It was impossible for that young man to continue to live in the environment to which he had become accustomed. The question was, Were we to catapult him and his wife and child into these deteriorated, unsanitary, indecent environments that are the breeding places of disease, juvenile delinquency, and social incompetence? No; we gave him and his family an opportunity to continue in a decent, upstanding environment. These cases can be multiplied many times. We have open today 284 units. Within a year we will open another 522, and within 18 months, an additional 272 dwelling units in Omaha. For the 284 units that are now open, we have 300 eligible applicants on the waiting list, and this from the immediate area in which the project is located.

When I visualize our contact with housing in the city of Omaha over a period of 6 years now, and think of the thousands of members of local housing authorities who under the law serve without compensation, I remember the story that is told about three workmen who were on a road, breaking rock. A stranger approached them and said to the first worker, "What are you doing, my friend?" And the fellow said, "I'm earning $2.50 a day." He went to the second workman and asked what he was doing, and he said, "I am breaking rock." He went to the third workman and he asked him, "My friend, what are you doing?" The fellow pointed to a magnificent structure on the hill, a temple, and said, "I am helping build that temple." When I think of the efforts that have been directed toward providing good housing and creating better citizenship, better environment for the masses of low-income families in a community, I cannot help but feel that the members of local housing authorities are truly helping to build magnificent temples for the preservation of democracy in this country.

Discussion

Mr. HOBEN (National Association of Housing Officials). I should like to broaden this picture a little, now that you have a specific view of both the Federal and local activities, and point out a few of the ramifications of a housing program locally and a few points upon which this activity may touch the labor officials directly.

In the first place, I should like to point out that before long we will have to draw some distinction between the range or the scope of the public housing program and the range or the scope of general welfare programs, and I use the word "welfare" in a broad sense, to

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include the work of labor officials. In other words, what can and what cannot this housing movement do? I think those of us who have been working in it for some time realize that we have a housing movement because of an accumulation of a lot of conditions that have been growing for the past 100 years at least—an accumulation of problems in city planning, in zoning, in public health, to mention a few. With the advent of the public housing movement, too many of us locally looked to this movement to end all of the many municipal ills, especially as long as the Federal Government was contributing all of the necessary subsidy. Now that the program has become decentralized, now that the locality must contribute part of the annual subsidy necessary, we must begin to ask questions of ourselves. Will we be able with these housing subsidies, for instance, to make up for all of the deficiencies in wage policies; to make up for all of the mistakes in land planning which have allowed congestion, which have allowed such indiscriminate mixing of land uses that we have houses next to glue factories and stockyards, there is no plan of transportation, and there is no decent neighborhood where a family would want to live and bring up its children. It is easy to say, "As long as there is money available, we will wipe out the whole thing and start over again." At the same time, our local officials are constantly being pressed to house the so-called lowest income group. But right there we must have a definite understanding. You might say the lowest income group is any family having $1 a year. If you use housing subsidies to put that family into a decent house, you are undoubtedly subsidizing a wage policy which should not be tolerated, whether or not there is a housing program.

Likewise the question has been raised in some communities as to whether, when you go in with a public housing program with a moderate amount of subsidy, there will not be a tendency, on the part of certain large-scale employers especially, to keep wages down. They may feel that because a housing subsidy is available to these people they do not need so high a wage. That tendency will have to be watched very closely by the labor officials in communities that engage in a considerable amount of public housing.

Other problems will come to the attention of labor officials. From time to time there has been discussion of the annual wage in place of the hourly wage in the building trades as a way of lowering costs. Most of the building trades have resisted these suggestions, and rightly so. They have pointed out that there is absolutely no prospect of such sufficient and continuous employment as to justify reduction of the hourly wage. They might agree to an annual wage and then when the employment runs out, they would be unable to reestablish the hourly wages for which they have fought for so many years. When that question comes up, it will require a very careful consideration

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of the permanency and the size of the public housing program and an entirely new relationship of government to this program, in order that it may be able to give a sufficient guaranty of the continuance of the program to provide labor with some reasonable promise of employment.

Changes in construction methods, although they have not been striking in the past few years, are going to raise some very serious problems for the labor officials. At the present time, the Government agencies, both Federal and local, engaged in this housing program, have found that very little of the new materials and methods have been sufficiently tried and tested really to reduce costs, but that research is going on all the time. There are many developments just around the corner that will require an entirely new attitude on the part of labor towards construction.

As I see it, it will be absolutely impossible in the period which we are now entering, for us to keep on dividing up the responsibilities of building-trades people according to the sharp trades distinctions we now have. If labor is so short-sighted as to insist upon those distinctions (the type of distinction that has led to jurisdictional strikes in many cases) I am quite sure that some large industrial operator will sooner or later turn his back upon the building trades and say, "We'll do the whole job under the industrial process. We'll do the whole job in the factory. We'll not try to get the plumbing trades, heating trades, etc., to go along with us while we gradually change this house-production method. We'll introduce prefabricated bathroom fixtures, roofing, etc., because under the present attitude, in many cases when minute improvement in construction and lowering of costs are proposed on a job, intertrade jealousies immediately tie up that job." It seems to me that we will have to have a slightly different attitude on the part of the building trades or we may face a situation such as I have mentioned, where large industrial operators come in, ignore the building trades entirely, and do nine-tenths of the operations in factories, paying a monthly or weekly industrial wage rate rather than the customary trades wages.

I should like to point out that the question of how far we go with public housing and what standards we use will have to be decided locally. We must first decide what is a decent standard of accommodation, and then we must decide how much we are willing to pay to achieve that accommodation.

I want to add just one word of warning. When you get into local discussions of this housing program, make sure you start from the bottom up, that you know what you are going to do, that you realize that you cannot remake your entire city in a few years with only the assistance of a little credit from Washington, a little subsidy

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from Washington, and a little subsidy locally in the form of tax exemption.

I am glad that Mr. Edelman brought out the need for cooperation between various groups of public officials, because I represent a professional association of officials in housing very much as your association represents officials in labor. We are a nonprofit, nonpartisan organization. Our members are largely men like Mr. Klutznick who are on the firing line locally and are facing day-to-day problems. We have had numerous contacts with lay people and with officials in other fields and hope to have many more in the future.

Mr. MORTON (Virginia). I should like to know how they select the families that move into these developments, and, before my question is answered, I want to say that it is very important to me. The State has passed enabling legislation, but we have not made much use of it. The mayor in Richmond has bitterly opposed it and the city council is divided. In a study of the subject, they have inspected one of the housing projects in Broooklyn. Some of them have come back with the argument that the housing was not benefiting the people it was intended to benefit; that the rents were too high; that the poorer people were moving from slums in one part of the city to slums in another; and that the people who were able to pay higher rents were taking advantage of the situation. That is the argument of the members of the council and I should like to know how to answer it.

Mr. HOBEN (Illinois). That comes right back to the point I made, that we will have to determine what the rents are to be in the first place, because the Federal contribution is limited to a given maximum in a year. From there on the amount you contribute locally, either through tax exemption or other means, is going to decide your rent level and therefore how far you can go down the economic scale. Every local authority within my knowledge that has developed a United States housing authority to finance a project has taken families out of housing that is classified as absolutely substandard. I mean by that that it lacks sufficient windows, is overcrowded, or lacks sanitary facilities. I think the local authorities have sufficient records to back that up. The public, of course, views this program as being worth while if it takes in the very lowest income people. That brings the question back to this point: Are you willing to pay enough in subsidy to take the indigent unemployable and put them in this better grade of housing at the present time? You can do it if you want to do it, if you want to pay for it.

There is such a tremendous need for housing in the entire lower-income group that it is unfair to criticize the program because it is not taking the people in our northern cities with incomes of $300 and

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$400 and $500 a year and putting them in this housing. That is purely and simply a question of whether you are willing to pay the price in subsidy, and whether housing subsidies alone are the way to reach this class.

As to how the families are selected, there are a number of criteria set forth in the Federal legislation, and the local authority must work within those broad rules. They must live in substandard houses. They must not earn in excess of five times the rental, or if they have more than two dependent children, not more than six times the rental. Once you have decided how far down you can go on the rentals, then you can decide exactly what income groups you are going to hit. Then there are many other restrictions that the local authorities may establish, such as 1 year's residence in the city, so as to exclude transients. All local authorities try to give preference to people with children, because they feel the beneficial effect of improved housing is much greater on the children than on the adults. We are trying to build up normal communities of low-income families, not to create a segregation of people who are on relief and who are in such narrow income limits that they feel institutionalized and that there is no normal community life.

Mr. EDELMAN. I want to add just one word to Mr. Hoben's very able explanation. What will normally happen in a city like Richmond is that, in addition to having trained assistance in tenant selection from the USHA, an advisory council will be established (or should be, if it follows the experience of other cities), consisting of social workers, labor and business people, and other key people in the community to assist the authority in selecting the tenants. The advisory committee should advise on local needs and problems and aid in selecting tenants in such a manner that the community will approve of what is being done and support the entire undertaking.

Mr. DURKIN (Illinois). On several occasions in the discussion of low-cost housing, there has been raised the question of annual earnings for building tradesmen versus high hourly earnings. I wonder if any of the previous experiences has provided an answer to the question as to how annual earnings can be guaranteed to building tradesmen.

Mr. EDELMAN. That is rather a ticklish question from my standpoint. The only possible answer to it is "legislative action." If the Congress of the United States, at the request of large masses of the voters, would provide such an adequate program that you could guarantee a substantial volume of employment, then the question seems practical. My own private and personal opinion—it is not an official view—is that you cannot discuss it realistically at this stage of our national affairs.

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Mr. DURKIN. I might say that your answer to the question is as to who should do it and not how it should be done. My question was, How can it be done? How can an annual wage be guaranteed to the building-trades men so that they may change now from the high hourly wage to an annual wage? You state that it must be done by legislation, but how?

Mr. EDELMAN. If the local authorities had sufficient funds to get a very large volume of public construction under way in all the communities of the United States, so that you could actually guarantee a given number of men in a given locality so much employment, then it would be time to discuss the question.

Mr. DURKIN. Let us get at one thing. Are we going to build beyond the need? Are we going to guarantee to keep those people working when we have no people to move in and occupy the buildings?

Mr. EDELMAN. Are you assuming that we are likely to fill the need for many years to come?

Mr. DURKIN. I say that already there has been reached in many areas a greater vacancy than there is demand. In other words, the selection in many places exceeds that percentage that is generally accepted as a proper percentage of selection.

Mr. EDELMAN. I simply cannot agree with that view.

Mr. DURKIN. When you go in to buy a hat, the salesman must have a certain number of hats on the shelf in order to give you proper selection, and he does not need any more than that. It is the same way with houses. If a person wants to rent a home within a certain rental, what is he going to do? Are we to have thousands and thousands of home in that bracket that probably never will be rented, in order to guarantee wages to keep those people employed; or are we going to say that after a certain percentage of vacancies occurs, there will be no building but the worker will still receive his pay check?

Mr. EDELMAN. Of course, housing will not be undertaken merely for the purpose of providing employment. Housing is undertaken to fill the need for better homes in a given locality, and the question of employment is, of course, a necessary outcome of filling this need. My assumption is that it is going to be a long time before we are within reaching distance of meeting the need of either the very lowest income group or the groups in slightly higher brackets, with which this particular program is not at the present moment able to deal. That is my assumption, and it is a question of statistical fact which is susceptible of proof.

On the other hand, let me also make perfectly clear to you one other fact which must be understood in this connection. One of the

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fundamental and basic features of the United States Housing Act, which I did not stress but which Mr. Klutznick referred to but also did not feature, is the equivalent-demolition requirement. For every dwelling unit put up under the present program, the local community must demolish or repair an equivalent unit. We are finding, however, that there is such an acute housing shortage in the vast majority of American communities that the local authorities are besieged with requests to delay enforcement of the equivalent-demolition section of the act until such time as a certain percentage of new dwellings are constructed, so that they may have some place to move those whose homes will be demolished. One of the greatest difficulties that this program has run into in practice is that when you go into a slum area and start to demolish in order to build, you find that the tenants refuse to move because they cannot find places to move to at the same rental they are paying at the time. In some places this has become a community issue of major proportions. Under the terms of this act you will never get a surplus of housing, because you must demolish one substandard home for every new dwelling unit constructed.

Mr. DURKIN. I am not opposed to low-cost housing. I want to get that idea straight. I am talking now of annual wages versus hourly rates, and when you talk of changing the pay structure, you must consider, not only low-cost housing, but also building construction. You cannot divide the two. You are also setting an hourly rate for other than low-cost housing, for when you change the wage structure, you change to annual wages for other than low-cost housing.

One of the previous speakers spoke of plumbing and heating. A plumber or steam fitter puts in the heating in a home. He roughs in the job and then permits the plasterers and others to get their work done. Then he comes back and does the finishing. For the plumber and steam fitter that work probably involves from 2 to 3 days' work in roughing in. He is then laid off. That contractor has no more work for him and will not have any work for him until that job is ready to finish, which may be in 3 to 5 weeks or longer. There may be no other contractor who can employ that man. Who is going to guarantee that that man will be paid while he is unemployed? You can talk about an annual wage, but you have to find out and build up a method in order to make it work. Or are we to have annual wages on low-cost housing, with only those who get annual wages being permitted to work on low-cost housing while all of the rest of the members of a particular local or locals have to find jobs elsewhere, on which annual wages are not guaranteed, resulting in two sets of wages being paid, guaranteed annual wages on low-cost housing and hourly rates of pay on other than low-cost housing? We will then find ourselves in the situation where, when building construction is not very

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great, all in a particular community will want to get on low-cost housing, and when there is sufficient work in the area, everyone will want to get off of it because of the higher hourly wage on other construction than low-cost housing.

Mr. LUBIN (Washington, D. C.). I want to say a word, if I may, relative to this discussion. I think the first answer is, that the building craft unions already have two wage rates. In my own community they have three. An electrician working in a department store or in a building gets a lower wage rate per hour than if he were working on the erection of a building. If he is working in a building, he is called a maintenance man, and because he is assured steady employment, the union has agreed to a lower wage rate per hour than it has for the man on erection. That is true of carpenters in my community. If you go into the railroad shops, you will find the same thing is true. The man working in a railroad shop and belonging to the same union as the fellow who is erecting a building gets a lower wage rate, and the union has accepted that because he is supposed to have steadier employment.

In one of the crafts in the city of Washington, there are three wage rates, one on housing, which is $1 an hour, one on large construction, which is $1.75 an hour, and one for maintenance men, which is 90 cents an hour. So the fact exists that there may be different wage rates for the same craft for different types of work. It is a procedure unions have developed, and it has been a practice in some communities for a long period of time.

Now, as to the second matter. In talking about annual wage rates, we have to think in terms of the question that was raised by Mr. Durkin. How are you going to guarantee an annual wage? You cannot guarantee it until the time comes when you will know that there is sufficient work so that you can keep your guaranty. I think that is what Mr. Edelman was talking about. As to plumbing, you will have to have enough buildings going up at the same time so that the men can move back and forth from one building to another, roughing and finishing jobs. And until that time comes, until the Federal Government or a municipality can undertake a large enough project so that it will know that it can move the plumber from building to building and then back again, and so, over a course of 12 months, give him 50 weeks of employment, it is useless to talk about the question of guaranteed employment.

Mr. GOLDY (Illinois). It will be necessary to have all the employment scattered among all the commercial contractors; otherwise it will be utterly impossible to transfer a plumber from a roughing job of one contractor to a finishing job of another contractor.

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Mr. DURKIN. That is correct. I want to raise one other point. There are peaks in employment in building construction. In other words, a building project starts with a smaller number of men in a given trade or trades, and as the job progresses the number increases until it reaches a peak; then it goes down, and when it comes to the finishing that does not require so many men as the roughing did. You are going to have a hard time trying to do as you suggested, plus the contractor situation. The Government will have to go into building construction, as I see it, so that men can be changed from one job to another. Under the present plan, we have different contractors on different jobs and there is no transfer of men. Under unemployment compensation, with merit rating, you will find that pretty hard to do.

So far as the rate structure is concerned, it is true that the carpenter or the electrician and others have different rates for maintenance. In the section I am from, there is no difference in rates. Whether it is a home that is being constructed or whether it is a skyscraper does not matter; the rate is the same. Generally, where the rate is lower on maintenance work, a building construction man must be past a certain age before he is permitted to take maintenance work and to accept a lower rate of pay. I know it is true that in some places they have a lower rate for housing work than they have for certain other types, but that is the exception to the rule.

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Wages and Hours Legislation

Administration of the Wage and Hour Law

By MERLE D. VINCENT, *Wage and Hour Division, United States Department of Labor*

The Fair Labor Standards Act is more than a labor act. It affects both employer and employee. Its beneficial consequences are intended to be even broader. The general public will necessarily share in its economic and social consequences in raising living standards for labor. In equalizing labor costs a higher degree of fair competition between competitive employers is promoted.

The underlying philosophy of the act finds expression in the attempt not to confer an advantage upon any one class, but to promote the well-being of the whole people. The Administrator is constantly having to make decisions charged with the gravest social consequences, decisions of a somewhat different quality than those that must be made ordinarily under State labor laws. This is an appropriate occasion to relate some of the Administrator's trials and tribulations in the hope that if they merit sympathy at all, you will shed an expressive tear.

Most labor laws with which I am familiar are universal, or at least general, in their application. A law that requires factory owners to put safety guards about dangerous machinery for the protection of the workmen presents no great difficulty of enforcement. The factory stands out in plain sight. You can go into it, look at the machinery and tell almost instantly whether or not the requirement has been complied with.

In Federal wage and hour enforcement the case is otherwise. The factory still stands out in the open where it can be seen, but as you approach it you may not know whether you have a commission to enter it or not. Perhaps the law lays a responsibility upon the owners, and perhaps it does not. First of all, it is necessary to know whether or not the workers employed in it are engaged in interstate commerce, or whether they are producing goods for interstate commerce. Next it is necessary to determine whether or not the employees fall into one or another of the categories that have been specifically exempted by the law. If they are exempt, are they exempt from the hours provisions, from the wages provisions, or are they exempt from both? Are they wholly exempt or only partially exempt? Are

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they exempt part of the time and covered the rest of the time? May some of the workers be exempt and certain others working in the same plant covered?

When all such doubts have been resolved, and we have decided that the employees are covered and entitled to the benefits of the wage and hour provisions, and we go into the plant we are ready to find out, if we can, whether or not the law is being complied with. But now that we are in we can learn nothing by looking at the machinery. We cannot always find it out by studying the pay-roll records. Unhappily, we live in a world from which sin and deception have not yet entirely disappeared.

The records may indicate that no worker in the plant receives less than 25 cents an hour. If some of the workers are employed more than 44 hours in a single workweek, the records may show that each of them has received for his overtime work extra compensation at the rate of one and a half times his regular hourly rate, but you may have some reason to suspect that the records are falsified.

Then you turn to the workers. However, you may find them reluctant to discuss their wages and their working hours in the plant. Or, perhaps with one eye on the boss, they tell you enthusiastically that, sure, they are being paid not less than 25 cents an hour and time and a half for overtime. But maybe they have been intimidated. They may have been told that they will be fired if they give any information to a Wage and Hour Division representative—even though the utterance of such a threat is in itself a violation of the law. Sometimes they have been forced to assist in the falsification of records by turning in inaccurate time reports. We find, I regret to say, instances of that kind. Some of them have forgotten whether they started work a week ago last Tuesday at 7 a. m. or 7:30, whether they quit work at 5 p. m. or 5:15 p. m. Maybe they are unaware of their rights under the law and have to be instructed in them.

Perhaps we will decide that the more discreet course is to talk to them away from the plant where the boss will not see them in conversation with us. We may be able to interview some of them after working hours at Joe's hamburger joint around the corner. More likely it will be necessary to visit them in their homes behind drawn blinds late at night. Everybody gets a 44-hour week except the Wage and Hour inspectors. If our inspectors could collect time and a half pay for overtime work, they would all soon be rich.

We call our people inspectors, but perhaps it would be more exact to speak of them as investigators. They are required to combine the talents of a diplomat with the skill of a Sherlock Holmes.

Someone has said that when war is declared truth is the first casualty. It is unfortunately our experience that when someone seeks to evade the provisions of this act truth is his first victim. It

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is the business of our inspectors to find the facts. They have a tough job when confronted with an effort to conceal facts whether by destruction or by falsification of records. This not infrequently occurs. There is of course another side to the picture. Responsible employers are living up to the standards set by the act, and they are entitled to protection against law-evading competitors, just as employees are entitled to such protection.

Other separations of workers, in addition to those previously indicated, are recognized under the law. Any person employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman, is exempt from both the wage and hour provisions. The Administrator must define these terms. Did you ever try to define a bona fide professional? It is a major headache, and not even the big dictionary will give you much help. Exempt from the wage and hour provisions also are employees engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce. So are employees of a carrier by air subject to the provisions of title II of the Railway Labor Act.

Persons employed in connection with the publication of any weekly or semiweekly newspaper with a circulation of less than 3,000, the major part of which circulation is within the county where the newspaper is printed and published, are likewise exempt.

Here on one side of the street, is the Weekly News, with a circulation of 2,999, the major part of which is within the county. Just across the street is the Weekly Times, with a circulation of 3,001, the major part of which also is within the county. The employees of the Weekly Times are covered by the law. The employees of the Weekly News are not.

Any individual employed within an area of production as defined by the Administrator, who is engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products, are exempt from the wage and hour provisions. But what is the "area of production"? The law does not say. It calls upon the Administrator to define it. Here is an exemption extending only to the first processing of agricultural or horticultural commodities. Still another provision extends to work of preparing produce for market. If, after the first processing, the commodities concerned are carried into another plant next door for a second processing, then the employees of this second plant, though within the area of production, are covered by the law and entitled to all of its benefits. And so on through a somewhat extensive list of exemptions.

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Then the question of seasonality arises. Occupations of a seasonal nature are exempted from the hours provisions for a period or periods of not more than 14 workweeks in the aggregate in any calendar year, but even during this period of 14 workweeks they may not be worked more than 12 hours a day or 56 hours in any one workweek. But what is a seasonal industry? The law does not say. It calls upon the Administrator to determine that. And to decide what is seasonal and what is not seasonal is not always easy. Seasonal fluctuations in market demand do not furnish criteria, while seasonal availability of material or produce does furnish a guide.

There are still other complexities. Here are a group of organized employees who have a collective-bargaining contract with their employer which provides that no employee shall be employed more than 1,000 hours during any period of 26 consecutive weeks. In that case, provided theirs is a bona fide union, the standard workweek does not apply, although if they work more than 12 hours a day, or more than 56 hours a week, they must be paid time and a half for such overtime. But what is a bona fide union? Here the Administrator gets a break. The National Labor Relations Board must decide that one.

Learners, apprentices, messengers, and physically or mentally handicapped workers may be employed at less than the minimum wage. But only to the extent necessary in order to prevent curtailment of opportunities for employment. They may be excluded from the full wage benefits, however, only by special certificates issued by the Administrator; and in the case of learners, messengers, and apprentices, these certificates must be issued subject to such limitations as to time, number, proportion, and length of service as the Administrator shall prescribe.

You will appreciate the necessity for the caution written into the law at this point. Obviously, it would be unwise to permit employers themselves to decide which of their workers are learners and therefore exempt from the wage provisions. In one garment factory we found women working for as little as 2 cents an hour because their employer had decided to call them learners. Another employer wanted all his workers exempted as physically handicapped because they were over 40 years of age, and still another insisted that all his workers were mentally handicapped. In fact, he assured us, all the 2,500 inhabitants of the town in which his factory is located, are a bit "tetched in the head." In no cases are certificates granted in any of these categories until hearings have been held to bring out certain basic facts. For example, respecting learners, we must know what occupations are skilled, and what period is necessary to acquire typical proficiency.

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Not even yet have we come to all the variations which make our administrative work a highly complex pattern. The law provides for raising minimum wages above the statutory rate, but not above 40 cents an hour, by means of wage orders which may not be issued until certain very stringent conditions have been complied with. For each industry an industry committee must be appointed. It must comprise, in equal numbers, representatives of the public, and of the employers and the employees in the industry. The Administrator must furnish to the committee adequate legal, stenographic, clerical, and other assistance, and must by regulations prescribe the procedure to be followed by the committee. In its deliberations the committee must take into account certain factors specified in the act, such as competitive conditions in the industry, living costs, the cost of raw materials, transportation rates, and so on. Upon receiving the recommendation of an industry committee the Administrator must hold hearings at which those who support the recommendation and those who oppose it may alike be heard. At these hearings the Administrator must take into account all the factors specified in the law and the evidence considered by the industry committee. If he finds that the recommendation is justified upon the evidence presented to the committee, and also finds it is made in accordance with the law, and tends to effectuate the intent of the law, and specifically that it will not curtail opportunities for employment in the industry, he must issue the wage order carrying the recommendation into effect. He may not change the recommendation, but if he finds that the recommendation is not supported by evidence or will not carry out the objectives of the act, he must refer it back to the committee for further study, or he may dissolve the committee and set up another one to study the problem all over again.

In this administrative work we must decide what is an industry. That question presents difficulties. Almost every industry has a way of shading off at the edges and merging into other industries. Yet the Administrator, for the purpose of this act, must define the boundaries of each.

Industry committees may make classifications within the industry. In the manufacture of hosiery, for example, two classifications are recognized in the committee recommendations and in the Administrator's wage order. One is the full-fashioned hosiery branch, whose employees must be paid not less than 40 cents an hour. The other is the seamless-hosiery branch, whose employees must be paid not less than 32½ cents an hour. The apparel industry committee has made some 30 classifications with wage rates ranging all the way from 32½ cents an hour to 40 cents, so it is possible that if these recommendations are approved by Mr. Andrews (no hearings have been held and no wage order has yet been issued), we shall have

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three or four minimum wage rates applying in a single factory which has several departments, each making a different type of garment. Yet it will be our responsibility to police this complex industrial pattern to make sure that each worker receives at least the minimum rate applicable to his classification of work.

Many of these administrative functions can be performed only in Washington by the Administrator, or by his staff under his supervision. Others, however, can be performed only in the fields of employment out in the several States, in the industrial communities where employers and employees operate and work. This is particularly true of all investigation work, whether in checking observance or evasions of the provisions of the act, or to obtain facts necessary to decide questions related to exemptions.

At the Washington Conference held by the Secretary of Labor last year many of you heard Mr. Andrews' statement of his plan to decentralize as much work as possible, and to integrate his regional administrative functions with the State labor departments and agencies to the extent practicable. Some of the work, for example, in the hearings and exemption section, which I direct, should be decentralized. We could, at this time, decentralize some of it. The plan has not progressed so rapidly as the administrator hoped, for the simple reason that adequate funds were not available either for adequate regional staffs or for cooperation with your State departments and agencies. Recently, as you know, the Congress, by an additional deficiency appropriation, has made it possible for the Administrator very substantially to increase his field staff. This expansion of field staff and the extension of its work are already in progress. While I cannot say to you precisely how soon the Administrator will be able to carry into effect the regional and cooperative plans which he outlined as a part of his administrative policy at the Washington Conference last year, I believe I may say that he will proceed to do so as rapidly as funds and careful preparation permit.

The Fair Labor Standards Act and the Administrator's functions are closely related to our national economy. They affect employment, wage income, and living conditions in all States and reach out into Alaska, Hawaii, Puerto Rico, and the Virgin Islands. The final effects of this act will be reflected in national markets and the living circumstances of our people, who represent every nationality, strain, level of culture, and every standard of living from poverty to opulence. Our economic and social life is conditioned by a tangle of long-established local and racial customs, practices, ordinances, and laws. This pattern of habit and thinking has tended to crystalize and maintain abuses and inequalities that, if permitted to continue, will undermine both public and private security.

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To equalize these standards by establishing certain indepensable minimum-wage requirements and maximum working time is the basic object of this law. I am divulging no secret when I tell you that the act could not be administered and enforced but for the fact that a majority of our people want it and support it. The majority of responsible employers want it and are complying with its provisions. They want it because it gives them protection against wage-cutting competitors and increases and spreads consumer buying power. Whole communities and States want it because it protects them from the loss of industries which too often have been lured away by rival communities offering special inducements, the chief of which was cheap labor, easily exploited, because it was not organized.

These special inducements, like free factories and tax exemptions, are not confined to any one section of the country. This is not a sectional trend. These methods are being used in New England, in the Middle West, and in the South. Many communities offer such inducements in the mistaken belief that they can build up a sound and profitable local industrial life by practices which tend to undermine markets and exploit local labor. Actually the result of such special privileges and exploitations will ultimately make these operations a social and economic liability to the community and not an asset. The Fair Labor Standards Act is a late, a very late, recognition of the fact that employment and unemployment, wage and farm income, are national problems; our markets are national markets; we are a national community having interdependent interests and responsibilities.

We estimate that 11,000,000 workers are covered by the law. They are employed, according to our best estimates, in approximately 400,000 establishments. During the first few weeks following October 24, 1938, when the law went into effect, we received in Washington more than 100,000 letters, most of them from employers, but many from chambers of commerce and trade associations. Most of those letters could be summarized in a few sentences. They wrote us: "This is the nature of my business. Am I under the law? What must I do to comply with it?" Now, these letters came to us from every part of the country and either individually, or through the trade associations of which they were members, they spoke for substantially every employer in the country. That fact convinces me that they wanted the law and meant to comply with it. If they had not intended to comply with it they would not have come to us for information; they would have gone to the lawyers in a search for loopholes through which they could slip.

Compliance is not universal. No law is universally observed. Just as there are still occasional lapses from the Ten Commandments, so too, the age of chiselry has not passed. But when we catch up with a chiseler and deal with him to the full extent of the law, his competitors are as satisfied as we are.

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We still have a serious enforcement problem. No matter how popular any law may be, there are always those who must be made to comply. There are some who comply only through fear of the consequences, and who welcome the discovery that the fellow over on the next street is ignoring the law and getting away with it. Our job very largely is to get that fellow over on the next street, so that his example may not break down the caution of his competitors. As we get these fellows on the fringe—the ethical fringe as well as the industrial fringe—we narrow down in one community after another the area from which we may expect trouble in the future.

A few months ago there was a very real danger that the dam might break, that we would not be able to prevent the few employers who were operating illegally from contaminating a good many others by their example. At that time we had only 114 inspectors to cover the 48 States, the District of Columbia, and the islands. That situation is being rapidly remedied. The inspection force is being increased. Our court actions have been notably successful. The Administrator intends to enforce the law. And I may say to you it will be enforced.

We began under a handicap. We did not know what kind of an organization we would need, and there was no place we could find out. Certainly, there were few precedents we could turn to for guidance in the enterprise upon which we were embarked. Congress had given us but $350,000 for the first year's work, because Congress did not know any more than we did how much would be needed. It did not take long to use up the first allotment of funds, and Congress then generously gave us deficiency appropriations. But, as it turned out, what we could spend—which ran to around $100,000 a month for the fiscal year ended last June 30—was insufficient to get the job done. In the enforcement of any law, $1 at the start will buy more compliance than $10 may be able to buy later on.

The work of the industry committees alone is an expensive item. It takes a good deal of money to staff them with the lawyers, economists, stenographers, and clerks which, under the law, we are required to furnish. While the law instructs the Administrator to set up a committee for each industry "as soon as practicable," we adopted the policy of moving first in the large scale, low-wage areas, in order to extend the benefits of wage orders to the largest number possible. This seemed to us to be in direct line with the purposes of the act. We are rather proud of the fact that despite such handicaps as I have mentioned, we did, before July 1, manage to get seven committees under way. These were for cotton, silk, and rayon textiles; for woolen textiles, hosiery, apparel, hats, millinery, and shoes. To date five of the committees have made wage recommendations.

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For the present fiscal year Congress has given us enough to enable us to strengthen the solid foundation already laid. We hope to have before the first of the year some 500 inspectors, and the additional attorneys needed to fight the wage and hour battle on the litigation front.

So far we have been busy, in the absence of precedents, not only with the regular work of enforcement, but in building up a well articulated organization, sizing up our job, and laying the groundwork for future procedure. We have felt our way after careful research, usually involving hearings. We have issued the regulations which the law requires, and we have done the best we could to inform employers of the requirements imposed upon them by the law, and employees of the benefits they are entitled to, by publishing interpretative bulletins. Much of this work, though highly important, was preliminary to the main task. It sets up the framework within which we operate. While further experience undoubtedly will show the need of revisions here and there, most of this basic structure will stand. We feel that we have built well.

Our enforcement efforts have proceeded according to techniques familiar to you all. Somebody sends us a complaint to the effect that a certain employer is violating the law. We study it to determine, if we can, whether or not that employer is in interstate commerce and is subject to the law. If we decide he is, we send an inspector into his plant to check up on the facts. He studies the pay-roll records and interviews the workers. If his investigation shows a violation, the litigation branch goes into action.

We may apply for an injunction to restrain the employer from further violation of the law. We may apply for an injunction tying up his produce—"hot goods"—from interstate commerce. If the violation has been willful and flagrant, and especially if it has involved the falsification of records, the case is turned over to the Department of Justice for prosecution. In some cases, in which it appears that the violation was unintentional or accidental, or may have hinged upon a misunderstanding of the law, we have permitted employers to work out an adjustment by paying back wages that may have been unlawfully withheld from their employees. In every case of this kind we must have assurance of future compliance.

There is still another enforcement technique of enormous potential value. We have no control over it, but we recognize it as a powerful incentive to compliance. It is made possible by that provision of the law which enables the aggrieved worker to go into court and sue his employer. If successful he will receive double the amount of his unpaid wages plus a reasonable attorney's fee, and the costs of the action will be assessed against the defendant. An employee may sue,

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not only on his own behalf, but also on behalf of fellow employees so situated. The employee or employees may designate an agent or representative to maintain such action for him or them. A labor union can be designated as agent or representative for this purpose.

We recognize, of course, that we are not on sound ground so long as we do no more than proceed against the employer after the violation has occurred. But with a limited staff we could not in the first stages do otherwise. Many complaints have accumulated, but the task of moving them is not impossible. As a matter of fact, we expect to have them cleaned up within a few months and be able to proceed on a routine inspection basis. Finally, a part of our function is educational. We must entrench these higher labor standards in the understanding, in the conscience, and common sense of obstructing employers. The man who contaminates the stream of commerce by stealing his profits from the pockets of employees and competitors is a menace to the Nation's social and economic health. He is sapping and undermining his own market; he is preventing an expansion of domestic markets, which are essential to replace lost foreign markets.

Discussion

Mr. DAVIE (New Hampshire). I want to compliment Mr. Vincent on his very valuable contribution to the convention. It takes me back to the convention down in Charleston, where the Administrator said the thing that was of great interest to all heads of State departments of labor and upon which we were all agreed was the desirability of avoiding multiplicity of governmental inspection. He continued:

> 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

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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.

You can see how important Mr. Andrews felt the enactment of this law was to be as the days went on, and there is only one regret that I can express. I feel that perhaps a quicker way to the goal that we are endeavoring to reach in the administration and enforcement of this law would be to get the labor departments of the States to cooperate in every way that they can with the field men who you send out to the various States.

I can say for New Hampshire, outside of the district office at Boston, none of the field men have ever made a personal call, although I know they have worked in the State and done some mighty fine work. I am sure that I would not fight any of them, and I hardly believe any of my colleagues would. I am sure that we might be able to put them wise to a few things and be a great help to them in getting down to the final solution of the problem in any particular plant. It is my opinion that in order to work this law out to its very best possibilities, you have to have at least 100 percent cooperation between the labor departments and the Wage and Hour Division. I do feel that you would get very much faster returns in your investigations, and also in prosecution, if you would make a practice from time to time of consulting the labor departments, whether or not they are affiliated through some plan laid down by the Washington office. I say this because State departments, through their inspection staffs and also through the commissioners, are pretty apt to know who the bad actors are and also who the decent employers who want to go along with you are. I feel that one of the greatest duties of officials connected with labor departments is to keep the bad fellow in line, for the decent one is going to carry it safely through in its final analysis.

I do feel, however, that no matter what question may come up, no State official should endeavor to give the final answer in any questions concerning interstate work. That to my mind is a question that should be answered by the Administrator himself. I have always made a practice of sending a copy of any letter that I have written on the law, and I have written thousands of them, to the district office man in the city of Boston, who covers my district, and I believe that is a good idea for all of us to follow. I can readily see that Mr. Andrews has not been able to carry out the thought he had in mind and expressed in his paper. Lack of appropriation has made rather slow work of bringing the States to function in a great many cases, although other labor departments worked to administer and enforce this law before any Federal representatives came out. I do feel that we could take a great step forward if the administration would set up some kind of working agreement between those States

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who at the last legislature granted enabling legislation to work in cooperation with the administration in Washington.

Mr. DURKIN (Illinois). My State happens to be one of the States cooperating with the Wage and Hour Division. It seems to fall to Illinois to do a lot of criticizing today, and I hope it will be taken as constructively as it is offered. State departments of labor do not get any more money to administer their own labor laws than is required, and I feel that some of the instructions given by the administrators of the wage and hour law to the States who are cooperating are unnecessary in order to bring about compliance with that act.

We find also this criticism—but I understand that some decentralization is taking place now, and I hope it will be done in a well-thought-out and orderly way—that it is necessary for us to send to Washington complaints that we receive in Illinois before any inspection is made or evidence is gathered against the firm complained about. I understand also that they have a screening process in Washington—or at least had one. It has been our experience that many of the letters we receive bear no signature, and it is pretty hard to get any additional facts when you do not know to whom to write. I understand that a lot of those letters go over the desks of lawyers before they are sent back to the States to gather evidence to see if there is any violation of the law. I do not think that it is necessary to have the letters go over the desks of lawyers. I believe that the people in labor departments are trained well enough, and if not they should be educated as to what is proper evidence, so that the violator may be prosecuted and fined or imprisoned as the law requires.

We also find that it is necessary, according to instructions from Washington, to go back to the date on which the act became effective and get additional evidence, get all of the evidence of all the employees of that particular concern, whether the employees number tens or hundreds or thousands of people. At that rate we never will have enough inspectors. The speaker representing the Wage and Hour Division stated the number of employees it has, the number of inspectors. They will never be able to cover the ground if we always have to go back and inspect the books to find out if there has been any violation in the first week following the enactment of the law and bring the record all the way up to date. It will require so many inspectors that you will not be able to do the job properly. I do not know whether the Department of Justice demands that you do it or not, but I think that you can get enough evidence to bring the employer to justice for any violation of the act without doing that. If that evidence is necessary and you want it, you should make the employer make restitution of the moneys used. That is done

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easily enough by agreement. If you want to allow the firm to get by with just the payment of the money due the employees, you can have an accounting firm go over the books, and let the firm pay something for the violation and pay for the auditor who audits the books. Whatever the auditing firm finds, let the firm make restitution of the moneys due the employees, if you want to bring about settlements. But it is not necessary to tie up the inspectors of the States and of the Federal Government. I believe if we can show in the headlines of the newspapers that 10 or 15 or 20 employers in Illinois have been found guilty of violation of the wage and hour law, that will do more to bring about compliance than just the restitution that you may get for the employees of that firm. There should be decentralization in an orderly fashion as soon as possible.

Minimum Wages, September 1, 1938, to September 1, 1939

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

Progress of State Minimum-Wage Legislation in 1939

Though 44 State legislatures and the United States Congress were in regular session during 1939, the status of minimum-wage legislation—State and Federal—is almost the same now as it was last year, when the minimum-wage committee made its report to the International Association of Governmental Labor Officials. Last year the outstanding event of the 12 months was the passage by the Congress of the Fair Labor Standards Act of 1938. At the time of our last meeting 25 States, the District of Columbia, and Puerto Rico had minimum-wage laws. This year there have been added to the list Maine, which passed a minimum-wage law applying only to women and minors employed in fish-canning occupations, and Alaska, which established an $18 weekly minimum wage for all employed women.[1]

State Wage and Hour Bills

Last fall, after the passage of the Fair Labor Standards Act, a committee of State labor commissioners and representatives of the American Federation of Labor and the Congress of Industrial Organizations, appointed by the Secretary of Labor, met in Washington to draft a State wage and hour bill, which in its broad outlines follows the pattern of the Federal act. This bill was approved in November by the Fifth National Conference on Labor Legislation. Bills similar to that approved by the National Conference were adopted some-

[1] The States having minimum-wage laws are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Illinois, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Dakota, Utah, Washington, and Wisconsin.

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what later by the American Federation of Labor and by the Congress of Industrial Organizations.

Copies of these three drafts were distributed widely throughout the States by the two national labor organizations and by the United States Department of Labor with the hope that States would supplement the Federal law with corresponding State legislation. Forty-two wage and hour bills of some type were introduced into 29 of the 44 State legislatures that were in session in 1939. Thirty-six of these 42 bills followed the Federal plan of regulating wages through the device of combining statutory rates and wage-board procedure, and hours through overtime rates. North Carolina, South Carolina, and Tennessee were the Southern States to introduce wage and hour bills during this year's legislative sessions.

None of the 42 bills was passed. Only in New Jersey did even one house of the legislature pass such a bill. In Connecticut, when it became evident that the State wage and hour bill could not pass, the legislature amended the existing State minimum-wage law for women to cover men as well.

Though the results of this year's legislative sessions are disappointing as far as additions to State wage legislation are concerned, the year has not been a total loss. Much education has resulted from these legislative experiments. The public knows much more about this type of legislation than it would have known if these bills had not been introduced. Sponsors of such bills doubtless have learned something from the year's experience with the administration of the Federal Fair Labor Standards Act, and from the criticism that these bills received when debated in the legislatures, which may lead to improvements in the orginal draft. Moreover, the constitutionality of this type of legislation, uncertainty concerning which doubtless was a factor in the year's failure to achieve passage, may be established during the 2 years that intervene before the next general legislative sessions are held.

The Fair Labor Standards Act of 1938

After many weeks of painful anxiety experienced by friends of the Federal Fair Labor Standards Act, the Congress finally adjourned August 5 without passing the pending admendments which, if approved, would have materially weakened that act. The Administrator of the Wage and Hour Law and the Chairman of the House Committee on Labor had agreed on the adoption of some clarifying amendments to the act. Congressmen and their constituents unfriendly to the act seized upon this opportunity to present additional amendments that would have removed, the Administrator estimated, more than 1,000,000 workers from the protection of the

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law. Fortunately, the House was prevented from voting on these amendments before adjournment, and the Federal law remains unmodified.

Since October 24, 1938, when the Fair Labor Standards Act became effective, seven industry committees have been appointed and five of them have recommended to the Administrator minimum wages higher than the statutory rates of 25 and 30 cents provided for in the act for a period of 7 years following the effective date. Though public hearings have been held by the Administrator on the reports of some of these committees, only one of the recommendations—that of the hosiery committee, which will become law on September 18—has as yet been adopted.

When these recommendations are incorporated into wage orders, minimum wages ranging from 32½ to 40 cents an hour will be established under the Fair Labor Standards Act for over 1,700,000 workers employed in cotton, silk, rayon, and woolen textile industries, wearing apparel, hosiery, and shoe industries. All industry committees have recommended that the same minimum wage be paid throughout the United States in a given branch of industry. In other words, no geographic differentials have been recommended.

As the minimum wage increases, the task of enforcing it, which has been gigantic under the 25-cent provision, will increase correspondingly. On August 8, 1939, the Federal Wage and Hour Division had 107 field investigators. Four State labor departments—those of Connecticut, Illinois, North Carolina, and Wisconsin—and the District of Columbia were cooperating with the Wage and Hour Division in inspecting for compliance. As of that date, 20,016 complaints of violations had been received by the Division, 1,492 inspections had been made, and 32 civil and 30 criminal cases had been taken to court. Fines amounting to $107,000 had been imposed upon violating firms and thousands of dollars of wages had been paid to workers by order of the courts. With increased appropriations the field staff can be enlarged and enforcement materially improved.

The Public Contracts Act

Since September 1, 1938, minimum-wage determinations have been made by the Secretary of Labor for 12 industries. These rates range from 30 cents an hour in the wood-furniture industry in the South to 62½ cents in the iron and steel industry in certain sections of the country. Altogether, since the act became effective the Secretary of Labor has made 31 wage determinations for 29 industries.

The Division of Public Contracts makes routine inspection of the contracts that have been awarded. Since the beginning of the act and

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up to August 1, 1939, $136,768.38 has been collected by the Department for the nonpayment of wages for payment to the employees.

State Minimum-Wage Orders

Steady and marked progress has been made by State minimum-wage divisions during the year. Twenty-nine new wage orders have been issued by 13 States and the District of Columbia since September 1, 1938. These new orders bring the number of women covered by State minimum-wage orders and State flat-rate laws to approximately 1,112,000. The rates established by orders issued during the year range from 25, 22½, and 20 cents an hour, according to size of community, for all industries in Kentucky, to 39 cents an hour for beauty-culture operators in Connecticut.

Complete coverage of the service industries is gradually being approached by the minimum-wage States. The laundry industry is covered in 22 of the 25 States in which the law applies (Maine is omitted because the law applies to only one industry), Alaska, the District of Columbia, and Puerto Rico. These 3 territories and 17 States have covered retail trade, either by flat-rate laws or wage orders. Twelve States, Alaska, the District of Columbia, and Puerto Rico have minimum rates for hotels and restaurants, and 1 State covers restaurants but not hotels. Beauty-culture occupations are covered by 12 States, Alaska, and the District of Columbia.

Minimum-Wage Court Cases

Last year your committee reported that three State minimum-wage laws—those of Minnesota, Oklahoma, and Utah—were involved in court cases, and that the utmost care in observing the provisions of State statutes and following approved administrative procedure is necessary if legal involvements are to be avoided. Prolonged litigation, enemies of social legislation well know, is almost as effective in nullifying law as is repeal.

The suits against the Minnesota State Industrial Commission, which had issued a blanket minimum-wage order for all industries, were dropped October 25, 1938, when the commission agreed to exempt the complaining industries from the blanket wage order and to issue separate orders for these industries. Accordingly, wage orders have been issued during the year for the laundry, restaurant, needlecraft, and telegraph industries in Minnesota.

On December 14, 1938, the Utah case was settled when the supreme court of that State held the State minimum-wage law constitutional, but declared void the one wage order issued by the industrial commission, on the ground that persons affected by the order had not been given an adequate hearing. Since this decision the industrial

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commission has secured new evidence, including a complete, new cost-of-living survey, and is making preparations for new hearings at which the suggestions of the court will be meticulously followed.

Though the Oklahoma minimum-wage law was declared unconstitutional on March 21, 1939, in its application to men, this decision was based purely on a technical defect in the title of the law. The court definitely declared that the principle of minimum-wage legislation for men is constitutional. The Oklahoma law is still inoperative even for women, however, because the validity of wage orders issued under it is still awaiting court decision.

During the year new court cases have developed. A group of laundry owners in Pennsylvania has asked for an injunction against the enforcement by the department of labor and industry of the minimum-wage order for the laundry industry of that State. The constitutionality of the law is also challenged. In Kentucky two cases are pending, which grew out of the fact that a blanket wage order was issued in that State covering all industries.

Last year it was reported by this committee that New York had taken the lead in providing that minimum weekly wages be guaranteed all employees who work at all in any given week. The validity of this provision was challenged by a laundry owner in December 1938. On May 24, 1939, the New York Board of Standards and Appeals held the order valid and reasonable in all respects. Not content with this ruling, however, the laundry owner took his case to court, and it is now pending before the supreme court at Buffalo. A decision in a case testing the validity of the guaranteed wage for part-time work, for which the confectionery minimum wage order provides, has not yet been handed down by the Board of Standards and Appeals of New York. An important principle is involved in these cases and final court decision will be awaited with unusual interest.

It is said by members of the bar that the future of labor legislation depends not on the courts, as in the past, but on reasonable and skillful administration. A group of State minimum-wage administrators and lawyers who have had practical experience with minimum wage laws has been invited by the Women's Bureau to serve as a committee to outline the minimum standards of legal procedure which, if observed by State administrators, should lessen materially the occasion for court action in connection with State minimum-wage laws.

Adequate Appropriations

The success of minimum-wage legislation, like that of all other legislation, depends upon proper enforcement. We have said at these meetings time and again that it is futile to pass laws unless funds

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adequate to administer them are appropriated by our legislatures. This is especially true of minimum-wage legislation, which requires frequent and regular inspection to assure that all workers receive benefits to which they are entitled and that fair employers do not suffer from the competition of those who pay less than the legal wage. Such inspection is possible only where sufficient funds are available to provide for adequate enforcement staffs. Normally, minimum-wage enforcement is cumulative because wage orders are issued industry by industry. Some State minimum-wage administrators have quite rightly delayed extending the protection of the law to new industries because of the inability properly to enforce new wage orders without additional funds and additional staff. The matter of securing adequate appropriations for minimum-wage-law enforcement is one which is causing State administrators grave concern and one to which this Association should seriously direct its attention.

Summary

A review of the year shows that the States and the Federal wage divisions have made laudable progress in the administration of existing minimum-wage laws. The legislative record is far from brilliant, partially due to the generally conservative complexion of the legislatures this year, and to the fact that though the members were in no experimental mood they were brought face to face with an entirely new and untried type of wage and hour legislation. However, no ground was lost, a fact that in some States and in the National Capital was due to the vigilance and tireless efforts of friends of minimum-wage legislation.

Minimum-Wage Legislation in Canada

By Mrs. Rex Eaton, *British Columbia Department of Labor*

Changes in minimum-wage legislation in Canada since the last meeting of the Association include amendments in Alberta, Manitoba, and Quebec. In all Provinces, except Prince Edward Island and Nova Scotia, there is legislation providing for the fixing of minimum rates of pay for workers of both sexes. In Nova Scotia the act relates only to female workers.

In Alberta and British Columbia there are two statutes, one for male workers and the other for female workers. In New Brunswick no general orders have been made but, following disputes or investigation of complaints, orders have been applied to particular plants or to several plants in one district.

In Quebec the act was extended in 1939 to home workers. The provision for the establishment by the Quebec Fair Wage Board of

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conciliation committees has been changed so that the approval of the lieutenant governor in council is no longer necessary before such a committee may be set up. In practice, these committees appear to function much as wage boards do. They are bodies representing the industry, although a 1939 amendment permits other persons to be admitted to their meetings, and on the basis of the recommendation of the committee a minimum-wage order may be made. The provincial fair wage board, however, may fix minimum rates, whether or not a conciliation committee has been appointed or has agreed on a report. The board may suspend the total or partial application of an order for not more than 3 months at a time on any conditions it considers expedient. It has power also to issue interpretations of its orders and these, when gazetted, have the same effect as if incorporated in the orders. Other amendments are designed to strengthen the administration. Penalties are increased and protection is provided for employees who act on conciliation committees.

When this report was given last year the first orders under the Quebec act had been in force for only a few months. Two of the orders were general, one applying outside cities and towns to female employees and males in the same occupations in factories and shops. The other, General Order 4, applied to both sexes in commercial and industrial establishments, road transport, hotels, teaching, and certain other occupations in cities and towns. Subsequent orders make special provision for certain industries, such as the manufacture of matches, the waste-paper industry, full-fashioned hosiery, tanning of hides, brick and tile manufacture and the manufacture of wooden-building supplies. In the city of Montreal and its environs, special orders govern the milk industry, maintenance men in public buildings, butter and cheese wholesale and export establishments, laundries, dry-cleaning establishments and dyeworks employing more than five persons, and taverns. All the orders, subsequent to Order 4, have the effect of removing the occupations to which they apply from the operation of Order 4 insofar as these provisions deviate from that order.

An interesting experiment is being made in Quebec by levying the cost of the administration of the act on employers. A pay-roll assessment of one-half of 1 percent was approved last October by the government, but it was later suspended. Recently, a regulation was made for an assessment of one-third of 1 percent on the pay-roll of employers in cities and towns with a population of 20,000 or more, where such employers employ during any 3 consecutive months four or more persons or if the total pay-roll for such a period is $750 or over. In smaller places, employers of more than 100 wage-earners for at least 3 months of the year are subject to the levy. Salaries in excess of

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$250 per month may be excluded from the pay roll for the purposes of the assessment.

In Manitoba the act, which applies to both male and female employees, has been changed so that it is no longer necessary for the minimum wage board to include representatives of employers and employees. Wages for a period of more than 6 months may not be ordered paid by a court, and it is stipulated that prosecution for failure to pay the required rate does not bar civil action on the part of the employee.

In Alberta where, as in British Columbia, there are two minimum-wage laws, one applying to men and one to women, the former has been amended to define overtime as any time in excess of 10 hours a day or in excess of 54 hours a week or in excess of the normal hours of work prescribed under the Hours of Work Act. Regulations under this section require the payment of time and a half for overtime. The Alberta Minimum Wage Act, 1925, applying to women, has always empowered the board to fix special overtime rates but, since the enactment of the Hours of Work Act in 1936 limiting the working hours of female employees to 8 a day and 48 a week, regulations provide for the payment of time and a half where hours exceed 9 a day or 48 a week.

Alberta, like Quebec, has a general order which applies to most male workers in the Province and other orders making special provision for persons employed in sawmills and other woodworking plants in rural districts, for boys under 18 delivering merchandise for shops, and for persons working on irrigation projects. A revision in the general order makes the minimum rate for adults payable to males 19 years of age and over instead of to those 21 and over.

In British Columbia, under the Male Minimum Wage Act, orders relate to certain occupations or industries. No basic order applies to all within the scope of the act as in Alberta and Quebec. Within the last year a minimum rate of 75 cents an hour has been fixed for carpenters in the Vancouver and Kootenay districts. An earlier order had fixed a carpenter's rate in the city of Victoria. The rates have been raised for taxicab drivers in Victoria, and these workers must be paid for at least 4 hours on any day they are required to work. Orders applying to seasonal industries include a minimum rate for the first time in the Christmas-tree industry; an order to provide a more flexible arrangement of hours of work in summer-resort hotels, and special provision for fruit and vegetable canning. In the latter industry, somewhat lower hourly rates apply for both sexes, except inexperienced girls. Punitive rates are payable after 10 hours and still higher rates after 12 hours. The hours of work for employees in beauty parlors have been limited to 44 in any one week and 9 in any

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one day, with a provision that a rest period of not less than one-half hour must be arranged between the hours of 11 a. m. and 2:30 p. m. In several orders, including those governing fruit and vegetable canning, carpenters, construction industry, male employees in stores, elevator operators, and hotels and catering, the semimonthly payment of wages has been imposed.

Other legislation which sets up what may perhaps be called minimum wage fixing machinery is the so-called Industrial Standards Acts in Alberta, Ontario, Saskatchewan, and Nova Scotia. In the last-named Province the statute applies only to the building trades in the city of Halifax. In 1938 Manitoba made provision for similar machinery for certain specified trades, barbering, hairdressing, printing, engraving, and dry cleaning and any other trade designated by the government. This year, wood cutting and shoe repairing were added to the list. In New Brunswick an Industrial Standards Act applying to the construction industry was enacted in 1939 but has not yet been proclaimed in force. These statutes provide for the fixing by the government of minimum rates of wages and maximum hours which have been agreed upon by a joint conference of employers and employees representing a substantial proportion of the industry. In practice, these statutes have been applied in several cases to industries in which labor is organized to a considerable extent, and in some cases the agreement is substantially a union agreement which, under the act, is made legally binding on all in the industry in the district concerned.

Discussion

Dr. PATTON (New York). It occurred to me while Miss Stitt was reading her report that there is a discrepancy as to the recognition of wage differentials as between separate branches of the United States Government. She pointed out that the Public Contracts Act, which is administered by the United States Department of Labor, does recognize wage differentials by geographic sections. Her report also pointed out that the Federal wage and hour law recognizes no such differentials. It was also pointed out that the various State minimum-wage acts recognize wage differentials by size of community. As I understand it, the Works Progress Administration has, at least until very recently, also recognized wage differentials. I recognize that this is a rather thorny point, but it does seem to me it is one on which some uniformity in practice should be worked out. Why should one branch of the Federal Department of Labor recognize wage differentials by size of community or by cost of living, and another branch of the Federal Department of Labor recognize no such wage differentials? I am not expressing my opinion as to what

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ought to be done; I am merely calling attention to this discrepancy which seems to exist within the Federal Department of Labor.

Miss STITT (Washington, D. C.). The problem involved there, so far as the two laws are concerned, is basically in the laws themselves. The Public Contracts Act says that the wage set by the Federal Government must be the prevailing minimum wage in a certain area. The Public Contracts Division has made extensive studies to find out what the wages are in the various parts of the country. In some cases there has been such a difference in the prevailing wages that the Department has been forced to establish wage differentials. The industry committees under the Wage and Hour Division are authorized to recommend a wage, not in excess of 40 cents an hour and that will not bring about unemployment, and they may not set geographical differentials unless they find that there are actual differences in cost of production, such as differences in cost of transportation, etc., in the various communities. The industry committees so far have not seen fit to recommend differentials, and the law itself, of course, does not provide for them in the basic rates.

Mr. MOONEY (Connecticut). Connecticut amended its law to include men as well as women and minors and also to eliminate directory orders. All orders now issued in Connecticut will be mandatory immediately upon their formulation and promulgation by the Commissioner. That means, of course, that we have an additional administrative burden, since all orders now in effect will have to be revised in order to comply with these changes in the law. But the procedure which will be followed in that case will be just about the same as that which has been followed under the old law in changing a directory order to a mandatory order.

I should like to ask Miss Stitt to clarify a point she brought out in her summary. You say in the summary, Miss Stitt, that—referring to members of legislature, I take it—"though the members were in no experimental mood they were brought face to face with an entirely new and untried type of wage-and-hour legislation." It is a minor point, but it seems to me that this wage-and-hour legislation is not entirely untried.

Miss STITT. The type of law that was presented to the legislature—that is, a law that combined the recommendation of wages and hours and a flat rate, plus industry committees, and one that applied to men and women—was entirely new for most of our legislatures. It is something entirely different from anything that has ever been presented to them before. I have a feeling that if our legislatures had been a little bit more liberal-minded, we might have gone farther with this new type of legislation than it was possible to do with conservative legislatures and an entirely new type of legislation.

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When I went to the various States, I found this statement made repeatedly: "Maybe after the Federal law, which is similar to the bill introduced here, has been tried for a while and found successful, we might be willing to try it." You see, there is a combination of very new principles in the wage-and-hour law, as compared to our old hour laws and our old minimum-wage laws.

Mr. MOONEY. I was thinking of the experience that the Federal Government had under the National Recovery Act and that I suppose some of the State labor departments had and some of those States that passed baby N. R. A.'s.

If anyone from New York is here, I should like to hear some discussion on the guaranteed weekly wage that was mentioned in Miss Stitt's report. It seems to me that that is a very interesting and novel trend in minimum-wage orders, and that it presents a great number of administrative difficulties and possibly a number of practical difficulties.

Dr. PATTON. I am not directly concerned with the administration of the minimum-wage law, but the theory back of this guaranteed weekly wage was that any worker who is subject to call, who actually puts in some work during the week, ought to be employed for a sufficiently long period of time to earn a sufficient amount to make it worth his or her while to belong to that industry. If a laundry girl, for example, does not know that she will be called on to work only on Saturday morning, or perhaps only on Friday afternoon and Saturday morning, the fact that she does not know how much work she may have in the week may prevent her from accepting a job somewhere else. In order to hold her to that industry, to make her services available if and when needed and called upon, if at all, the theory is that the employer should pay her at least a minimum amount of wages. As Miss Stitt's report pointed out, the question as to whether or not such a provision is valid has not yet been definitely passed upon by the courts.

Mr. KOSSORIS (Washington, D. C.). I should like to raise a question that has occurred to me a good many times and that came up particularly during the N. R. A. days when we were dealing with codes of fair competition. These minimum-wage laws, as has been brought out, rest largely on investigations concerning the cost of living. While that undoubtedly is an important factor, there is another factor which seems to me to be generally overlooked. The complaint against industries paying low wages is that by paying low wages they gain an unfair competitive advantage over others who pay better wages and therefore whose cost of doing business is above that of the so-called unfair competitors. Why is it not an important point in determining minimum wages to determine the relative labor costs

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of these groups and thus see to what extent the manufacturer paying the low wage gets an unfair advantage? Then, by attempting to eliminate that differential by increasing wages, we could bring about a more uniform cost, so that the employer who paid the low rate would not get an unfair advantage over his competitor. In other words, the question of what is the relative labor cost is to my mind just as important as the question of what it costs a man to live. It seems to me, if our main purpose is to equalize competitive advantages, that the cost of living, which is undoubtedly one factor, ought not to be the controlling factor. The question of competitive labor costs should also be considered.

Mr. WOOD (Arkansas). I am representing President Green of the American Federation of Labor. Over in Arkansas we have had some very sad experiences with minimum wages. Probably you know that our law was declared unconstitutional at one time and then our courts reversed themselves and put the law back into effect. Our law is based entirely upon the cost of living, and the problem of determining that cost is with the industrial commission. The attorney general has ruled, under the provisions of our law, that the industrial commission should hold public hearings in the different sections of the State and determine therefrom the average cost of living, and then establish a minimum wage for any particular community. However, the minimum cannot be less than $1 a day for women for the first 6 months and $1.25 after that.

Mr. McKinley and the industrial commission have had endless trouble in putting into effect our minumum-wage law as it was intended. In a number of cases where violations were found there has been recovery of nominal sums, but as a general proposition it is almost impossible to get proper compliance with the law. That probably is due in some instances to the utter lack of regard for labor laws in our State and the peculiar political hook-up, if you please, that we have in some sections of the State—Hot Springs, for instance. I daresay there are more violations in the city of Hot Springs than there are in the whole southern portion of the State below the Mason-Dixon line; in proportion, I mean. I know, however, that the State labor department, under our able Commissioner McKinley, has worked untiringly in trying to enforce the minimum-wage laws and the other laws pertaining to women in industry.

Mr. KIMBERLING (Oklahoma). I represent Mr. David Fowler, president of district 21 of the United Mine Workers of America and regional director for the Congress of Industrial Organizations.

In the State of Oklahoma we have had some trouble carrying our wage-and-hour law into effect. The United Mine Workers and the C. I. O. are highly in favor of the wage and hour legislation that has

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been advanced by organized labor and by the United States Department of Labor and the labor departments in the States. Organized labor, however, finds this trouble relative to the enforcement of the minimum-wage law, that in some of the unorganized industries the established minimum wage has become the maximum paid by the employers, and in some cases the minimum wage is even higher than what is paid by these industries. We realize that the solution to this problem is organization, as our experience in the past has shown us that labor organizations have been the policing power of labor legislation. Referring to the minimum-wage law of Oklahoma, we are confronted at this time with legal entanglements. Attacks have been made by the Associated Industries and open-shop employers, who have been able to make our State wage law inoperative by going into the courts. However, we are hopeful of amending our State law to conform more closely with the Federal Wage-Hour Act and to avoid the obstacles that have caused this law to be inoperative.

Mrs. EATON (British Columbia). It might be of interest to run over briefly the experience we have had in British Columbia in connection with the establishment of minimum wages and the relations we have had with the labor unions.

In the beginning, in 1917, the labor unions, through their council, proved to be the strongest force in securing minimum-wage legislation for women. They supplied the impetus needed to put the legislation on the books. All through the years we have had a splendid history of stability of such legislation in British Columbia, and all through those years we have had that quiet support from the labor people. Of course, women's organizations also stood very solidly behind this legislation. When we brought in the male minimum-wage act, we again had that support of the labor people, particularly when we confined our activities to those groups of people who were unable to organize and be forceful on their own behalf.

In British Columbia, under the Male Minimum Wage Act, we have set a rate for skilled workers, carpenters, in three areas in British Columbia. In this we have had the active support of organized carpenters in these areas. It would be impossible to proceed without it. I think that we can be assured that labor officials will, as time goes on, follow along, advising and helping to the best of their ability for the greater protection of workers. That is the history we have had in 22 years of experience with minimum-wage legislation in British Columbia.

Mr. MURPHY (Oklahoma). I should like to give you the present status of the Oklahoma minimum-wage and maximum-hour law. In 1937 the legislature passed an act creating a commission, to be known as the industrial welfare commission, composed of the governor, the

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commissioner of labor, and the chairman of the industrial commission. At the organization meeting I was elected director and chairman, and as a preliminary to the operation of the bill, we held public hearings. We provided for a board of six, consisting of two representatives of labor, two representatives of the general public, and two employer representatives. There was equal representation of these groups. We held hearings and promulgated nine obligatory orders, effective May 1, 1937. We covered the biggest employing groups in these nine obligatory orders.

About the 28th of April, just a few days before these nine obligatory orders were to go into effect, the Associated Industries got out a restraining order to prevent us from enforcing the provisions of this act in any manner. When the case came up for hearing in the district court, the Associated Industries attacked the constitutionality of our act. The court sustained the constitutionality of the act, but held that on account of a defect in the title—it provided for men, women, and minors—it did not apply to men or minors but did to women. That decision was promptly appealed to the supreme court of the State, which sustained the constitutionality of the act and went a little farther. It said that the act applied to men insofar as hours were concerned but not as to wages. The case was referred back to the trial court because there was nothing in the district court's ruling that passed on the reasonableness of these orders.

Judge Babcock, who heard the case and passed on it, made a verbal statement that he thought that he had covered that point and had held that the orders were reasonable. The supreme court, however, evidently did not understand it that way. In view of the misunderstanding among the general public, I sent a letter to the attorney general, asking him for an opinion, and here is his answer, dated June 16, 1939:

OFFICE OF THE ATTORNEY GENERAL,
Oklahoma City, June 16, 1939.

Hon. W. A. PAT MURPHY,
Commissioner of Labor.

DEAR SIR: The attorney general acknowledges receipt of your letter dated June 13, 1939, wherein you refer to article 1, chapter 52, Oklahoma Session Laws 1937, commonly referred to as the Oklahoma minimum wage and maximum hour law, and ask:

(1) What is the status of this law at present?

(2) Are the nine obligatory orders promulgated by an industrial welfare commission in effect at this time?

(3) Is the Oklahoma Industrial Welfare Commission authorized to enforce said orders?

In reply to your first and second questions you are advised that the constitutionality of the Oklahoma minimum wage and maximum hour law, and of the nine obligatory orders issued under authority thereof, is now pending in the supreme court of this State, in the case of *Associated Industries of Oklahoma, et al.*, v. *Industrial Welfare Commission, et al.*, No. 28705. In this connection

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you are advised that on March 21, 1939, the supreme court of this State held that said law was valid insofar as it authorized the promulgation of obligatory orders fixing maximum hours of labor for men, women, and minors, and likewise valid insofar as it authorized the promulgation of obligatory orders fixing minimum wages for women, but invalid insofar as it authorized the promulgation of obligatory orders fixing minimum wages for men and minors. In relation to said latter holding, the attorney general, on behalf of the industrial welfare commission filed on April 20, 1939, a petition for rehearing, which on May 31, 1939, was overruled.

Moreover, in connection with the obligatory orders which the supreme court held could lawfully be promulgated by the industrial welfare commission, the supreme court also held that the trial court had failed to pass upon the reasonableness thereof, and hence did not approve or disapprove the same, but directed that said orders be remanded to the trial court for the purpose of having the reasonableness thereof passed upon by said court. In this connection you are advised that in the said petition for rehearing filed by the attorney general, he, in behalf of the industrial welfare commission, asked the supreme court to reconsider its said holding and to pass upon the reasonableness of said orders without requiring the same to be first remanded to the trial court. As heretofore stated, said petition for rehearing was overruled on May 31, 1939, hence said orders are now before the trial court for reconsideration.

In answer to your third question, you are advised that in the case above mentioned the industrial welfare commission is enjoined from taking any steps to enforce said nine obligatory orders, and will continue to be so enjoined until said orders are approved by the supreme court.

If you desire further information on the premises, we suggest that you carefully examine the supreme court opinion above mentioned.

Yours very truly,

(Signed) FRED HANSEN,
Assistant Attorney General,
(For the Attorney General.)

It is on our statute books. It is valid as far as the district and the supreme court of the State have ruled. It is valid, but we are restrained from putting any part of these obligatory orders into force until the court has passed on them.

Miss MAURER (Oklahoma). I represent the department of women in industry of the Oklahoma Federation of Women's Clubs. As an organization we are interested in minimum-wage laws. However, the Oklahoma Federation believes that there must be a definite relationship between the reasonable minimum wage and a budget. We have been confused as to whether other States have used a subsistence budget as a basis for figuring their wages or just what factors they have considered in computing that budget. I should like to have some information on that point.

Miss STITT. That question arose, and the Women's Bureau, in cooperation with the Federal Bureau of Home Economics, prepared a budget—not a subsistence budget but a budget which authorities felt was an adequate budget for a woman living alone. The Bureau did not price it. It said that a woman needs so many pairs of shoes, so

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much food, and so on. The States have been pricing that budget. It has been priced in six or seven States as a basis for minimum wages. It is not a subsistence budget. For instance, in Connecticut what did you discover the cost of living to be?

Mr. MOONEY. Approximately $19 a week.

Miss STITT. Approximately $19 a week in Connecticut. In New York it is approximately $22 a week, and in some of the other States, $18. I think $18 is the least that any State has found that budget costs.

Of course, so far minimum wages have not been set as high as the budget is priced, but that gives the wage board something toward which to aim. If it costs a woman living alone that much to live, then the object of the wage board is to set a minimum wage that approaches that sum as nearly as the industry is able to pay.

Mr. LUBIN (Washington, D. C.). In reply to the question raised, I should like to amplify, if I may, what Miss Stitt said. I was very much impressed when the District of Columbia, I believe it was, in fixing wages for a certain class of women, said that in order to hold their jobs they had to be well dressed. Therefore, they had to have a certain number of pairs of silk stockings and they had to wear clothes of a certain quality. They could not keep their jobs unless they were well dressed. Thus their minimum wage ought to be far above the minimum in the sense that we think of minimum wages in relation to relief, W. P. A., etc. It is the amount the workers need to maintain their jobs, and in certain positions the way you dress has a lot to do with whether or not you hold your job.

Mr. MURPHY. That same question came up in Oklahoma when we were promulgating our rules and regulations. The question arose as to why a saleslady should have a higher rate of pay than some other woman workers—a laundry worker, for instance. It was brought out that the saleslady may have to have her hair dressed two or three times a week; she has to wear better clothes. That makes her expenses higher. Unless a saleslady makes a proper appearance, she cannot hold her job. That was our conclusion as to the difference in the rate of pay.

Mr. FLAHERTY (Iowa). In Iowa we do not have any State law comparable to a minimum-wage and maximum-hour law; the only law of that nature is the Federal Wage and Hour Act. Efforts should be made, particularly through the different State organizations or through the President, to see that this law is maintained, because it will not be very hard at the next session of the Congress to kick this law out, if it is not called unconstitutional before that time. You can hear it; you can see it in the different States. Organized labor is not nearly so actively interested in this law as it was. The officers

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and those active in the labor movement have had to keep the rank and file in line by advising them all the time to keep this law because we need it. When representatives from the Federal Department of Labor go into the States they should contact the men who were interested in the legislation, who helped to pass it, and who are still fighting to maintain it.

Mr. WOOD. I appreciated Mrs. Eaton's words regarding the activity of organized labor in assisting the minimum-wage laws. I might clarify our position by saying that those of us in the labor movement, while heartily in sympathy with minimum-wage laws if the minimum is high enough to be effective, have always regarded organization and not legislation as the most effective way to have minimum wages and maximum hours. That is especially true, I think, in the Southern States, and I rather think that it applies to the entire country.

Mr. LUBIN. Mr. Wood, I think that most of us will agree with you fully up to a certain limit. But let me ask this: What are you going to do about the millions who are not organized? In other words, theoretically they are all susceptible to organization, but they are not organized. You have to be realistic about it. I think that organized labor has got to face this question: Does it want to stand the threat of these unorganized folks—whom we hope it will organize eventually—being there to take jobs at lower wages and thereby kill the union wage rate, or should the Government through the State come in and say there shall be a minimum below which nobody will be permitted to work?

We have had that problem with the W. P. A. There has been a lot of criticism that W. P. A. workers are getting too much money on the job. There may be justifiable criticism of the administration of the job, but if a W. P. A. project paid the union wage rate a man would not have to take a job at a sweatshop wage, because he knew that W. P. A. would give him a job which paid wages closer to minimum subsistence standards. I think it is rather important that Government and labor get together and come to some conclusion as to whether organized labor is willing to wait 10 or 15 years until, we hope, all labor is organized, and meanwhile to have this mass of people who are willing to work at lower wage rates, who have not yet joined trade unions, there to take jobs and to be a threat to the union wage structure and keep it from being protected, or whether organized labor wants to look to the minimum-wage law as its protector during that period. Personally, and I think I express the point of view of many people in Washington, I like to look at the minimum-wage law as a protector to organized labor until such time as organized labor can get these other folks into the movement.

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Mr. WOOD. I do not want to leave a wrong impression; I do not want you to get a wrong conception of my remark. I said we are heartily in favor of minimum-wage legislation, but we still regard organization as the quickest and best way to reach the desired objectives. The question is asked: What are you going to do with the unorganized? I can answer that by saying we are going to organize them. We have not succeeded yet, but we will.

Mr. KIMBERLING. In answer to the question raised by Mr. Lubin, I realize that the unorganized workers in our country are really the only ones who can profit at this particular time by a minimum-wage law. I also realize that labor organizations can assist the labor departments in enforcing that law. I recognize that fact because of the history of the N. R. A.; where we had organization we found better compliance with the N. R. A. And just to clarify that one point, I will say to you that we have had the full cooperation of our State labor department in trying to pass and enforce labor legislation, and we have been able to work with it all the way through.

Mr. MCKINLEY. One of our greatest difficulties in Arkansas is determining a living wage or whatever kind of wage you want. The attorney general ruled that we had to make a survey of each industry in each locality. By doing that, the cost is almost prohibitive when compared to our appropriation. Mr. Wood spoke awhile ago of some localities in Arkansas. I presume that situation is duplicated in every State. Where you do not have labor organizations, you have difficulty in enforcing labor laws. Hot Springs, of course, has been regarded of late as an "open city" in some respects. We lost 18 cases there that we ought to have won. Then we quit Hot Springs. We get complaints and we write to the individuals that there is no use of the State spending money there. Their local officials will not enforce the labor law.

We have had some difficulty in our plantation country, where we do not have labor organization. One judge was so far behind that 6 months ago he ruled that the provision as to hours of service for women was unconstitutional. What he had to base that on, I do not know. We were not able to appeal that case to the supreme court because we did not get the transcript in on time. The county officials would not send us the transcript. As we could not get to the supreme court, we had to do some trading. We did get the judge to reopen the case and he did not make the same decision, which was due to the help from labor organizations and attorneys who influenced him to change his mind. I was impressed by that. Unless we have labor organizations in the various States, our labor laws will have hard sledding. I know that from personal experience.

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Women in Industry

Women in Industry, September 1, 1938, to September 1, 1939

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

Definite advances have been made this year in improving the situation of woman workers. High spots include the decisions upholding the Oklahoma and Utah minimum-wage laws and the New York home-work regulation; the evidence of advance in women's weekly wages; the Massachusetts Supreme Court decision upholding women's right to work regardless of marital status; the growing opinion favorable to legal safeguards of a large and exploited group of woman workers, household employees; and the recognition by international conferences that woman workers have particular needs.

Forces and Events That Are Bettering Conditions of Women's Work

Many forces and events have been effective this year in bettering conditions of women's work. An idea of their scope may be given by listing some of the more outstanding of these that arise especially from Federal and State activities.

In the field of Federal control or aid.

1. The wages of many women have been raised through operation of the Fair Labor Standards Act, covering an estimated 4 million women. The statutory minimum has been adhered to for low-paid occupations employing many women such as denial of petition for a lower minimum for learners in pecan shelling and as throwsters in silk factories. Many women will have wages further raised by the putting into effect of recommendations that have been made covering the textile, boot and shoe, apparel, and hosiery industries.

2. National Labor Relations Board decisions have reinstated many women in their jobs, often with back pay, as for example in the following industries and plants: Texas, bags; New York, candy; California, citrus fruits; New Orleans, cotton; North Carolina, hosiery; Louisiana, cotton; Virginia, wooden containers; and so forth.

3. Wages have been increased for women engaged on large public contracts, as for example when minimums were fixed in the following industries: Wool carpets and rugs; tags; tobacco; furniture.

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4. Intensive studies have been made in order to find solutions for bad employment situations, as for example in the following industries: Millinery; canning; women's apparel; and others.

5. Benefits are being paid to women under employment compensation.

6. More than 8¼ million women are now entitled to receive insurance in their old age.

By the action of State authorities.

1. New minimum-wage orders in a number of industries and States have raised the wages of many women. To ascertain the full number of women so aided is scarcely possible, but there are continued scattered evidences. For example, a minimum-wage order in Pennsylvania raised the pay of considerably more than half the women in laundries; an order in Rhode Island raised the wage of well over a third of the women making jewelry.

2. Some advances have been made in State legislation.

3. Back wages have been collected for many women whose earning rights were protected under earlier wage orders in the States. For example, in New York, in the first 6 months of 1939, back wages to the amount of $23,919 for women at work in laundries, cleaning and dyeing plants, beauty shops, and candy factories; in California, in the first 6 months of the year, back wages of over $31,000 for women in hotels, restaurants and canning. In other States also large amounts have been collected.

4. The movement for extending the benefits of State labor laws to household employees has shown definite advances.

5. Progress has been made in curbing the exploitation of women workers through industrial home work.

In spite of these strong forces operating toward improved working conditions for women, there still are adverse forces to be overcome. In the States this legislative year seems to have made less progress than had been hoped for in meeting the needs of some of the most exploited groups of women. Furthermore, efforts to secure exemptions from the laws of various classes on grounds of personal status rather than work efficiency have resulted in harm to women workers. Inertia has been evident in the lack of full attention to needs of such groups as household employees, seasonal workers, and so forth.

Advances in Women's Wages

The Women's Bureau has evidence that women's employment as well as their week's wages definitely increased from the spring of 1938 to the spring of 1939. In 20 of the most important woman-employing industries in the 12 major industrial States, the level of women's week's wages is higher than last year. This is due to several fac-

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tors, but a large share in the advance may be attributed to the increasing number of minimum-wage orders in the States, to new union agreements supported by the National Labor Relations Board, and to the activities on a Federal scale under the Public Contracts Act and the Federal Fair Labor Standards Act.

Progress in minimum-wage administration will be reported on by a special committee. The experiences of Minnesota and Kentucky have made clear that serious practical difficulties are almost sure to result from an attempt to cover groups of very different industries with a single minimum-wage order; and the experiences of Utah and Oklahoma emphasize further the importance of extreme care in following the details of procedure now established as legally sound in the fixing of minimum wages for women.

The regulation of industrial home work, so important in strengthening the structure of women's wages, will be more fully reported on by another committee. Home work is prohibited by law on large public contracts and the minimum wages established under the Federal Fair Labor Standards Act apply to industrial home work. The court support of the New York artificial flower and feather prohibition strengthens the legal position of State action in home-work regulation. Studies in New Jersey of the knitted outerwear, artificial flower and feather, and embroidery industries will enable that State to extend regulation. In the miserably paid industry of embroidering children's dresses in Texas, union activity has succeeded in establishing minimum wages for this class of workers at home.

State Labor Legislation and Legal Decisions

I am appending to this report a supplement giving more detail as to State legislation passed this year. The high spots of hour legislation show extension of coverage of the laws in California, Utah, and Massachusetts. Laws regulating industrial home work were passed in California and West Virginia. Exemptions or suspension from night-work law were made in New York and Massachusetts, respectively.

New minimum-wage laws were passed in Maine and Alaska, and the existing laws amended in Massachusetts and New York as to procedure, in Connecticut to cover men, and in Nevada as to several points noted in the details appended to this report. The Oklahoma legislature rejected a proposal for repeal of the minimum-wage law. Wage and hour bills similar to the Federal act were introduced in 29 States, though none were passed.

Coverage of household workers by existing laws was proposed, though not passed, in several States. Bills to apply a minimum wage to these workers were introduced in Illinois, Maryland, Massachusetts, Michigan, New York, Washington, and West Virginia. An

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attempt to limit their hours was made in California, Maryland, Massachusetts, New York, and West Virginia, though the maximum usually suggested was as long as 60 hours a week.

A serious blow to women's opportunities for employment was struck in the bills introduced in the legislatures of 22 States to prohibit employment of married women in public service, which would affect large numbers of teachers, clerical workers, and other women. Those concerned with advancing women's employment opportunities realize with apprehension that such measures affect not only those who are married or who subsequently marry; the Women's Bureau has definite evidences that they operate also against the chances of advancement and even of the appointment of women. At least a part of the object sought in these laws was accomplished in two States by joint resolutions in the legislatures, and in two others by the Governor's orders. However, the Massachusetts court decision already referred to builds a first sound legal defense against this insidious type of class legislation.

Woman Workers' Needs Considered at International Conferences

A summary of the year's progress for women at work would be incomplete without reference to the importance attached to this subject by two great international conferences.

The Eighth International Conference of American States, held in Lima last December, issued a Declaration of Women's Rights, including the right "to full protection in and opportunities for work."

The regular session of the International Labor Conference held in Geneva in June passed a resolution which—

> * * * recognizes the great importance of the laws for the protection of women, prohibiting night work and employment in dangerous and unhealthy trades, but emphasises that it is urgently necessary for the health of all workers to be protected by legislation.
>
> recognizes the importance of the principle of equality of pay and asks that the International Labor Office should complete its inquiry into present practice.

Summary and Future Needs

To summarize the advances for women workers this year, they include gains in employment, gains in the week's wage, some legislative improvements, a combination of forces at work to better conditions, recognition by international organizations that women workers have special needs. In looking ahead, three points stand out in importance for our consideration and work:

First, there continues to be necessity for States to bring under the benefits of minimum-wage and maximum-hour regulation many workers not covered by Federal law. Large numbers of these are in service industries, and very many of the lowest paid are women.

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The coming year is a time for consolidation of gains, through administrative action in States that already have enabling laws, since few States have legislative sessions in the near future.

Secondly, I would especially direct attention to the considerable groups of workers, largely women, who are the most exploited and the most in need of aid—three groups in particular: women in highly seasonal occupations, household employees, and industrial home workers. So long as these groups are overworked and underpaid, their exploitation tends to spread to others, undermining the general conditions of work.

Finally, I would warn everyone to beware of so-called unemployment remedies that would dispossess one set of workers for a personal reason such as marriage. We cannot afford to be led astray by measures that would only increase hardships, and would prove entirely ineffective in securing the ends sought. This country needs every ounce of energy and brain power that we can muster to increase for all groups together the opportunities for work, the creation of suitable wages and working conditions, and the assurance of continuation on the job. This is a great human task. It is a task to challenge all our faculties and to command all our resources.

Supplement to Report of Women in Industry Committee

Summary of Laws and Major Events Improving Working Women's Status, September 1, 1938, to September 1, 1939

COURT ACTION

Minimum-wage laws upheld in Utah and Oklahoma (for men also).

Prohibition of industrial home work in artificial flower and feather making upheld in New York.

Decision by the Supreme Court of Massachusetts that the prohibition of the employment of married women in the public service while such employment is open to men and to unmarried women would violate the Massachusetts Constitution.

Lower courts have declared the South Carolina 56-hour law and the Arkansas 9-hour law unconstitutional. Both cases are being appealed.

ATTORNEY GENERAL'S OPINION

In California the minimum wage of $16 was held to apply for a regular workweek, whether of 48 or of 44 hours.

LEGISLATION IN THE STATES

Hour Laws Passed

Extension of coverage.

California.—The 8–48 law, to cover beauty shops and cleaning and dyeing.

Utah.—The 8–48 law, to cover all industries, trades, occupations except household employment and canning perishables.

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Massachusetts.—The 9–48 law, to cover women and minors in offices, private clubs, letter shops, financial institutions, garages, theaters, and any other place of amusement. The day's spread must fall within 10 consecutive hours, except for telephone and transportation. Commissioner of labor may permit office workers to exceed 9 hours a day but not 48 a week.

Massachusetts.—To include mechanical and mercantile establishments in the law prohibiting employment of women and children for more than 6 consecutive hours without a meal period of at least 45 minutes. Also extends this to small establishments.

Weekly limit.

Montana.—To provide basic 8–48 hours for workers of both sexes in hotels, restaurants, and cafes.

Lengthened week.

New Hampshire.—To permit 60-hour week for 3 months a year—not over 10¼ a day—in laundries licensed by labor commissioner.

New Mexico.—To permit 7-day week, within the 8–48 limit.

Pennsylvania.—To permit 10-hour day (within a spread of 13 hours) but not more than 48 hours and 6 days a week for women in charitable or welfare institutions operated on a nonprofit basis.

Night work.

Massachusetts.—Extended to April 1, 1941, the suspension of the night-work prohibition in textiles.

New York.—Extended exemption for linotypists and monotypists to those in commercial printing.

Pennsylvania.—To amend law prohibiting work between 10 p. m. and 6 a. m. in manufacturing to allow work until midnight in factories operating two shifts of not over 8 hours each, not over 5 days a week.

Hour-spread limit.

Nevada (see under Minimum-Wage).

Minimum-Wage Laws Passed

New laws.

Alaska.—For women over 18, minimum of $18 a week of 48 hours, 6 days. Part time (except domestic or caretaker with no manual labor), 45 cents an hour. Limits workweek of household employees to 60 hours.

Maine.—Women and minors packing fish and fish products in oil, mustard, or tomato sauce.

Repeal rejected.

Oklahoma.

Amended procedure.

Massachusetts.—Properly certified copy of a mandatory wage order shall be evidence of its effect equal to original order.

Minnesota.—Certain exemptions made for telephone operators on night work and in smaller cities.

Nevada.—Fixes 3-month probationary period at less wage ($2 for 8-hour day, $12 for 48 hours); limits spread of workday to 12 hours; limits deduction for food and lodging to $1 a day, 25 cents for each meal actually consumed, and $1.75 a week for room only.

New York.—Commissioner given 30 days (instead of 10) after public hearing to act on wage-board report.

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Extension of coverage.

Connecticut.—To cover men. Also eliminates the directory period, making all wage orders mandatory when issued.

Governors' messages.

Progress in fixing minimum wages or advocacy of strengthened efforts along this line was mentioned in messages to legislatures by the governors of Arizona, California, Illinois, Kansas, Nevada, New Hampshire, and New Jersey.

Home-Work-Regulation Laws Passed

California.—Prohibits home manufacture of enumerated articles and permits others to be prohibited, after investigation, by division of industrial welfare.

West Virginia.—Prohibits home manufacture of certain articles, requires employers' permits and employees' certificates, renewable each year, and labeling of work before delivery to worker.

Wage-and-Hour Bills

Introduced into the following 29 States; none passed:

Arizona, California, Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Rhode Island, South Carolina, Tennessee, Utah, Washington, West Virginia, Wisconsin, Wyoming.

Household-Worker Bills

Introduced into the following States; none as yet passed:

To apply minimum wage: Illinois, Maryland, Massachusetts, Michigan, New York, Washington, West Virginia.

To limit hours (usually as long as 60): California, Maryland, Massachusetts, New York, West Virginia.

MINIMUM-WAGE ORDERS

Made Mandatory Within the Year

Retail. Arizona.

Laundries, or laundry and dry cleaning—Arizona, Pennsylvania, and Rhode Island.

Beauty parlors—New York.

Restaurants—New Hampshire.

In Massachusetts, the following: Canning; confectionery and certain food; drugs, etc.; bread and bakery products; pocketbooks, etc.; paper boxes; millinery.

New Orders Issued

Service industries.

Beauty parlors—Connecticut, District of Columbia, Massachusetts.

Laundries and cleaning—Arizona.

Laundries—Minnesota, Pennsylvania. (See also mandatory orders.)

Cleaning and dyeing—Connecticut, New Jersey, New York.

Restaurant—Minnesota.

Cleaners in offices and other buildings—Massachusetts.

Retail trades.

Arizona, Colorado, New Hampshire, Rhode Island.

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Telegraph.

Minnesota.

Manufacturing industries.

Apparel and allied—New Jersey.
Confectionery—Illinois, New York. (See also mandatory orders.)
Light manufacturing—New Jersey.
Manufacturing and wholesaling—District of Columbia.
Needlecraft—Minnesota.
Nut—Oregon.
In Massachusetts, the following (see also mandatory orders): Knit goods, millinery (see also mandatory orders), canning and preserving and certain food industries, jewelry.

Office workers and industries not otherwise classified.

District of Columbia.

Miscellaneous.

Kentucky.

EXTRACTS FROM MASSACHUSETTS COURT DECISION BANNING DISMISSAL OF WOMEN FROM EMPLOYMENT BECAUSE OF MARRIAGE

Replying to questions asked by the legislature, the court decreed that:

The prohibition of the employment of married women in the public service while such employment is open to men and to unmarried women would violate the Massachusetts Constitution.

The removal from public employment of all unmarried women upon marriage, in the absence of any provision for the removal of unmarried men upon marriage, would violate both the Massachusetts and the Federal Constitutions.

The court further stated:

The bill providing that husband and wife shall not at the same time be employed in the service of the Commonwealth discriminates between a particular class of married persons and all other persons married or unmarried, though under the constitution all citizens have the right to equal opportunity for employment in the public service.

LIMA DECLARATION OF WOMEN'S RIGHTS

The Eighth International Conference of American States resolved:

1. To declare that women have the right:

a. To political treatment on the basis of equality with men;

b. To the enjoyment of equality as to civil status;

c. To full protection in and opportunities for work;

d. To the most ample protection as mothers.

2. To urge the governments of the American Republics which have not already done so to adopt as soon as possible the necessary legislation to carry out fully the principles contained in this declaration, which shall be known as "The Lima Declaration of Women's Rights."

RESOLUTION OF INTERNATIONAL LABOR CONFERENCE AT GENEVA

Employment of Women

Considering that it cannot be yet said that a satisfactory solution has been found for the problem of the equality of women in industrial and public life and that there remains much to be done before women receive equal rights with

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men, the International Labor Conference recognizes that one of the tasks of the International Labor Office is to raise the position of woman workers throughout the world.

The conference notes with satisfaction the facts set forth in the report of the International Labor Office entitled "The Law and Women's Work" concerning the improvement in the conditions of employment of women, in particular as regards maternity protection; the conference appreciates the efforts accomplished by the International Labor Organization in this connection. The conference recognizes the great importance of the laws for the protection of women, prohibiting night work and employment in dangerous and unhealthy trades, but emphasizes that it is urgently necessary for the health of all workers to be protected by legislation.

The conference recognizes the importance of the principle of equality of pay and asks that the International Labor Office should complete its inquiry into present practice as quickly as possible, so as to enable the Governing Body to draw its conclusions.

Legislation Affecting the Employment of Women in the Canadian Provinces 1938–39

Changes in legislative and administrative regulation of the employment of women since the last meeting have had to do chiefly with minimum wages and are dealt with in a separate report. Maximum hours of labor have been applied for the first time to certain industries in two Provinces and slight changes in hours regulations have been made in others.

In Ontario, the definition of "shop" for purposes of municipal early closing bylaws now includes beauty parlors. In British Columbia maximum hours of 9 a day and 44 a week have been fixed for women and girls in beauty parlors, and it is stipulated that they are to have 1 hour's rest daily between 11 a. m. and 2:30 p. m. In Manitoba statutory effect has been given to the maximum 8-hour day and 48-hour week for women and for boys under 17 in shops which were imposed by regulation under the Minimum Wage Act for some years.

In Quebec, by an order of the Fair Wage Board, maximum hours for females in laundries, dry-cleaning, and dyeing establishments have been fixed but the regulation applies only to the Montreal district. In other Provinces such workplaces are within the factory law. The Quebec order limits hours per week to 60 and on not more than 3 days a week a maximum of 12 hours may be worked. The minimum wage fixed by the order, however, applies to a 54-hour week and time and a half must be paid for any hours in excess of 54 or in excess of 10 hours a day where there is a 54-hour week or more.

In Alberta, female telephone operators on night work may work 2 hours longer than the usual 8-hour shift, the 10 hours to be worked between 10 p. m. and 8 a. m.

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The British Columbia Municipal Superannuation Act, 1938, applies to both male and female employees, other than pensionable teachers, of those municipalities and school boards which adopt its provisions and also to hospital employees on the joint request of the governing body and a majority of the employees. The act fixes the minimum retiring age for women at 55 and the maximum at 60 years.

In Nova Scotia and Saskatchewan, the Trade Schools Regulation Acts of 1939 are generally similar to statutes previously enacted in Alberta, British Columbia, Ontario, and Manitoba. They affect several occupations largely engaged in by women such as beauty culture, dress manufacturing, millinery, stenography, typewriting, etc., and provide for provincial licensing and regulation of schools of training in these occupations.

Discussion

Mr. MARTINEZ. I want to clear up a point. In the report on women in industry, mention is made of the different States that had enacted legislation regulating industrial home work, and Puerto Rico is not included. It was not mentioned in the address of the president this morning nor in any of the other reports. I want to bring you this information. There was adopted in Puerto Rico during the 1939 legislature Act No. 163, approved May 15, 1939, which is mentioned also in the official bulletin of our department. There is stated the legislative purpose, definitions are given of subcontractors, employers, homes, home workers, industrial home work, manufacture, person, and representative contractor, and mention is made of home work prohibited. Investigations are authorized, deficiencies must be corrected or the work discontinued, and permits must be issued to employers. There are many other provisions of the law, but those are the most important.

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Youth in Industry

Apprenticeship

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

The economic progress of a great industrial nation such as ours must in large part depend upon an adequate supply of completely skilled mechanics. Heretofore we have had such a supply, either through the immigration of first-class skilled workers from abroad, or through the old system of apprenticeship, whereby the "master" made himself personally liable for turning out a thoroughly skilled worker when he had assumed responsibility for an apprentice. The immigration laws, however, have now reduced the skilled-worker influx from abroad into a small trickle; and the "stepped up" tempo of modern business has made the old master-apprentice relationship impractical and unworkable.

Still the demand for expertly skilled workmen remains. The importance of the problem, it has now come to be generally agreed, both by management and labor, is of first magnitude. In fact Mr. William G. Barney, prominent New York contractor and chairman of the Associated General Contractors Apprenticeship Committee recently said in a conference in Washington that apprenticeship was a concern not only of management and labor, but of the country as a whole. He stated that it affected seriously our whole national economy, and ought to be considered in such a light.

Though the national program of apprenticeship which has been mapped out by industry, labor, and governmental labor officials, in conjunction with the United States Department of Labor and its Federal Committee on Apprenticeship, is based on certain simple standards of apprenticeship, getting a nationally uniform sy tem operating is not always simple. It is a task calling for endless promotional and education work on a score of fronts. It is a task which cannot and should not be done on a high-pressure basis. It is a very easy matter for an employer to sign an indenture with an apprentice under pressure of enthusiasm. It is another thing for him to understand the reason why there must be a uniform system of apprenticeship, to understand the philosophy behind it, to be thoroughly familiar with the standards under which he agrees to train his apprentices and the responsibilities entailed, and finally,

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insofar as it is humanly possible, to fulfill his obligations to the apprentice.

It is on this basis that real apprenticeship must be established.

Apprenticeship is not primarily an educational problem, since the majority of the training received by the apprentice is on the job. It is not just an employer's problem, since the number of apprentices trained, their wage rates, etc., are matters of serious concern to labor organizations. It is not just an employee's problem, for it involves legal responsibility and financial responsibility on the part of the employer. It is a problem involving all these parties and since it is essentially a labor-standards problem, it devolves on governmental labor officials to take the lead in solving it. Repeatedly this has been pointed out. Repeatedly it has been pointed out also that with labor and management working together, cooperating with State labor departments, sound apprenticeship systems can be and have been developed.

In our report of last year there was set forth in some detail the reasons for the establishment of the Federal Committee on Apprenticeship. The Committee's standards and methods of operation were also explained. A brief review of the Committee's activities in cooperation with management and labor groups and State departments of labor, was likewise presented. It is felt that while it is necessary that governmental labor officials be acquainted with the national program, due to the need for some degree of common approach, it will be more useful to those in attendance to review apprenticeship activities and problems from the point of view of the State labor department officials. Various Federal laws and regulations which affect in some way or another the operation of State apprenticeship systems are among some of the problems of concern to State labor department officials. The Fair Labor Standards Act is one which recognized the problem of apprenticeship and through the regulations of the Administrator has provided for the approval of apprentice indentures by State apprenticeship agencies in labor departments, or by the Federal Committee in the absence of State councils. The Administrator's regulations provide that before he will consider an application for exemption from the minimum wages set forth by law that there must be presented to him an apprenticeship indenture approved by the State apprenticeship council. This, of course, applies only to interstate industry, but it does present a problem in handling and in clearance to the State department of labor officials charged with apprenticeship matters. Several States have already established definite procedures as well as mimeographed information releases which briefly set forth the standards to be met by employers who desire to apply to the Administrator of Fair Labor Standards Act for a certificate of exemptions.

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The Public Contracts Board under the Walsh-Healey Act has established regulations on apprenticeship where Government purchases are concerned in several industries. Provision is made for the employment of apprentices below the minimum-wage rate set forth if the apprentice is employed under the standards recommended by the Federal Committee on Apprenticeship. This in turn means under State apprenticeship council standards. In order to assist State labor department officials the Federal Committee will provide them with material, at any time they desire, suggestive of the manner in which other States may have handled problems applying to the regulation of the employment of apprentices. In addition to regulations under these specific acts the Assistant Administrator of the Public Works Administration has provided for the employment of apprentices on public works projects wherein the employment of such persons is in accordance with certain specific standards.

In view of these Federal regulations which affect apprenticeship, it is quite necessary that every State labor department official concerned be well informed in order to be able to administer his own State apprenticeship system; otherwise confusing problems are bound to arise. In some cases employers may, without intent, employ apprentices in such a manner as to break a law or regulation and in turn be fined for such transgressions.

Four more States have adopted apprenticeship legislation calling for the setting up of apprenticeship councils and the promotion of apprenticeship standards, under the administration of State departments of labor—California, Nevada, Minnesota, and North Carolina. These, added to the 6 which already have similar legislation, make a total of 10 States having such legislation.

One State—Pennsylvania—since last year has established an apprenticeship council to operate within its State department of labor and industry, without having passed apprenticeship legislation, making a total of nine such States.

In connection with this activity the report of the committee on apprenticeship of the Fifth National Conference on Labor Legislation, which met in Washington in November of last year, recommended as follows: "That organized labor and organized industry and the commissioners of labor in the States where no joint councils on apprenticeship exist be urged to press vigorously for the establishment of such councils and for State apprenticeship legislation within the State departments of labor. Such legislation should be accompanied by an appropriation adequate to provide proper personnel for administration."

It should be noted that of the four States which adopted apprenticeship legislation this year, two—North Carolina and Minnesota—provided sufficient appropriation to make possible the employment of

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a paid director of apprenticeship. In Virginia the State federation of labor instructed its legislative committee to press for an appropriation for the administration of the apprenticeship law adopted in 1938; and the commissioner of labor has publicly stated that he will request the legislature to provide such an appropriation.

It is of primary importance that every effort be made to obtain an appropriation at least sufficient to provide for the employment of a field representative. For while much good work can be done by utilizing the field staff of the apprenticeship service of the Division of Labor Standards, the time that can be spent in any one State by these men is necessarily limited. It is highly important that, once activity with a certain group is started, the enthusiasm be not allowed to lag. A full-time director of apprenticeship is in much better position to prevent this lag.

One of the principal activities of the State apprenticeship agencies is promoting the establishment of local joint apprenticeship committees and the adoption of local apprenticeship standards. These committees are, as it were, the front-line troops in the attack on the problem. It is they who must work out the actual operating details. It is they who must see to it that, once the apprenticeship system is set up, it does what it is intended to do—indenture apprentices, see that the apprentice gets his related instruction, maintains a fair-wage scale, transfers apprentices from one employer to another where this is necessary to give him full experience—these and a dozen other matters have to be handled by the committee in such a way that the interests of the apprentice, the employer, the labor union, and the public are safeguarded. In the final analysis, therefore, any national or State program of apprenticeship will be successful to the extent that these local committees function successfully.

Too much emphasis cannot be placed on the necessity of providing adequate personnel to do the actual work locally. After all, the purpose of every apprenticeship plan is to have apprentices learning the trades.

To illustrate, many employers in the manufacturing industries are ready and willing to hire apprentices if they can be shown the feasibility of the idea. Certain apparent difficulties first must be overcome. There must, for example, be a complete understanding between the management and the organization of employees as to the motives behind the desire for an apprenticeship program. The employer alone is in a poor position to satisfy the employee organization that seniority rights will not be abused. Then details must be worked out as to ratio of apprentices, wages, schedule of training, supervision, part-time classroom instruction, and methods of selecting apprentices. Months of somebody's time are required to create a going apprenticeship plan in a single shop.

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In the construction industry an entirely different and even more complicated set of problems must be met before there can be any tangible results. Due to economic conditions generally, to the seasonal nature of the building crafts, and to the fact that it is necessary to deal with a number of separate trade unions, it is imperative that it be some neutral person's responsibility to bring about harmonious understanding and cooperation between contractors and labor unions in promoting apprenticeship.

The problem, then, is to arrange for the employment and training of personnel to carry on the work locally.

Adequate coordination from a State point of view is most necessary in order to keep these local committees active and functioning. Coordination at a distance can be performed, of course through a reporting system in which the local committees report to the State department of labor (State apprenticeship council). If each local apprenticeship committee is kept well informed, the clearance of indentures and local apprenticeship standards for approval can be fairly well secured. These local committees must be kept interested if they are to be active. The best way to keep them active is to give them something to do.

One could hardly say that there is much difference in brands of chewing gum. Nevertheless, one company leads the field in sales of chewing gum principally because of the fact that the public is constantly confronted with its advertisements—in newspapers, on billboards, and in other places. The same thing applies to the leading manufacturer of soft drinks. As Government labor officials we must adopt a technique similar to that of these companies. A number of labor officials, who recognize the importance of apprenticeship as a principal labor problem, are already showing the way in this respect. We find that these officials lose no opportunity to emphasize its importance—at meetings or conventions of trade associations or labor organizations, in regular reports of their departments, and in fact wherever there may be an appropriate audience.

Likewise, individual employers or members of trade unions often can be persuaded to assume the leadership within their respective circles in speaking for good apprenticeship. Examination of records of successful apprenticeship plans within a given community or industry invariably shows that almost full credit is due to one or two persons. Inversely, only one or two influential persons within a trade can prevent the development of apprenticeship.

In the promotion of apprenticeship your committee feels, however, that considerable time may be wasted in devoting too much effort to contacting organizations or groups which have no direct concern with apprenticeship, such as luncheon clubs, youth organizations, and other general groups. Occasionally, some effective re-

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sults may be obtained through such organizations. But they cannot be expected to look upon apprenticeship as one of their prime concerns. With trade associations, labor unions, etc., apprenticeship is, however, a prime concern, and we feel that it is better to concentrate on them, demonstrating how apprenticeship affects their interests, explaining standards, informing them how an apprenticeship system works, helping them set up systems of apprenticeship.

Those who have had much experience in apprenticeship activity are continually saying that once a system of apprenticeship is started it should not be allowed to lag. Once interest dies down, it is extremely difficult to revive it. It is your committee's belief that it is better to start a few such systems, which can be closely supervised, rather than a large number, to each of which the supervising official can devote only a limited amount of time.

In this connection, it would seem advisable to comment on the urgency of promptly following up the passage of an apprenticeship law by appointment of the State council, and of getting the State system of apprenticeship under way as soon as orderly procedure and careful consideration will permit. It is usually the case that in the negotiation of a law through a legislature a large amount of interest, aggressiveness, and even enthusiasm is engendered. After the bill is passed, if too long a time is allowed to lapse before appointment of council members and getting the State program started, there may be an anti-climax, which will inevitably make the promotional work much more arduous.

As a technique in conducting meetings of State councils it has been found that the effectiveness of the councils, as units and as individuals, is best where the council members are given problems to solve. Where there are no specific problems to be solved, or decisions to be made, members are inclined to discount the importance of the work. Contrariwise, where there are indentures to be approved, standards to be reviewed, complaints to be heard, promotional devices to be discussed, or other matters up for consideration which call for sound thinking, and follow-up assignments for individual members to perform, the interest of the members is usually kept at a high pitch, and their work is much more apt to be conducive of tangible results. As part of their technique, most of those guiding the work of apprenticeship councils, before calling a meeting, prepare agendas covering such matters as are to come before the council for consideration; and do not call a meeting until there is a sufficient number of such matters to engage the full attention of the members.

Your committee makes the following definite recommendations:

1. Where no apprenticeship laws, under the administration of State departments of labor exist, concerted effort should be made

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through labor unions, trade associations, and other groups concerned, to bring about active desire for such legislation—since a State system of apprenticeship may be expected to function better where there is specific legal authorization.

2. Where there is an apprenticeship council, set up either through a law, or through authority of the labor commissioner, there ought to be a full-time field representative educating employers and employees to the importance of apprenticeship, organizing local committees and establishing standards.

3. That there be more frequent contact between State labor department officials and the apprenticeship field staff of the Division of Labor Standards of the United States Department of Labor. To make this possible the number of field representatives should be increased.

4. Interest should not be allowed to lag in places where local committees have been appointed and standards established.

5. That there be closer cooperation with such educational institutions as will eventually be called upon to supply apprentice part-time instruction. Compliance with apprenticeship standards hinges largely on how well the schools meet their obligations in this respect.

Discussion

Mr. DURKIN (Illinois). We are going to have a problem in this connection very shortly. In certain occupations we are getting to the point, with the war scare we have, where there will probably be created a shortage of certain classes of workers, for whom training should be given. I know that all the unemployed union workers in the skilled trades do not register in our State employment offices, and it is pretty hard to tell the number of unemployed at any given period in a particular industry because of not knowing how many members of labor organizations happen to be unemployed.

If we should change our neutrality act, the manufacturers of war materials may find that there is quite a shortage of labor, due to the age of some of the workers. The organization I belong to was organized back in 1885. Hence some of the members are getting a little old, and in case of war probably some of the employers will take them only when there is a real shortage of members of that particular organization. I think this is something that needs consideration by labor organizations, because I know the gain that a labor organization can make by having apprentice training. The organization that I belong to takes advantage of the Federal law giving States and cities moneys for the training of apprentices, and because of that we have built a school in the city of Chicago that is probably second to none in any city in the United States.

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This is something that labor will have to consider, and when I say "labor," I mean organized labor. I know that in some communities where there is not a great increase in industry, where the population is not very large, it may be a problem as to how to educate the members to apprenticeship training in their particular organization or trade. It may be necessary to change the classification of workers. Many of us do not call them apprentices; we do not treat them as apprentices. We treat them as helpers. In other sections of the country they consider them as laborers to help and assist craftsmen in their particular line, and it is necessary, in order to improve the quality of our craftsmen, that they be trained.

It is also necessary for employers to teach the people in their particular industry more than one operation. We find in the mass industries the people are operators, not learning a particular trade, and when these industries discard that operation, they generally discard the workers who have performed it.

Mr. ERHARD (Texas). I think that the commissioners here should realize that apprenticeship is something that is of vital importance. All through the South—the South is the only section of the country to which I can refer with any authority—we find that it is very important that the skilled crafts develop a good system of apprenticeship in order that they may carry these boys through a complete training program. Too many go into skilled crafts who are not fitted for them. They do not have the basic requirements. Too many are lost during apprenticeship. Too many are worked as laborers on the jobs and are not given an opportunity to learn a trade. The result is, if you will take the time to check the unemployment rolls, that there are a large number of partially trained people seeking employment who have not had the opportunity of a thorough apprenticeship. Those people have gotten out of their particular groove and have become lost in the industrial shuffle.

Apprenticeship is the setting up of basic standards that are necessary for success. Basic requirements are set up for each specific craft and this is done in such a way that success is almost guaranteed. The result is that the program gains momentum; it gains the respect of the employers and employees participating in it. Apprenticeship is a big program, though, and takes some time to get under way, because of the various groups and the various regulations applying to apprenticeship.

We find, however, that when the State department of labor supplies the proper leadership, sets up an apprenticeship council, and develops a State system of apprenticeship, various groups in the State become interested in it, and set up their own local joint apprenticeship committees. Then the local apprenticeship committees

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begin to develop local systems of apprenticeship. Those local systems of apprenticeship are carried before the trade organizations that are interested in them and are endorsed by them as their apprenticeship systems. That apprenticeship system is carried on by this joint apprenticeship committee because it has been instructed and given the power to act for the employer and employee organizations in this way.

In the final analysis, you must realize that apprenticeship is the responsibility of the two organized groups, employers and employees, represented in the industry. They are the only ones who can successfully conduct an apprentice program. When you follow this procedure and make it possible by supplying the leadership that is necessary in order to get an apprenticeship program under way, you will meet with success.

I want you, as representatives of the State departments of labor, to realize that this problem is squarely in your lap. I think you should recognize the importance of it, and that you should go back to your State with the idea that apprenticeship is one of the programs to which you will give the proper leadership in the future.

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Child Labor

Child Labor in 1939

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

For the first time since this organization appointed a special child labor committee, in 1932, your committee's report brings to you a review of a period in which there has been dual responsibility for child-labor regulation throughout the country, enforced along the same administrative lines by both Federal and State agencies. This is not the first time, however, that this association has had a part in plans for such joint administrative responsibility.

The attitude of the International Association of Governmental Labor Officials to Federal child-labor standards has always been one of hearty advocacy and cooperation. In 1914 when this association first met as a single group, combining the International Association of Factory Inspectors and the International Association of Labor Commissioners, its conviction of the need for Federal legislation to smooth out enforcement difficulties due to differing State standards was expressed by the adoption of a resolution that children under 14 years of age "should be protected by Federal power" and that goods manufactured by children under 14 years of age should be excluded from shipment in interstate commerce by Federal law.

During the quarter of a century that has elapsed since that resolution was adopted, there have been both advances and reverses in the attainment of a Federal minimum standard for the protection of working children. The Palmer-Owen bill, which this organization endorsed in 1914, became at the next session of Congress the Keating-Owen bill and in 1916 the first Federal child-labor law. During the barely 9 months it was in operation, from September 1, 1917, to June 3, 1918, the members of this Association were active in supporting its effective administration. In the intervening period, whenever an opportunity has offered for support of such a Federal minimum or for the development of practical methods for carrying it out, you have played your part—in administration of the second Federal child-labor law between 1919 and 1922, in advocacy of the child-labor amendment proposed in 1924, in supporting the administration of the National Industrial Recovery Act from 1933 to 1935, in working for the passage by Congress of the Fair Labor Standards Act,

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and during the past year in giving yeoman service in assisting to work out and put into effect the administration of the new Federal act. Indeed, the child-labor provisions of the Fair Labor Standards Act give an opportunity for teamwork between the States and the Children's Bureau which has not been offered since the days of the short-lived first Federal child-labor law.

This association expressed great regret at the overthrow of the first and second Federal child-labor laws, pointing out that Federal child-labor legislation had been of material assistance in upholding State standards. In the administration of the child-labor provisions of the Fair Labor Standards Act the Children's Bureau has kept as its aim and purpose the administration of the Federal law as a means of supporting State standards and encouraging and developing the best methods and procedures for increasing their effectiveness.

With the specific terms of the act you are already familiar; its basic 16-year minimum age, its regulation of the employment of children between 14 and 16 years of age in certain nonmanufacturing and nonmining occupations, its protection of minors 16 and 17 years of age from hazardous and injurious occupations, and its provision that an employer may protect himself from unintentional violation by obtaining a certificate of age issued according to standards prescribed by the Children's Bureau. This association, following its consistent policy of supporting legislative measures to deal with child-labor problems on a national basis, adopted last year a resolution extending to the Federal Children's Bureau the fullest cooperation of its membership in the administration of these standards. The groundwork which has already been laid in establishing cooperative relationships between the States and the Children's Bureau for the acceptance of State certificates as evidence of age under the Federal act is concrete evidence of the spirit back of that resolution.

Fortunately, the specific provisions of the Federal act made possible the establishment of these cooperative relationships: 1. It provided that an unexpired certificate of age kept on file by the employer, showing the minor to be above the oppressive child-labor age, would be evidence that the employer was complying with the minimum-age provision of the law, thus setting the pattern of administration of Federal law in the outline already developed in methods of administering State child-labor laws through employment certificate systems; 2. By specifying that this certificate should be issued and held pursuant to the regulations set up by the Chief of the Children's Bureau, it made possible the formulating and developing of standards for good methods of certificate issuance; and 3. By providing that the Chief of the Children's Bureau might, with their consent and cooperation, utilize the services of State and local agencies charged with the administration of State labor laws, the act made available

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as a basis for administration the systems of certificate issuance that are the keystone of enforcement of State child-labor laws without a duplicate Federal system.

Certificates of Age

The standards governing the evidence of age which should be accepted for certificates and the manner in which they should be issued to afford the protection contemplated by the law, drawn up by the Children's Bureau and incorporated in Child Labor Regulation No. 1, are a composite of the best standards which have been worked out in State administration. The plan of obtaining State cooperation, and of designating the cooperating States as States in which a certificate issued under the State law will be accepted as proof of age under the Federal act, is that followed in the enforcement of the first Federal child-labor law in which the State and local officials so effectively participated. There has been great improvement in child-labor standards and the development in enforcement techniques since that time. Nevertheless, as you realize, there are still wide differences in State standards today. In some States the law meets substantially the standards set up by the Children's Bureau both as to evidence of age to be accepted and as to the ages of children for whom certificates must be issued. In other States certain changes were necessary in order to meet these standards, such as the requirement of a promise of employment, the return of the certificate to the local issuing office or provision for supervision by a State agency. In still other States where the cooperation of State officials was obtained, no certificates had been issued in the past for children between 16 and 18 years of age and special procedures for the issuance of certificates for this age group were necessary.

As a result of these adjustments, there are 43 States and the District of Columbia in which State certificates are accepted as evidence of age under the Federal act. In three States, Mississippi, South Carolina, and Idaho, Federal certificates are being issued. In Idaho the superintendent of public instruction, and in South Carolina an official of the department of labor have been commissioned as special agents of the Children's Bureau to issue Federal certificates. Only two States, Louisiana and Texas, remain in which no provision for certificates of age under the Federal act has as yet been worked out. It is hoped that plans for issuance of such certificates can soon be made in these States. In the meantime employers in these States have been advised, through Child Labor Regulation No. 1A–D, Temporary Certificates of Age, that they can protect themselves from unintentional violation by obtaining for their minor employees birth certificates or baptismal records.

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Hazardous Occupations

The determination of occupations especially hazardous for the employment of minors between 16 and 18 years of age. The term "explosives and articles containing explosive components," includes ammunition, black powder, blasting caps, fireworks, primers, smokeless powder, and all goods classified as explosives by the Interstate Commerce Commission in its regulation for transportation of explosives by rail.[1]

Work preparatory to the determination of the hazards of the employment of minors in the operation of motor vehicles or as helpers on such vehicles is now being carried on, and a preliminary hearing to secure information in regard to such employment has been held and an order covering these occupations will be issued in the near future.

The reaction to the determination of occupations hazardous to minors according to the procedures set up by the Children's Bureau has been generally favorable. Certain State departments of labor have already indicated to the Children's Bureau that they are intending to follow its lead in setting up hazardous-occupation standards in their States.

The reports of the Children's Bureau research will be available for State use in dealing with this problem and on the other hand the cooperation of State agencies is very much needed in making available to the Children's Bureau statistical and other factual information as to industrial injuries to minors. The importance of improvement in State legislation in the protection of the 16 to 18 year age group has long been recognized and has often been advocated by this organization. It is to be expected that the Federal program in this field will stimulate State advances.

Employment of 14 and 15 Year Old Children

Another important aspect of the basic 16-year minimum-age standard under the child-labor provisions of the Fair Labor Standards Act is the provision that in nonmanufacturing and nonmining occupations children 14 and 15 years of age may be employed under certain conditions, these occupations and conditions of employment to be determined by the Children's Bureau not to interfere with their schooling, health, or well-being. The procedure followed by the Bureau in making these determinations is similar to that set up for determining occupations especially hazardous for minors between 16 and 18; i. e., a study of existing information, consultation with per-

[1] Regulations for Transportation by Rail of Explosives, etc., as amended, Docket 3666, issued pursuant to the act of March 4, 1921 (41 Stat. 1444, c. 172; U. S. Code, tit. 18, sec. 382).

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sons qualified and interested in the field, public hearings, and submission of tentative drafts before final determinations.

Regulation No. 3 issued by the Children's Bureau sets up the conditions under which minors between 14 and 16 may be employed, excluding them entirely from manufacturing, mining, and processing occupations, from work on power-driven machinery or hoisting apparatus, from the operation of motor vehicles or service helpers on such vehicles and from public messenger service. For these employments the minimum age remains 16 at any time. In other occupations subject to the act, employment outside school hours is permitted subject to maximum-hour and night-work regulations. The maximum hours of employment are 3 a day or 18 a week when school is in session and 8 a day or 40 a week when school is not in session. Night work is prohibited between 7 p. m. and 7 a. m. with one exception—the distribution of newspapers. In such work, insofar as it is covered by the provisions of the act, the beginning hour may be 6 a. m. and the closing hour, during the summer months, 8 p. m., but if a minor is so employed both before and after noon on school days, his work must not begin before 7 a. m. or end later than 7 p. m.

Certificates of age issued in substantially the same manner as that provided for minors between 16 and 18 years of age are acceptable under the Fair Labor Standards Act as proof of age for children so employed, and the cooperative system worked out with the States is the same as in the case of certificates of age for children in the older age group.

Inspection

Through these cooperative methods of making certificates of age available and by publicizing as fully as possible complete information about the requirements of the law and the regulations, the Children's Bureau has attempted as far as possible to obtain voluntary compliance with these provisions on the part of employers. Nevertheless, to discover violations which may occur in spite of such voluntary compliance, inspection is necessary. Inspections are made by the Bureau in places where there is reason to believe children are employed and to check on the availability of certificates of age. Cooperative arrangements have been worked out by the Children's Bureau and the Wage and Hour Division in such a way as to avoid, in general, duplicate inspections. In canning and packing plants, which are to a large extent excluded from the wage and hour provisions but are covered by the child-labor provisions, a general inspection program has been carried on by the Children's Bureau during the 1939 season.

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Court Action

Direct legal action against violators is a last resort in bringing about compliance with any law, but it is a very important feature of enforcement, because voluntary compliance cannot be expected to continue as long as willful violators go undiscovered or if discovered, unpunished. The act provides for two kinds of legal action—injunction proceedings and criminal prosecution. The Children's Bureau, in developing enforcement procedures, has not resorted to court action frequently. In most cases where evidence of illegal employment has been found, employers have hastened to dismiss the children under age and promise to avail themselves of the protection of certificates of age for their minor workers. However, three court cases for child-labor violations have been instituted. Two of these were injunction proceedings against firms employing minors under 16, each resulting in a consent decree and the issuance of a perpetual injunction against shipment in interstate commerce in the future if children under 16 years of age are employed. The third action is a criminal prosecution in which the Children's Bureau has joined with the Wage and Hour Division and which has been set for trial after the first of October.

Child-Labor Amendment

National protection for children whose employment is outside the scope of the Fair Labor Standards Act must await ratification of the child-labor amendment, which has been supported by this organization for many years. Plans for its ratification undoubtedly will be stimulated by the decision of the United States Supreme Court last June which had before it two cases from the highest courts of Kansas and Kentucky dealing with the present status of the amendment. In both these cases it had been argued that the amendment was no longer subject to ratification, for two reasons, i. e., because of the lapse of time since its submission in 1924 and because the legislature of each of these States had previously rejected it. These arguments were not sustained by the United States Supreme Court, that Court holding that these were political questions not subject to court review. As a result, the Kansas and Kentucky ratifications still stand, and only eight more States are needed to make up the 36 necessary for the adoption of the amendment.

State Legislation

The progress in Federal standards for the protection of child workers serves to emphasize the importance of State legislative standards. The provisions of the Federal Act in any case apply only to workers in industries producing goods for interstate commerce, and if all child workers are to be given equal protection, there must be

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progress in State legislation. Advances in State legislation to which this association voted last year to extend its support have been achieved to a limited extent in 1939. The important needs, as expressed in your recommendations in 1938, are the raising of State standards so as to bring State legislative standards for the productive industries at least up to those of the Federal act, the extension of those standards to commercial and personal-service industries not covered by the Federal act, and the provision for employment certification up to 18 years of age and for adequate State supervision of local certificate issuance. Some progress has been made through administrative extensions under powers already existing, but very often specific legislative action is necessary to bring about the desired advances.

Reviewing briefly the action of State legislatures in 1939, advances may be noted affecting minimum age, employment certificate requirements, and hours of labor standards for young workers. Two States, West Virginia and Massachusetts, adopted a basic minimum age of 16. In West Virginia both the child-labor and the compulsory-school-attendance laws were amended and through an interpretation of these two laws as revised the minimum age is brought into line with the 16-year minimum of the Fair Labor Standards Act. Massachusetts established a basic 16-year minimum age in place of its present 14-year minimum. Work in factories, stores, and other enumerated establishments and in any work during school hours, including street trades, is prohibited for children under 16 years of age with limited exceptions. This brings to 12 the number of States with such a minimum. Hawaii and Alaska also adopted a basic minimum age of 16, although the Alaska provision applies only to girls. Certain advances were made in the regulation of hours of work, the most important being the adoption by West Virginia and Hawaii of a maximum 8-hour day and a 40-hour week for minors under 16. In Massachusetts the maximum 9-hour day, 48-hour week for women and minors was extended to apply to private clubs, offices, letter shops, financial institutions, places of amusement, and garages.

Laws affecting the issuance of employment or age certificates were passed in Connecticut, Florida, Massachusetts, West Virginia, and Hawaii. In Connecticut and West Virginia the law relating to certificates was strengthened; in Florida the new school code included detailed provisions with respect to the issuance of employment certificates for minors under 16 and for certificates of age for minors 16 years of age and over, under supervision of the State department of education, which substantially meet the requirements set up by the Children's Bureau under the Federal law. In Massachusetts provision was made whereby an employment permit may be issued to a child under 16 in the discretion of the superintendent of schools if

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he determines that the child's welfare will be better served through the granting of such a permit.

Minor workers are also affected by certain changes in the workmen's compensation laws. The workmen's compensation law recently adopted in Arkansas applies to both legally and illegally employed minors, illegally employed minors receiving the same compensation as if they were legally employed. In Maryland the requirement that the employer shall have knowledge of the illegal employment was eliminated from the provisions of the compensation law requiring the payment of extra compensation to minors illegally employed. In Pennsylvania a backward step was taken in lowering from 100 percent to 10 percent the additional compensation payable under the workmen's compensation law in case of injury to minors illegally employed.

Another State legislative advance recommended by this association last year was the improvement of compulsory school attendance standards and particularly the raising to 18 of the age to which school attendance of children should be required, except for children 16 and over who are employed. Though no State made this specific advance, there were a number of improvements in school-attendance standards. Massachusetts, West Virginia, and Florida strengthened their compulsory school-attendance laws by restricting the exemptions permitted from school attendance. North Carolina, which requires school attendance only up to 14 years of age, adopted an act raising the upper age to 16 in Buncombe County, and Georgia strengthened the penalty for violation of the provisions of the compulsory school-attendance law. In Pennsylvania, however, the 18-year upper age for compulsory school attendance which would have been effective in September 1939, was reduced to 17, the upper age now in effect, and the provision permitting children to leave school at 15 on a special permit for agricultural work or domestic service was amended to lower this age to 14 under certain conditions.

In the regulation of industrial home work, a field of child labor in which this organization has always shown great concern, a number of advances were made. California and West Virginia both adopted new acts for the regulation of industrial home work. In California, the new law specifically sets up the same standards for the issuance of a home worker's certificate to persons under 16 as are required for issuance of work permits under the school law. Massachusetts raised the minimum age for the issuance of a certificate to an industrial home worker from 14 to 16 years, and Puerto Rico enacted a new industrial home-work law which sets a minimum age of 16 for such work.

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The only regulation relating to employment of children in theatrical performances was a backward step in Massachusetts where the law was amended to permit the appearance of a child of any age, under certain conditions, in a play or musical comedy in a theater.

Several advances in State minimum-wage legislation were made this year, but only one, that of Maine, substantially increases the protection offered minor workers. The new law in that State provides for the establishment of minimum wages for both minors and women in the packing of fish and fish products.

No legislation was enacted relating specifically to the work of children in agriculture. As the provisions of the Fair Labor Standards Act do not apply to the work of children on farms during those periods when the child is not required to attend school—the very periods when most agricultural work is done—it must be recognized that to a large extent the regulation of the work of children in industrialized agriculture is a State responsibility. A beginning of a joint program was made this year, however, in connection with the Sugar Act of 1937, which is administered by the United States Department of Agriculture. Under this act benefits to sugar-beet or sugarcane growers are made conditional on compliance with certain labor standards, i. e., a minimum age of 14 and a maximum 8-hour day for children between 14 and 16, children of crop owners working for their own parents being exempted. It has been demonstrated that the effective enforcement of this type of legislation, as in all other child-labor restrictions, depends upon the administrative methods used to bring about compliance. Realizing this, the Children's Bureau and the Department of Agriculture agreed to attempt on a demonstration basis this year to make available to sugar-beet growers in Michigan and Ohio certificates of age for children employed in the beet fields. The Children's Bureau accepted responsibility for developing the necessary procedures with State and local officials in charge of certificate issuance, and the Department of Agriculture accepted the responsibility of making State and county committees administering the Sugar Act familiar with the program and of encouraging sugar-beet growers to obtain certificates for children in their employ. It is hoped that this demonstration will point the way to a program in 1940 which will make available certificates of age for children in all beet-growing areas in the United States.

An important advance in regulation of street trades was made by Massachusetts. The limitation of the former street-trades law to cities of 50,000 or over was eliminated and the 16-year minimum age adopted for all work during school hours applies to work in street trades unless the boy is 12 or over and has a permit issued only after

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the superintendent of schools has determined that the child's best interests will be served by such issuance.

Regarding employment of children in street trades, the States hold the primary responsibility. The "little merchant" is removed to a large extent from the application of child-labor legislation, since he is often regarded as an independent contractor rather than employee. Your committee believes that this association might well take under serious consideration the formulation of legislative standards which would make the persons profiting by the work of child distributors of newspapers and magazines responsible for their employment.

Child-Labor Legislation in Canada

So far as this committee has been able to learn, no legislation relating specifically to the employment of minors was enacted during the past year in the Canadian Provinces.

International Labor Organization Conventions

The Congress of the United States has before it a bill relating to the minimum age for employment of children on vessels which would implement the International Labor Organization convention raising the minimum age for the employment of children at sea, adopted by that organization in 1936 and ratified by the Government of the United States in 1938. This bill, which would fix a basic minimum age of 16 years for employment on small vessels and a minimum age of 18 years for employment on large vessels and in certain other particularly hazardous maritime employments, has been introduced in the House. No action has been taken by Congress during the past year on the two conventions raising from 14 to 15 the minimum age for the work of children in industrial employment and in nonindustrial employment which, according to your committee's report last year, had been sent by the President to Congress. There appear to have been no further developments with regard to the power of the Dominion Parliament of Canada to enact measures giving effect to the conventions of the International Labor Organization, since the Supreme Court of Canada declared such action beyond the power of Parliament.

Recommendations

In conclusion your committee on child labor recommends that the International Association of Governmental Labor Officials reaffirms its support of:

(a) The amendment of State laws (1) to bring the State child labor standards for manufacturing and mining industries up to those of the Fair Labor Standards Act; (2) to extend these standards to those types of employment not

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covered by the Fair Labor Standards Act; (3) to provide 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; (4) to regulate effectively the employment of children in street trades and in industrialized agriculture; and (5) to extend 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.

(b) Active cooperation of State labor departments with the Children's Bureau of the United States Labor Department in the administration of the child-labor provisions of the Fair Labor Standards Act.

(c) An effective Nation-wide minimum standard for all child workers, to be attained through the ratification of the pending Child Labor Amendment by the necessary eight States.

(d) The development of more comprehensive State statistics on industrial injuries and industrial diseases of young workers, with a view to providing sound information as a basis for the determination of occupations hazardous for minors under both State and Federal legislation.

Discussion

Mr. WRABETZ (Wisconsin). Probably we ought to criticize one or two States who are apparently, according to the committee's report, taking away, certain vital rights from a minor by giving him only 100 percent compensation when he should be entitled to double or treble compensation. If a child is working at illegal employment, you take away from him a very substantial common-law right when you give him, in case of injury, only the same compensation which he might receive if legally employed. Personally, I feel that a very effective way to stop the employment of children is to impose definitely upon employers illegally employing children a heavy compensation penalty in case of injury.

Mr. LUBIN. I should like to raise a question about the employment of children in theaters and on the stage. I bring up this question because it was raised at the executive board meeting today. If particular provision is made for these children in the sense that they have the means of education from a tutor, their mother or some parent or guardian is available to take care of them, and provision is made for sufficient rest, what is the basis of the contention that these children should not be permitted to work in the theater.

Miss MCCONNELL (Washington, D. C.). The attitude of those who have been concerned with upholding minimum-age standards for employment in public exhibitions is that lack of such standards opens up for children of all ages a large area of employment in which it is not possible to place around the young performers adequate safeguards of the kind you mention. In other words, you may be able to control, at least to some extent, the conditions surrounding children in a small area, say on the legitimate stage, but

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there is much employment, as in vaudeville and all sorts of questionable performances, which you cannot control. It is difficult to permit children to be employed in a certain theatrical exhibition but not in another. Great administrative difficulties also are placed upon any State agency with the duty of determining the conditions of work, opportunity for rest, educational facilities, etc., for a child who is being taken about from one part of the country to another.

Mr. WRABETZ. Do we not encourage the employment of such children in other States when we go to the theater and see a movie with children in it? Surely that tempts the rest of them. In our State we prohibit that kind of employment.

Miss MCCONNELL. The difference is that the child, during a moving-picture production, is stationed at one place. He has his home; he has his normal home routine. He is there on the scene for a certain time. He has his school hours and he is at his own home. But a child who is traveling as a vaudeville trouper or with a circus, for instance, does not have all that. There is that very real difference.

Mr. WRABETZ. Personally, I have some very strong opinions about the enforcement of child-labor laws. I do not believe that the school authorities ought to issue permits to work. Their primary interest is in their schools, very often in the discipline of children, and they are not especially interested in whether or not permits are properly issued. In Wisconsin we recently took away from school authorities the issuance of permits. Personally, I believe the school authorities ought not to have this duty. I speak from rather broad experience because I was a school teacher during the time when school teachers were issuing permits. In issuing them I know I did not give the matter full consideration from the standpoint of hazardous employment, but considered it rather from the standpoint of the school's interest.

Mr. DAVIE (New Hampshire). In regard to the second recommendation of the committee, that this Association support "active cooperation of State labor departments with the Children's Bureau of the United States Labor Department in the administration of the child-labor provisions of the Fair Labor Standards Act," I want to say that the New Hampshire Department of Education administers the child-labor law and that we stand second to none in the enforcement of it. There is another reason, however, that makes it possible for us to succeed in the enforcement of that law. We have a compulsory school-attendance law which steps right in behind the child-labor law, obliging any child who has not gained his elementary education to attend school until he is 16 years of age. Some very

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fine cooperative work is carried on in that connection, and I imagine there are other States which handle the matter in a similar way. I suggest an enlargement of that recommendation so that the departments of education also will have an opportunity to cooperate. In fact, I know the department of education in New Hampshire is cooperating 100 percent with the Children's Bureau.

Miss McCONNELL. That is quite true, Mr. Davie.

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Wage-Claim Collection

Wage-Claim Collection

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

Practically every State in the Union has adopted legislation for the purpose of establishing protection for the worker in reference to safeguarding him against failure to receive compensation for work performed. However, the process of making collection usually entails the employment of an attorney and payment of court costs.

Under legislation requiring payment of wages weekly or semimonthly and laws giving liens on buildings or things worked upon, it often requires expensive litigation to enforce liens and to bring about payment of wages at certain periods unless there exist State agencies with authority to act in the capacity of an agent or attorney for the worker.

Several States have adopted legislation requiring employers, before employing workers, to give bond to pay employee's wages. Provision is also made in practically all States giving wage claims priority over other claims in case of bankruptcy. It is evident that in all States of the Union the fact is recognized that the certain payment of wages for work performed is a subject in which the general public has an interest, and society has a genuine moral right to demand protective legislation.

There appears to be no remedy as certain as to give State labor officials the authority to accept assignment of wage claims and to bring suit, and, where necessary to protect clients, to have attachment issued and served before judgment on property belonging to defendants. Such authority prevents removal of property out of the jurisdiction of the local courts.

In the State of Arkansas we have had occasion to use the provision of our wage-collection law referring to attachment before a judgment in a number of cases, where we are certain recovery of wages would not have been accomplished without this advantage. A judgment against an insolvent defendant is of little relief to a plaintiff.

During the past year Indiana and New Hampshire have adopted legislation giving to the commissioner of labor additional authority in collection of wage claims.

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In Montana the legislature declined to enact legislation for the collection of wages. At present in Minnesota the industrial commission, without legislation, uses the force of the office in attempting to bring about settlement of wage claims by writing letters and otherwise attempting to influence adjustment.

In Kansas a small debtor's court is some aid in assisting in the collection of wage claims, but the limit of $20 acts as bar to proper protection. This small claims court is for the purpose of handling miscellaneous claims and not definitely a wage-claim agency.

In the State of Rhode Island a commission has been set up for the purpose of making a study of labor legislation and wage-claim laws and making recommendation to the legislature. Maryland, Wisconsin, California, and several other States have incorporated in their laws referring to withholding wages a criminal feature, and in several instances have been successful in securing conviction. In several States wage-claim collection laws carry a provision requiring the wage earner to pay certain commissions. This we do not regard as a desirable feature.

Regardless of the fact that practically every State in the Union has recognized the justness of protective legislation in reference to wages earned, there remain a number of States that have not made successful attempts to assist the worker in securing the benefits intended without accepting the responsibility of filing suit and paying costs. The following States it apppears have not entered this field of legislation: Alabama, Florida, Minnesota, Mississippi, Missouri, Louisiana, Georgia, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, and West Virginia.

The provision authorizing the issuance of attachment before a judgment in cases of wage claims has been the sole means of collecting more than $4,000 due for wages in the State of Arkansas. This provision became a part of the Arkansas law at the 1937 session of the legislature. It was taken from the model wage claim law as compiled by the wage claim committee of the International Association of Governmental Labor Officials. This should be proof of the advisability of adopting this provision, which will prevent the removal of property from the jurisdiction of the court before judgment.

The legislation adopted since the last meeting of the International Association of Governmental Labor Officials should encourage the continued effort to interest labor officials and others in the States not yet having adopted such legislation as the model wage collection law.

Our experience has been that about the strongest opposition to the law has come from attorneys in and out of the legislature. If these attorneys properly understood the result of filing wage-claim suits in reference to invading the law field by State agencies, it is our

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opinion this opposition would not be so pronounced. Wage claims, as a rule, are small and unless handled by some agency for the benefit of the wage earner these claims would never be in court. In practically 75 percent of the cases a contest is brought about and an attorney is employed by the defendant. Therefore, the effect upon the legal profession of the wage collection legislation is, that instead of depriving the attorney of business, it really creates a business that in many cases would never exist. Then, too, the collection of wages is a matter in which society in general should have an interest. If the laborer is deprived of his just earnings, he cannot discharge his obligations to the merchant, the physician, or the landlord, and would be forced to appeal to charitable agencies for assistance. It is just as sound for the State to interest itself in collecting the wages earned by the worker as it is to pay him unemployment insurance or provide work during periods of idleness.

We hope this organization will continue its interest in urging States to adopt wage-collection legislation.

It has been impossible for the chairman to get in touch with other members of the committee and this report is written without conferring with them, but it is our opinion the committee is in accord with the general recommendations here expressed.

Discussion

Mr. McKINLEY (Arkansas). It has been the practice in the State of Arkansas for the owner of a coal mine to lease it to an irresponsible person; that is irresponsible from a financial standpoint. In doing so, the owner avoids responsibility with reference to personal injuries and also as regards failure to pay wages. Our 1937 legislature, however, passed a law requiring coal operators to give bond for the payment of wages, this bond to be filed with the county judge. At the time, the department of labor took the attitude that the law would not work. We thought that the county judge might be persuaded by 40 or 50 miners to accept a rather questionable bondsman. That did happen, and not only that. The miners themselves went on the bond with the operators in order to get employment. So when wage claims came to the department of labor for collection, the miner found himself in the position of being both plaintiff and defendant. This last legislature has changed that some, but we thought that a lien would be better.

I might elaborate on that a little by citing a specific case. In one instance, a man bought an old mill, a very large mill, and had it dismantled, and sold the iron therefrom for junk. The man was one from whom you could not collect a judgment. We had occasion to attach that iron after it was in the car, and by that means we

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were able to collect wages for the workers. Had it not been for that, they would never have gotten a cent, because that man took up his residence in the penitentiary soon after that.

Mr. WRABETZ (Wisconsin). There are a lot of serious and difficult questions that arise in this particular field. What do you do in your State when you have an employee who has some money coming and his employer is the proverbial "beat" or the turnip out of which you cannot squeeze any blood?

Mr. ROBERTSON (Kansas). Some 8 or 9 years ago a small-debtors court was established in Kansas City. Never, to my knowledge, has a suit been filed or prosecuted in that court. It is not working in Kansas City, or elsewhere, and when an employee has been unsuccessful in collecting his wages from an employer, he comes to our office. About all we can do is to write that employer a letter and tell him that we insist that he discharge that obligation at once. Probably in 50 percent of the cases that works. If the claim is of a substantial amount, I write the employer and call his attention to the provision of our law and suggest he consult his local attorney.

Mr. WRABETZ. Has any other State had any experiences that might be helpful to all of us?

Mr. DURKIN. Prior to July 1937, in order to collect a wage claim in Illinois, it was necessary for the claimant to go into court in order to make a claim, and he had to pay court costs, unless he was successful, in which case the costs of the court would be charged against the employer. I believe the type of legislation that has been placed on the statute books in Illinois is one of the best forms of labor legislation. I do not think that many of us where such laws are in effect have paid much attention to the groups that come into the labor departments to file claims. If we did, I believe there would be plenty of discussion here today. The type of person that we generally find making claims is the domestic worker and in many cases the casual workers. We have had thousands of cases in Illinois where not more than $5 is involved, and in many cases as little as $2. The law which Illinois enacted permits us to send notice to the employer of hearings to be held. The hearings are held, and in many cases we get settlements. I might state that when the law was passed, it was passed after our appropriation bill had passed, and, therefore, there was no money appropriated for the administration of the act, but by transferring people within the department, we were successful in collecting approximately $90,000 during the 2-year period. At the last session of the legislature we received an appropriation.

Most of our claimants were people who heard about the law because of a wage collected for someone else in their neighborhood or someone who had worked with them. We have had thousands of cases. I do

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not know how many thousands we will get now that we have an appropriation and will be able to administer this act throughout the State. I hope that we can collect every dime that employees have coming to them. We find cases of spite, too, where claims are made and there is no justification for them, but they are a very small minority and great work can be done in this field. If it is only the collection of a few dollars, it means as much to that employee as the average weekly wage means to some tradesmen, because that is about all that employee is used to receiving.

Mr. DAVIE. We have not gone very far on the new statute. I worked hard to get the model bill of this Association adopted. We have gotten something much better than we ever had before, and we have been very successful since May 15 in cases that we have taken up. I am looking forward, as is my colleague from Illinois, to having a statute that will be a very good one for the State of New Hampshire.

Mr. MARTINEZ (Puerto Rico). I have with me Act No. 15, approved April 1931, which is known as the organic act of the Department of Labor of Puerto Rico. Under it a wage protection and claim bureau is created which "shall consist of a person in charge thereof, who shall be a competent attorney at law and a man of integrity, who shall receive, study, and decide all complaints and claims filed by laborers or employees, including domestics, against employers negligent in the payment of their compensations, per diems, wages, or salaries, or who have refused to make such payments. He shall prosecute such complaints and claims and shall institute proceedings, either civil or criminal, as the case may be, against said employers, where such procedure is necessary; he shall interpret and supervise wage or metayer labor contracts, and he shall act as a special prosecuting attorney in any criminal action that may be brought before the municipal courts of Puerto Rico by the commissioner, by the district agents, or by any other official of the department of labor, in case of violation of labor-protecting laws, and of all such legislation whose enforcement may have been entrusted to the department of labor. The commissioner of labor shall assign to this bureau such personnel as he may deem necessary to render this service."

The workers in Puerto Rico, according to this provision, have the right to present their complaints, which we investigate, and if we find sufficient grounds, we are authorized to prosecute the violations or to settle them through some administrative action. In most cases, we succeed, through administrative action, in settling these cases, but if not, the worker is entitled to appeal any decision of ours or of any

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municipal court up to the district court or even to the State supreme court without any cost or any commission to lawyers. We provide for everything that is necessary to bring the case up to the highest court in the island. There have been cases which we have fought which involved only $8 or $10, but we fought them for the principle involved.

I have here part of the annual report in this official bulletin which refers to the different laws that we have to administer. In relation to this, it reads as follows:

Dismissal compensation is regulated in Puerto Rico by various statutes, each covering a specific kind of employees.

Persons employed for an indefinite term by industrial enterprises and other lucrative businesses have the right to be compensated with an amount equal to their weekly, fortnightly, or monthly salary, according to the system of payment agreed upon, in case they are discharged without just cause and previous notice of at least 15 days. Act No. 43, approved April 28, 1930, is applicable in these cases.

Persons employed in the domestic service, in case they are illegally discharged, shall be paid an additional compensation equal to the amount of their salary for 15 days. The payment of this compensation is provided by section 1474 of the Civil Code of Puerto Rico, 1930 edition.

Commercial employees hired for an indefinite term, in case they are to be discharged, shall be notified of their dismissal with a month in advance, or otherwise shall be paid an additional compensation equal to their salary for 1 month. This compensation is paid according to section 220 of the Code of Commerce of Puerto Rico, 1932 edition.

It should be noted that employees hired on a commission basis do not fall under the protection of the above-indicated legislation.

The Department of Labor of Puerto Rico, through its bureau of wage protection and claims and through its district offices, affords to unpaid workers and employees all necessary assistance in the collection of overdue wages and compensations fixed by the labor protecting laws in force in Puerto Rico.

Now, as to the number of cases:

During the year ended June 30, 1939, the bureau of wage protection and claims of the Puerto Rico Department of Labor received 1,151 wage claims. Most of these claims were for unpaid wages or for dismissal compensation. They involved the amount of $26,596.93.

Out of said 1,151 claims filed, 642, or more than one-half, were collected. Collections totaled $13,597.14. Exactly 180 were voluntarily withdrawn by the claimants, involving $1,747.92. Withdrawal came about because the claimant was either replaced in his employment or was unable to prove his claim because of lack of evidence. The cases rejected by decision of the attorney in charge of the bureau numbered 232, involving the amount of $6,017.27. Decisions in these cases were preceded by proper investigation and hearings.

Only two cases were abandoned by claimants during 1938–39. The bureau declared them as abandoned because claimants did not pay any attention to the letters and notices issued for appearance in connection with their cases.

Ninety-five claims were left pending, to be resolved during the fiscal year 1939–40.

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The following table shows the wage claims filed with, and disposed of, by the bureau of wage protection and claims during the year ended June 30, 1939.

Wage claims filed and disposed of during year ended June 30, 1939

Result	Number of claims	Amount
Collected	642	$13,597.14
Withdrawn	180	1,747.92
Rejected	232	6,017.27
Abandoned	2	462.00
Pending (June 30, 1939)	95	4,772.60
Total	1,151	26,596.93

Mr. WRABETZ. It is apparent, Mr. Martinez, that your division is doing a good job in wage collection. It is a very important function and we can do a tremendous amount of work in helping the unfortunate who have wages coming.

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Industrial Home Work

Industrial Home Work

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

Your committee on industrial home work reports to you at this time for a year in which legislative accomplishment in the general field of labor law has been at low ebb. From all over the country, as well as from the Nation's Capital, have come reports of meager or no results, and in some cases actual loss has been sustained.

The control of industrial home work during the year 1938–39 fared as well as and perhaps better than other fields of regulation. Five States—California, Indiana, New Hampshire, New Jersey, and West Virginia—introduced new home-work bills, two of which, in the case of California and West Virginia, were enacted into law. The California law is based on virtually the same principles of control as those comprising the suggested State draft adopted by this Association. It forbids industrial home work on certain listed products and authorizes the division of industrial welfare to prohibit it elsewhere, where it is found to jeopardize the health or welfare of the home workers themselves or the labor standards in the factory.

The new West Virginia law prohibits industrial home work in certain industries and on any other article when in violation of any labor law or of any health law of the State.

In its Order No. 2, which applies to women and minors in retail trade occupations, the Industrial Commission of Colorado has prohibited employers from giving out work which "can be performed on the premises" to women or minors to be done elsewhere. The new District of Columbia minimum-wage order covering manufacturing and wholesaling occupations provides that women employed on home work shall receive not less than the minimum wage established for plant workers and requires the employer to keep records for the home worker as well as for all other workers. In New Jersey, directory orders Nos. 2 and 3, applying to women and minors employed in light manufacturing occupations and in wearing apparel and allied occupations, respectively, require that "piece-work rates for work performed at any place other than at the factory or on the premises of the employer shall be paid for at a rate not less than the rate or rates for identical work being done at employers' factory or on

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employers' premises and shall yield to each such employee wages not less than the minimum fair-wage standard established for time workers under this order."

In October 1938 the Fair Labor Standards Act went into effect. Since that time, the Administrator of the Wage and Hour Division has ruled that "since the act contains no prescription as to the place where the employee must work, it is evident that employees otherwise coming within the terms of the act are entitled to its benefits whether they perform their work at home, in the factory, or elsewhere." The Division has issued a separate regulation prescribing the records which must be kept by employers of industrial home workers.

Already home-work cases have been prosecuted to successful conclusion under the Fair Labor Standards Act. In New York, recently, a manufacturer of window-shade tassels and pot holders pleaded guilty to charges of failure to pay home workers the minimum wage required by the law and compensation for overtime hours, failure to keep adequate records as required and falsification of records, shipping in interstate commerce goods produced in violation of the act, and subterfuge in an attempt to evade the law, and was fined $7,500, $6,000 of which, however, was suspended. In addition, the employer was ordered by the court to make restitution to his employees in the amount of $4,500.

In a second case involving the employment of industrial home workers—this time in the State of Illinois—the Wage and Hour Division was successful in obtaining an injunction restraining a manufacturer of punchboards from employing industrial home workers at wages less than the prescribed minimum and from falsifying records. At the same time, a second company was enjoined from shipping the products thus manufactured in violation of the law in interstate commerce. Before the case was heard, restitution had already been made to 94 industrial home workers in the total amount of $5,685 in unpaid back minimum wages.

Your committee on industrial home work met just once during the year—in this instance at the request of the president of the association as the result of certain proposed amendments to the Fair Labor Standards Act. The amendments, two in number, would have authorized the Administrator of the Wage and Hour Division to determine piece rates for industrial home work and to permit the employment of rural home workers at less than the regular minimum wage provided by the law. At the meeting of the committee, to which representatives of organized labor and of certain other national organizations were invited, it was unanimously agreed that the two proposed amendments should be strenuously opposed, and, as a result, the chairman of your committee wrote to the head of the labor de-

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partment in each State in which it was thought that industrial home work might be any sort of problem asking that he set forth to the chairman of the Senate Committee on Education and Labor, as well as to each of his Senators, his objections to these two home-work provisions. In this letter, a copy of which is attached for your information, it was pointed out that the function of setting industry piece rates is inappropriate to a governmental agency and should be left to the industry itself and to collective bargaining; that, on the basis of experience, it would be impracticable to set piece rates quickly enough to cover the thousands of individual operations involved and the rapid changes in style and operations; and that enactment of such an authority would require the Government to set up elaborate machinery at a prohibitive cost for a function which, it was believed, could not possibly be successful. The letter stressed the threat which the proposed amendment permitting rural home workers to work for less than the regular minimum would mean, if enacted, to the general wage and hour standards of the Fair Labor Standards Act and to the regulation of industrial home work by the States.

In addition the committee recommended that the president of this association make official protest to the chairman of the Senate Committee on Education and Labor before whom the bill would come if enacted by the House.

Many of you know of the subsequent developments. The bill amending the Fair Labor Standards Act reported by the House Committee on Labor became hopelessly tied up in the House itself. However, the final committee draft of this bill, H. R. 5435, did omit the authority to set piece rates for industrial home workers, although that to permit the employment of rural home workers at less than the regular minimum wage still remained. As time passed and conditions changed, it seemed expedient for us to make our position known to the House, as well as the Senate. On his own responsibility, your chairman therefore asked the labor commissioners to state their objections to their Congressmen also.

Your committee feels that this organization cannot be too vigilant with respect to this matter. We have every reason to believe that if the matter of amending the wage-and-hour law comes up again at the next Congress, there will be definite effort to secure enactment of the rural home-work provision, as well as that permitting the Administrator of the Wage and Hour Division to fix piece rates for industrial home workers.

This year we acted in the interim of conventions as we believed you would have wished us to act. It is the opinion of the committee that we should continue to operate during the coming year to prevent any relaxation of the Fair Labor Standards Act in the case of indus-

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trial home work and that we should continue so to function with your express instruction.

I move the adoption of this report and in so doing, I also move that this association expressly instruct its committee on industrial home work to exercise all possible vigilance with respect to proposed amendments to the Fair Labor Standards Act, and to do everything within its power to oppose any change in this law which would in any way relax its provisions with respect to industrial home work, or which would specifically authorize the Administrator of the Wage and Hour Division to set piece rates or to engage otherwise in any unsound administrative practice insofar as industrial home work is concerned.

COPY OF LETTER SENT TO STATE DEPARTMENTS OF LABOR

On Monday of this week the committee on industrial home work of the International Association of Governmental Labor Officials met, at the request of the association's president, to consider certain amendments to the Fair Labor Standards Act proposed by the House Committee on Labor in reporting on H. R. 5435 (Report No. 522). Representatives of organized labor and of other national organizations, as well as several additional State home-work law administrators, were invited to join with the Committee in its deliberations.

It was unanimously agreed that the proposed amendments authorizing the Administrator of the Wage and Hour Division to set piece rates for industrial home work and to permit the employment of rural home workers at less than the regular minimum wage should be strenuously opposed. I am enclosing copies of these two amendments.

The function of setting industry piece rates is inappropriate to a governmental agency and should be left to industry itself and to the field of collective bargaining. It is contrary to the generally accepted principles of sound minimum-wage regulation. From an administrative point of view, it has been found impossible, under State experience, to set minimum piece rates quickly enough to keep up with the many thousands of individual operations and the rapid changes in style. In cases where the setting of minimum piece rates for home workers was attempted under the N. R. A., the rates set invariably proved insufficient to yield to more than a very small fraction of the workers the corresponding minimum wage per hour set by the codes. Yet with the express authority in the law, contemplated by the proposed amendment, the enforcing agency would be under constant pressure to set rates on a piece-rate basis. Enforcement with respect to industrial home work then would be in a constant state of flux. Enactment of this amendment would shift to the Government a responsibility for determining a means of compliance which should rest squarely on the shoulders of the industry itself, and it would require the Government to set up elaborate machinery, at a prohibitive cost, for an ill-advised function which, on the basis of experience, is doomed to failure from the very outset.

With respect to the employment of industrial home workers in rural areas at less than the regular minimum wage prescribed by the law, already quantities of home-work materials, as you know, are sent out from the larger industrial centers to be processed in rural homes. Frequently the goods pass from a State attempting to control the conditions under which home work is performed to a place

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where no State regulation is in effect. For years a means of preventing this avenue of evading the application of State regulation has been sought, but obviously the proposed amendment can only result in an increased tendency to shift work to the rural home worker. Although the language of the amendment attempts to strengthen the Administrator's hands in exercising the authority granted, nevertheless those of us who are familiar with the abuses of the home-work practice and with the extreme difficulties of its regulation know that this provision is the opening wedge to widespread evasion of the basic principles of the wage-and-hour law. Enactment of this amendment would subject the Administrator to constant pressure for special treatment under its terms. It would endanger the general wage and hour standards provided by the act and would, without question, threaten the regulation of industrial home work by the States and the progress which has been made under recent State enactments.

The measure—H. R. 5435 (Report No. 522)—is now pending in the House. We believe it advisable at the moment to concentrate our efforts upon the Senate. Will you lend your cooperation by writing at once to Senator Elbert D. Thomas, chairman of the Committee on Education and Labor, and to each of your Senators setting forth your objections to these two provisions and asking that they be stricken from the bill. Specifically we recommend that the following be removed:

1. The words "and the piece rates to be paid for" in section 4, subsection (b), page 14, line 16.

2. Section 7, subsection (c), page 17, lines 1 through 20.

In order that we may have a complete record of all communications on the subject, could you arrange to send me a carbon copy of each of your letters?

Assuring you of my deep appreciation of your prompt cooperation, I am

Very sincerely yours,

MORGAN MOONEY,
Chairman, Committee on Industrial Home Work,
International Association of Governmental Labor Officials.

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Civil Service

State Departments of Labor and Civil Service

Report of the Committee on Civil Service by E. B. PATTON (*New York Department of Labor*), *Chairman*

A steady increase of activity on all fronts summarizes developments of the past year in the civil-service field. From all parts of the country have come during the year reports of new merit-system laws or extension of existing ones, and of recent improvements in the administration and technical phases in public personnel administration.

One of the two important Executive orders issued by the President extended the Federal classified service to more than 80,000 employees, while Congress last year placed under civil-service provisions nearly 15,000 first-, second-, and third-class postmasterships, most of the positions in the newly created Wage and Hour Division of the Department of Labor and in the National Archives, as well as practically all the positions concerned with the administration of the Railroad Unemployment Insurance Act.

Four bills to extend the merit system generally in the Federal service are pending in Congress. Three, sponsored by Congressmen Ramspeck and Randolph and by Senator Schwellenbach, would authorize the President to extend the civil-service rules in his discretion. The Ramspeck bill would also extend the classification act to the field service. A fourth bill, introduced by Congressman Rees, provides that within 18 months after passage the civil-service rules are to be extended to positions now exempt, without necessity of Executive action.

Civil-service status was denied to Works Progress Administration employees when the Senate and House of Representatives recently passed H. J. Res. 83, a work-relief and relief-appropriation measure which contained a clause providing that the President's Executive order of June 24, 1938, should not apply to positions established under the joint resolution itself. This action reversed President Roosevelt's announced intention of placing administrative positions of the WPA in the Federal classified service on February 1, pursuant to his Executive order of June 24, 1938, extending and strengthening existing civil-service provisions and administration.

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Contained in the resolution, as passed by the Senate, was an amendment by Senator Hatch of New Mexico prohibiting political activities on the part of employees whose compensation was payable under the terms of the act. According to the amendment, persons who solicit campaign funds, or use their authority to influence elections, or offer employment as a reward for political activity, are guilty of a felony and upon conviction may be fined not more than $1,000 or imprisoned not more than 1 year, or both.

The States

Since January 1, 1939, four States, Minnesota, Alabama, Rhode Island, and New Mexico adopted comprehensive State merit systems. All four States' acts established broad personnel programs, providing for entrance examinations, classification of positions, uniform salary plans, employee training, and systemized promotions and transfers based on service ratings.

The following is a list of 17 States now operating under civil-service laws. In eight of these States, the statutes were adopted within the past 2 years—more than 50 years after the system was first adopted by New York (1883) and Massachusetts (1884).

State	Year of statute	State	Year of statute
Alabama	1939	Minnesota	1939
California	1913	New Jersey	1908
Connecticut	1937	New Mexico	1939
Colorado	1907	New York	1883
Illinois	1905	Ohio	1913
Maine	1937	Rhode Island	1939
Maryland	1920	Tennessee	1937
Massachusetts	1884	Wisconsin	1905
Michigan	1937		

While Kentucky is not listed here, that State established in 1936 a division of personnel efficiency. Although this division does not hold open competitive entrance examinations, it does perform certain personnel functions.

Important civil-service developments during the past year in State and Territorial governments are summarized below:

Alabama.—State civil-service law approved by governor March 2. It will not take effect until after 12 months, to allow time for system to be set up. The act embraces all but a few of the State's 4,000 employees. The director of personnel will administer, with the general assistance and approval of the State personnel board, a comprehensive merit system. He is to prepare a classification plan and a pay plan, to certify pay rolls, to establish employment registers from open competitive examinations, to institute service ratings, and to cooperate in the establishment of training programs. Provision is

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made in the act for the transfer, promotion, demotion, lay-off, and dismissal of State employees. A dismissed employee may appeal to the personnel board, which may order his reinstatement. Incumbent employees are to be given qualifying examinations in order to obtain civil-service status. Except for the office of director of personnel, the act contains no residence requirements. A strict prohibition on the political activity of civil-service employees is included.

Arkansas.—The Arkansas State civil-service law was repealed on January 24, when the governor permitted a bill repealing the law to become law without his signature. The repeal of the Arkansas law was the most serious defeat for the merit system in recent years.

Mr. John Heiskell, editor of the Arkansas Gazette, explains the repeal on the following grounds:

1. Many employees were blanketed in when the law went into operation and these employees were not subjected to the merit ratings provided for in the law. The legislation had failed to provide the funds necessary to enable the personnel division to perform this function.

2. Legislators wanted jobs for constituents.

3. The cry was raised that residents of Pulaski County (Little Rock) were getting an undue number of State positions.

4. The governor did not exert himself to save the law.

Georgia.—Although Governor Rivers of Georgia has made a State civil-service law one of his principal legislative items in 1937 and 1939, both legislatures have refused to follow his lead. In 1937 a bill was killed in one house after it had been passed by the other. This year the bill was tabled by a close vote in the house of representatives, then revived by the administration forces, and finally "indefinitely postponed." The governor has instituted a merit system by executive order.

Hawaii.—A civil-service law passed by the legislature and signed by the governor provides for the appointment of a three-member commission and a director of personnel to administer a merit system for Territorial employees. The act, which became effective July 1, 1939, also provides for civil-service systems in the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui.

Massachusetts.—The second oldest State civil-service system (1884) was reorganized in a bill signed by Governor Saltonstall on May 24. The new law replaces the three-member salaried commission, whose chairman acted as full-time administrator, with a part-time five-member body and a director of personnel. The director is to be appointed for a 5-year term, as a result of either an open competitive examination or a four-fifths vote of the commission.

Michigan.—As a result of a reorganization act passed by the legislature and signed by the governor, many professional, administra-

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tive, and supervisory positions of the State service have been exempted from the jurisdiction of the State civil-service law, thus reducing the number of classified positions in the State service one-half. Along with numerous other changes, the law increased the size of the civil service commission from three to four members. Since the passage of the new law, a strong movement has developed to restore through constitutional amendment the more comprehensive provisions of the previous act.

Minnesota.—Became the seventeenth "civil service State" on April 22, when the governor signed a bill providing for the establishment of a comprehensive State merit system. Under the Minnesota law, a three-member civil-service board will be appointed by the governor, to serve as an advisory, rule-making, and appellate body. A State department of civil service will be headed by a personnel director who is to be appointed by the board after competitive examination conducted by a special examining committee. Present State employees who have served 5 years or longer are "blanketed in," subject to a 6 months' probationary period. Those who have served less than 5 years will be required to take qualifying examinations, which will be given during a 2-year period beginning August 1, 1939. However, all military veterans, regardless of length of employment, are automatically given regular civil-service status.

Kansas.—The governor, in his inaugural message, had called for passage of a State civil-service bill, and, if necessary, of a constitutional amendment. The proposed bill was defeated but a constitutional amendment was adopted to be submitted to the voters in 1940.

New Mexico.—Passed a merit system act which provides for an administrative board of three members to be appointed by the governor and approved by the senate. The act applies to the employees in a large number of State institutions, the State police service, and the port of entry board. Open competitive examinations are provided to determine the status of present employees. The commission is authorized to classify all positions subject to the act. Eligible registers are to be established through the use of open competitive examinations. The act contains prohibitions upon the political activity of the State employees subject to its provisions.

Ohio.—A bill was passed which reorganizes the Ohio Civil Service Commission by substituting a commission of three members for the present two-man, bipartisan commission, and changes the removal section of the civil-service law.

Rhode Island.—On March 9, the governor approved a State civil-service bill which had been unanimously passed by both houses of the legislature. This bill, which will take effect January 1, 1940, is in the main an excellent one. It provides for a commission of three members, appointed by the governor and confirmed by the senate.

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An unusual feature of the act is a provision that the minority member of the commission must be approved by the chairman of the State central committee of the minority party. Except for elective officers, department heads, commissioners, confidential secretaries, members of the State police division and a few miscellaneous employees, the classified service covers all positions in the Rhode Island State service. Present employees are placed on a temporary basis pending the establishment of eligible lists from open competitive examinations. The act provides that the director shall administer a comprehensive merit system which includes the preparation of classification and pay plans, the giving of promotional tests, the introduction of service ratings, and the coordination of training programs. The State civil-service department is authorized to make its facilities available on a cost basis to local governments of the State.

Vermont.—The governor's message to the legislature asked for the appointment of a committee to study the State's personnel situation and devise a plan to "remove the appointment of employees from politics as far as possible." The committee was appointed and a bill introduced based on the model civil-service law. However, the legislature adjourned before taking any action on the civil-service proposal.

Tennessee.—Soon after the 1939 legislature convened, the legislature proposed the repeal of the State civil-service law adopted in 1937. Although the law is a good one, there is little doubt that the administration had permitted it to function merely for the purpose of setting up a classification system. Only a very few examinations had been held, and appointments and removals were made largely without regard to the merit system. A new civil-service bill backed by the governor, who took office this year, has been adopted. This is based on the "model" law recently drafted by the National Civil Service Reform League and the National Municipal League.

Civil-service bills were defeated during the past year in the following States: Arizona, Delaware, Indiana, New Hampshire, North Dakota, Oklahoma, Oregon, Texas, Utah, and Washington.

Personnel Administration

While the extension of civil-service practices has proceeded apace, existing personnel agencies have taken steps to improve their own administrative and technical practices. Recruitment methods are being advanced by more active work on the part of personnel agencies to enlist the interest of trained persons in government employment. There has been a perceptible, although slight, move toward giving a more general type of examination for recruits in the adminis-

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trative services rather than the highly specialized examinations which have characterized the American civil-service systems. Public personnel officials and heads of sizable departments are beginning to realize the value and necessity of having personnel offices in the major departments of the larger governmental jurisdictions. They are beginning to recognize that a well-rounded personnel program needs not only the guidance and stimulation of a central personnel agency but also the active cooperation of departmental personnel officials. Examples of this trend may be found in the Federal service, the States of New York and California, Los Angeles County, New York City, Detroit, and other jurisdictions.

Training

A spotlighting of recent outstanding developments in the field of personnel administration directs attention to the significant increase in all types of training. New programs of preservice training were established at Harvard University, Louisiana State University, New York University, University of Denver, University of Virginia, University of Pennsylvania, and a number of other institutions of higher learning. Plans for training apprentices were put into operation in the United States Indian Service, Indiana Bureau of Personnel, State of Wisconsin, State of Michigan, Saginaw, and Glendale and San Diego County, Calif.

New in-service training programs are too numerous even to be listed. Aid from the Federal Government through the George-Deen Act assisted the setting up of training programs for local governments in more than 20 States. With the recent appointment of a consultant on Public Service Training to the United States Office of Education, increased activity under the George-Deen Act is anticipated.

Employee Relations

One of the most important of the current personnel trends is the increasing unionization of public employees. Not only are existing employee associations growing in membership, but new organizations are rapidly springing up in National, State, and local governments. Recognizing the need of its own local chapters for sound advice on civil-service problems, the American Federation of State, County, and Municipal Employees appointed a civil service counsel to assist in the drafting of merit-system legislation and in other public personnel matters. Formal employee relations policies were adopted during 1938 by such administrative agencies as the United States War Department, the United States Department of Agriculture, the Social Security Board, and the Department of Welfare in New York City. The appointment by the Social Security Board of an employee coun-

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selor to handle matters concerning general employee welfare and the personal problems of individual workers is an innovation in the Federal personnel field.

Unfavorable Trends

During the past few years, several unfortunate and unfavorable trends have become noticeable in the field of public personnel administration. At the Federal level, unjustified and unnecessary exemptions from the civil-service act have been made in the establishment of new agencies which are admittedly intended to be permanent in character. The United States Senate has continued to make damaging inroads into the merit system by insisting that the appointment of more and more employees at lower and lower levels receive senatorial confirmation.

Public personnel agencies should make greater efforts to break down rigid and detrimental residence requirements which still exist in many jurisdictions. Governmental bodies have established harmful barriers which prevent desirable and needed interchange of personnel from one city to another and one State to another. The highest point of efficiency in the public service can be reached only if we create "free trade in competency" and insist upon a superior imported employee rather than being satisfied with an inferior local one. This applies particularly in the higher grade administrative and technical positions.

Startling actions have been taken, in several jurisdictions, to break down desirable educational requirements for entrance to the public service. In numerous instances, this has been done at the insistence of short-sighted politicians who are eager to open the side door of the civil service to their partisan followers regardless of qualifications. In other cases, "coaching" or "cram" schools have brought insidious pressure to bear against educational and other similarly valid qualification requirements in order to swell the ranks of their prospective customers. Public personnel agencies should take firm stands against unjustified attacks of this kind.

In New York State, the Civil Service Commission has been criticized for its delays in holding examinations and establishing eligible lists. When examination results are delayed for 12 to 18 months,[1] it is not surprising that 50 percent of the candidates on eligible lists should no longer have any interest in obtaining employment in the State service. Add to this the practice of the State in offering too small entrance salaries for most of the clerical positions, and it is no wonder that thousands of competent potential employees have been discouraged from entering the service. As a

[1] Civil Service Reform Association. Report of the Executive Committee, 1939. P. 6.

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result, the number of temporary and provisional appointments in the State service has greatly increased.

Wholesale use of temporary employees in governmental departments is uneconomical, wasteful, and demoralizing to the rest of the service. Experience has proved that better work could be had from half as many permanent employees as temporaries.[1]

In fairness to the commission, it should be pointed out that some of its work has been handicapped by lack of funds and by an undermanned, overworked staff. Many civil-service commissions are so inadequately financed and staffed that they cannot perform the services they are supposed to render. They frequently fail to gain the confidence of public officials for this reason. Even untrained and inexperienced lay citizens can recognize the inadequacy of personnel work in many cases. If this situation is to be corrected, public personnel agencies must press their cases forcefully and persuasively before their appropriating bodies. The officers of most personnel agencies are too timid and do not request funds which are sorely needed. In this, they render no good turn either to their governments or to their own agencies.

Progress of Civil-Service Reform in Canada

By ADAM BELL, *Deputy Minister of Labor of British Columbia*

Federal Civil Service

The system of appointment by competitive examination was introduced into the civil service of Canada in 1908, affecting only persons on the headquarters staff, although even before that time qualifying examinations were regularly held for large sections of the service. In 1919 the competitive system was expanded to include most positions in the Dominion service, though subsequent exemptions removed mechanical and laboring vacancies from the jurisdiction of the civil-service commission, and, as well, certain new departments, held to be either temporary or experimental, were omitted from the competitive system. The result is that at the present time over three-fourths of the Federal service is subject to the competitive system, and this includes nearly all executive and office staffs, incorporating such national services as post office, customs and excise, department of pensions and national health, marine, and so forth.

The civil-service commission, of three members, as reconstituted by the 1919 legislation, has jurisdiction in employment matters where positions are subject to the Civil Service Act, such conditions including compensation and hours of work, as well, of course, as making initial appointments. Also the commission has jurisdiction in the matter of promotion, and the law provides that, generally speaking,

[1] Civil Service Reform Association. Report of the Executive Committee. 1936. P. 6.

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vacancies occurring are to be filled by promotion from within the civil service.

In the past 20 years the competitive system in the Federal service has been investigated repeatedly by Parliament, and though changes have been made and though some of the lesser positions (chiefly of a nonclerical nature) have been exempted from the Civil Service Act, generally speaking these investigations have found in favor of the competitive system and many of the recommendations made have aimed at strengthening it.

In the Federal civil service employee organization occupies an informally recognized position, and representatives of the employees regularly meet with cabinet ministers, the civil-service commission, and committees of parliament to advance suggestions for improvement in the service. In the main, the organizations of employees are not allied with outside labor organizations.

A modern superannuation system is in vogue in the Federal civil service, and while its application is not universal it covers about 25,000 employees (out of about 44,000 full-time employees). Recently, recommendations have been made for expanding the superannuation system and for bringing several thousand additional employees under it.

Provincial Civil Service

Although some efforts have been made to introduce the competitive system into the civil services of the Provincial governments, little net progress has been made thus far. Generally speaking, appointments to the Provincial civil services are made on a noncompetitive basis. In the case of particular positions, however, frequently considerable care is shown in selection in order to ensure that the individual appointed may have the necessary qualifications. Also promotion within the service, as a reward for meritorious service, is very frequent.

All Provinces pay pensions upon the retirement of employees, though not in all cases are these pensions on a statutory basis; that is to say, in some instances pensions are paid as a matter of grace and upon a basis determined at the time of retiring.

Employees are permitted to organize in all Provinces, and in most of the nine Provinces advantage is taken of this fact and the employees have an association to look after their interests.

Discussion

Dr. PATTON (New York). I cannot help but have some fear at the present time that the increasing organization of public-service employees may, if not carefully watched, tend to create a reaction in

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the public mind that, after all, we are just another one of those high-pressure groups trying to get what there is to be had.

Mr. WRABETZ (Wisconsin). Personally, I do not see how a labor department can operate without civil-service selection of its employees. It seems to me it must otherwise degenerate into just a political set-up, which to me is conducive to doing an inexpert job. That is true in administering not only general labor laws, but also workmen's compensation, unemployment compensation, etc.

Mr. LUBIN (Washington, D. C.). As one who has to adjust his work to the civil-service situation in the Federal Government, and who has had some contact with the situation in some of the States, I should like to raise a question that Dr. Patton and his committee might want to take into consideration. What are you going to do about a government or a congress or a State legislature that pays tribute to civil service through enacting legislation demanding it, and then proceeds immediately to see to it that you cannot adopt civil-service regulations or that the shortage of funds makes it impossible for the civil service commission to do the job that it is supposed to do? I was very much interested in Dr. Patton's statement relative to the wholesale use of temporary employees. But if the civil service commission cannot give you people, you have no other alternative than to employ temporary folks, and then you find yourself, just about the time these folks have learned their jobs and become efficient, in a position where you have to get rid of them because the civil service commission, after a year or two, has found a way of giving you employees.

One of the things that the President has been very much interested in has been the rejuvenation of the Civil Service Commission, and he has appointed a special committee, the chairman of which is a member of the Supreme Court of the United States, to make recommendations on civil service.

Here is the sort of situation we find ourselves in in my own bureau in Washington. I cannot appoint a single person in my bureau at a salary above $5,600, the reason being that the Civil Service Commission apparently thinks there is no job in the Bureau of Labor Statistics, other than that of Commissioner, worthy of any more salary, when, as a matter of fact, there are some people around the Commissioner worth as much or more, because of the nature of the services that they render. Consequently, we find ourselves in the position where we cannot hire the people we want because we cannot pay the salaries other bureaus and private industry can pay.

Or, let us go a step farther to a situation which is much more difficult. The civil-service law says that in order for a job to be classified, you must say just what the requirements of the job are.

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You feel that the job is of such a technical nature that it requires 4 years of training in a given type of technical school. Because of the fact that there are Senators and Congressmen in the United States who are graduates, let us say, of Podunk College, which has no standing in the American Association of Universities, which no educational institution rates above a third-grade college, the Civil Service Commission says that that is beside the point. Such a graduate has had 4 years of training—it makes no difference where the training was; therefore, he meets that requirement of the job and is given full credit for that training. Or the classification says that the man, in order to be eligible for the job, must have had 3 years of statistical work. Somebody comes along and shows that he has had 3 years of work as an adding-machine operator or a bookkeeper in some private concern, and the Civil Service Commission says that meets the requirements.

In other words, I wonder whether, before forcing upon the various government departments additions to the civil-service requirements, our committee and other committees should not devote more of their attention to seeing to it that the civil service commissions adopt standards which will make it possible for us to get the type of people we need, with the necessary training and equipment, rather than the present method of having certain requirements and using no standards and no judgment in testing whether or not these people have these requirements. Frankly, I would much rather have a person who has no civil-service status, but who has had the experience and knows the business, than I would somebody who has passed the civil-service test and who the Commission says has the requirements, but who really is not qualified. Because he does have the status it puts us in a position where we have to take a person who is not fit to do the job. I think one of the reasons for the repercussions against the civil service is not that people are opposed to the civil service commission, but that they are opposed to the way the civil service is administered by the civil service commissions of the various States. Time and again we are compelled to take people because they have paper requirements which meet certain tests, at the expense of other people who know more about the job but just do not happen to meet those requirements, and so have been turned down.

I have had a man working for me for 4 years, a non-civil-service employee. He wanted to become a permanent employee, so he took a civil-service examination. The Civil Service Commission says that the 4 years' experience he had with me does not count, although I am looking for a man to fill the job that he has been doing for 4 years. There is no one who knows the job as well as he, because he has done it for 4 years, and he has done it well.

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Therefore, I want to recommend to the committee that next year they look into the question of administration of civil service so that we can be assured of securing people who more nearly meet our needs.

Mr. WRABETZ. If we have an expert job to be filled, and a civil-service examination is to be given for it, we go out and solicit people to take the examination. That sometimes brings the right kind of people to us. Of course, that cannot always be done because some of them may fail in the examination. Our law permits people to take the examinations only when they have preliminary qualifications that are equivalent to those enumerated. I do not know whether that solves Mr. Lubin's problem or not.

I think it is very important in public adminstration to have civil service. In my judgment, it is the only solution to a decent, honest, impartial administration. Some of you ought to have some experience that would be of value. How about the States that do not have civil service? Mr. Gram, how do you operate in Oregon without civil service; what do you do in your department?

Mr. GRAM (Oregon). When I first became commissioner of the bureau of labor, I created an independent examining board, consisting of one mechanical engineer representing the employers' group, one chief inspector for an insurance company, and one mechanical engineer representing the workers' group. We hold an examination twice each year and sometimes three times a year. The examinations are written, and the questions are promulgated by the American Society of Mechanical Engineers. There are 30 questions for each applicant to answer. The applicant is given only a few questions at a time and is not permitted to leave the room during the examination. All papers and answers are turned over to the chief inspector and locked up while the applicant leaves for lunch or rest periods. Generally these examinations take 2 days. The applicant is given a number, and his name does not appear anywhere on his examination paper. The examination papers are then submitted to the board and graded by them.

Mr. WRABETZ. You have an extralegal civil service?

Mr. GRAM. That is right.

Mr. WRABETZ. That is one way of doing it by a labor official who has the right conception of public administration.

Mr. GRAM. I might say that this board never meets the applicant, as he is known only by a number. If he makes the proper grade, he is placed on the eligible list from which we recruit our force when vacancies occur. It might be of interest for you to know that under our State law it is the duty of the commissioner of labor to inspect

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all boilers and elevators in the State. There is no provision made in either law whereby we can accept reports from above. We are probably the only State in the Union where insurance company inspectors are responsible directly to the commissioner of labor for the work they are doing. They are under the supervision of the commissioner; the only difference is that he does not pay them. Otherwise they are the same as State employees.

Mr. BELL (British Columbia). I did not wish to go into greater detail in my brief report, but I might mention that at the last session of the Dominion parliament, a committee of the house was appointed on civil service. That committee went into the question of all the ramifications of the civil service in great detail and brought in a report containing 25 recommendations, which were placed before parliament. The recommendations were of a rather far-reaching nature, and as the report was brought in toward the conclusion of the session, no action was taken by the Dominion parliament at that time to implement the recommendations of the committee. These, however, remain for further consideration and will no doubt be dealt with at the next session or at some future session of the Dominion house.

Dr. PATTON. In New York State we cannot employ temporary employees except as they come from civil-service lists. If I, for example, want to appoint a temporary stenographer, I have to appoint someone from the established civil-service list. I notify the civil service commission that I want a stenographer. It will then canvass its existing eligible lists, and only if it is found that no person on the eligible list is willing to accept a temporary appointment may an outsider be named. I presume that is not true generally of the civil-service positions.

In reference to the point Mr. Lubin made, I want to emphasize the last paragraph of the committee's report, namely, "In fairness to the commission, it should be pointed out that some of its work has been handicapped by lack of funds and by an undermanned, overworked staff. * * * In this, they render no good turn either to their governments or to their own agencies."

The wording of the original resolution under which this committee was appointed requires it to give annually a report on the extension of civil-service systems. I agree that the most sorely needed thing now is, and has been for some time, a constant study and toning up of the civil-service commissions which are already in existence. There are some—I do not doubt Wisconsin is one of them—which have the proper ideals of service. Concerning another point which Mr. Lubin raised about the difficulty oftentimes of getting civil-service commissions to distinguish between paper qualifications and actual

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qualifications, we sometimes have that trouble in New York, but on the whole I must give credit to our State civil-service commission that when the case is properly laid before it, it not only will, but has and does, distinguish between what you might call merely paper qualifications and the actual qualifications needed of a prospective employee. In other words, it is educated to that point now, if it were not for the fact, particularly during the depression, that it has been so undermanned that it is not able to give the attention that it formerly did to such matters. However, it has the right point of view. I remember 5 years ago on a given day in November, 60,000 people in New York State took an examination for one single type of position. And I remember one time when the great armory on Fourteenth Street was occupied for a solid week with people taking examinations to become members of the State police force. So that it has been impossible in recent years to provide the civil-service commission with sufficient staff to care for the immense horde of people who are wanting to get into the civil service. But it is important, as Mr. Lubin points out, to so train or educate the civil-service commission to the proper point of view that it will lay stress, not primarily upon paper qualifications, but upon the individual in relation to the services to be performed.

Mr. GOLDY (Illinois). I should like to add a word in support of Dr. Lubin's thesis. Next year, if there is to be a report on civil service, it might well be directed at the actual operations of civil-service commissions rather than at merely the extension in terms of legislation of the civil-service principle. For example, something that was not included in Dr. Patton's report, perhaps because it developed so recently, was the fact that Illinois amended its civil-service law. One of the amendments requires that before any employee in the classified service can be discharged a hearing be held before the civil-service commission. The civil-service commission, however, did not get any increase in its appropriation, and its former appropriation was inadequate to hold such hearings as the original law required. We do not know exactly how the law will be interpreted, but it appears as though an administrator, if he must get rid of an employee, may suspend him for 30 days. If the civil-service commission cannot get around to holding a hearing by that time, it may be that the employee must be reinstated.

Likewise, there were enacted into law certain principles with respect to temporary employees, in an attempt to correct the evil which Dr. Patton mentioned. We have, as a result, run into this situation in the unemployment compensation division. We needed a certain number of temporary employees at the beginning of benefit payments. We needed some of the temporary employees in the

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local offices and other temporary employees in the central office. The law says that no individual may be offered a permanent job in an agency unless the temporary employees who are already in the agency have been offered the jobs first. We have found that we want to keep certain of the individuals in the local offices who came in on a temporary basis. But it so happens that some of the temporary people we have in the central office are a little higher on the civil-service list. The central office clerks do not know anything about the local office work, but to make permanent a temporary job in the local office we must take a person out of the central office because he is a little higher on the list.

It appears, therefore, that a great deal more study must be given to the operating methods of civil service commissions. More flexibility must be provided in the administration of civil service, so that administrators may not find themselves with their hands tied, before we worry too much about correcting abuses, either fancied or real, by legislation. There is no reason why the two types of improvement cannot go forward simultaneously, but we must be careful not to tie the hands of the administrator in attempting to push the principle of civil service. We do not yet know exactly what is going to happen in Illinois, but it may be that in attempting to push the principle of civil service, the civil service commission will find that it has overplayed its hand, and that it has tied the administrators up in such a way that it may lead to the abandonment of civil service altogether.

Mr. DAVIE (New Hampshire). I think that one way to get around some of the criticism of the civil service is to realize that we have laid too much emphasis on the paper facts. There is a happy medium, and it may be accomplished by this committee. I agree heartily with Mr. Lubin that you have to have somebody who knows something about the particular job you want to fill; you have to combine that ability with the paper facts. In that way I think perhaps we would overcome a whole lot of the criticism of the civil service.

Mr. BELL. I should like to express the opinion that a too rigid adherence to the principle of appointment from a selected list, or promotion by seniority, would not work to the advantage of administration in the matters with which we as labor departments are concerned. By that I mean, for instance, that a person suitable for the work of a minimum-wage inspector must be very carefully selected. We cannot just go out and pick the first person we meet, or take the first person who happens to be at the head of a certain list, and be sure that that person is the type necessary for the work which we have in hand. Speaking from experience, I may say that we are very careful in our selection of minimum-wage and depart-

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mental inspectors in British Columbia, and that this is even more necessary when it comes to technical inspectors, such as factory inspectors or boiler inspectors. So that while we, as a committee, may very well support the principle of the civil service—because I do think that it is deserving of support up to a certain point—still I should like to go on record as being opposed to a too rigid adherence to promotion merely by seniority or to appointment from some list that has been drawn up by someone who is, perhaps, not so well acquainted with the needs of the department as are the heads of the department who are responsible for its operation.

Mr. WRABETZ. Personally, I am glad that you mentioned the question of seniority. I feel as you do. It seems to me that seniority has no place in a properly administered civil service. I had it out with our department just about a year ago when it said we had to discharge a person strictly according to seniority which was based on all our employees in all our divisions. There are functions that persons in certain classifications are not familiar with at all, which would have required us, in order to keep this one requirement of seniority, to go through with two or three training periods.

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Small Loans

Small Loans

Report of Special Committee on Small Loans, by E. B. PATTON (*New York Department of Labor*), *Chairman*

After the convention adjourned last year, the president, Mr. Durkin, wrote to me asking me to accept chairmanship of a committee on small loans. I did not know anything about the small-loan business, but I assumed that he knew I did not know anything about it but felt that I could learn. So I gathered information on the subject, which I must say came largely from the Russell Sage Foundation. It has published considerable material on this subject already, and much more material is to come out in a book to be published this year.[1] So that, although it was very cooperative and opened up to me all of its information, records, estimates, etc., I do not feel that it would be quite fair to them for us to publish in advance the results which it has gone to so much work to secure.

I must say this. I am just now on my way back home from an automobile trip to the Pacific coast. From the time I passed the Allegheny Mountains going west it struck me that this small-loan business became increasingly worse. It is worse in the Middle West and the Southwest than it is on the Atlantic seaboard. That is not a compliment to the people who live on the Atlantic seaboard except to this extent, that they realized somewhat earlier than you people here did the extent of the evil and have adopted more legislation to curb it.

The Russell Sage Foundation put out some years ago what it called a "model small-loan law." This has now gone through six revisions and I have here a list of the States which have enacted statutes based upon the sixth and latest revision of this so-called model small-loan law. This model loan bill at first completely staggered me. When I first learned about it in New York City some years ago, I told Leon Henderson I thought he ought to be ashamed of himself, being connected with the Russell Sage Foundation which upheld 3 percent interest per month. He replied by furnishing me photostatic copies of loan agreements taken from different

[1] Russell Sage Foundation, Regulation of the Small Loan Business, by Louis N. Robinson and Rolf Nugent (Small Loan Series); also Annotations on Small Loan Laws. New York, Russell Sage Foundation, 130 East 22d Street.

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parts of the United States in which there is practically no limit at all. So that 3 percent a month under proper regulation is far and away better than the situation which actually exists at this moment in many of our States. In fact, I have come to this conclusion: that the average loan shark is not at all concerned with the size of the loan which he makes at first. He is concerned with making a loan, and when he once gets that loan made to you, he expects never to allow you to get out of his debt. If you borrow $50 from him and repay $30, you do not still owe $20. You still owe him money, and you pay and pay and pay.

As I say, I am not going to bother you with the extent and volume of this business. The point that has been brought to my mind is this: What ought State labor departments do about it? Ought they to do anything about it? From such thinking as I have done on the matter, I do not believe that State labor departments should take over this problem. I thoroughly believe that we should all exert our efforts to securing the wisest, sanest, small-loan statutes in each of our States, but I am inclined to believe that its supervision should be put under some other department, preferably perhaps the State banking department. I do not believe that the New York State Labor Department would find time to do anything else if it issued a general blanket notice that any time anyone gets a loan from a loan agency for an automobile or refrigerator or any one of 10,000 other things, and he thinks this loan agency is gouging him, he can come here and we will straighten it out. I do not think any State labor department could make such a proposition. My personal feeling at this time is that all of us should read the latest and sixth revision of the Model Small Loan Act put out by the Russell Sage Foundation, and on the basis of that get either that or some more stringent statute enacted in our States. Then we should see to it that its supervision is put into the hands of whatever body seems to you in your respective jurisdictions to be the most forceful and competent agency for administering it.

I will read you a statistical estimate of the extent of this business. After a long and careful study in 1937, the estimated loan balances of unregulated lenders in States which lacked adequate regulatory laws were $76,000,000. If you include in that the volume of balances outstanding in all States—this other figure, mind you, is of unregulated lenders—it comes to $99,000,000. It is largely, of course, confined to cities. I was rather shocked to find out that in some States where there is some regulation of this matter, one of the favorite vices of the loan sharks is this: They do not lend you money at all. They simply buy your salary. I am, say, employed at $30 a week. I go to them and want $90. They do not lend me $90. They buy my

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salary. It is just like I sell them a horse; I sell them my salary for the next 3 weeks. In many States that takes them out from under the operation of such small-loan supervision as there is. That is just one example of the many, many devices which are resorted to to get around this situation.

As I said, I have not yet been able to bring myself to the point of saying that I would recommend that the State labor department in any State have supervision of this small-loan business. I do not believe we are the proper persons to do it. Many of these borrowers are wage earners. You would be surprised at the extent to which people, no matter where they are in the financial income brackets, resort to these loan sharks. What I am getting at is that it is not altogether a wage-earner problem but it is a problem affecting the community at large.

I was amazed when I discovered the extent of this sort of thing. It is widespread and of shady character. Even in States which now have regulatory statutes, the number of devices resorted to by so-called money lenders is large.

Discussion

Mr. HANEY (Minnesota). I think that the reason that the small-loan report was asked for at this meeting was because so many of the State federations of labor connected with the American Federation of Labor have carried it in their programs. I think the American Federation of Labor nationally has been advocating the advancement of the Russell Sage model bill, and for that reason it would follow that as governmental labor officials we would be interested in it. I do, however, agree with Dr. Patton that it does not belong in any department of labor and industry. I might say that Minnesota did enact the Russell Sage model bill at its last session of the legislature, but it placed the control of it in the banking department, and the licensing and enforcement of the law are entirely within the banking department. However, the State federation of labor in Minnesota had been trying for about 20 years to secure the passage of such a small-loan law, and it would seem natural that any governmental labor official would be interested in helping it attain its object.

I am interested in one phase of the small-loan bill particularly, and that is the matter of the interest charges. I notice that Dr. Patton made special reference to the fact that he was somewhat surprised that the Russell Sage Foundation was advancing the theory of charging 3 percent a month or 36 percent a year. In Minnesota we have enacted such a law. Dr. Patton, were you convinced by the Russell Sage Foundation that this is a fair numeral as far as percentage of interest is concerned?

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Dr. PATTON. Apparently it is. It is a small business. It is like the burial life insurance business. I have a collection of court decisions in which the actual interest ran up to 1000 percent in some States that did not have regulatory laws. One of them was in my own State of New York, where it amounted to 1300 percent a year. I can give you the exact citation and court case. It is obviously improper to place the rate too low. If you place the rate too low, what you might call legalized money lenders cannot engage in the business. When you adopt this Russell Sage bill you will find a marked increase in loans, but it is out in the open. Those terms, although they seem too high to us, have to be complied with. They cannot charge more than that. It takes away the stigma from the loan business. I would not advise anyone in this group to go into it as borrowers, but least it is open and aboveboard. Where you have a law in which you are limited to 6 percent a year, immediately you find all the loan sharks go out of business openly, but they thrive under cover.

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Business Meetings—Reports and Resolutions

Report of the Secretary-Treasurer

Since the Charleston convention the Indiana Division of Labor, the Utah Industrial Commission, the Maryland Commission of Labor and Statistics, and the Oregon Bureau of Labor 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.
Albama Department of Labor.
Arkansas Department of Labor.
Connecticut Department of Labor and Factory Inspection.
Illinois Department of Labor.
Indiana Division of Labor.
Iowa Bureau of Labor.
Kansas Department of Labor.
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.
Utah Industrial Commission.
Virginia Department of Labor and Industry.
West Virginia Department of Labor.
Wisconsin Industrial Commission.
British Columbia Department of Labor.
Department of Labor of Canada.

ASSOCIATE MEMBERS

Delaware Labor Commission.
Maryland Commission of Labor and Statistics.
New Hampshire Bureau of Labor.
North Dakota Department of Agriculture and Labor.
Oregon Bureau of Labor.
Alberta Department of Trade and Industry.

HONORARY MEMBERS

Leifur Magnusson.
A. L. Fletcher, Assistant Administrator in Charge of Compliance, Wage and Hour Division, U. S. Department of Labor

The proceedings of the Charleston convention have been printed as Bulletin No. 666 of the Bureau of Labor Statistics of the United States Department of Labor.

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The committees which were continued from last year and which have prepared reports for presentation to this convention, are as follows:

Committee on apprentice training.—Voyta Wrabetz, Industrial Commission of Wisconsin, chairman; William F. Patterson, Federal Committee on Apprentice Training.

Committee on child labor.—Beatrice McConnell, United States Children's Bureau, chairman; Morgan R. Mooney, Connecticut Department of Labor; Mrs. Louise Q. Blodgett, United States Children's Bureau; B. W. Cason, Louisiana Department of Labor.

Committee on civil service.—E. B. Patton, New York Department of Labor, chairman; Maud Swett, Wisconsin Industrial Commission; Gerald Brown, Canada Department of Labor; Gerald Tremblay, Quebec Department of Labor; Leonard D. White, Civil Service Commission.

Committee on factory inspection.—Joseph M. Tone.

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 minimum-wage laws.—Louise Stitt, United States Women's Bureau, chairman; Frieda S. Miller, New York Department of Labor; Mrs. Rex Eaton, British Columbia Board of Industrial Relations.

Committee on old-age assistance.—W. A. Pat Murphy, Oklahoma Department of Labor.

Committee on unemployment compensation.—George E. Bigge, United States Social Security Board.

Committee on wage-claim collection laws.—E. I. McKinley, Arkansas Department of Labor, chairman; Morgan R, Mooney, Connecticut Department of Labor; W. A. Pat Murphy, Oklahoma Department of Labor.

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, United States Children's Bureau; Mrs. Daisy L. Gulick, Kansas Department of Labor.

FINANCIAL STATEMENT COVERING PERIOD SINCE CHARLESTON CONVENTION

1938		*Receipts*	
Sept. 8	Balance in bank		$2,015.45
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	
1939			
Aug. 1	Virginia Department of Labor and Industry, 1940 dues	25.00	
3	Oklahoma Department of Labor, 1940 dues	25.00	
7	South Carolina Department of Labor, 1940 dues	25.00	
10	North Carolina Department of Labor, 1940 dues	25.00	
12	Illinois Department of Labor, 1940 dues	25.00	
12	Maryland Department of Labor, 1940 dues	10.00	
14	Missouri Department of Labor, 1940 dues	25.00	
16	British Columbia Department of Labor, 1940 dues	25.00	
21	Massachusetts Department of Labor, 1940 dues	25.00	
22	West Virginia Department of Labor, 1940 dues	25.00	
23	Arkansas Bureau of Labor, 1940 dues	25.00	
23	Iowa Bureau of Labor, 1940 dues	25.00	
23	New Hampshire Bureau of Labor, 1940 dues	10.00	
26	Wisconsin Industrial Commission, 1940 dues	25.00	
28	Alberta Department of Trade and Industry, 1940 dues	10.00	
			400.00
	Total receipts		2,415.45

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FINANCIAL STATEMENT COVERING PERIOD SINCE CHARLESTON CONVENTION—continued

		Disbursements	
1938			
Sept. 15	Joyce Easterling, services at Charleston convention	$10. 00	
15	Anna A. Agnew, services at Charleston convention	10. 00	
15	Lucille Gaiser, reporting Charleston convention	100. 00	
19	Caslon Press, 250 printed programs, Charleston convention	23. 75	
28	John B. Clark, secretary's bond, October 20, 1938, to October 20, 1939	5. 00	
1939			
Apr. 18	Cash, postage for secretary's office	5. 00	
July 24	Cash, postage for secretary's office	5. 00	
Aug. 1	Caslon Press, 100 billheads; 1,000 letterheads; 1,000 envelopes	27. 75	
Aug. 11	Cash, postage for secretary's office	5. 00	
Sept. 1	Cash, postage for secretary's office	5. 00	
	Total disbursements		$196. 50
Sept. 5	Net balance		2, 218. 95

Since the Tulsa meeting the following membership checks have been received (the Nova Scotia Ministry of Labor and the California Department of Industrial Relations are new members who have joined since the Tulsa meeting):

1939		
Sept. 13	Alabama Department of Labor, 1940 dues	$25. 00
13	Oregon Department of Labor, 1940 dues	10. 00
13	Kansas Department of Labor, 1940 dues	25. 00
19	Nova Scotia Ministry of Labor, 1940 dues	25. 00
19	Utah Industrial Commission, 1940 dues	25. 00
19	Puerto Rico Department of Labor, 1940 dues	25. 00
23	Delaware Labor Commission, 1940 dues	10. 00
25	North Dakota Commission of Agriculture and Labor, 1940 dues	10. 00
27	New York Department of Labor, 1940 dues	25. 00
27	Indiana Division of Labor, 1940 dues	25. 00
Oct. 19	Rhode Island Department of Labor, 1940 dues	25. 00
25	New Jersey Department of Labor, 1940 dues	25. 00
26	Connecticut Department of Labor and Factory Inspection, 1940 dues	25. 00
1940		
Feb. 8	California Department of Industrial Relations, 1940 dues	25. 00
21	Pennsylvania Department of Labor and Industry, 1940 dues	25. 00

ISADOR LUBIN,
Secretary-Treasurer.

Report and Recommendations of the Executive Board

Your executive board has held one meeting during the past year.

We recommend to the association that the consolidation of the United States Employment Service and the Unemployment Compensation Division of the Social Security Board makes more necessary than ever the continuation of our efforts 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 thus far, your board is of the opinion that since we may rightfully look forward to the ultimate consolidation of agencies dealing with unemployment compensation and the

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employment service, we may look forward to the success of our efforts in amalgamating those national associations concerned with the welfare of labor.

1. In order that we may continue our efforts 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 secretary-treasurer, due to the pressure of additional duties that he has had to assume, submitted his resignation to the executive board. Your board voted unanimously not to accept his resignation.

3. Your board further recommends that such portion of above-mentioned appropriation of $500 as may be available be placed at the disposal of your president and other officials designated by the executive board for travel expenses 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.

4. Your board further recommends that an appropriation of $300 be made for travel expenses of members of the executive board for attendance at board meetings.

5. Your board further recommends that you authorize the payment of $100 to Mrs. Lucille McNeill for stenographic and transcription services for the minutes of this convention.

6. 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.

7. In view of the fact that this association made a tentative commitment at its Toronto convention in 1937 to hold its 1939 meeting in the city of New York, and in view of the fact that this commitment was not kept, your board unanimously recommends that the association hold its twenty-sixth annual meeting in the city of New York.

Resolutions Adopted by the Convention

Centralized Administration of Labor Laws

1. Whereas organized labor has largely through its own efforts secured the enactment of the Wagner-Peyser Act and the Social Security Act; and

Whereas these laws and the institutions created under their provisions exist for the purpose of affording some degree of protection to labor against the burden of unemployment; and

Whereas labor properly regards these laws and the protection afforded by them as labor's rights and not as a dole bestowed on the basis of status; and

Whereas labor regards the department of labor, both State and Federal, as the proper agencies to protect and enforce its rights; Now therefore be it

Resolved, That the administration of the laws recognizing labor's right to employment security be vested solely in these agencies, both State and Federal, charged with the enforcement and administration of laws to protect laboring men and women; and be it further

Resolved, That where the administration of such laws is the responsibility of other agencies, it should be returned to the departments of labor, whether State or Federal.

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International Labor Organization

2. Whereas the work carried out by the International Labor Office is non-political and

Whereas the work has demonstrated its usefulness to the member nations of the International Labor Organization and to labor throughout the world:

Resolved, That the International Association of Governmental Labor Officials hereby places itself on record as warmly urging the continued support of and participation in the work of the International Labor Organization in time of war as in time of peace.

Protection of Labor's Rights in an Emergency [1]

3. Whereas the International Association of Governmental Labor Officials is strongly opposed to the participation by this country in any foreign war; but

Whereas this Association recognized the possibility of emergency production demands being placed upon labor and industry:

Resolved, That this Association go on record as strongly urging that in the event of such emergency:

(1) Labor be given adequate representation on all war industry and other boards which affect labor's interest.

(2) Labor standards built up over long periods of years be maintained and safeguarded.

(3) The fundamental rights of collective bargaining, freedom of speech, freedom of assembly, and peaceful persuasion be guaranteed just as in peace time.

4. In view of the appalling situation now facing the world:

Resolved, That the International Association of Governmental Labor Officials recognizes the possibility of emergency-production demands.

Resolved, That this Association and its members will seek to recall to the public mind:

1. That the promotion of the general welfare is a foundation principle of our government;

2. That many scientific studies have given repeated evidence that the well-being of the workers is a primary condition of efficient production and of wholesome national life;

3. That previous war experience emphasized the importance of maintaining adequate labor standards.

Resolved, That this Association and its members will use every effort at their command to maintain all standards in the labor field that have been built up both by Federal and by State authorities, including those applying to all workers and those applying especially to women.

Whereas, the war now raging in Europe threatens not only the peace of this country but also endangers the existence of those rights of the workers obtained by struggle and privation for more than one hundred years; and

Whereas, the disparity between the wages paid to the worker and the prices charged for his product has already increased to the disadvantage of the worker through the unreasonable and unnecessary increases in retail prices by wartime profiteers; and

Whereas, experience shows that wages inevitably lag behind such increases in prices during period of inflation: Now, therefore, be it

Resolved, That the International Association of Governmental Labor Officials assembled here in convention this 9th day of September 1939, petition the

[1] (Canadian delegates abstained from voting.)

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President of these United States to cause an immediate investigation to be made by the Department of Justice, the Department of Labor, and other governmental agencies concerned with prices, into excessive prices now being charged for foodstuffs and other necessities; and be it further

Resolved, That failing successful governmental action to prevent inordinate increases in retail prices, the Administrator of the Wage and Hour Division of the Department of Labor be requested to appoint sufficient industry committees in conformity with the Fair Labor Standards Act to increase the minimum wage rates immediately to whatever point necessary adequately to meet increases in the cost of living; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the governors of those States having minimum-wage laws, the Secretary of the United States Department of Labor, and the Administrator of the Wage and Hour Division of the Department of Labor.

Labor Relations

6. Whereas certain States have adopted antilabor legislation which masquerades under titles of employment peace acts; and

Whereas such laws seriously infringe upon the civil rights of labor guaranteed in the Constitution of the United States and formulated as substantive law by the courts over the past 50 years; and

Whereas there appears to be a concerted effort now being made by those interests opposed to organized labor to enact similar legislation in other States: Now, therefore, be it

Resolved, That this Association record itself as opposing the adoption of such legislation by any State in which it may be proposed.

Child Labor

7. Whereas the report of the committee on child labor has emphasized the desirability of uniformity in State child labor standards and the effectiveness of Federal-State cooperation in the protection of young workers: Be it

Resolved, That the International Association of Governmental Labor Officials reaffirm its support of:

(a) The amendment of State laws (1) to bring the State child-labor standards for manufacturing and mining industries up to those of the Fair Labor Standards Act; (2) to extend these standards to those types of employment not covered by the Fair Labor Standards Act; (3) to provide 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; (4) to regulate effectively the employment of children in street trades and in industrialized agriculture; and (5) to extend 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.

(b) The active cooperation of State labor departments with the Children's Bureau of the United States Department of Labor in the administration of the child-labor provisions of the Fair Labor Standards Act.

(c) An effective Nation-wide minimum standard for all child workers, to be attained through the ratification of the pending child labor amendment by the necessary eight States.

(d) The development of more comprehensive State statistics on industrial injuries and industrial diseases of young workers, with a view to providing

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sound information as a basis for the determination of occupations hazardous for minors under both State and Federal legislation; and be it further

Resolved, That in view of the present European conflict and regardless of future development, every effort be made to maintain existing child-labor standards and to safeguard the rights of children to education, normal development, and sane living.

8. Whereas the child-labor provisions of the Federal Fair Labor Standards Act of 1938 provide that the Children's Bureau may reimburse the States for their assistance and in the enforcement of the child-labor provisions; and

Whereas many States are operating on curtailed appropriations which makes it impossible adequately to enforce this added burden without Federal assistance: Now therefore be it

Resolved, That the Children's Bureau of the United States Department of Labor rush to completion rules and regulations which will enable them to assist the several States financially in the enforcement of the Act above mentioned; and be it further

Resolved, That the chairman of this convention appoint three persons to confer with officials of the Children's Bureau and to assist in working out the necessary procedure toward this end.

Minimum-Wage Laws

9. Whereas this Association has frequently gone on record as favoring the extension of the benefits of minimum-wage legislation; and

Whereas, many of the States, which at present have minimum-wage laws, are finding it difficult to bring under the protection of those laws all of the workers eligible to their benefits due to lack of funds properly to enforce additional wage orders; and

Whereas due to unhappy world conditions the cost of living of all workers will undoubtedly increase during the next 12 months:

Resolved, That the International Association of Governmental Labor Officials and its members will use every effort to secure adequate appropriations for State minimum-wage divisions, and where that is immediately impossible, will endeavor to secure such allocation of existing State labor department funds as will enable the minimum-wage divisions to expand their work so as properly to meet the present crisis.

Factory Inspection

10. *Resolved*, That this Association places itself on record as strongly favoring the full and complete safeguarding of machines by their manufacturers in the process of manufacturing, and further urges that all deterring conflicts in State and other governmental safety codes, regulations, requirements, or practices be resolved and eliminated.

Resolved, That the President appoint a committee of three to further this movement among employers, manufacturers of machines, and governmental agencies.

Extension of Social Security

11. *Resolved*, That the International Association of Governmental Labor Officials favors the extension to the Territory of Puerto Rico of the provisions of the Social Security Act providing for unemployment compensation and also of the Wagner-Peyser Act relative to the establishment of an employment service.

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General

12. *Resolved*, That this convention extend its sincere thanks to the Honorable Leon C. Phillips, Governor of the State of Oklahoma, the Honorable MacQ. Williamson, Attorney General of the State of Oklahoma, the Honorable T. A. Penney, Mayor of the City of Tulsa, Commissioner W. A. Pat Murphy, and members of his staff, for the fine hospitality accorded the delegates during our stay in Tulsa; and be it further

Resolved, That we extend our thanks to the Mayo Hotel and all others who have contributed to our pleasure while guests in this city; and be it further

Resolved, That this Association express its appreciation to Mr. Harry Swartz, President of the Tulsa Federation of Labor, for donating radio time to the Association for the broadcast of an address by the Assistant Secretary of Labor, Marshall E. Dimock.

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 $2,015.45. Receipts for the year totaled $400; disbursements amounted to $196.50, making a net gain of $203.50 and leaving a total cash balance of $2,218.95.

Report of Nominating Committee

The nominating committee at the twenty-fifth annual convention submits herewith for your approval the following list of names to serve as officers of the Association for the ensuing year:

President.—Adam Bell, Department of Labor, Victoria, British Columbia.

First vice president.—Frieda S. Miller, Department of Labor, New York, N. Y.

Second vice president.—Voyta Wrabetz, Industrial Commission, Madison, Wis.

Third vice president.—E. I. McKinley, Department of Labor, Little Rock, Ark.

Fourth vice president.—C. H. Gram, Commissioner of Labor, Salem, Oreg.

Fifth vice president.—Morgan R. Mooney, Deputy Commissioner, Hartford, Conn.

Secretary-treasurer.—Isador Lubin, Bureau of Labor Statistics, Washington, D. C.

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Appendixes

Appendix A.—Organization of International Association of Governmental Labor Officials

Officers, 1939–40

President.—Adam Bell, Victoria, B. C.
First vice president.—Frieda S. Miller, New York City.
Second vice president.—Voyta Wrabetz, Madison, Wis.
Third vice president.—E. I. McKinley, Little Rock, Ark.
Fourth vice president.—C. H. Gram, Salem, Oreg.
Fifth vice president.—Morgan R. Mooney, Hartford, Conn.
Secretary-treasurer.—Isador Lubin, Washington, D. C.

Honorary Life Members

George P. Hambrecht, Wisconsin.
Frank E. Wood, Louisiana.
Linna Bresette, 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

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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

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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.

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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.

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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.
	1890 [2]	Des Moines, Iowa	do	Do.
8	May 1891	Philadelphia, Pa	do	Frank H. Betton.
9	May 1892	Denver, Colo	Charles F. Peck	Do.
	1893 [2]	Albany, N. Y	do	Do.
10	May 1894	Washington, D. C	Carroll D. Wright	L. G. Powers.
11	September 1895	Minneapolis, Minn	do	Do.
12	June 1896	Albany, N. Y	do	Samuel B. Horne.
13	May 1897	Nashville, Tenn	do	Do.
14	June 1898	Detroit, Mich	do	Do.
15	July 1899	Augusta, Maine	do	Do.
16	July 1900	Milwaukee, Wis	do	James M. Clark.
17	May 1901	St. Louis, Mo	do	Do.
18	April 1902	New Orleans, La	do	Do.
19	April 1903	Washington, D. C	do	Do.
20	July 1904	Concord, N. H	do	Do.
21	September 1905	San Francisco, Calif	do	W. L. A. Johnson.
22	July 1906	Boston, Mass	Charles P. Neill	Do.
23	July 1907	Norfolk, Va	do	Do.
24	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.

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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	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.
25	September 1939	Tulsa, Okla	Martin P. Durkin	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 B.—Persons Attending the Twenty-fifth Convention of the International Association of Governmental Labor Officials

UNITED STATES

Arkansas

E. I. McKinley, commissioner of labor, Little Rock.
Mrs. Roy Mitchel, department of labor, Little Rock.
Mrs. Bess Proctor, Secretary, industrial welfare commission, Little Rock.
Vic Wood, Fort Smith.

Connecticut

Morgan Mooney, deputy commissioner of labor, Hartford.

Delaware

J. M. Reese, commissioner of labor, Wilmington.

District of Columbia

R. P. Blake, Division of Labor Standards, United States Department of Labor.
Marshall E. Dimock, Second Assistant Secretary of Labor, United States Department of Labor.

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Max D. Kossoris, 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.
Marian Mel, Division of Labor Standards, 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.
Joseph M. Tone, United States Department of Labor.
Sidney W. Wilcox, Bureau of Labor Statistics, United States Department of Labor.

Florida

Leo H. Hill, industrial commission, Jacksonville.

Georgia

George L. Googe, Atlanta.
J. E. B. Stewart, director, safety division, department of labor, Atlanta.

Illinois

Martin P. Durkin, director, department of labor, Chicago.
Joseph T. Faust, chief deputy factory inspector, Chicago.
Daniel L. Goldy, executive assistant, placement bureau, Chicago.
Edmond H. Hoben, National Association of Housing Officials, Chicago.
Clyde H. McClure, department of labor, Western Springs.
Leslie C. Stokes, department of labor, Chicago.

Iowa

Frank J. Flaherty, bureau of labor, Des Moines.
Charles W. Harness, labor commissioner, Des Moines.

Kansas

James G. Hayes, director of research, department of labor, Topeka.
Jeff A. Robertson, commissioner of labor, Topeka.

Minnesota

Lloyd Haney, labor conciliator, St. Paul.

New Hampshire

John S. B. Davie, commissioner of labor, Concord.

New York

Chester H. Patton, New York.
E. B. Patton, director, division of statistics, department of labor, New York.

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North Carolina

Forrest H. Shuford, commissioner of labor, Raleigh.

Oklahoma

Beatrice Abshire, Oklahoma City.
Frances Adams, Oklahoma City.
Henry Ahrens, employment service, Pawhuska.
Joe Bailey, Ponca City.
W. T. Bailey, employment service, Chickasha.
Velvia Baker, Altus.
Harry C. Ballinger, Ponca City.
Ferne Banks, Oklahoma City.
Guy C. Bartgis, Poteau.
Joyce Basinger, Muskogee.
James A. Bell, Tulsa.
Jim Bell, Henryetta.
Marguerite Bevis, Tulsa.
M. R. Black, Oklahoma City.
Okla H. Bobo, Guthrie.
Lucille Boggs, unemployment compensation, Oklahoma City.
Margery Bowyer, Tulsa.
C. L. Brain, Hugo.
Merle Brown, Oklahoma City.
G. T. Buckley, Tulsa.
Dorothy Bullard, Tulsa.
T. S. Burchard, Muskogee.
Edward G. Burke, Oklahoma City.
C. A. Buskel, Tulsa.
Hec Bussey, Shawnee.
Fred Butler, Tulsa.
Christine Cadion, Bristow.
A. K. Callahan, Tulsa.
Mr. and Mrs. Orville Calvert, Enid.
Annabell Campbell, Tulsa.
T. C. Cannon, factory and boiler inspector, Tulsa.
Louise Caudill, Oklahoma City.
Frances Chaffee, Oklahoma City.
Suanna I. Chambers, Muskogee.
Ellen Charon, Tulsa.
Bruce E. Clarke, Tulsa.
Elizabeth Colbert, Oklahoma City.
Hazel Collier, Oklahoma City.
W. F. Collins, deputy factory inspector, Tulsa.
Ione M. Crabbe, Tulsa.
A. E. Craig, boiler inspector, Ardmore.
O. L. Crain, department of labor, Oklahoma City.
Victor E. Criswell, Ponca City.
Margaret Cullen, Pawhuska.
Mildred Cunningham, Oklahoma City.
J. T. Danbreun, Oklahoma City.
Ailene Dickerson, Pawhuska.

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Lucille Dixon, Tulsa.
J. S. Drennan, Oklahoma City.
John Dryden, Stillwater.
Laura Mae Du Vall, Tulsa.
Mary Dykeman, Oklahoma City.
Fred Emerson, Tulsa.
Catherine M. Estes, employment service, Oklahoma City.
James T. Evans, Oklahoma City.
Frank M. Ferguson, employment service, Lawton.
Herbert Finley, Oklahoma City.
Robert W. Ford, factory inspector, Konawa.
John T. Foster, Oklahoma City.
Lucille Foster, employment service, Oklahoma City.
J. H. Freese, Bristow.
J. W. Gallimore, Ada.
Earl Garrison, McAlester.
Stephen Gaunt, Oklahoma City.
Carolyn Golding, Oklahoma City.
Merle M. Goodell, Oklahoma City.
R. E. Goumaz, employment service, Tulsa.
Charles H. Greene, Tulsa.
Juanita Greenfield, Oklahoma City.
Leona Gustafson, Altus.
Cletus Hamilton, Oklahoma City.
Zelda Hanell, department of labor, Oklahoma City.
A. B. Harris, Okmulgee.
Ruth Harter, Enid.
Robert L. Hartman, Durante.
Jack Heath, Tulsa.
Jean Jones Henderson, Tulsa.
W. W. Hewlett, employment service, Vinita.
Mary Irene Hicks, employment service, Tulsa.
Clara Hieronymus, employment service, Tulsa.
C. H. Hinton, Bartlesville.
Willard Hornback, employment service, Muskogee.
Opal Huddleston, employment service, Oklahoma City.
Leota Huett, Enid.
Jim Hughes, assistant commissioner of labor, Oklahoma City.
Roy W. Hulsman, Bartlesville.
Lois E. Hunt, Muskogee.
Mr. and Mrs. John Hutchinson, McAlester.
Ivan Ingold, Vinita.
J. S. Jameson, employment service, Seminole.
William R. Johnson, Woodward.
Maurice C. Johnston, Oklahoma City.
E. F. Judge, Oklahoma City.
Helen Keithley, employment service, Tulsa.
Mr. and Mrs. E. G. Kelly, Miami.
Elsie Kelly, Oklahoma City.
Fred Kemp, chief factory inspector, Oklahoma City.
Virginia Kidson, Lawton.
O. L. Killie, employment service, Chickasha.
J. D. Kimberling, Muskogee.

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Guy C. Knarr, Oklahoma City.
Robert Knight, employment service, Oklahoma City.
R. H. Krogstad, department of labor, Oklahoma City.
Elizabeth Langley, employment service, Tulsa.
O. H. Lauck, deputy factory safety inspector, Tulsa.
Richard H. Lawrence, director, unemployment compensation and placement division, department of labor, Oklahoma City.
Chloe Leonhardt, Oklahoma City.
Erma Lester, Oklahoma City.
John Looney, Lawton.
John V. McAlister, Oklahoma City.
John McCauley, Bristow.
Ruby McConnell, unemployment division, Oklahoma City.
Nelson H. McCreary, employment service, Tulsa.
Harrell McCullough, Norman.
John J. McDonnell, Tulsa.
Arvie McKemy, Oklahoma City.
Ruth B. Marbut, McAlester.
Sibyl Maricle, Oklahoma City.
A. B. Martin, deputy factory inspector, Oklahoma City.
Evelyn Maurer, Tulsa.
Burnie Merson, department of labor, Oklahoma City.
Ora Mooter, Oklahoma City.
Lowell Murphey, Durante.
W. A. Pat Murphy, commissioner of labor, Oklahoma City.
James Mussetter, Oklahoma City.
W. L. Newton, chief boiler inspector, Oklahoma City.
Thelma Orr, Oklahoma City.
Finis H. Parham, Oklahoma City.
Guy H. Parkhurst, Oklahoma City.
Mary Patton, Oklahoma City.
Frances D. Paxson, Oklahoma City.
A. O. Pence, Oklahoma City.
H. E. Pendergast, Oklahoma City.
Elizabeth Peters, Okmulgee.
Harriette Peterson, Oklahoma City.
Daisy Phillippe, Miami.
Leon C. Phillips, Governor of Oklahoma, Oklahoma City.
Don Pierce, unemployment compensation, Oklahoma City.
Mrs. Clover F. Powers, women's factory inspector, Oklahoma City.
Martin Reffner, Tulsa.
C. E. Render, Tulsa.
Alden A. Ricketts, employment service, Muskogee.
B. Y. Ruff, employment service, Clinton.
Mr. and Mrs. M. S. Runyan, Oklahoma City.
Harry Schwartz, Tulsa.
Lynn Sells, Oklahoma City.
George Shaull, Tulsa.
Irbye Simmons, Ardmore.
A. P. Smelser, Jr., Oklahoma City.
Edwin M. Smith, Okmulgee.
Walter Smith, Tulsa.
Ella L. Snider, Bristow.

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Bob Snyder, Enid.
John A. Spalding, Enid.
Virginia Sparks, Tulsa.
Ralph Spears, Tulsa.
Bert Spivey, Oklahoma City.
Hazel Spottswood, Oklahoma City.
Ruth Springer, Oklahoma City.
Paul Stauffer, Tulsa.
George Stonum, Tulsa.
Charles Stotts, Tulsa.
R. C. Street, Tulsa.
Opal Swank, Vinita.
Thelma Swank, Okmulgee.
Carl O. Swenson, Tulsa.
E. Thayer, Muskogee.
Shirley E. Thayer, Muskogee.
Mary Thomas, employment service, Tulsa.
Vivian Thomas, Oklahoma City.
E. J. Tibbetts, El Reno.
Louise Tillinghast, employment service, Ardmore.
Earl C. Townsell, employment service, Stillwater.
Carmen Trautman, Bartlesville.
Earl Truesdell, employment service, Tulsa.
Vera Turner, Oklahoma City.
Kathryn Van Leuven, Oklahoma City.
O. A. Vinall, Tulsa.
Elizabeth Wagnon, Oklahoma City.
Johnnye Warren, Tulsa.
A. W. Watkins, employment service, Tulsa.
R. L. Webb, manager, Tulsa labor office, Tulsa.
Mary Williams, Oklahoma City.
Mildred Williams, El Reno.
R. Manning Williams, Okmulgee.
Winifred Williams, Oklahoma City.
Mac Q. Williamson, Attorney General of Oklahoma, Oklahoma City.
Lester L. Wollard, Ponca City.
Bruton Wood, Tulsa.
Granada Wood, Muskogee.
Pauline Wood, Tulsa.
Robert Wood, Ada.

Oregon

C. H. Gram, commissioner of the bureau of labor, Salem.
Mrs. C. H. Gram, Salem.

Puerto Rico

P. Rivera Martinez, commissioner of labor, San Juan.

Tennessee

Hammond Fowler, department of labor, Nashville.

Texas

Harry W. Acreman, Austin.
Fred W. Erhard, United States Department of Labor, Austin.

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Virginia

Thomas B. Morton, commissioner of labor, Richmond.

Wisconsin

Voyta Wrabetz, chairman of industrial commission, Madison.

CANADA

British Columbia

Adam Bell, deputy minister of labor, Victoria.
Mrs. Adam Bell, Victoria.
Mrs. Rex Eaton, member, board of industrial relations, Victoria.

Quebec

James O'Connell Maher, secretary of labor, Quebec City.
Mrs. James O'Connell Maher, Quebec City.

SWITZERLAND

Carol Riegelman, Geneva.

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