

UNITED STATES DEPARTMENT OF LABOR

Frances Perkins, *Secretary*

BUREAU OF LABOR STATISTICS

Isador Lubin, *Commissioner (on leave)*

A. F. Hinrichs, *Acting Commissioner*

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Labor Laws
and Their Administration
1941

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Proceedings of the Twenty-seventh Convention of the
International Association of Governmental
Labor Officials, St. Louis
September 1941



Bulletin No. 721

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

For sale by the Superintendent of Documents, Washington, D. C. Price 25 cents

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Letter of Transmittal

**UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., September 1, 1942.**

THE SECRETARY OF LABOR:

I have the honor to transmit herewith a report on Labor Laws and Their Administration, 1941, embodying the proceedings of the Twenty-seventh Convention of the International Association of Governmental Labor Officials, which convened in St. Louis, Mo., September 3, 1941.

A. F. HINRICHS, *Acting Commissioner.*

**HON. FRANCES PERKINS,
*Secretary of Labor.***

Labor Laws and Their Administration, 1941

The twenty-seventh annual convention of the International Association of Governmental Labor Officials convened at St. Louis, Mo., on Wednesday, September 3, 1941, and closed on Friday, September 5, 1941. Representatives of 21 States and the District of Columbia were present at the convention.

Addresses of welcome were made by the Hon. Forrest C. Donnell, Governor of the State of Missouri, and the Hon. William Dee Becker, Mayor of the City of St. Louis. A message of greeting from Adam Bell, ex-president of the I. A. G. L. O., was read.

The president of the Association, Miss Frieda S. Miller (Department of Labor of the State of New York), in her opening address described the contribution which, as governmental labor officials, members of the Association could make in the defense program. Three major fields where their experience and technical knowledge would enable them to make special contribution to the program were stated by her as (1) conservation of workers' health, (2) maintenance and extension of labor standards, and (3) conservation of workers' income, through the fullest possible job opportunity, transfer and retraining of workers, alternative products for closed plants, and unemployment insurance when jobs vanish.

The promotion of industrial peace was the subject of one session, the work of the National Defense Mediation Board and of the United States Conciliation Service being presented by officials of those agencies, followed by a discussion on the viewpoints of the States.

The subject of national defense and its relation to labor was dominant in most of the other sessions. Production for defense, prices and labor, what priorities mean to labor, and labor's view of the defense program were the topics in one session, a round-table discussion on the impact of defense on labor standards occupying the attention of another session. Two sessions were devoted to the subject of labor supply and training, through papers and a round-table discussion.

Subjects of importance in the administration of labor laws were considered in committee reports, which were presented at one session, and in the general discussion that followed many of the papers.

The business of the Association was given consideration at the opening and closing sessions of the convention. The president presided at both of these sessions. The chairmen of the other sessions were as follows:

Martin P. Durkin, Illinois Department of Labor, afternoon session, September 3.

John S. B. Davie, New Hampshire Bureau of Labor, morning session, September 4.

Thomas B. Morton, Virginia Department of Labor and Industry, afternoon session, September 4.

Isador Lubin, Commissioner, U. S. Bureau of Labor Statistics, evening session, September 4.

Voyta Wrabetz, Wisconsin Industrial Commission, morning session, September 5.

Morgan R. Mooney, Connecticut Department of Labor and Factory Inspection, afternoon session, September 5.

Chicago was chosen as the place of the twenty-eighth annual convention.¹

¹ Because of war conditions no convention was held in 1942.

International Association of Governmental Labor Officials

Responsibility of Government Labor Officials in the Defense Program

President's Address, by FRIEDA S. MILLER

Planning for Defense

Since the organization last met, the Nation has alined itself constructively and actively to defend the democratic way of life. We have all recognized that when the American people made this decision, there followed from it an instruction from us to the Government to act in ways calculated to give the decision true meaning and effect. In the past year, industrial activity has been geared up and directed by the Government's defense program to a point where the flow of industrial output is largely under planned control. Plants are constructed, orders are placed, materials are channeled in ways which will best serve the defense of democracy.

These things we accept and welcome. The fact that our defense program is primarily an industrial matter, however, means that the area of direction and planning extends beyond the adequate output of goods. Our planning job has only begun.

The defense program is our means of maintaining democracy, preserving the Nation's morale, insuring our economic and social welfare in the years to come. Because it is the tangible expression of these aims, its machinery must not neglect them; the preservation of the social gains of the last decades is crucial to the success of our defense effort. As technicians in this field, we government labor officials know, further, that the maintenance and extension of proper labor standards and the provision of full employment—or an adequate substitute—for the people of this country are in fact the only known means of achieving maximum production. Our years of study and experience with the machinery provided for these purposes have demonstrated that now, as always, the advances we have made in labor standards and conservation of workers' incomes are a very practical and effective means of keeping our manpower at the highest level of productive efficiency.

There is, then, a heavy responsibility on us, as government labor officials, to guard for the Nation the gains of democracy in our own fields. Where does our special contribution lie in connection with the defense program? As I see it, in three major areas where our experience and technical knowledge are unquestioned.

Conservation of Workers' Health

The first of these is the conservation of the worker's health, and the positive assurance of compensation where the worker is temporarily or permanently injured through industrial operations.

The proper care of machines to extend their working life is a normal part of factory operation. Many employers realize equally well the necessity of safeguarding the physical condition of their labor force. We know that we still have far to go, however, in combating the adverse effects of modern industrial operation on the health and safety of the human being who tends the machine.

Under normal operating conditions a billion and a half man-hours of production are lost from industrial accidents and occupational diseases. Our experience in the last war warns us that the present acceleration of production schedules will greatly increase this annual toll unless there is constant alertness and advance planning. The greater number exposed to health risks in periods of high employment automatically increases the amount of industrial sickness and accident. But beyond this are other factors—inexperienced workers, crowding, speed-ups, use of new machines and unfamiliar chemicals—which it is within our power to control.

Already the impact of the defense program on the record of industrial casualties is apparent. The Surgeon General of the Federal Public Health Service points out that in 1940, our first "defense year," disability in industry caused 50 times as much lost time as did the strikes and lock-outs about which there was so much public concern.

The National Safety Council reports that in the first 2 months of this year the accident frequency rate had risen 16 percent above that for the same 2 months of 1940.

New Hazards

Even before 1941, our chemical industries were in the throes of a phenomenal peacetime expansion requiring the greatest vigilance to protect workers against injurious exposure to an ever-increasing number of new chemical substances and processes. The national defense effort has brought new problems in this field. War Department specifications in defense contracts require the use of many new toxic substances which, unless properly controlled, may injure—perhaps fatally—the health of those who work with them. A survey recently completed by the New York State Division of Industrial Hygiene reveals the wide scope of the occupational hazards involved and the ingenuity required to control them.

Some plants are finding it necessary to use new chemicals, the toxic properties of which are unfamiliar to the management, or they may find it necessary to use greatly increased quantities of chemicals which they know to be toxic but have always used safely in small amounts.

The defense program has also stimulated construction and demolition work and brought emphatically before us the health hazards of silicosis, exposure to nitrous fumes in blasting and welding operations, lead poisoning in workers who burn through heavily painted structural-iron work and inhale lead fumes in dangerous concentrations.

Noise has long been recognized in the Navy as so serious as to set a definite limit to the efficiency of officers and crew alike. In the riveting departments of airplane plants, where the noise reaches almost unbearable proportions, there is urgent need for the protection of the hearing of the large number of young workers now drawn into this industry.

The prevention of occupational diseases in the defense industries involves the application of the general measures which are applicable under normal operating conditions. But although the approach is the same, we are now dealing with an emergency. Everything is moving more rapidly. Control and preventive measures must keep pace with this new tempo.

Our first responsibility as government labor officials, then, is to see to it that, with the organizations we already have available for technical advice to industry, we are alert to new as well as to old problems and are ready to act fast as industry swings into action.

Thirty-one States now have industrial-hygiene divisions. The need for expansion of this work over the next few years is urgent. In New York our industrial-hygiene division has already had many requests for help from defense employers. Building on its years of experience with labor-law regulation of the industrial environment of our labor force, it is attempting to foresee and prevent the steady climb of the disability rate. Letters are sent out currently to plants on their receiving defense contracts. These explain the technical services which the division offers without charge. Requests for assistance from defense plants for the division's services receive immediate attention and take precedence over other plant visits. Special plant surveys are made, and the division's doctors discuss the plant's health-conservation problems with the plant physician.

What are some of the lessons we have already learned concerning special risks to the physical well-being of defense workers? Large numbers of workers who have become "rusty" during the depression, and who since then have been working at occupations unrelated to their skills, are drifting back to their special fields. Readaptation will be necessary. In addition, a large number of young people who have never worked in a factory before are being employed. These young people are unfamiliar, for the most part, with machinery and hazardous chemical substances. They are not "safety conscious" in the sense that our currently employed industrial workers have become "safety conscious" as a result of the educational campaigns for safety which have been carried out so effectively by organizations such as yours. The selection of workers on the basis of their ability to do the particular work required thus necessarily must be accomplished by a considered effort to assist them in making the adjustments required in their new situations, and placing them not only where their skills and ability can best be utilized, but also where any physical or psychological limitations which they may have will be minimized, or, at any rate, not aggravated.

Preemployment Examinations

We know that the use of preemployment examinations has come into wide use in a great range of industries today—very markedly among the defense industries. It makes possible the very prompt correction of many slight physical defects. It may further serve the purpose of helping the selection of workers most suitable, physically, for specific types of work—particularly those who are best suited to work in the more hazardous occupations.

On the other hand, to appraise the effect of this now widespread practice, the rejection of applicants for employment on the basis of physical defects found in preemployment examination must be care-

fully weighed and appraised. Is a worker rejected only if no place can be found for him that would not aggravate his condition or is any sort of a physical defect, whether related to working conditions or not, enough to cause his rejection for employment? Only a rare person is without physical defects if given a sufficiently thorough physical examination. Many such defects are unimportant or can be readily corrected. Others may constitute limitations for a few special kinds of work only, and would in no way interfere with the worker's health or efficiency in most other jobs. In other words, there is the larger social problem to be considered. We cannot, without very sufficient cause, put workers on the shelf, label them as unemployable, and make them a permanent burden to society. The greatest effort must be made to find a place in industry for every person who is willing to work.

The use of preemployment examinations to eliminate persons for reasons other than physical defects is too unworthy to require more than passing mention. In short, the whole series of questions and problems that grow out of this increasing practice of preemployment examinations is one that we know relatively little about, and I submit it is time we should find out.

Our observations also show that, in some defense plants, increase of personnel without a corresponding increase in the size of the plant is threatening seriously to reduce the available space per worker. This is creating such crowding that operations which were formerly entirely innocuous have suddenly become hazardous to the health of the workers. Adequate air space per worker; facilities for going to and from the workbench expeditiously and safely; proper lay-out of the plant from the standpoint of transporting materials; installation of effective ventilating systems; proper illumination; and well-designed machine guards, are, we all know, essential protections against injury.

The need for constant attention to "good housekeeping" in the plant, still too frequently overlooked in peacetime, is now more pressing when plants are crammed with materials and are operating at a high pace.

In New York, we have found collaboration and enthusiasm on the part of plant management and personnel for our technical services.

There is scarcely a defense worker in the country whose life is so hectic and pressed as the plant physician's. Large numbers of new workers are being employed, increasing the pressure on the first-aid room; new processes are being introduced into the plant; new substances are being used. You can readily see why physicians from a division of industrial hygiene, who are specialists in industrial toxicology and conversant with accepted industrial practices for the safe use of toxic materials, can count on a warm welcome when they call on the plant doctor. We must, then, be prepared to put our specialized knowledge at his disposal, to take on the new technical research and services required, and to work shoulder to shoulder with the plant physicians.

The early mandate of our labor laws, which recognized that the health and safety of the great numbers of our working citizens are matters of great public concern, must now be translated into a series of operating and control units whose business it is to give timely,

effective content to the basic idea of the law. With industry itself a growing, changing thing, effective measures for safeguarding workers' health must be based on current knowledge of industrial developments, on close, continuing, and constructive contacts with the partners in the industrial process—labor and management.

Where hazards persist and complete safety cannot be achieved, we have the machinery for salvage in our workmen's compensation laws: salvage in restored health and function; salvage in money compensation that keeps families going when disability makes further wage earning impossible. The impetus for improvement of these laws comes out of our own field experience.

We now have a unique opportunity to make industrialists and workers alike more safety conscious, and to improve our technique for safeguarding the health of our workers, not only by control of the industrial environment but through the provision of compensation and adequate medical care. Thus, in this one field of industrial safety alone, we are faced with grave and urgent responsibilities for plant safety in mechanical terms, for keeping abreast of the growth of health hazards connected with the torrential growth of new chemical processes in industry, with the questions of social significance of the growing practice of preemployment examinations, and with improving of processes of rehabilitation and salvage where workmen's compensation must make up to as great a measure as possible for the human losses in industry.

Maintenance and Extension of Labor Standards

Our second major responsibility lies in the maintenance and extension of labor standards. It is scarcely necessary for me to review with you the gains of recent decades in the establishment of standards of hours and wages. Although there are still, as there were 20 years ago, four States without any laws regulating the hours of woman workers, the coverage and standards in existing hours laws have been greatly improved. In 1921, a 54-hour maximum was stipulated most frequently, although such States as California, Massachusetts, and Oregon did have 48-hour laws for some women. With the passage of the Federal Fair Labor Standards Act in 1938, the country recognized the need for bringing the hours of male workers also under legal control.

Now we face, however, overhasty attacks on legal standards as hampering to our national defense program. Some of us have encountered demands for the relaxation of hours limitations for the alleged purpose of increasing production.

There has already been an increase in actual hours worked. That the workers of the Nation themselves are willing to work longer hours in the interest of national defense was shown by a poll taken in August by Fortune Magazine, in which 78 percent of the workers polled (including woman workers) said they would willingly work 60 hours a week if we were at war, and the Government required it. But the issue is one not of willingness to work long hours in a national emergency but of industrial efficiency and output.

Here again, we government labor officials have an important contribution to make. We know that from the standpoint of productive efficiency, we must avoid excessive hours of work. We have

not only our own knowledge but the support of leaders of industrial management in this matter. William Knudsen, for example, points out, "What we need is not more hours from the individual worker but more hours of work from the machines * * * machines can stand long hours of work, men can't."

We know that Great Britain began its present defense effort by repeating many of its mistakes of the last war. By the spring of 1940, 60 hours per week were fairly common in British war industry and an intensive drive for munitions production in May 1940 resulted in a 12-hour day, 7-day week. Let me quote from the Bureau of Labor Statistics as to the result: "Within 2 months * * * there was a general complaint of absenteeism and the Minister of Labor answered the charge by stating that exhaustion of workers was one of the causes." The situation was then examined in detail. A Select Committee on National Expenditures, assigned the duty of reporting on the effect of relaxation of hours standards on production, urged that the hours of work be reduced before the health of munition workers was impaired as was the case during the last war. Subsequently, steps were taken to reduce hours and "to restore the legal limitations of the working hours of women and young persons to the pre-war standards." Germany itself, motivated today, I think we would agree, solely by the aim of winning the war, has found it necessary to maintain hours standards and to restore standards previously relaxed, in order to secure maximum continuous production.

Close Scrutiny Necessary

This is not to advocate an unalterable attitude toward hours standards. Cases may arise when flexibility proves possible and desirable. For example, requests for relaxation of night-work laws for women will increase. It is our responsibility, however, to point out that such requests must be carefully weighed. Experience during the last war and the present war in England showed that night work for women was generally uneconomical.

Nothing could be more damaging to the ultimate success and validity of the defense program than the wholesale abandonment of this country's advances in the field of regulation of working hours. Requests for change from individual plants must be carefully examined and facts secured on the extent and character of the emergency production that stimulates the request. To what extent has the management utilized existing facilities, equipment, and labor supply? Is the individual firm's production truly involved in the defense effort? What will be the effect of the proposed change on the health and efficiency of the workers? All of us, government, labor, and the employers, must be prepared to evaluate the need objectively in the light of the facts.

In New York State, emergency needs have been met by permitting individual plants to work men 7 days a week to aid emergency production. Employer requests, however, are submitted to our State board of standards and appeals, which requires that the application state whether there are valid difficulties in production; whether there is a labor shortage; and what provision will be made for compensation for the worker. The attitude of the employees toward the proposal must also be included in the application.

Nor is the issue solely one of the total number of hours worked in the week or day. The number of hours worked at a continuous stretch, the provision made for meal periods, the physical conditions under which the work is performed, have been recognized through years of expert observation as important to the comfort and health of the worker, and hence as important in safeguarding quantity and quality of production.

Suggestive evidence of the beneficial effects of organized rests, for example, was obtained 25 years ago in British munitions factories, and findings have been reiterated during the present war. Without sufficient rest and recreation, alarming increases in illness, often with permanent injury to the worker, will occur.

The United States Army during the last war recommended that in continuous 24-hour work, 8 hours per shift should be maximum. The Office of the Chief of Ordnance stated that "the observance of national and local holidays will give opportunity for rest and relaxation which tend to make production more satisfactory." I notice that the English Premier, in a speech to the House of Commons on July 29, pointed out: "If we are to win this war * * * it will be largely by staying power. For that purpose there must be 1 day in 7 for rest as a general rule and there must be 1 week's holiday a year. * * * If we had not done so, we should have had a serious crash."

The maintenance and extension of proper standards in workrooms are also essential to efficient production. Too often these matters are regarded as trivial compared with total hours worked. When one considers, however, that in a British metal-polishing factory women increased their output by as much as 32 percent when they changed from a standing to a sitting position, the importance of proper work standards is brought home.

Minimum-Wage Standards

But of all the measures which have been under attack, there is no one on which the defense program offers so little justification for retreat as in the maintenance of minimum-wage standards. The President himself has emphasized that "there is nothing in our present emergency to justify a lowering of the standards of employment. Minimum wages should not be reduced."

We are in a far more fortunate position today than during the last war with respect to understanding and acceptance of wage regulation as a normal part of our public policy. In 1918 such legislation was still an innovation. Only 12 States had adopted minimum-wage laws. Experience had not yet taught what kinds of laws were most effective nor how they could best be administered. Today there are minimum-wage laws in 26 States and 3 Territories which, on the basis of 1930 census figures, are estimated to cover more than 4 million women.

During the last war, no national legislation and no minimum-wage legislation for men, were in existence. Now, the Fair Labor Standards Act, which provides for a 30-cent minimum hourly wage rate for all workers in interstate industries, combined with the various State minimum-wage laws, has been no mean factor in explaining the higher present earnings in the generally low-paid industries.

This progress, however, must not blind us to the pressing need for extending minimum-wage legislation to those low-paid workers who are still legally unprotected. The New York State Labor Department receives daily urgent pleas from all kinds of workers—women to whom the minimum-wage law has not yet been applied and men to whom no existing legislation is applicable—to remedy their low-wage conditions.

Nor are these cases of low-paid workers limited to New York State, as we all well know. It is our responsibility to point out, ceaselessly and emphatically, that while wages of many workers are rising, so is the cost of living; that while skilled defense workers receive \$1 an hour, there are still thousands of workers in this country whose morale is lowered, whose health and efficiency are threatened, by insufficient wages. Let me recall to you a statement made during the last war, one which not only we, but the Federal Government and the leaders of the two democracies, England and America, are repeating today: "In view of the urgent necessity for a prompt increase in the volume of production of practically every article required for the conduct of the war, vigilance is demanded of all those in any way associated with industry lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down." This was not the plea of a trade-union leader; it was not the opinion of a labor department official; it was an official declaration by the United States Army.

This need for vigilance in the preservation of legal standards of hours and wages and for energy in extending the protection of these standards is emphasized particularly by the certain prospect of greatly increased employment of women and the renewed interest in the use of apprentices.

A preliminary estimate of the Bureau of Employment Security is that there are probably 2 million women immediately available for defense work, and half a million more who are now partially employed and could be utilized for further employment. Well over 40,000 woman job seekers registered at the public employment offices had skills specifically related to the defense program. We know that the use of women in defense plants is growing—30 percent of the workers in one California airplane plant are women; over half of the labor force in 10 new munitions plants under construction are expected to be women.

The maintenance of reasonable hours and adequate wages for new entrants to the labor market, such as women and minors, is not only essential, but is completely within our power. There is Government machinery in existence for the preservation of standards; there is a vast amount of knowledge of the field. We are better prepared than ever before to plan for the preservation of democracy. In the field of labor standards we government labor officials have received positive and unequivocal support from the National Defense Advisory Commission and the Office of Production Management. The responsibility for carrying through is ours.

There is one more aspect of defense employment problems with which we who are in immediate contact with the labor market are especially concerned. We in the United States have a labor force

composed of many races and nationalities. Negroes, Slavs, Italians, Jews, have built our skyscrapers and our railroads, mined our coal, produced our steel. Now, in a period of acute labor shortage, many of these men and women are facing discrimination when they seek work which will contribute to the defense of this country. While the "available for work" files of our employment offices still contain the names of skilled and experienced workers whose technical qualifications for defense jobs are appropriate, we have no right to contemplate raiding of the employed labor force in civilian industries for the sake of defense production. We, as the officials responsible for the placement of defense labor through the employment offices, must keep our eyes on the technical, not the personal, qualifications of workers in the files. I do not need to point out, of course, that the loyalty of these groups, which has been proved over and over again, will be seriously shaken if we reward this loyalty by refusing them jobs at a time like this. I do want to emphasize, however, the aid and comfort we are giving to the Axis Powers if we reject them for employment for which they are fitted. So long as we deliberately intensify the labor-shortage problem in this way we delay production. Refusal to hire Negroes, Jews, or foreigners in jobs for which they are fully qualified, at equal rates of pay, appears to me to be nothing less than sabotage of the defense program.

Fortunately, here again we have the power and the encouragement of the Federal Government and of our laws behind us. Not only are the actual restrictions on employment imposed by Army and Navy contracts few—relating only to specified processes and to the employment of noncitizens—but declarations of public policy against discrimination have been emphatic, and the policy is implemented by Government organizations to deal with the question. War, Navy, and Maritime Commission contracts since June 1941 have contained clauses binding contractors not to discriminate in hiring. We, as labor officials in the various States, have an intimate knowledge of the technical qualifications of the available labor force. Our responsibility here, as I see it, is to contribute to defense production by unflagging attention to the full employment of that labor force.

Conservation of Workers' Income

The lines of responsibility I have outlined above are, I am confident, a matter of agreement among all of us. There is, however, a far more difficult problem than any of these which the Nation now faces. That is the problem of unemployment.

Just a year ago we in New York began a series of conferences with representative employer and employee interests on the legislative program for unemployment insurance. At that time employment was rising, priorities were not yet having perceptible effect. Yet the employer and labor representatives and the labor department's economists at those conferences agreed emphatically on one thing—that the unemployment-insurance program must be planned with the full knowledge that unemployment would be increased by defense priorities, that defense employment itself engendered a potential load of unemployment of depression proportions in the post-war period.

Since then, priorities have begun to have their impact on employment in the civilian industries. The head of a Federal defense agency estimates that over 2 million persons will lose their jobs this year through the operation of priorities and allocations. There is now, moreover, full public realization that the greatly increased labor force created to manufacture war materials and the induction of millions of men of working age into military service require us to plan now for the post-war situation.

Again, we are at a great advantage today with respect to this problem. You will recall the ground-breaking report of the President's Conference on Unemployment in 1923. That conference, stimulated by the post-war depression of 1920-21, was the first comprehensive national investigation of modern unemployment and of the possibilities of planning to prevent and alleviate its impact. But the report was made in 1923, 6 years after this Nation entered the war, almost 3 years after the post-war depression began.

Today we are in a far different position. Lessons were learned through hard experience in the decade of the thirties. We are now prepared with experience, facts, and organization, to plan for conservation of workers' incomes, first through the conservation of the fullest possible job opportunity, and second, through provision of substitute incomes when jobs vanish.

On both State and Federal levels, concern with priorities unemployment has been immediate, and is resulting in positive action. The OPM's Labor Division and the new Defense Contracts Services are obtaining the facts promptly in affected communities and actively seeking possibilities of transfer of workers, retraining, and alternative products for the plants closed down.

We have also, for short-time unemployment and seasonal lay-offs, as well as for the first impact of priorities unemployment, a Nation-wide system of unemployment insurance, with the greatly increased amount of information it provides concerning the extent, location, and nature of unemployment. The employment offices, whose activities were enlarged and strengthened through the introduction of unemployment insurance in this country, have been an indispensable source of facts on employment and unemployment to every agency with a program in this field.

A special characteristic of unemployment insurance as a method of dealing with unemployment is the absolute necessity of advance planning which is involved in its management and financing. What can the system do in the defense period to alleviate effectively the wage losses suffered by the thousands of workers who cannot obtain full employment? What part will this system of "assistance by right," not by the test of absolute destitution, play in the post-defense period?

This latter question is clearly delineated in the suggestive report of the National Resources Planning Board, "After Defense, What?" There we find, not after the catastrophe occurs, but while employment is still mounting, a guide to research and action to ward off the damaging effects on workers' incomes, and on us all, of a post-defense employment collapse. The search for alternative products for defense-inflated industries, a rational plan for retraining and reemployment of labor, a plan of the uses to which our various social security and public works programs may be put, are all areas of work for us.

Responsibility of Labor Officials in the Program

To sum up, I contend that, so far from the discouragement which some have felt with respect to the maintenance of labor standards and the provision of adequate security in the next few years, we now have greatly enlarged duties in these fields. The key to our success will be the extent to which we can participate in the planning, the deliberations, the decisions on policy which are now of such importance.

Government labor officials are in a strategic position to interpret the situation to the whole community. We have the technical knowledge, and the basic machinery, in the form of our labor force of the Nation, for preserving and extending the standards which personify democracy's very meaning, and to realize that in so doing we are maintaining public morale and adding to the efficiency of our economic system.

Adjustment of Industrial Disputes

The National Defense Mediation Board

By RALPH T. SEWARD, *Executive Secretary of the National Defense Mediation Board*

The National Defense Mediation Board is, in the first place, a very simple organization doing what is a very simple job with very simple procedure or almost no procedure at all and with a very small staff, and yet, on the other hand, it faces one of the most complex and difficult problems. Anyone who has been engaged in labor mediation work, as many of you undoubtedly have, knows that even in ordinary times the job of mediating a labor dispute is probably one of the most difficult types of job there is, because it is dealing with human beings in conflict, and endeavoring to deal with them according to the methods of reason and persuasion, rather than the methods of force. The job of settling disagreements by reason and persuasion rather than by force is, I believe, the outstanding task that faces the entire people of this country in a real sense of the word, and one little segment of that task is faced by every one of John Steelman's conciliation force when called up in the middle of the night and told to get out of bed and hop a plane for some town and try to settle a labor dispute. It is made particularly difficult at present because we are not living in ordinary times.

We are facing not merely the challenge of a difficult human problem, we are facing two much deeper challenges than that. In the first place this Government and every democratic government is facing, as we all know, a frontal assault upon democracy, and that of course is a challenge, and a challenge which must be met, for some governments at least, by the weapons of war. It is a challenge which is easy to understand because the methods which must be used to meet it are as blunt as the methods which are being used on the other side. But we are facing a much more difficult challenge than that in this country. We are facing a challenge which will not be met just by defeating Hitler. It is the challenge to the ability of democracy to defend itself and remain a democracy, to the ability of this country to defeat, to fend off, the attack upon democracy and yet not lose in that process the essence of the privileges and ways of life and ways of thinking that we are trying to defend. A victory over Hitler which left implanted in this country the spreading roots of Nazi thoughts, Nazi methods, Nazi philosophies, and Nazi habits even temporarily adopted would be a tragic victory indeed.

Every one of us is facing that challenge every day in his work. I want to talk a little about the way we in the National Defense Mediation Board are trying to meet it in the sphere of labor relations. Last spring the country was afraid. You could tell it by the newspapers. I have only to mention Allis-Chalmers, bituminous coal, and Interna-

tional Harvester, to recall to your mind not only a series of very serious strikes but the emotional impact that those strikes had upon the people. They were afraid. They were afraid that the abuse of one of the very rights which democratic nations are struggling to protect, the right to strike, might be the means of defeating the very effort to protect those rights.

A lot of easy solutions were put forward at that time—provisions for the outlawing of the right to strike, provisions which would emasculate trade-unions, suggestions of one sort or another, all of which would adopt what is possibly the easiest way out and possibly a habitual American way out—"We ought to pass a law about that." It is to the everlasting credit of the American people that they met that crisis without attempting to take the easiest way out. They met that crisis by returning to the principles that we are endeavoring to defend in this country, and created an organization which, successful or unsuccessful as history will show, has been and will continue to be dedicated to the preservation of democratic methods in the settlement of industrial disputes.

This organization was set up on March 19, 1941, by an Executive order—a 2-page document creating a board of 11 men, 3 representatives of the public, 4 representatives of the employers, and 4 representatives of the employees—2 from the C. I. O. and 2 from the A. F. of L. That Board has since by additional appointments been increased to approximately 30, including 19 alternate members who serve in addition to the regular 11 members in the handling of cases. The order appointed these 11 men to the Board, and it said that when a case is certified to this Board, when a case comes before it, this Board is authorized to do five things: First, it can try to settle—call the parties together and see if they can work out a reasonable settlement; second, it can recommend voluntary arbitration; third, it can, and as a matter of course ordinarily would, attempt to include in its settlement provisions to prevent future disputes. If the matter concerns a problem of recognition or of the appropriate bargaining unit, it can, in the fourth place, refer that question to the NLRB with a request that any investigation of those questions be expedited by that Board. And in the last analysis it can investigate a case itself and make recommendations and, if necessary, publish those recommendations. That is all. It really comes down to trying to settle the case; if you cannot settle it you recommend arbitration; if they will not have arbitration, you look into it yourself and make your own recommendations.

There is no force, no coercion, no sacrifice of a single right. We cannot compel anybody to come before us. When we call a hearing, if anybody wants to pick up his hat and walk out of the room we might speak sternly to him of the obligation of citizens in times of crisis to cooperate with the Administration, but if he wants to pick up his hat and buy a railroad ticket out of town there is nothing we can do to stop it. So far no one has done that.

Thus far, for some reason or other, this experiment has worked without force or coercion, except on two occasions. Twice the recommendations of the Board were not accepted. On one occasion during a strike in violation of an agreement entered into before the Board, the Administration stepped in and maintained the operation of a plant while the case was before the Board. In one other case recently in the

newspapers the recommendations of the Board were rejected, by an employer this time, and the Government took similar action. I think I am fairly representing the spirit of the Board when I say that every member of the Board and the Board as a board regret the necessity of making recommendations, because insofar as the Board has any principles in its operation it is to exhaust the possibilities of agreement by every possible means, always to keep hammering for agreement, and to step into the picture itself with suggestions if it can help, but to reserve recommendations by the Board independent of the wishes of either party until it can be conclusively demonstrated that there is no other possible way out.

We would like not to have to make recommendations because the Board is committed to the process of collective bargaining, and collective bargaining means bargaining between the parties across the table and not between the parties and the Board. The minute the fact of that power of recommendation by the Board comes into the people's minds, one side or another always thinks it can bargain with the Board and it is far more difficult to settle a dispute. But you can see that the tools with which we are working on the Board are old tools, the old procedures of mediation. We are using them now in a time of emergency in which, unfortunately, we cannot afford the luxury of too many weeks of interrupted production while we keep the parties in the bargaining process. The one concession to the emergency which the Board has made is recognizing the necessity of maintaining production by stepping in as soon as it becomes clear that making recommendations is the only recourse. I cannot of course say to what extent the fact that all except one so far of the Board's recommendations have been accepted is due to the fact that the recommendations are themselves wise or just, or even though people may feel that they are uniformly foolish and unjust they also feel that in a time of emergency there is an obligation to accept.

There is one other idea that I should like to leave here. In times of peace one of the rights that we are striving to protect is the right to strike. John Steelman's organization settles about 90 percent of the cases that the Conciliation Service takes up, and he and his organization are still the first line of defense in the United States in the industrial-disputes field. In that other 10 percent, we have felt in this country that it was a good thing to have the right to strike where some people can blow off steam and really test their strength, if necessary, reducing of course violence to humans, damage to property, and all the rest of it to its lowest possible extent. We in America have valued and continue to value the right to strike, trying to keep it down to the point at which it will occur only in about 10 percent of the cases.

The emergency, though, has forced this Board and the Administration to ask both sides to give up their right to bring industrial disputes out on the street, to give it up voluntarily in a spirit of cooperation. It frequently happens that when cases are certified to the Board the Board sends telegrams to the parties asking the men please not to strike in this dispute in view of the present national emergency. When men are out on strike we sometimes send telegrams to them saying please go back to work pending the consideration of this dispute. That is a pretty serious thing to do, and I believe that in view of

this emergency the Board has the right to call upon both parties to accept its recommendations if recommendations have to be made. This Administration, through the press, has called upon both sides in these disputes to accept the recommendations of the National Defense Mediation Board as the one way of settling disputed issues without strikes and without interruptions in defense production.

I have been talking so far about basic principles: First, that we do not want to make recommendations, that we try to keep cases in the collective-bargaining stage; second, when we do make recommendations we recognize that it is a responsibility and we try to discharge it as honestly and wisely as we can, but whether wise or not we call upon both parties to accept the recommendations. I want now to describe how the Board works. In the first place, how does a case get to the Board? I think everybody should realize that the Board was created as a last resort. As I said, the United States Conciliation Service handles more cases on its docket every day than the Board has handled since it was created; the Conciliation Service is our first line of defense against stoppages in defense production. It is only this 10 percent of cases which come to this Board. Those are, of course, the tough ones and the ones in which a stoppage will most likely delay defense production.

When it is clear that the Conciliation Service cannot settle a dispute or at least cannot settle it in the time within which it must be settled, the Secretary of Labor certifies the case to the National Defense Mediation Board. As soon as the certification is received, a telegram goes from our office to all parties notifying them of the dispute; if the parties are not out on strike we ask them not to go out. If they are on strike, and if the circumstances warrant it, we ask them to return to work because there are some cases in which we think we may get a settlement quicker, fairer, etc., than if the men are still out on strike. Sometimes if we can get a hearing quickly, we think it may work better if the men are still out. We then ask parties to come to a hearing in Washington.

All hearings of the Board are held in Washington, partly for psychological reasons and partly because it is the only way we can operate. We are composed of a group of part-time men, all of whom are busy on other jobs, but who can come to Washington easily to deal with certain cases, and who sometimes sit on several cases at the same time. The Board could not function if it responded to the requests which are frequently made to hold its hearings in different parts of the country. We would probably have to increase the size of the Board more than three times in order to do it.

The parties come to Washington and we create what we can call a panel, which is always composed of one representative at least of each of the three groups on the Board—one representative of the public, one representative of the employers, and one of either the C. I. O. or the A. F. of L., depending on the unions represented in the case. If no C. I. O. and A. F. of L. unions are in the case we create a 5-man panel. We get one C. I. O. and one A. F. of L. member, two employer members, and one public member. The parties come into the hearing room where the panel is sitting at the head of the table. We ask each side to say what its version of the facts is, ascertain it as well as we can, then if we think they have not been frank, we send the two sides into sepa-

rate rooms and get them to talk to us individually. Then we bring them back into the hearing room and let them talk together again. One new device possibly is that we have employer and labor men represented on the mediation panel. We can, if the panel works together, say, "Send your employer representative to talk sense to the employers," or "Send your labor group to talk sense to the employees," and really let them do the talking, each side maneuvering the other group toward the middle and the public member hoping eventually they will both get together.

It is a proceeding which cannot be described, because I know of no two cases out of all those that have come to the Board which have been handled in exactly the same way. It depends on the personalities. Sometimes it is wise to sit from 8 o'clock in the morning to 12 at night, maybe having one or two sandwiches brought in. Sometimes it is wise to let the parties go home at 5 o'clock and think the matter over at night. You cannot tell, you have to size up people and see whether they are in a mood for sitting right through for 18 hours at a stretch or whether you have to let them simmer before they can talk sense. Roughly, that is the procedure. Of course, when we cannot get an agreement we do formally ask both sides whether or not they will arbitrate all issues or any issue.

It is very hard to understand why there is this reluctance to arbitrate. It is only when you realize that at this stage both parties probably have been reduced to a point on which they really have convictions. Reports show that it is rare that we have been able to get arbitration—we have in possibly three cases. If arbitration fails and the parties will not agree then we ourselves investigate. Sometimes the facts already are on the table as a result of the bargaining process. Sometimes we have to send the parties away while points are investigated. Sometimes it will take one man to do the job and sometimes, as with the Northwest Labor Union, we will set up a committee with seven or eight men as assistants for making a study to be used in the preparation of the final Board recommendations on that issue, as eventually the Board will make recommendations.

Sometimes the Board makes recommendations which are not really recommendations. When I tell you that we have made recommendations so far in 28 cases out of 71 that sounds like a fairly high percentage, as I have told you that the Board dislikes making recommendations and always tries to get agreements. The answer is that very frequently you can get the parties to the point at which they can see that this is the way out, but the man on the union side contends, on the one hand, "When we get back home it's going to be hard to explain just exactly why we made this concession." The employer members, on the other hand, have an actual job in trying to sell this concession on union security or this extra 2 cents an hour wages to the board of directors. So one side or the other steps in, or sometimes both sides say, "We want to take this by agreement but if you will give us a way out, if you will recommend it and call on us in the name of national defense to take it, we will." In at least 14 or 15 out of the 28 cases there was that sort of recommendations—recommendations made with the knowledge of acceptance in advance, really upon the basis of a collective-bargaining agreement to help in dealing with the folks back home.

We have been very fortunate, I believe, in one thing, and that is that like the public members the entire Board is in the middle. We have been called very recently and quite often a strike-breaking agency, even though such men as Philip Murray, Thomas Kennedy, Jim Curry, George Meaney, etc., are members of the Board. We have also been called a pro-union agency—that is, always settling cases in favor of the labor organizations—even though men like Bernard Swope, Carl Adams, and Roger Latham are on the Board. The fact that we have been vehemently attacked about equally from both sides may speak for itself. I think we might speak frankly, however, about those criticisms because there is a lack of understanding on both sides.

The Board is not a strike-breaking agency. We have asked men to go back to work on occasion, but I think you will find the objective of this Board, as I said in my opening remarks, is really to protect the right to strike as practicably as possible, to protect it against the antistrike legislation which would undoubtedly come if this Board failed in keeping production going by voluntary cooperation. I know that defense production must be kept going. I know that every member of this Board is committed to maintain production by asking people for their cooperation and offering them in return the fairest settlements that it can negotiate, or if necessary, recommend.

On the other hand, the Board is not prolabor any more than it is proemployer. It is pointed out that in a majority of its recommendations unions have gotten something. Of course they have. In a majority of the settlements negotiated before mediating bodies—State, local, private, or Federal—and this Board, in a time of labor scarcity when unions are naturally in a strategic position and have greater bargaining strength than ever before, naturally the settlements in the cases that come before the Defense Mediation Board reflect that economic situation. Many of these powerful unions could, if they desired, tie up important defense plants. In other words, if the Mediation Board were not in existence, by and large through strikes unions might secure fairly good settlements, all of which is reflected in these determinations and is not a Board policy, because our policy is always to get whatever agreement the parties will themselves negotiate. What is reflected is the current economic situation in the country, which has temporarily hoisted labor into a strong bargaining situation, just as it was in that situation in the first World War.

One other thing said about the Board is that it has no principles. Well, we admit it, if by that statement you mean that we do not decide cases before they come to us, by tagging hard and fast positions upon all these issues in advance. People have asked us why we do not issue a statement similar to that issued by the War Labor Board. Well, if you look at the statement issued by the War Labor Board in the first World War, you will find that every single issue, except one, which was covered by that statement is now in the statutory law of the land, and could not be modified one way or the other by any statements we may make. As to that one issue, that of the closed shop, what the War Labor Board did was merely to get a promise from employers or to state its policy that on the one hand existing closed shops should be maintained and on the other hand that nothing would be done to prevent collective bargaining and union organization in the so-called

open shops or the shops in which there was no union organization at all. That was the policy of the War Labor Board.

On that issue and on the whole question of adopting a national policy we have taken only this stand, that when you ask men not to strike, and to come to you instead of striking, you have to offer them assurance that they can raise any issue before you which they could raise in a strike. Otherwise you are taking something away from them and giving them nothing in return. They must have the hope of getting peace and anything which they might get through a strike if without legislation you are going to expect their cooperation in refraining from striking. That does not mean that it is the policy of the Board to give them anything they want. No, the Board will decide each case, as it has decided each case, upon its merits.

Out of 23 cases in which union-security demands were made, the Board has made recommendations upon that question in only 8. In other words, it felt that on the merits it was not needed, that the union was strong by itself and did not need the closed shop or whatever it was that it was asking for. Out of that 8 it has recommended maintenance-of-membership agreements which refer only to maintenance of present and voluntary future members. Just once has it recommended an agreement which included the closed shop, and that was in the shipbuilding trades, a case in which all employers on the west coast except one had through collective bargaining negotiated this over-all agreement. The Board, without passing upon the merits or demerits of any part of that agreement, including the closed shop, merely asked Bethlehem in the interest of the national defense program to get in line with every other employer on the west coast.

The record would show, I think, that the Board has decided those various union-security questions upon their merits. It has recommended maintenance-of-membership in some cases; it has flatly denied it in others; and it has worked out variations in other cases whereby the employer merely recommends membership to his employees. Every union must feel and every employer must feel that there are no issues in which a decision has been borrowed or which have been decided in advance before the Mediation Board, because that we believe is the prerequisite to any successful voluntary peaceful settlement of labor disputes. So far we have been fairly successful.

If we have been successful it is not because members are highly intelligent, highly honest, although we do think we have good people on the Board. It is not because we have any access to superior wisdom in this matter which is not available and which is not being used every day by John Steelman and all the men on his staff and by all of you and your own staffs in the various mediation agencies of the States. It is because, so far at least, the bulk of American employers and American trade-unions have done what we hoped they would do—have recognized the superior demands and superior importance of the demands of the defense emergency and have been willing, since we were asked by the President to do this job as a defense measure, to give us their cooperation.

I have only one request to make, and that is that you and the employers and the employees of the country, insofar as they come before us, continue to cooperate. If you do that we will endeavor to do our part of the job.

The United States Conciliation Service

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

Not long ago I was given an opportunity to talk to a group of young businessmen on the subject of labor relations. Printed on the program they had that night was this statement, "Instead of trying to reform others, we are attempting to improve ourselves." I came here today in that spirit and with that attitude.

I shall not contribute a great many new things today concerning the Conciliation Service, as most of you have quite a clear picture of our work. I will, however, tell you of some few changes that have been made during the emergency period and perhaps draw an outline of the high points as we hurry on to the discussion to which I am looking forward.

Mr. Seward has pointed out that good labor relations are essential in solving America's No. 1 problem, the problem of getting production. This, of course, is a war of production, and the problem is one of getting this production and getting it without the loss of those democratic principles upon which our country has been founded and has been run all these years.

One of the Senators in Washington not long ago quoted some figures to make clear the point that World War II is a war of production. He said that during the time of Caesar it was estimated that it cost 75 cents to kill a man. During the Napoleonic Wars the cost was raised to \$3,000. By the time of our American Civil War the cost per man killed rose to \$5,000. And by the time of World War I the cost per man killed was \$21,000. It was estimated that in this war the cost would be at least \$50,000 per man killed, which is another and stronger way of making the point that this is a war—a struggle—of production. It is a question of who can out-produce whom, and who can do that the quickest. With us it is not only a question of that, but a question of producing and at the same time maintaining our democracy. Certainly, a very poor way of combating tyranny abroad would be to discard our democracy here at home.

Let us follow the point raised by Mr. Seward about the general policy of the labor relations set-up for the Federal Government. Of course, the Conciliation Service is founded and based on part of the original act creating the Department back in 1913. Here a simple statement was made giving the Secretary of Labor power to act as mediator in labor disputes and to appoint conciliators when requirements for peace made it necessary. From that time on—1913—I think the record shows that we have handled some 36 thousand cases involving 26 or 27 million workers. A large proportion of that naturally has been done during the last several years. This is due to the general development of labor organizations in the country and also to the fact that the Service was able to handle more cases with the enlargement of the staff since the present Secretary of Labor came in. The staff, I believe, numbered some 30 or 35 when Secretary Perkins took office, and now we have about 120. We had grown to about 80 before the defense emergency arose and since that time we have added some 40 more, so that naturally a large proportion of the cases handled by the Service have been during the last 8 years.

Before the defense emergency arose, in order to keep in closer touch with the State agencies and with the State problems, we divided the country into 4 different regions and appointed regional supervisors for each of those regions, as it was impossible for the director to keep in close personal touch with all the cases being handled. In the old days that was possible when 900 or 1,000 cases a year came before the Conciliation Service, but when they jumped to 4,000 and 5,000 it was utterly impossible for 1 person to keep in close touch with the situations in the various States. Since the defense emergency we have found it necessary in of the regions in the Middle Western States to enlarge the supervisory staff. We have appointed for the time of the emergency an assistant supervisor in order to help us keep in touch with defense cases handled in this part of the country. Mr. John Meade is assisting Mr. Cunningham as regional supervisor for region 3.

Early in the defense program the Secretary of Labor appointed special commissioners to keep in close touch with seven of the larger industries, such as aircraft, building construction, etc. It was intended originally that these men would devote their full time to the industries for which they were designated. This has not been possible in all instances, because these men are our older, more experienced commissioners and we found it necessary to call them in on other cases from time to time. Their general assignment, however, is to keep in close touch with labor relations in the assigned fields of shipbuilding, machine tools, rubber, chemicals, oil, steel, building trades, and others.

One other change since the defense program is that we appointed liaison officers between the Conciliation Service and other departments of the Government involved in the labor-relations question. Before the defense program many of our disputes required getting in touch with representatives of War and Navy so we had liaison officers in those departments. We then established liaison with the Office of Production Management and the National Defense Mediation Board in order to keep them informed on cases in which they were interested. In the cases of disputes involving defense projects, the conciliators are required to report to the Washington office daily by wire or phone, depending on the seriousness of the situation. This information is then relayed immediately by our liaison men.

One point that I want to mention specifically is that in the defense program the size of a case does not always determine its importance. We have had occasion a few times to certify to the Defense Mediation Board a case involving relatively few people, and somebody would raise a question as to whether it was important enough to go before the Mediation Board. One case was very, very important even though only a few people were involved. I recall one instance where a threatened strike on the part of some 358 workers in key positions would have thrown out of work in short order some 60,000 people. So the number of workers directly involved in a case does not always determine its importance. It is therefore necessary for us to keep in close touch with all cases and to determine their importance from the standpoint of defense in order to give priority to such cases.

I have pointed out a number of times that it is very difficult for a public official in these days to talk about the labor-relations situation in the country without being misunderstood. If he says that every-

thing is going fine he is criticized and justly so. On the other hand, he cannot go around complaining, the truth being, as I do not need to tell this audience, that things are perhaps in as good shape as we have any reason to expect under the circumstances. I think we all have the right to be delighted with the progress made insofar as the handling of these problems goes. On the other hand, it has not all been rosy. Mistakes have been made by labor, by industry, and I rather suspect by the Government, in the handling of these matters. I guess that is one thing we can expect, but let us make a great effort to have as few mistakes as possible.

Let me give you briefly a picture of the cases we have handled. In 1939 we handled 1,683 actual labor disputes (threatened strikes and controversies, strikes, and lock-outs), involving approximately a million and a half employees. This number does not include arbitrations, investigations, and other services. In 1940 we handled 2,450 actual labor disputes. In the first 7 months of 1941 we have had 2,541 actual labor disputes.

These figures which I have given you do not give an accurate picture of labor relations throughout the country, as we have been able to handle a somewhat larger proportion of the disputes during the last year or two than formerly because of the increase in our staff and the tightening up of the lines of cooperation between the Federal and the State services.

When we actually look at the total labor-relations picture we find that the number of workers involved in actual stoppages is very small. Secretary Perkins pointed out some time ago before a Congressional committee that only about 2.3 percent of the workers of the country in 1940 were involved in any work stoppages. This is, of course, a fine record, but in this day of national emergency even 2 percent is too large. We cannot fall just short of our mark. It would be like just missing the mark if a man was jumping from one building to another. If you said, as you picked up the remains from the sidewalk, "He almost made it," that would be little consolation.

As we go forward in our program in these coming months, it will therefore be our duty to make parties conscious of available conciliation machinery and to do our best to bring about harmonious labor-management relations in order that we may have the full production so necessary to American defense.

Today, when we are seeking to use all available machinery for settling labor disputes, we are giving more thought to arbitration procedure. The national trend shows a decided increase in the use of voluntary arbitration. Throughout the work of the Conciliation Service, too, during the last few years there has been a continued increase in the number of arbitration cases. Since the very beginning of the Service, however, some commissioners of conciliation have served as arbitrators in situations involving almost every aspect of employee-employer relationships. These arbitration cases have been mainly of two types: Interpretation of an existing agreement, and arbitration to establish points where there is no agreement.

Labor and management are increasingly providing in their agreements that if they are at any time unable to adjust a dispute over interpretation of any part of the contract the matter shall be submitted to arbitration. It is frequently provided that the Conciliation Service

upon request will designate some neutral person as arbitrator. A survey last year of over 1,200 agreements in our files disclosed that 62 percent contained provisions for arbitration.

It has, of course, been the desire of the agencies dealing with this matter of labor relations to settle cases as quickly and as satisfactorily as possible. After the creation of the National Defense Mediation Board and after about 25 cases had been certified to the Board, it was decided that in order to prevent a backlog of unsettled cases the Conciliation Service would further utilize the panel method of handling cases. The panel method is an old custom of ours which involves inviting to Washington the parties to particularly serious disputes of critical national importance so that a panel of commissioners can attempt to settle the case.

The panel method has not been 100 percent successful, but with the fine help you State people have given us we have settled, since our new emphasis on panels, 36 of the 53 panel cases we have handled. These 53 were all cases which otherwise would have gone to the Board. In other words, the Board got 13 cases instead of the 53 it otherwise would have had.

We hear a great deal of talk to the effect that in these times of emergency we should have no strikes. It is because we, too, realize the importance of harmonious relations that we are giving all of our time and energy to this end. But it must be realized that in a democracy you cannot decree or command peace, harmony, and efficiency.

I, for one, hope that the voluntary methods will always solve our problems. Let us hope that our Federal and State mediators and conciliators can always operate as successfully as the old Arab. An old man died and left his three sons a herd of camels. The eldest was to have half, the second a fourth, and the third a fifth of the herd, but there were 19 camels and so the sons began to argue. They argued for a couple of weeks how to divide that herd. One day an old Arab came riding by on a lone camel and offered to act as conciliator and settle things. He said, "I'll give you my camel and put him with the herd." That made 20 camels. Then he gave the eldest 10, and said to the middle son, "You take 5." And there were 4 for the youngest. Whereupon he got on his camel and rode away and everyone was satisfied. It was the best he could do under the circumstances and that is what we are going to have to do—all of us work together. I think the great task ahead can be done.

DISCUSSION

MR. HINES (Pennsylvania). Perhaps more than any other function of our department, the subject of labor relations is the thing with which I am best acquainted. As a member of organized labor for over a quarter of a century, as a member of the Mediation Board of Pennsylvania for several years, and as a member of various boards which have been set up throughout the country, I have had to delve into this question of industrial relations; obviously, also, I could not have sat across the conference table from employers negotiating agreements without absorbing some knowledge of the employers' problems. Certainly, in traveling throughout the State of Pennsylvania and in going into every town and hamlet and taking part in every sort of industrial controversy I must have learned something about industrial relations.

Our mediation efforts in Pennsylvania are tied in very closely with those of the Conciliation Service. In fact, this relationship goes back before the mediation era in Pennsylvania, which began about 1925. Prior to this time there was very little effort by the commonwealth to enter this field of activity. Our people work with the conciliator assigned to the State. Many times they divide their activities, one taking one particular job, one another, but there is very close cooperation. This is particularly so with regard to reports. We insist upon a complete and detailed report of every labor controversy which takes place.

When I came into office one of the first things I did was to make a sincere effort to try to bring about cooperation between industry and labor. If we are going to be successful in getting the things done that need to be done, we must endeavor to promote industrial peace. I do not mean by that that workers should be denied the right to strike—far from it—but I believe more can be accomplished by the methods that my own organization in Philadelphia pursues—mediation and arbitration—than can be accomplished in 1 month on the picket line. Do not think from that, however, that we will not fight. More can be accomplished through mediation, with the idea in mind that you are prepared to fight if necessary, than can be accomplished by going on strike, and then going through the processes of mediation and arbitration after the strike has taken place. So we made a determined drive to promote industrial peace, and I think the records indicate that we were successful and that we still are successful.

While the figures I have here more or less parallel the figures as indicated by Mr. Steelman, showing an upward trend in labor controversies, there was a notable drop in 1939, the first year that we were in office, from the preceding 2 or 4 years. The sit-down strike, I think, is on its way out. There is a greater feeling of confidence on the part of employers in Pennsylvania in the efforts put forth by the mediation forces, which, incidentally, are completely out of politics. In 1939 we had a total of 281 labor controversies, strikes, and lock-outs. We compiled our figures on this basis. Incidentally, this does not include any labor controversies that may have existed in the coal industry in Pennsylvania.

Pennsylvania's anthracite industry is situated within the confines of only a few counties, and this is the only place on the Western Hemisphere where this industry exists. In this area there are about 1,000 anthracite miners and about 1,000 miners of bituminous coal. There were 3 instances where the anthracite miners were involved in serious controversies, but which were finally settled. There were 2 stoppages in the other industry of about 6 weeks each. I did not list them as labor controversies.

My decision was that it was not voluntary unemployment, but rather unemployment through no fault of the men, when through tradition and custom the mines closed down for a period of time. I made that decision twice and, so far as I know, Pennsylvania is the only State that has decided that way. That decision has been accepted by practically all of our citizens. It means that some 8 or 9 million dollars went into the homes of these people to take care of the women and children, and perhaps most important of all to the businessman was the fact that the money was spread around the State. Besides, we shifted the burden from direct relief to unemployment

compensation and, since our fund now totals 180 million dollars, nobody was hurt by it.

In 1940 our strikes, controversies, and lock-outs increased—they jumped from 281 involving 63,000 people to 372 involving 142,203 people. That is accounted for by the fact that in the latter part of 1940 the defense program was getting under way. For the first 6 months of 1941, or rather for the first 7 months, January to July, inclusive, we had a total of 315 strikes and controversies involving 426,503 people, so that is a considerable jump over the previous 2 years. In the defense industries we had 30 strikes and 53 controversies involving 359,000 people, and in other industries 86 strikes and 146 controversies involving 67,257 people. As you will see, the greater preponderance of the people who were affected by strikes and controversies in 1941 were employed in defense industries. I also want to point out that the number of controversies in every instance is practically 50 percent more than the number of strikes. This upward trend has been noticeable from the year 1939, when special efforts were made by mediators and conciliators to hold these controversies in the controversial state, rather than to let them get to the strike stage. This is indicated all through the record. While this great number of people, nearly half a million, was affected, a large percent were affected only insofar as controversies are concerned.

Now with regard to the main causes of these disputes—demands for increased wages, enforcement of legislation—there has been a considerable amount of union organization work carried on in the last couple of years. We started in under the NRA, then there was a lull between 1935 and 1937, and then an increase in organization activities. It has been my experience, going back over the past 7 or 8 years, that when you organize a group of workers and attempt to negotiate an agreement with an employer, he is reluctant to go the whole distance the first time. He says to himself, "I'll try this thing out." He does not realize how long the organization will stick together. He is perhaps just hoping against hope that the thing will disintegrate and that by the time another year rolls around he probably will not have to do business with the organization. But the second year usually finds him more willing because of the relationship that has grown up between the worker and the employer, and so the second and third years it is not so hard to get agreements as it was the first year. I think that is reflected in the record here.

Then let us consider union recognition and new agreements—new agreements covering wage increases, shorter hours, better working conditions. Perhaps in this category the demand for union shop was the most important factor. I use the term "union shop"; "closed shop" is not known in trade-union language. When some of the employers began to fight the trade-unions in the early twenties and attempted to destroy unionization in this country, they set up a grand program to induce nonunion workers to fight with the unions and coined the phrases "open shop" and "closed shop." "We want an open shop and everybody come in." Now we have fallen into the bad habit of using that term.

On the train I read an article that stated that three-fourths of the newspapers commenting on the President's action in the Kearney situation were critical of the President's action. Then it went on to

say that what he was attempting to do was to force the closed shop on the Kearney Co. That is not true. All the Mediation Board decision said was the logical, sensible thing it should say—that where workers joined the union or later became members of the union, they should continue membership in that instrumentality to the end of that contract. What is more logical than that? If I were an employer that is what I should want them to do. It is not helping labor when the leaders mislead the people.

We fail to take into consideration that sometimes labor leaders cannot get the rank and file to go along—it is the rank and file you are doing business with, and when the rank and file vote unanimously to accept an agreement, I think they are morally and legally bound to maintain membership in the medium through which the agreement was negotiated. I should want that for my own protection if I were an employer, because if I did not have it, they would probably repudiate the agreement, join another union, and make a new demand on me in the course of 2 or 3 months or weeks. So it just does not make sense when people are critical of that decision. I have discussed it many times with lawyers and employers and they have agreed.

I was much interested in a reference made by the representative of the Mediation Board to the panel discussions they had. We tried that out in Pennsylvania and it worked out very well. We would stay sometimes until 4 or 5 o'clock in the morning until we got an agreement that was mutually satisfactory. Again the mediators and conciliators played an important part in that.

Dr. Steelman spoke of bringing into play the influence of people who were able to do something when their own efforts did not bring results. We still have that in Pennsylvania. Recently we called together a group of leading employers and representatives of labor and worked out a program whereby this staff voluntarily agreed to assist our mediation staff, at any time they were called upon, in bringing about the settlement of a dispute that had reached a point where we could not do anything with it.

I think we have had considerably more experience than most of the States on this question of mediation. I am not fearful of the outcome. Labor has demonstrated pretty well that it is loyal.

I hope the employers will likewise become reconciled to the fact that a new day not only is coming but is already here. Anyone who thinks this old world is going back to where it was before all this turmoil is crazy. We hear a lot of talk about the social order, but I think we have something entirely different to look forward to in industrial relations in this country. Labor does not at the present have all the leadership it should or could have. With the influx of new members new leadership has not been built up so rapidly as we had hoped. I often think, when I hear large groups of employers making a plea for labor that we do not have to champion organization because the unions are able to take care of themselves; they have demonstrated that. But I would urge employers to encourage labor to develop the needed leadership and instead of trying to hamper progress to do everything they possibly can to enhance the relationship that will in the future be so necessary to labor and industry.

We go to the Bible for instruction, so I say, "Come let us reason together." That is our motto in Pennsylvania, and I think the sum total of mediation is simply this—common sense and a little sense of humor. The latter is greatly needed because the employer and worker oftentimes see their problems magnified over and over again, when to the outsider they are not so serious as they seem to be. A worker has told me what a terrible fellow his employer is and how inhuman he is, and then the employer has said he will shut the gate and never hire those employees again, what ruffians they are—those people he has employed for 20 or 30 years. Yet he forgets all that when a mediator lets him wash his dirty linen for a couple of hours and we generally find the parties shaking hands as the outcome. I do not know anything in the world I would rather be engaged in than the problem of industrial relations. I am not at all afraid of it; I like it.

Mr. DAVIES (New Hampshire). The State I represent here is not so large industrially as the States some of you have the honor to represent, but in New Hampshire we have a law on the statute books that has worked out very well and I hope it may prove helpful to the delegates from some of the smaller States. The law says that when any controversy arises relating to conditions of employment which involve not fewer than 10 persons in the same kind of business, either permanent residents or nonresidents, upon application, the labor commissioner will proceed to the place of difficulty and hear the interested parties. The firm is advised to be present and adjust such difficulties. Within 5 days the labor commissioner renders a decision. Mr. Steelman will bear me out when I say that we are going places with that law. I want to say to the conciliation representatives that our State appreciates the fine cooperation given us. I think it should be emphasized that the mediators and conciliation departments use and exhaust all peaceful methods provided by the laws of the State and the National Government before the parties enter into a strike or lock-out. Then there is still time for a party to stand on his constitutional right and strike if he wants to. I hope that this meeting will at least place more emphasis on educating employers and employees as to what wonderful machinery this country provides to take care of industrial disputes through conciliation and arbitration.

Mr. BLAIR (Minnesota). I am acquainted with the cooling-off period and should like to suggest that instead of having to go to Washington to put cases before the United States Conciliation Service, which would work a hardship on the numerous small industries in Minnesota, vitally important at the present time, a closer place be found for them to meet, such as Chicago in this instance. Sometimes it would be impossible for these employers to make these trips to Washington—in a few instances due to finances. I have talked to many employers and they express that opinion.

In Minnesota we are rather jealous of the Federal service in one instance and in another instance very grateful. In the first instance we are jealous of Dr. Steelman's department, because we stole something from his department when we set up the Minnesota law. In the other case we are grateful because of the fact that the national administration stole from us something we had in effect—a mediation board.

Most people criticize Minnesota, saying of our labor conciliator that "He is a little dictator." We determined in a meeting with the governor and the conciliator that because of defense work we would have to take an arbitrary stand, so every case, whether a Government order directly or indirectly, was declared a public-interest case, and we attempted to settle it within a 10-day period. We have been fairly successful, and in some cases have done the same thing that the National Mediation Board is attempting now to do. We have one man representing labor, one man representing industry, and a third man representing the public. The man representing the public generally expects to act as chairman. In most cases he happens to be an attorney favorable to all parties, so if there are any legal entanglements, he can rectify the situation.

We believe that education is one of the principal things. Today we are finding more opposition from employers in connection with the law than from employees, because we have been out among people preaching and educating them in the way to use the law—in many cases to their own advantage. In Minnesota, under the law everyone intending to go on strike must first serve notice.

I wonder if it is entirely true that labor is opposed to such a thing as a cooling-off period or if it is rather a matter of education. Certainly almost everyone is opposed to coming into court under any circumstance, whether he be guilty or merely comes in as a witness, and sometimes I wonder if that is the problem with labor. I came up through the ranks and know their thoughts; I know that they do not like to be forced to do things. Nevertheless, in Minnesota in the last year we have proved that even labor can be made to understand a law that is certainly made to be helpful to them rather than to be a hindrance. At the present time we are getting excellent cooperation from all the labor unions in the State. I should like to ask Mr. Hines—he is older in the labor movement than I am and knows better—what his reactions are to the cooling-off period.

Mr. HINES. The idea came a little too late. It ought to have been in effect when I was an organizer. Then the boys would go out on strike against your advice; you would tell them they were not entitled to strike benefits, but they would go on strike and come around a week later and want you, as representative of the A. F. of L., to go to Green to get them financial assistance. Then they would send a delegation to the labor union and you would be criticized there by both red hots and left-wingers because you let them down. I often wished we had a cooling-off period in those days. I do not know that I would advocate it for the State of Pennsylvania right now. I do not think we need it. You say you bring the parties in and then make them reach a settlement. I should like to know your formula for doing that. In all my experience in the State of Pennsylvania, we have never yet been refused if we requested both sides to come together.

I do not know about the cooling-off period. The trouble with that is that things may be different in Pennsylvania than out your way. If the boys decide not to cool off they won't. What would you do about it? When you inject any element of compulsion you get away from the main idea—mediation. We get them together and they have to have a couple of hours to wash their dirty linen and that is

interesting and we like to hear it. Then we come to a point where finally somebody says something and you get a start and work from that point on. Eventually you get somewhere.

You ask my opinion. Frankly, I should say there is not much to the cooling-off business. When conflict exists the thing is to walk in and say what to do. The Pennsylvania law provides the secretary shall investigate every industrial dispute. Do not forget this. After all, the secretary is more than a mediation board. He heads up more than a mediation board; he is head of factory inspection and various other bureaus dealing with the workers and employers and as a general rule he is probably well respected. I quite agree with my friend from Alabama when he says that there is too much of a tendency to want to get the boys in Washington to put the pressure on. Another group has a different school of thought—that is, settle at home and do not get too much publicity.

In every agreement we negotiate we endeavor to write therein an abstract clause providing that the department of labor and industry supply an impartial representative to the board if the parties fail to select one themselves; we have a list of outstanding citizens in Pennsylvania who are available for that kind of work. Some offer their services free. Others accept a fee, which is paid by both the employer and employee, and devote time to it. We had a number of cases settled in that manner. Particularly, agreements negotiated by unions organized 5 or 6 years ago carried that clause in the agreement. Mr. Blair, you said you get agreements; I do not see how.

Mr. BLAIR. We do not force settlement. That is borne out by these figures that show some 680 strike notices served and out of those notices only 4 strikes. In the others we got settlements in about every case before they came in to the conciliator. I give those figures to demonstrate that peaceful persuasion by one means or another is the thing we want ultimately to achieve.

Mr. DURKIN (Illinois). Speaking for Illinois labor, I might say that during the last two sessions of our legislature representatives of the C. I. O. and A. F. of L. have fought vigorously the cooling-off bills before the legislature and were successful in defeating them. Of course, all of the people within the State are not protected by the National Labor Relations Act, and we all know what may happen during the cooling-off period of this system. Those active in labor organizations may find themselves without any protection or even without any job. We also know that the administration of any law has a lot to do with satisfying either labor or the employer. If the administration is employer-minded you will not find labor very enthusiastic in that sort of legislation, and that holds good whether it is factory inspection or any other type of legislation.

Mr. MORTON (Virginia). I should be violating my duty if I did not acknowledge the great assistance the Conciliation Service has been in Virginia in helping to keep down strikes during the past year. In Virginia, in the shipbuilding plants employing approximately 40,000 and a great many other plants and industries, I think we rank about fifth in the defense program in the country. During the year we had a few strikes here and there, but practically no time was lost on account of labor disputes in the defense industries in the State of Virginia. This was largely due, I think, to the fact that such a spirit

of cooperation has been built up in Virginia between the department of labor and the United States Conciliation Service. I feel grateful that there is no jealousy between the Department of Labor of Virginia and the United States Conciliation Service. We welcome them, and I think we can make contributions by reason of our knowledge of the individual agencies—the industries make annual reports to us, call on us for service, ask us about the construction of the labor laws. I hope our experience may improve our system of exchanging reports, but other than that I cannot suggest any way this service can be improved. I am very grateful and I think Virginia is grateful for the assistance it gets from this Federal agency and I want to express its thanks.

Mr. REESE (Delaware). I think if the National Labor Relations Board followed out the same process the railroads have there would be plenty of time to cool off. The railroads have been negotiating for an increase now since June 24 and you do not hear anything about strikes. They have an honest set-up, which I cannot say for labor as far as getting things done. Probably Mr. Steelman can give us a little light on that. Of course, the railroads are purely interstate. So is industry today. When you bring someone in from Washington to settle local conditions it must be interesting. It probably takes an act of Congress to put through the same kind of outfit we have on the railroad to take care of disputes. I will say this, it is much better to have local industry—Dr. Steelman can give us some light on that.

Mr. STEELMAN (Washington, D. C.) There has been, I think, a great deal of misunderstanding in the country about the value of the Railway Mediation Board. The Board itself said in its annual report, that the absence of strikes on the railroads and air lines is due primarily not so much to the mediation machinery of the Railway Labor Act, as to the existence of collective labor agreements which provide orderly, legal processes for settling labor disputes. There is a great deal of misunderstanding about that. Certainly, we could learn lessons from the experiences of the railroad labor organizations and their employers. They have had some 150 years of experience in dealing with each other and after that have come to some conclusions as to how to handle their problems. The Railway Labor Act was an agreement between the employers and labor organizations. After many years of experiences they decided on a method and decided they were ready for it. They then both went to Congress and said, "Will you O. K. it?"

That is different from most of the cases we have talked about here today, of course. Where you have a new union you usually have new employers, too, so far as experience in collective bargaining goes. The new people in collective bargaining often have not had sufficient experience and knowledge developed over a long period of time to look at the picture clearly. I am sure that many factors enter into the fine situation that has been described as existing in Minnesota. The law itself, as I understood the speaker from there to say, has been used as a source of educational program. The entire picture depends apparently on experience and education. It depends on the people, the experience they have had, and the willingness of both sides to play the rules of the game. Therefore, I think we could gain many good lessons from the experiences of the railroads.

Mr. BLAIR. I want to explain this serving of strike notices. In about 50 percent of the cases where strike notices were served the cases were settled before the time was up. Because an employer finds it is necessary under the law he takes part in the procedure. In one test case we found that there was no termination period to the strike notice. We set up a 90-day period at the end of which time any union beginning a strike must serve a new notice. Then there is the matter of requiring that the union must register with State conciliators. Many new unions failed to do so, and if notice was served they would not be recognized because they had not been registered previously. We learned a lesson from the NLRB and found it better if the conciliator on those hearings had the privilege of taking testimony under oath and was able to subpoena witnesses and records.

Miss MILLER (New York). It seems to me that what Ralph Seward said in the course of the afternoon is the nub of the thing we are trying to build with. He said, "It is the purpose of the effort of the Board to get any agreement that the parties will negotiate." Now listening to that just by itself, it is a pretty startling statement. I mean, there is the possibility of some real difficulties if "anything goes." What we have to do is to interpret that statement in order to realize the purposes that Board has in getting negotiations under way. That is, if there is a negotiation between unequal parties, without somebody holding a balance, then there is likely to be injustice, wrangling, and a sense that something has been put over. But if parties who start unequally spend a period in an atmosphere of attempting to get facts, of attempting to increase understanding, of attempting to set up the facts, so that misunderstanding and pressure and the causes leading to what is regarded as any unjust settlement are pushed farther and farther into the background, then any settlement made under those terms can be better than alternatives that might have developed through pressure. Now the cooling-off period as generally discussed is regarded as a pressure instrument and there it is bad, because it does not tend to counterbalance difficulties with which most of these disputes begin. Insofar as we can get this idea of a forum, of a chance to rule out the strikes that have nothing to do with the reasons for difference in a situation, and can get down past the point of the difficulty to the point of what needs to be done to make decent work relationships, then there is no need for any limited or unlimited amount of waiting time, but simply the chance to operate in the kind of atmosphere that has been described here this afternoon. The result is an improved relationship between the two groups. That, it seems to me, is what we are trying to map out here. Certainly, if our experience is typical at all, this is what we find: an occasion where folks come to know one another, where they feel that each other's experiences, sense of dignity, and interest in what must go on as a common enterprise, can be worked out together, not entirely satisfactorily, but at least more understandingly. Where pressure is applied, that chance at an understanding becomes more and more precarious. So, it seems to me that we have indicated this afternoon that whatever we call it, we want that time, that chance for a hearing, that chance for free discussion, to put before each other the issues, and to work out a settlement on the basis of the needs of the situation and accomplish this industrial peace.

Labor and National Defense

Production for Defense

By WILLIAM L. BATT, *Director of Materials Division, Office of Production Management*

[Read by Samuel E. Neel]

At the meeting of this association about a year ago, Dr. Lubin made this statement:

To do the job that is required, namely to defend the United States and this hemisphere against attack, will cost at the present estimates about 16 billion dollars; or to be a little more specific, \$125 for every man, woman, and child in the United States.

Twelve months have elapsed since then, not a long time in the ordinary scheme of things, but in that short period drastic changes have taken place, changes that challenge the free economy which this great people have so patiently built over the years, that seriously endanger the safety of every man, woman, and child in it, that threaten the very security of the country itself.

In that short 12 months, the size of the defense job and all the obligations that go with the "arsenal of democracy" have so enormously increased that what seemed like a comparatively easy task then—one which might readily be laid on top of a normal civilian economy, one which might incidentally serve the useful purpose of providing work for the unemployed—has now become the desperate struggle of a nation unhappy and alarmed. It is no longer the simple question that it seemed 12 months ago, when its cost could be so easily measured and in terms that, while they were truly large, were readily within the means of the most prosperous people in the world. Sixteen billion dollars was a lot of money, to be sure, but it was only a fifth of our national income in a good year and, to a people with our natural resources of materials and skills and initiative, \$125 per person spent for a national defense we knew we had neglected, was nothing to worry about.

But now that 16 billion dollars has become more than 50 billion, and there is every likelihood it will be more, it is terribly clear that this is no longer a job to be done in odd hours—as a sort of extra-curricular activity; no longer the kind of a job that will let us go our own normal ways with the usual amount of bickering and waste; no longer the kind of a time when business as usual, politics as usual, life as usual, can be tolerated, or will much longer be tolerated by a worried people. We want production for our own defense, and we want lots of it quickly; we want production and lots of it to aid England and all those who are joined with her in fighting for a common cause, and we have said we are willing to make the necessary

sacrifices to that end. Toward these objectives, the American people present a united front.

Whether or not we realize clearly the extent of the sacrifice involved, whether or not we see clearly the amount of work involved, is another matter. Whether we should have seen the magnitude of the job earlier is also beside the question; certainly we were not alone in our hesitant approach because you will remember that it took an England at war almost a year to get under way. The fact is, of course, that we, like England, like any democracy, hated the idea of war and loved the easy ways of peace. If we could find an opportunity to hide our eyes to what was going on in the Nazi program for power, we anxiously took it. There is no need to cite examples of our reluctance to begin an adequate armament program—we were all guilty of the same blindness. But now we begin, in some degree, to see what it will take to match the greatest military machine the world has ever seen, and that is a step in the right direction.

Because there can be no defense program without work and the cooperation of workers, it is they primarily who must see the size of the job to be done and have the determination to see it through. By and large labor has done its part in this unparalleled production job. There have been those regrettable exceptions where some of labor's leaders have seen this crisis merely as an opportunity to strengthen their own leadership. And for some of the strikes in defense industries there can be no excuse. There have also been other equally regrettable exceptions where some employers have refused to deal with their employees on the basis of a genuine partnership dedicated to the accomplishment of a common objective. The only sound solution for such abuses must be found in the patriotism and sound common sense of the great mass of men and women who man the country's industrial facilities and who will themselves outlaw all such obstacles to the Nation's defense.

For this defense program cannot tolerate delay. There is no way of bringing back yesterday's lost production of planes and tanks and guns, and every such lost day is clear gain for the enemies of democracy.

And it is about the production of those planes and tanks and guns that I am to talk to you today, for you have a right to know what is being done for your country's safety and the safety of those across the seas who constitute our first line of defense. On the whole, the production job is going along reasonably well if measured by ordinary peacetime standards. You are familiar with aircraft production because some of those figures have been made public. The estimated August deliveries of completed planes is approximately \$100,000,000, compared with the monthly rate of last year of about half that amount. Plant additions and expansion programs within the next 3 or 4 months will bring about a further substantial rise in the volume of production.

Encouraging reports that machine tools are now coming in more nearly on schedule and employees are becoming better trained to this particular class of work give promise of continued rises in the steadily mounting curve of production.

The rapid rise in deliveries in the aircraft industry has been made possible by the tremendous expansion which has taken place in the

last 18 months in plant capacity and manpower. In the 2 years to January 1, 1941, manufacturing space underwent expansion from 9,500,000 square feet to approximately 25,500,000 square feet. At the end of the first quarter of this year this expansion had risen to nearly 33,000,000 square feet, while another 20,800,000 square feet are already under construction. The contemplated 1942 peak of floor space is 53,657,000 square feet, or more than five times what it was 2 years ago.

Employment in aircraft plants manufacturing military planes and engines amounted to 31,180 persons at the beginning of 1939 and has expanded to 162,422 in May 1941. By the time peak production under the present program is reached in 1942, the total number employed may well be over 400,000.

Actual deliveries of military planes in July 1940 were 577. July 1941 deliveries were 1,469. Under the present program a monthly output of 2,000 may be expected in December of this year.

In July of 1940, 1,233 engines with total horsepower of 1,060,000 were produced and in July of this year 4,318 engines of over 4 million horsepower. These are encouraging figures until you remember that Germany is probably able to produce double that quantity and has been doing so for years.

Over a thousand light tanks, of 10 tons each, have been delivered and the 30-ton medium tank is just now beginning to come off the line. Not so bad if you remember that it was still on the drawing board this time last year. In that interval, one great tank arsenal has been built and completely equipped and a half-dozen other large companies have rebuilt parts of their factories for this huge ordnance item. You will better comprehend the size of the new tank when I say that the transmission alone weighs 7,600 pounds—about as much as two passenger automobiles.

Before the end of the year, these moving forts will be delivered at the rate of several hundred monthly, again a comforting figure until it is remembered that Germany is reported to have had thousands of tanks of similar size and fighting power when she went to war 2 years ago. And certainly she has not been idle during the past 2 years.

The story is about the same for guns and ammunition and the thousands of less dramatic but equally necessary items which a modern army must have. With the more familiar things such as scout cars and armored trucks, and the like, the industry needed little preparation and these needs were speedily met. Where the job was unfamiliar and particularly where an elaborate program of fixtures and special tools was required, results have been slower in coming through.

You, perhaps more than some others, are familiar with the underlying reasons why the results have been slower in coming through; one of these reasons is the tremendous complexity of modern machines of war. Take for instance a comparison between the first frigates of the United States Navy and our latest battleships. The *Constitution* was one of the first six frigates constructed with 1½ million dollars Congress appropriated in 1794. The *Constitution* was 1,576 tons and it cost \$302,719. The *North Carolina*, our latest battleship, is about 40,000 tons and cost nearly 70 million dollars. The men who fought the *Constitution* fought behind the protection of wood, perhaps a foot or two thick. Today's gunners fight behind more than that thickness of solid steel, and not just ordinary steel but specially hardened steel. That is just one example. You could go on to name as many more.

Behind the production of these specific items of war material was, of course, the necessity for a tremendous expansion of machine-tool capacity. Many of the machine tools needed were those not commonly required in industry in any considerable numbers—heavy planers for armor plate, large boring mills, and turret lathes. From an average annual volume of 100 million dollars, the output of the machine-tool industry rose in 1940 to 400 million; in 1941 it will be almost 800 million. And even with that growth, plants working on defense were crying for still more machine tools.

Whether means could have been found to lessen some of these delays and speed up the defense program materially has been the subject of long argument in many quarters. Some have insisted that the production facilities of the automobile industry should have been used more than they were; others that a more extensive program for subcontracting ought to have been employed from the beginning. I do not propose to discuss the pros and cons of these highly controversial issues this afternoon, but only to point out that the time element in this program of defense for ourselves and aid to Britain is of crucial importance.

To see more clearly why this is so, one has only to look at the Nazi war machine as it existed in 1939. For 6 years, the energies of this great industrial nation had been concentrated on preparations not for peace but for war. Out of the lessons of the last war, she had seen the necessity for the rigid organization of the whole productive effort of her people and the minute control of all available raw materials. She had set up a great economic general staff, ranking in importance with her military general staff, and it was their responsibility to take full control of all military and industrial mobilization. Through the planning of this staff, whose powers were supreme, the supplies of foodstuffs, of industrial raw materials, the development of available substitutes, and the arrangements for the shift from peacetime to wartime production, were worked out in that detail which is characteristic of the German mind. And at the outbreak of the war, this highly efficient production machine was running at full speed with roughly half of the working hours of German labor devoted to war needs. To her own capacity, she was soon to add that of the occupied countries of Europe. From the tiny Duchy of Luxemburg alone, she is believed to have obtained more iron and steel than we are today supplying to England. And more and more, the industrial resources of France and the smaller European countries are being reorganized and tied in with her own already large facilities.

This is the ruthless, coldly efficient, carefully planned war machine which Britain is facing. Her shortages in foodstuffs, in planes and tanks and guns and ammunition are serious, and it is to make up those shortages that America has dedicated herself. Not merely to make them up, but to make them up in time, and it is of time that we are so desperately short. It is this, much more than the building of our own home defenses, that makes the call on American industry so emphatic, that places production in large volume—production now—ahead of everything else.

The Germans are quite aware of this. They are quite aware that the refusal on the part of ordinary peace-loving citizens to accept the necessity of a wartime economy is one of the biggest factors working in their favor. Let me quote you briefly from an article in a German magazine written last February:

In still another way private British enterprise successfully opposed any promotion of the public interest at its own expense. The adding machine was always close at hand when it came to deciding whether a new Government arms contract could be carried out only by new capital investment. The dread of private enterprise to commit itself to new investments that only a protracted war would make profitable—this fact was recalled from the last war—and profitable only if the mechanics of war would not fundamentally change while it lasted, this resulted in delays lasting months and in innumerable refusals to accept offered contracts.

The basic difference in the war economies of Germany and Great Britain has turned out to be of still greater significance for the course of the war so far, and as one of Germany's most notable allies.

I do not believe the Germans can receive any comfort from our present attitude of mind, because I do not believe that their allegation applies to the compelling drive behind the United States today. It seems to me that there is a good deal of unnecessary alarm because of the shipment abroad of some of the defense material we are producing.

Some still feel that we ought to keep these planes and guns and tanks at home in order to build our own resources faster: Now my own view is that nothing so surely guarantees our safety as an aggressively fighting England and Russia and China. Their defeat for lack of arms would bring quick danger for us. Whatever we can furnish to strengthen their offensive is an immediate contribution to our defense. But quite aside from that is the fact that once our huge production possibilities are really utilized and get fully under way, we can keep enough for our own present needs, and still ship substantial help abroad. We are doing neither adequately today.

I spoke earlier of the steps taken to spread this defense load as far as practicable. The location of new plants to be financed by Government had the consideration of the Defense Commission from the outset, and I should like to read you the statement of principles laid down by the Commission to govern its approval of such new plant sites:

The National Defense Advisory Commission regards the selection of locations for the new industrial facilities required by the defense program as a task of outstanding importance. On the sites which are selected depends not only the strategic security of our defense industries and much of their efficiency for defense production, but also important and permanent consequences for the economic life of different parts of the Nation.

Experience gained during the past 10 months would indicate that the immediate ends of national defense are largely consistent with the longer run objective of a better balanced industrial economy. To reach these objectives it has become apparent that the following principles must govern the location of new industrial facilities:

1. That sites be avoided in cities or regions where defense orders are absorbing or are likely to absorb the available labor supply, or to congest housing, transport, or other facilities.

2. That every possible preference be given to locations where large reserves of unemployed or poorly employed people are available and where industrialization during the defense period will contribute to a better long-run balance between industry and agriculture. These conditions are particularly acute in many areas of the South and West.

3. That where facilities must be located in the present industrial areas, special attention be given to regions which have suffered a decline in their peacetime industries or to cities which have not been heavily engaged in defense production.

4. That the proper location of new plants, the wider distribution of defense contracts, and an aggressive policy to promote the subcontracting of the larger defense orders held by private contractors, all be considered essential parts of a well-rounded program to obtain larger use of the human and material resources of the country in the defense effort.

In spite of this program, there has of course been a heavy concentration of the defense load in some sections of the country. The location of shipbuilding facilities is obviously limited to the coast line. And this has represented a large block of the defense expenditure. At the outset it was quicker and easier to enlarge existing plants where experienced management and skilled labor were immediately available. But more and more new plants are being located in the Middle West and the South, and this movement will go on.

A direct contract placed in Patterson, N. Y., for airplane engines will extend out through hundreds of suppliers and nearly every State in the Union. And the increasing demands for raw materials and power provide encouragement for the development of more and more of our natural resources of the middle and far West. This is one of the few wholesome elements in this mad demand for the implements of war.

I think, however, that communities aggressively seeking new defense plants sometimes overlook the grave dangers to which they may be exposing themselves. If they have available labor and housing it is all right, but where it becomes necessary to bring in thousands of new workers, who must have homes and schools and stores and churches, a burden may be laid on the community which it is completely unable to handle. And this is without considering the problem of a future when the plant will no longer be needed and its labor thrown out of work.

One of the most disturbing aspects of this rapidly expanding defense program is the degree to which it has absorbed many of those raw materials so essential to the maintenance of our civilian economy. We were fully prepared, I think, to see some of our plants occasionally slowed up for lack of skilled labor or operated less efficiently because new machinery was not always available, but we were not prepared for any general shortage of such common domestic materials as steel, or copper, or zinc, or nickel, or for those familiar imported materials as silk and the steel-making alloys—tungsten, chrome, and manganese. We have always thought of ourselves as pretty much self-sufficient in raw materials and not dependent on the rest of the world to any vital degree. Most of us have not realized that while we are the greatest consumers of raw materials, we are at the same time the greatest importers. And now when the supplies of the rest of the world are disorganized, and shipping space at a premium, we have our greatest need. There is simply not enough to go around and the operation of the necessary priorities program must deny some of these critical materials for those civilian things which we can get along without. If it were merely the necessity for doing without, the result might be some inconvenience and no hardship. But it is much worse than that, because the production of these articles represents the livelihood of men and women who work on them, and it may be difficult or impossible for them to find other employment. Wherever possible, substitute materials are being used; aluminum pots and pans are certainly desirable, but food can be cooked satisfactorily in the materials our mothers used. But the plants equipped to manufacture aluminum ware may not be able to turn out enamel pans or cast-iron pots. Nor does the substitution of plastics for zinc die castings help the labor in the die-casting shop, although it may solve the problem of another manufacturer.

It is this tragic dislocation that is one of the most serious aspects of this defense program, and I am apprehensive that it may be worse before it is better. For the defense program is still growing, as it should, and there is no largely increased supply of raw materials in sight. People frequently ask how Germany, without access to the seas, can carry on a great war, and where she gets her materials. Years before the outbreak of this war, Germany was accumulating huge stock piles of essential imported materials in excess of her normal needs. And she developed substitutes and she was accustomed to doing without. If we had laid by such stock piles when it was easy to do so, our problem today would be far more simple. Instead of the hoard of idle gold buried in Kentucky, how much wiser we would have been to pile up tin and tungsten, manganese and chrome, copper, nickel, and zinc. When this emergency is over, we shall probably have the opportunity again to make such a choice.

The production of our own domestic materials is being substantially increased wherever necessary, but in many items not so fast as desirable. Much has been said about steel. In 1932, we consumed 15 million tons of steel ingots. Last year, we used 67 million tons and this year we shall produce over 83 million. And still there is not enough. The shortage is particularly felt in plates, sheets, and structural shapes where the demand for defense is specially concentrated. A substantial and quick enlargement is difficult. To bring down more ore over the Lakes requires new ore ships, and at a time when every effort is already centered on ships for the Navy and the Maritime Commission. But more steel must be found, for this economy of ours cannot carry on without steel.

As for aluminum, I shall only say that from a production of 30 million pounds per month in the early part of 1940, we are today receiving 60 million, and this will be more than doubled again in another 12 months. These figures can be tossed off lightly, but except to technical minds, they fail to give an adequate idea of the immensity of the problems involved. The completed aluminum program alone will require huge blocks of electric power that do not now exist, and this in turn necessitates the building of more and more dams and power plants and electric transmission lines. The State of Arkansas will benefit because here lie the only known large deposits in this country of bauxite, the ore from which our aluminum has always been made and which has largely come from Dutch Guinea.

And so the defense program spreads and spreads. It points its finger into every one of our lives. The moral is crystal clear to me. We, government, labor, business, capital, management, everyone in the United States must hang and work together, else, as was said long ago, "we will all hang separately."

Prices and Labor in the Defense Program

By J. K. GALBRAITH, *Assistant Administrator in Charges of Prices, Office of Price Administration and Civilian Supply*

[Read by Merle Fainsod]

Within the last few weeks—roughly since the first of last June—the American people have begun to find out what the defense effort and the policy of aid to Great Britain and her allies really mean. As

the armament expenditures have begun to take hold—as defense spending has mounted to the level of over \$1,000,000,000 a month—we have begun to experience in a practical way what a war economy is really like. While a year ago and all last year there was a good deal of talk about what the armament program would mean, nonetheless its effects have come to many people as a surprise—and it may be added, as a painful surprise. We are having our first painful experience with two problems of a war economy—a shortage or priorities problem and a price problem.

Within the last few weeks hundreds of American industries and thousands of American workmen have felt the pinch of materials shortages. These industries have found that the steel, copper, nickel, chemicals, and aluminum, the supply of which they always had taken for granted, are no longer to be had. And the facts might as well be faced. These dislocations will become more serious before they become better. On the supply of essential raw materials and essential plant capacity, the defense effort has been too little and too late. We are about to pay a heavy price.

The time is past when we can avoid a serious problem of dislocation from shortages of materials. We are paying the price for an unwillingness to look ahead and be guided by past experience and cold reading of the statistics. By foresight and prompt action we can still avoid a serious problem on prices. But this time there must be willingness to read and rely and act on the basis of the facts. We must be willing to draw on past experience. If we do not, we must be prepared to accept the price dislocations which also accompany an unintelligently handled war economy.

I should like in this paper to indicate just what the lessons of experience are; what the current reading of the statistics points to; and what we must do if we are to avoid having a price problem and price dislocations added to the dislocations from materials shortages. While I am much less qualified on many phases of this matter than many of you here today, I should like to relate this price problem particularly to the position of labor during the period ahead.

The danger we face is the problem of an uncontrolled rise in prices from a consumer expenditure that is outrunning the supply of goods. In short, it is the problem of inflation.

No group is exempt from the effects of such price behavior. Perhaps no group is more vulnerable than labor. Money wages rise, it is true, during a period of inflation and there is an illusion of prosperity from such an increase. But far-sighted leaders in the labor field must and do recognize that the welfare of labor depends not on high money income but on high real income. They know that it is the purchasing power of the dollar that counts or what the worker can buy in goods with the money he receives. They know too that the impact of inflation on wage earners is uneven. Some groups may be able temporarily to improve their position. Others may be able to hold their own. But for the bulk of wage earners, inflation spells hardship and impairment of living standards, of efficiency, and of morale.

The history of real wages during the last war makes this clear. During the years 1915–18, wages lagged considerably behind increases in the cost of living, except in those industries which were closely

connected with war production. Information is available on the movement of real wages for 56 separate industries during this period. In 38 of these industries, real wages declined. The real annual earnings of employees in the telegraph industry dropped 35 percent. Government employees and school teachers suffered a loss of 25 percent. Real earnings of salaried employees in manufacturing dropped 17 percent. Workers in the furniture industry, in women's clothing, in boots and shoes, in shirts, in motor-vehicle bodies and parts, in bread, in cigarettes, and in numerous other fields, lost ground to the extent of 5 to 13 percent. Workers in iron and steel and a few other war industries gained. But the gains of those workers whose real income increased during the inflation period turned out to be temporary gains.

The inflation of the war period had its inevitable aftermath. In the post-war readjustment the wage rates of the more fortunate groups declined sharply. Even more significantly several millions of workers of all industries were thrown out of employment. Inflation was succeeded by deflation with all its attendant hardships. That lesson should not be forgotten.

Wage earners and salaried workers today have a vital stake in stabilizing prices in order to prevent the repetition of the First World War cycle. In my judgment, we are entering a period which holds out the same inflationary dangers which confronted us during the First World War. Let me briefly review some of the developments since the outbreak of World War II—in short, let me pass from the lessons of experience to the lessons of current statistics. In the late summer of 1939 the general price level was relatively stable. Within a single week after declaration of war, the average price of 28 basic commodities (including wheat, cotton, steel, scrap, copper, etc.) jumped 20 percent. This speculative flurry, however, soon quieted down. The market turned downward and by August 1940 the general wholesale price level was only 2 percent higher than in August 1939.

Toward the end of 1940 the rearmament program began to take hold. Scarcities developed where military needs competed with civilian demand. With rising employment and higher wages, expanding civilian demand exerted increasing pressure on the price level. Largely as a result of these factors, since early February of this year, prices in almost all markets have turned sharply upwards. They have been advancing virtually without interruption. The general level of wholesale prices has now risen over 18 percent above the August 1939 levels. More than half of that advance has come within the past 4 months. Living costs have advanced more than 6 percent since the outbreak of the war and more than two-thirds of that increase has been since the end of 1940. So far, living costs have lagged behind the increase in wholesale price levels, but already we see signs of a sharp surge upward in response to the earlier advances in the primary markets.

Meanwhile, what has been happening to wages? The best over-all estimates that we have indicate an average hourly increase of about 8 percent. In other words, compared with the rise in the cost of living, the worker generally has made about a 2-percent gain in his real wage rates. This gain, however, has been by no means evenly distributed among all groups of workers. Many have lost ground.

Some, particularly in the industries closely related to defense, have gained. Even the seeming over-all average gain may turn out not to be a gain at all. For the gains which have been made have come largely because so far the increases in the cost of living have lagged behind increases in the wholesale price level. Let prices get out of hand and labor's gains will be canceled just as surely as if workers were faced with a shut-down.

The bulk of working men and women, I am sure, are alive to the dangers of inflation. They appreciate the fact that sharp increases in the prices of foods, rents, and finished products—in short, increases in the cost of living—may make victories in wage negotiations empty triumphs. They recognize that unreasonable wage demands on the part of labor may in turn contribute to inflation. The policy of price stabilization will be made difficult and increases of wage rates will defeat their own object unless wage earners are prepared to adjust their demands in a manner that makes it possible to keep prices and inflationary tendencies under control.

Labor's representatives have an important decision to make in the months ahead. They may throw their support behind the movement to stabilize prices and adjust their wage policies accordingly. Or they may proclaim their indifference to rising prices, and take a whirl on the merry-go-round of inflation in the hope that they will be able to come off a little ahead of the game.

I think we must all agree that the choice is clear. The demoralization and dislocations which inflation brings in its train are too serious a price to pay for what is, at the best, the hope of a temporary windfall. The problems of post-emergency reconstruction, when they present themselves, will be serious enough without the added complications of inflation and deflation.

The Office of Price Administration has been working to maintain price stability. Operating under the authority of an Executive order, we have been endeavoring, in large part by voluntary measures, to prevent unwarranted price increases. We have had a considerable measure of success in stabilizing the prices of metals, and we have kept the prices of textiles, fuels, building materials, and a large number of other commodities under a considerable measure of restraint. Prices would have increased far more rapidly in the absence of such controls. The time has come, however, when the control of prices, and thereby the prevention of inflation, will require stronger action. We will need the support of a strong tax policy and a strong fiscal policy. Particularly we will need more certain measures for checking price increases and for curbing the minority who are willing to chisel under the umbrella of the majority. I might stress particularly the importance of effective measures for controlling inflationary advances in rents.

Even more important, we need the support of labor and of people who are working with labor just as we need the support of business, of agriculture, and of all responsible groups concerned with preserving the stability of our economy. I appeal to you for your support.

The national defense program is one of increasing size and scope. Congress has appropriated for defense some 46 billion dollars. These vast expenditures, if unattended by controls, will lead toward price

increases and accelerating price increases. If action is to be taken to control prices and prevent inflation, it must be taken now before it is too late.

What Priorities Mean to Labor

By J. DOUGLAS BROWN, *Chief, Priorities Branch, Labor Division, Office of Production Management*

[Read by Richard A. Lester]

I wish to talk briefly about a subject that threatens to be a major problem during the next 3 or 4 months—the problem of “priorities unemployment.”

The placing of priorities on materials simply means that, where there is not enough of a material to satisfy all the military and civilian needs, the military needs are given first claim, in the order of urgency as determined by the Army-Navy Munitions Board and OPM—from AA and A-1a to A-10—and the remainder is rationed to non-defense uses on some principles such as the importance of the product to civilian life, or the effect of materials allocations on the utilization of the Nation's labor resources and plant facilities.

We are so accustomed to being troubled by economic depressions and “too much” production, that it is difficult for American business and American labor to understand that there may not be enough aluminum, enough nickel, enough copper, or enough steel to meet all the requirements of defense production as well as the production of durable goods, like automobiles, refrigerators, washing machines, and metal office equipment, at a rate from 30 to 50 percent above last year or the year before.

An armament program consumes large amounts of metals, such as aluminum for airplanes—one large bomber may take as much aluminum as 60,000 percolators; nickel steel for warships and tanks; copper, brass, and armor-piercing steel for shells; and chemicals for explosives. Other materials like rubber, silk, and cork must be rationed because ships are not available to import all that can be sold or because a stock pile is being accumulated out of normal imports so that sufficient military supplies will be available in case war should shut off all imports.

When imports of silk from Japan ceased and the army commandeered all silk stocks for parachutes, powder bags, and surgical sutures, people understood that dislocation and unemployment would follow in the silk-hosiery, the silk-throwing, and the silk-weaving industries in this country. But with domestic production of aluminum at double the preemergency peak and copper production at the 1929 peak, it is much more difficult for people to understand why there should be shortages, why their firm or their employer should be deprived of materials. Some of them even suggest abolishing priorities, as though by abolishing orderly rationing one could eliminate a shortage.

A list of the various metals and materials whose production or importation is well below their current military and civilian demand includes aluminum, brass, copper, chlorine, chromium, cork, magnesium, nickel, pig iron, alloy steels, silk, zinc. When one stops to think of all the various uses for a metal like copper (housing, automobiles,

electrical appliances, power transmission, communication, zippers, furniture, photoengraving, jewelry, etc.) or nickel (radios, incandescent lamps, electrothermal appliances, electroplating, tableware, optical goods, spark plugs, etc.), one begins to realize what it means to have over 90 percent of all nickel being used for defense and indirect defense production or practically all copper being allocated for direct or indirect defense work.

I have here a list—let me emphasize that it is incomplete—of non-defense industries that have experienced or are likely soon to experience priority unemployment as a result of materials shortages or production curtailment quotas as in automobiles. As the new program of the Supply Priorities and Allocations Board develops, other industries will feel the effects of materials curtailments.

On the basis of lists of the firms likely to be affected by materials priorities, the Priorities Branch of the Labor Division has built up a card index by States and localities, so that we can tell what firms in a certain city are engaged in production lines that are being or will be affected by priorities. For example, we know that Mansfield, Ohio, has firms producing electric appliances, refrigerators, tires and rubber goods, stoves, and brass-foundry products—all of which are likely to be affected.

There are also a number of communities in which most of the industrial workers in that labor market are engaged in a single industry that is likely to be severely affected by materials priorities. Such one-industry communities are Belleville and Quincy, Ill., which produce cooking stoves; Meadville, Pa., where one zipper firm accounts for about two-thirds of the total factory pay roll; Newton, Iowa, which is dependent on two laundry-equipment concerns; Manitowoc, Wis., whose three aluminum-ware firms have hired over half of the city's industrial employees; and Jamestown, N. Y., with five metal-furniture firms.

We have requested the United States Employment Service, in cooperation with the State employment services, to make surveys of some 37 communities in 15 States, communities that we know from our card files are likely to be severely affected by the curtailment of critical materials for nondefense production.

These community surveys are beginning to come in. They give a complete picture of the employment, skills, and lay-off schedule for each important plant in the community, the reasons for lay-offs, the defense employment in the various plants in the community, the present labor demand and supply situation in the community, and the prospective picture during the ensuing 6 months.

With such data, we are in a position to know what sort of a program should be followed to prevent or alleviate the problem of "priority unemployment" in these communities. I shall say more about remedial programs in just a moment.

If a concern is faced with a curtailment of materials for nondefense production, (1) it can try to find some substitute material, or (2) it can attempt to obtain defense contracts which carry a priority rating that will assure it the material necessary to complete those contracts. Unless it is able to take one of these steps, it may find its operations curtailed and its employees being drawn off to other firms whose operations are expanding with the defense program.

It is the objective of the Priorities Branch of the Labor Division to maintain working forces intact in the firm and the community where they are located, to bring the work to the men so that the country may be spared the waste involved in breaking up a working team and then trying to collect the pieces under new supervision in another plant.

There are three ways to achieve this objective and prevent "priority unemployment." One of these ways is to increase the production of scarce materials. Take the case of copper, which has become increasingly short until now there may be only enough to fill "A" priority orders. Two months ago we saw this situation in the offing, and some of us recommended as the best method of obtaining more copper a two-price program—the present price for present production and a much higher price for additional output.

In addition to increasing production, there is the possibility of modifying or influencing the allocations of scarce materials with the labor and community situation in mind. That has been done in allocations of such materials as nickel and rubber. Special consideration may be given where (1) the concern uses only a small amount of the material relative to its total employment or (2) where the concern is moving into defense work and needs a transitional allotment to tide it over the transitional period in order to keep its working forces intact.

The Labor Division is proposing that in the allocation of all materials account be taken of the location of the firm's plant or plants, and of the effect of such allocation upon the employment situation in the community or the local market area where each plant is situated. In order to obtain the maximum utilization of the country's labor resources, it is in the national interest to protect individual communities from an excessive or undue burden of unemployment, part of which may arise from priorities on materials.

Many of the firms already affected by priorities have had excellent relations with the labor organizations representing their employees. In two cases the concerns have been engaging in union-management cooperation, and in other cases the union officials speak very well of the concern and its labor policies. In some instances, the companies under union agreement have never had a strike. For such reasons, it is especially desirable to prevent a disruption of such excellent employment relationships and effective working forces.

On August 19, the Council of the Office of Production Management adopted a new program to prevent possible unemployment resulting from the impact of priorities and the undue concentration of defense orders. In this program, special attention is to be given to communities or industries threatened with "priority unemployment."

Under the new program the Priorities Branch of the Labor Division will investigate communities and industries that may be severely affected by priority action and will inform the Defense Contract Service of the essential facts in each case. In other words, the Labor Division will certify regarding the employment and employment possibilities in the community. The Defense Contract Service, on the other hand, will investigate the equipment available in the community or industry in order to certify regarding production possibilities.

With the facts regarding labor and equipment in the community the OPM, wherever practicable, will recommend to the Secretaries of War and Navy a remedial program which may include one or more of the following:

1. Negotiated contracts (instead of contracts let by competitive bidding) at prices up to 15 percent above current quotations.
2. Orders for "a responsible defense association or corporation" organized so that manufacturers may jointly handle defense work that they could not do with their individual equipment.
3. Elimination of bid or performance bonds when necessary.
4. Inspection of products at plants to facilitate prompt payment.
5. Reimbursement of prime contractors for additional costs resulting from extension of such policies to their subcontractors.

The plan provides that, upon receipt of such recommendations from the OPM, the Secretaries of War and Navy shall issue to their purchasing departments "such specific directives as they determine necessary in the interests of national defense to carry out the procedure recommended."

In addition to special treatment designed to spread defense work wherever practicable into communities and industries faced with unemployment because they cannot obtain materials for nondefense production, the program provides for further stimulation to subcontracting. Such stimulation is to come about through a requirement that each contract proposal of over \$50,000 include a statement of the percentage of work to be farmed out under subcontracts. This statement is to become a part of the final contract. The percentage of subcontracting guaranteed by a bidder shall be weighted favorably in valuing bids.

Under this new program the United States Employment Service and the State employment services are operating as the field agency for the Labor Division of OPM. They are making special surveys of various communities and they are also reporting to us all cases of priorities unemployment or threatened priorities unemployment that are brought to the attention of the local employment offices. Employers, workers, or unions that have cases of priorities unemployment or threatened priorities unemployment that they feel should be looked into should get in touch with the local employment office.

We are hoping that under this new program some effective steps can be taken to alleviate the situation during the ensuing months when the problem of priorities unemployment promises to be most acute.

Special arrangements have been made for informing organized labor of the priorities picture, especially the industries and localities where reduced employment, because of priorities, is likely to occur. Not only is organized labor given advance information through representatives on our staff, but arrangements have been made for consultation and advice on such problems through defense labor advisory committees and special advisers from the unions concerned. The need for such consultation and advice is clearly indicated in cases like copper, where increased production is a problem that cannot be fully solved without the assistance of the union.

To date, priorities have been placed only on materials. Shortages are occurring, however, not only in materials but also in labor in certain occupations and skills and in certain localities like the Connecticut Valley, the west coast, and the copper mines in the Mountain States. Therefore, priorities unemployment is not only detrimental to the defense program from the point of view of morale but because

it represents a waste of labor resources—the waste involved in not using such resources as well as the waste involved in breaking up effective working units enjoying good working relationships.

We must make certain that labor is not wasted through lack of coordination between materials priorities and the labor needs for both defense and necessary civilian production. In the end, labor shortages may be the most important restricting factor in our defense program as has been the case in Germany.

Labor's View of Defense Program

By FRANK P. FENTON, Director of Organization, American Federation of Labor

Your fast-growing international association is indicative that the philosophy of labor over the years for a better and more humane society was justified. We take a special pride in the governmental bodies that are represented here because they came into being through the efforts of the American Federation of Labor and the labor organizations that preceded the American Federation of Labor. I am convinced that we are entering into a new era of cooperation between organized labor and the agencies which have been set up to administer labor's rights, and that we must cooperate more closely if your work is to be practical, and the objectives which organized labor seeks through legislation are to be achieved.

I know that you are as acutely aware as are we at the Federation of the necessity for cooperation at this time of national emergency. You too know that in grasping for power the dictator has first sought to capture the labor movement and to turn against the people the governmental agencies set up to protect basic rights of labor. Surely we must be as alert as any dictator to make the labor movement and governmental labor agencies serve the great humanitarian and democratic ideals for which they were established. We have seen the pitfalls of others, and it is the part of intelligence for us to avoid the same grave errors. If I speak to you much of the American Federation of Labor today it is not to plead our cause or to exert pressure upon you, but to show you how the administration of labor laws looks from our side, even as I am eager to understand your agencies and how they really work.

Early in its history, the Federation, following our predecessors, sought to arouse the public conscience to labor's problems. The Federation strove to awaken people to the evils of child labor, low wages, long working hours, industrial accidents and diseases, and the use of the law to throttle unions. To remedy some of these abuses we sought legislation, to supplement collective bargaining. At first our recommendations for legislation received scant attention, until, in 1906, we hit upon the policy of rewarding our political friends and of punishing our enemies. To carry out this policy intelligently at the polls we set ourselves to understanding the machinery of the State legislatures and to acquainting State legislatures with the program of the labor movement. Out of our efforts grew mutual understanding and respect as we came to see the possibilities and the limitations of legislation, and as the legislatures and the public came to see that the workers in the Federation were in earnest about getting some things remedied by law.

In the same way we had to demand departments of labor, bureaus of labor statistics, and other governmental agencies to implement labor laws. We had to make the fight for appropriations for these agencies, for there were and there are interests which would like to starve out labor-law enforcing agencies by neglecting to provide them with funds.

And now we must take a further step if what we hope to achieve through the law and the Government is to be realized. Our experience must be put to practical use in your agencies. We must know what you are doing—not superficially but thoroughly—if we are to support your good work intelligently and if we are to put organized labor's experience at your disposal, helping you to act wisely, to avoid serious mistakes, to build constructively. We do not want to operate as a pressure group nor to ask admission to your councils or understanding of the working of your offices to the exclusion of industrial management or of the public. What we can offer you of cooperation we have learned through long efforts to cooperate with industrial management. But we do insist that what we, the unions, have learned is absolutely necessary to the proper direction of any agency that is set up to administer the rights of labor, and that we are most competent to advise on the application of that experience to such administration.

In this crisis, more than ever before, we insist upon the necessity for actively functioning advisory committees to Government, committees on which labor is properly represented. The national crisis demands the use of all pertinent experience; and a know-it-all conceit that refuses to listen to the experience of others is the highest disloyalty. For years, now, the Federation has been urging advisory committees, on which organized labor is represented, for all governmental agencies which administer laws relating to labor. There have been some advisory committees, more or less useful; and our experience now shows some of the things which must be done to make those committees work.

To get bona fide labor representation on your advisory committees you must invite the organization to send its representatives—not invite a labor man or woman to serve on your committee. Even if you get the same person either way, you should recognize the organization instead of assuming the union's prerogative of making the choice, which is the very thing that organized labor opposes in industry. We must urge our unions, of course, to send you the persons best fitted to advise on each committee. When you have a labor representative, use him where your agency can profit from his union's experience and program. Especially use him in working out major policies relating to labor, for the labor movement has accumulated knowledge that can be gained in no university and in no Government office. If you want a "yes" man or someone on whom you can slip something over, do not expect the union to continue to support your policy, even for the sake of the agency and the principle; it may find another way out. It is well to remember, too, that organized labor opposes the attitude, current in some agencies, that major administrative policies should not be discussed with those whose interests they affect until they are all set and ready to be announced and put into operation. Organized labor believes that the people

most concerned are entitled to participate in the plans. Of course, it takes careful planning to lay important issues before an advisory committee. The members must be notified of the issues that are coming up, must be given the facts, and must have time to consult their unions.

To cooperate with us intelligently you must inform yourselves of our labor movement, our history and traditions, our present organization, how we are unionized, what we are after, and how we work. Cooperation is impossible unless you gain our confidence. I could cite many examples, if time would permit, when your agencies were impotent until we got a commissioner who gained the confidence of labor.

I speak to you in this serious vein because I am sure that if our Government is efficiently to carry out its national defense program, your State agencies are bound to have more responsibility. I am sure that experience has taught you who administer the laws that the gains that labor has made are sound and practical. I feel confident that you will join with organized labor to see that they are maintained.

Propaganda by selfish interests in every channel of publicity strives to curtail the right of the workers to strike—that the right to strike be prohibited, that compulsory arbitration become the rule, that wages be fixed, that labor be forced to maintain a status quo, and that labor be not permitted to enlarge its area of trade-union organization.

This same group of selfish interests are asking that the National Labor Relations Act be drastically amended or repealed; that the wage and hour law be completely disregarded or suspended during the emergency; that the Social Security Act be reduced to an abnormal minimum, when any right-thinking person knows it should be strengthened, as in Great Britain, to take care of the impact that will take place during the post-war emergency period. This same group urge that expenditures for housing be sharply curtailed, that labor unions be required to incorporate, and that they again be brought under the restrictions, limitations, and control of the Sherman Antitrust Act.

The American Federation of Labor has been giving hearty cooperation to the Government's defense program since it was initiated. We have laid down a no-strike policy on defense projects which has been observed by 99 percent of our membership. Less than 1 percent of the man-days on the Army construction projects in which our people engaged were lost by strikes.

Our affiliated unions have thrown their resources into supplying men for jobs, often far from their homes, when local labor was not available. We have found and sent men from many States to such construction jobs as those at Corpus Christi, Tex., Wichita, Kans., and Charlestown, Ind. The Government has not furnished any part of the transportation expense for these workers; our unions frequently have.

Our workers have completed many defense jobs ahead of schedule—Army camps, housing projects, ship construction, and other work. We have not only thrown our physical energy into the production of defense needs, we have liberally taken from our treasuries to buy the defense bonds which help to finance the defense work. Both as individual citizens and as members of organized labor, American Federation of Labor workers are giving earnest support to the job of making our Nation safe.

In return, we are entitled to consideration from the Government when it is planning the conversion of our economy from a peacetime to a wartime basis. We ought not to be thrown out of jobs suddenly, not because of any break-down in industrial production, but because the impact of material shortages, created by priority orders, has not been planned for and the alternative steps taken to soften the blow. We are entitled to efficiency in Government administration of the program, so that our employers can, without waste of time, plan their production to keep factories and shops open and men employed. We are entitled to sit at the council tables where policies affecting our jobs are being decided, and to have a voice in formulating those policies.

The defense production to date has not been planned in a way to avoid industrial disruption. The dollar volume of all defense contracts by the Army and Navy let between June 1940 through May 1941 was \$9,839,000,000. Three-fourths of this total amount were contracts awarded to 56 corporations, while one-fourth was divided among several thousand contractors.

Competitive bidding has favored the big companies and has thus far prevented small companies from sharing in the only business which could replace normal production now limited by priorities.

This failure to bring production along faster is being reflected in lay-offs. Manpower and skills badly needed are being wasted because we have not yet got smoothly operating machinery to get jobs to the men who are being laid off because their plants cannot get the necessary raw materials for normal production and do not have defense orders to utilize their equipment and personnel. Thousands of one-industry towns face complete stagnation if subcontracts and negotiated contracts are not given them promptly. The new contracting provisions may help, but a large discretionary power still rests with the Army and Navy to give the contracts to big concerns if they think it best, and there are still no provisions to protect the subcontractors from being exploited by the concerns holding the prime contracts.

Small business concerns in the Nation hire more workers than the big corporations. We want them to stay in business. They cannot do it unless special consideration is given them in placing defense orders and a technical staff is on the job to advise them on the conversion of their plants.

When it comes to bidding for defense orders in a line not formerly produced, the small company has no fair chance to get orders. In the first place, it cannot properly estimate the cost factors when it is going into a new line of production and does not have engineers on its own staff who are familiar with the problems of that kind of production. It cannot afford to get in new equipment unless it is assured of enough orders to justify the expense, and without adequate equipment it may not be able to assure the Army of its ability to fulfill the contract. It has a harder time getting loans or backing for the required bonds. So far subcontracts have been let on the least profitable items, so the smaller companies, unable to get prime contracts, have had little to gain from defense orders.

Workers are being laid off from companies which cannot get steel, copper, nor aluminum. When these companies have tried to get subcontracts, they have been told all the jobs were let for this year and they would have to apply again when the new contracts were opened.

We condemn this wasteful procedure. Whenever the prospect of military use indicates that a given material will be in such demand that normal production will be curtailed, the Government should advise the industries concerned and should help them either get subcontracts for defense work in sufficient volume to keep their workers employed, or find substitute materials to produce their regular line.

No new plants should be built and no expansions of existing plants permitted to fill orders which could be done by already existing facilities. No workers should be forced out of employment in one area and encouraged to move elsewhere for jobs when their former plants could be used for defense production and they could be kept on, with retraining if necessary.

When a comparatively small amount of a scarce material would keep a large number of men at work, their company should be given that material for as long as necessary to give it time to find substitutes, get defense contracts, or shift to some other line of production. That has not been the practice to date, under rigid priority orders which have permitted the Army and Navy to accumulate unnecessary inventories of some items while men were being laid off for lack of some small amount of essential materials for production.

Obviously, when there is an actual shortage of material needed for defense work, civilian uses must be curtailed. But every effort should be made to prevent such shortages of materials. When a higher price would stimulate increased production it should be permitted, under reasonable restrictions against profiteering and inflation. This is not a time to measure our defense needs in terms of cost alone. What is sound business purchasing practice in normal times may be criminal folly when we must push ahead defense production rapidly and maintain civilian morale at the same time. To throw two or three million men out of work because of shortsighted or pinch-penny policies is to undermine our whole basis of national defense.

There will be no enthusiasm for participating in the defense of democratic principles if millions of people are jobless and hungry because of the way in which we undertake defense. We cannot serve Nazi-ism better than by failing to solve this problem of adjusting to defense production without wrecking business enterprise and creating unemployment. We can check profiteering by taxation. In the meantime our price policy in respect to raw materials and to contracts for defense commodities should be flexible enough to get the largest possible supply and to give smaller business concerns, which would otherwise have to lay off men, defense work even if their costs are higher.

The claim has frequently been made that wage increases must be checked or they will start a general upward spiral of prices. There is no reason for such a result. Wage increases in many industries were long overdue, measured by the increased productivity of the workers; and profits, even after wage increases, are steadily rising. Let us have no confusion between wage rates and the cost of labor.

Compared with profits, the wage increases are modest. Factory wages in the second quarter of 1941 averaged 9 percent above those of 1940; labor costs were up only 7 percent and profits of 251 industrial companies had increased 24 percent even after deducting higher tax reserves.

When output is increasing and labor productivity is greater, wages can rise without necessitating price increases. Wages form only 16 percent of total costs in manufacturing. A 10-percent wage increase raises cost only 1.6 percent and can easily be offset by economies of expanding production and greater efficiency of labor. Responsible unions recognize that wages cannot be pushed up to the point that reasonable profits are not made in industries which are operating efficiently. Their negotiations are based on a knowledge of the profits of the company and its wage-paying capacity. Unions have sometimes helped employers to greater efficiency of operation which has permitted better wages without price increases. Labor wants no price inflation, but we submit that wage increases resulting from sound negotiations are not responsible for price increases and should not be viewed as raising costs.

The difference in wages in different sections of the country makes the problem of shifting workers from a section in which business is declining to another place in which defense orders are calling for more workers than can be supplied locally, extremely difficult. For example, if the west coast airplane plants are calling for machinists at wages less than they have been receiving in the automobile industry at Detroit, they will be unwilling to move so long as there is any prospect of getting work in their home community at the higher wage. It would be a far better solution to farm out the work to be done where men and machinery are available than to attempt to concentrate production in new areas and bring men from long distances to work there. A much greater amount of subcontracting can be done and should be done with due precaution that the subcontractors' interests are not subordinated to those of the prime contractor in order that our economy may be fully utilized.

In Great Britain production lagged and the conduct of the war was notably inefficient until the Government was reorganized to make full use of the experience and organization of labor unions. Within the past year the orders restricting movements of workers from one job to another and curtailing rights which citizens in a democratic country would normally exercise during peacetime have been increased. These orders, however, have been put into effect with the full cooperation of trade unions and with formal guaranties that at the end of the emergency their full rights will be restored. As a consequence, there is hearty cooperation in even the most rigid requirements curtailing rights labor formerly enjoyed. On the other hand, the Government has made every effort to raise the standard of living of its working people and to ease conditions for them when industrial dislocations have occurred.

To a man who has spent his life in the labor movement, the problem of priority unemployment is not a question of mechanical units to be looked at in a table, but a human problem of men and women and children without adequate income for their living because industrial dislocations were not foreseen in time and plans made to avert the hardship which would follow.

Every week delegations of union members are asking for help because thousands of the men and women whom they represent have been released from employment with no prospect of immediate re-employment or retraining for other work. These people are unem-

ployed through no fault of their own, and are not to be treated as persons seeking charity. It is the Government's responsibility and its only hope for efficient prosecution of the defense program to plan in advance to use materials which are scarce in such a way that there will be the least possible dislocation of labor, to help small industries either convert their plants to defense production or obtain suitable substitutes for the former production which they were doing, and to keep the workers on the job or to retrain and place them in other jobs without any loss of income during the period within which they are fitting themselves for new employment.

We are conscious of the fact that our Government officials are sincerely trying to work out these gigantic problems that they are confronted with in the best manner possible. It is not my intention to be unduly critical. But I do believe that those Government officials who are planning our national defense program should welcome the advice and criticisms of organized management and organized labor if they expect their decisions to be intelligently enforceable.

DISCUSSION

Mr. REISER (Missouri). As one engaged in the plate-glass industry I should like to ask Mr. Lester if he has any information relating to the plate-glass industry.

Mr. LESTER. I do not think I have any particular information right now.

Mr. SLINKARD (Missouri). On this question of prices is there not a long way to go as yet in the planning program, in order to provide an additional supply of consumers' goods to keep prices down and still allow an increase in wages—which certainly a large percent of labor needs and has needed in terms of the old cost-of-living level—and are those increases in wages going to be the stimulant which causes inflation? Is not the additional production of these consumers' goods an essential part in the prevention of inflation?

Mr. FAINSD (Washington, D. C.). In part that is true. There are some consumers' goods the supply of which it is possible to increase, but there are other consumers' goods where the impact of priorities is very sharply felt. Some of them have been mentioned by others. These comprise all of the electrical appliances and automobiles, which are a good part of the field of consumers' durables. On the other hand, there are some consumers' goods where the effect of priorities is little felt. In the future where there is a possibility of expansion of the supply, this will do a great deal to alleviate the situation.

Mr. SLINKARD. Has there been any step toward planning to that end or have they been so busy concentrating on food, for instance—is not the answer to the food situation an increased production?

Mr. FAINSD. I think in part it is and that, of course, brings us to the agricultural side of the program, about which I prefer not to comment; but I agree with you that the possibilities of expansion in that direction are very great indeed.

Mr. SLINKARD. I am very much interested in one remark made by a previous speaker on the program. As I noted it, he said, "The welfare of labor depends not on higher wages, but on a sound economic basis

whereby the purchasing power is greater." Now, commenting on that point and looking for some sort of answer, since we know full well, both from statistics and through our pocketbooks, that the cost of living is going up—in fact, I am sure that many people feel it is going up at a much more rapid pace than their wages—what is being done by the agencies to see that wages keep pace with the cost of living, or that the cost of living is tempered down to wage increases that are being obtained?

Mr. FAINSD. I think the statistics which I gave before indicate that, so far at least, in this program the real wages of the workers—the average wages—head up and even exceed the cost-of-living figures by 2 percent, but like you I am very fearful that in the near future the cost of living is going to catch up with wages, and our workers hold the same opinion. In terms of stabilizing prices, we are operating at the present time under the authority of an Executive order. We have pending in Congress a bill which will give us a firmer basis on which to operate. There are many things that we would have liked to do and would have done, had our statutory basis been more clearly defined. If such bill should pass Congress in the near future, there are many things I think we might do in the way of holding prices in check that we are not now in a position to do.

Mr. SLINKARD. I think the tax bill which is pending in Congress now is certainly going to place a tremendous burden on the middle-class and the lower-class wage earner. Supposing that wages have been increased, say 10 cents an hour, in those industries and the cost of living in turn has gone up as much or more, can you consistently add on top of that an increased tax? If you do, then the worker is certainly going to come out on the little end of any such arrangement.

Mr. FAINSD. If that happens, I can only say that insofar as we can hold prices in check, we might be able to contribute. That is about the only answer our office can give.

Mr. GHTALLMAN (Missouri). In the price-stabilization plan, what is the danger of freezing the status quo? Now our medical examinations show how far short we are of having a virile physical Nation. This is due unquestionably in a large part to the depression years when there were a lot of people, unemployed and underpaid, who lacked the proper food. Is this price-stabilization plan going to freeze that, or is there not some way to bring the level of this lower third up again without affecting the forces of inflation?

Mr. FAINSD. I take it that what you are concerned with is the supply of goods. The more there is available, the more there is for us all to use. Now I do not see how price stabilizing—efforts to keep prices down—will necessarily prevent an expansion of output. You seem to have in the back of your head that by trying to keep the price of goods down for the consumer you prevent output from expanding. There may be other reasons why output is curtailed, and perhaps the Government ought to be exerting all of its energies to prevent such curtailment of output, but I see nothing in price stabilizing which would interfere in the extension of output. I should like to say something here about a point made by another speaker. He alluded to the copper program and the fear that by holding the price of copper down to 12 cents a pound we

would prevent the output of copper from expanding. You may recall the point. I do not happen to be the man charged with the administration of the metals branch of the office, but I think I am familiar enough with the general considerations involved to say that it is not the policy of the office to prevent prices in excess of the ceiling being paid to the high-cost marginal producer when it is necessary to make such payments in order to bring about the production necessary for defense purposes, and in this connection I might read you a clause in the bill: "Whenever in the judgment of the President such action is necessary, he may on behalf of the United States, without regard to any provision of law, require competitive bidding by public or private sale on any commodity upon such terms as he shall deem necessary to obtain the maximum necessary production of marginal high-cost producers." That clause is in the bill and will operate as one of the statutory guides under which our office functions.

Mr. GHTALLMAN. I am for price stabilization. A question arose in my mind as to that statement on copper—I was wondering if the reason the price was being held down was because they could not get further production.

Mr. NEEL (Washington, D. C.). In connection with the stabilization of goods of which you spoke, the Department of Agriculture now is advocating a program to persuade the farmers of the country to replace the production of surplus commodities such as corn and wheat with the production of garden produce, of which we do not have a sufficient quantity today. Secretary Wickard is now speaking throughout the country in order to persuade the people that this should be done.

Mrs. WEIR (Missouri). I wanted to ask Mr. Fainsod if the Office of Price Administration and Civilian Supply is empowered to increase the production of civilian goods.

Mr. FAINSOD. Under the recent reorganization that aspect of the work of our office became a part of OPM, although Mr. Henderson still directs that office. As it formerly operated, it had a double function—to develop expansion of supply of the sort you indicate, as well as to make such adjustments necessary in terms of the impact of defense needs on civilian consumption. I think it is only fair to say that the problems of that sort with which they were concerned involved the second rather than the first, because the impact of the defense program was so immediate and direct that they found themselves forced into that aspect of the work.

Mr. LESTER. As I understand your question, it is whether the relationship between various prices is such as to bring out increased output in the lines in which you want it, and that is why I mentioned copper. The relationship between the price of copper and wages is such that the miners in Butte, Montana, are not getting as much or any more than common everyday laborers. And why go down in the mines if you are not getting any more than people who are digging ditches?

Miss MILLER (New York). There is another question raised by this discussion. You have spoken of the average wage of the worker and its relationship to this situation. Of course, the standard of living

of any worker is only very mildly related to that average wage. His standard is the matter of his individual wage. In some of the lower wage industries we recognize that there is a subsidy—a public subsidy—of various kinds, and perhaps we should know how that subsidization should be dealt with at a time like this. I wonder whether it does not need to be recognized, brought into the open.

Mr. FAINSON. I would not disagree with you. I am just as much aware of this problem as anyone who has spoken, and the only reason that I cannot give a more satisfactory answer in relation to price stabilization is that our work necessitates the dividing up of administrative business, so that one office is concerned with one aspect and another with another aspect. There are others in the Government who are very much concerned in an administrative way with the sort of problem you raise and who are trying in many cases to do something about it.

Mr. DURKIN. I should like to ask Mr. Lester a question. You made a statement that there was going to be a change in the procedure of letting contracts—allowing 15 percent above the low bid, is that right?

Mr. LESTER. In cases where priorities threaten it is possible to pay up to 15 percent more.

Mr. DURKIN. Do the specifications contain f. o. b. the place of manufacture, or f. o. b. the place of use?

Mr. LESTER. That is going to be changed.

Mr. NEEL. This has been under consideration for some time and in the past few months the War and Navy Departments have adopted the procedure f. o. b. the place of manufacture.

Mr. DURKIN. If that is not done, it will not help the manufacturers of the Middle West very much. We have to compete with prices where the place of use is probably on the west or east coast, and then freight must be included in that price, so if you do not make the price f. o. b. the place of manufacture, I do not believe that the 15-percent allowance is going to help very much.

Mr. NEEL. A great deal has been done in some cases, and we are attempting to make it the rule, rather than the exception.

Mr. DURKIN. We are very much interested here in the Middle West, especially in Illinois, which is the third industrial State and the fifteenth in contracts let. That is according to the last-known figure of the contracts let to the different States in the Union. We know that there is going to be quite a turn-over in labor because of priorities, and if something is not done, I feel that the question of price dislocation is going to be a burden—the burden will be placed on labor. People who have their homes and families in one city are going to be affected by this, and the head of the family will have to go elsewhere, will have to establish two homes, and will probably need an increase in wages.

The Impact of Defense on Labor Standards—Round-Table Discussion

Mr. LUBIN. The purpose of the round table is to cover the various aspects of labor standards and labor administration, with particular emphasis upon how the expansion of the defense program will affect them. The problems we face have already become acute, because of

the increasing numbers of people who have been absorbed into industry. In the past 14 months American industry outside of agriculture has absorbed 3,800,000 persons. Many of these were new workers, who had never held jobs in industry before. Many had not held jobs for years—had lost their skill and had lost the feel which is so vital in maintaining safe operation of industry. Many of these people were relatively young and had no conception of the importance of certain safety standards. Many of them were women who had not held jobs in industry before. All of them are affected by wage standards, safety standards, and other innumerable factors that go with making good, safe, and, most important in cases like these, high production standards.

Many of these workers were being employed, or are being employed, and will continue in increasing numbers to be employed, long hours. There are entire industries in this country averaging 60 hours per week, and those hours are destined to become longer. With increased hours of work has come greater fatigue and with greater fatigue have come problems of accidents, of inability to resist industrial diseases, of psychological problems that do not make for good and easygoing industrial relations.

Many of these workers are working on old machines—machines such as have been described, that have been taken out of junk yards in a sense and put into operation—machines that under normal conditions people would not think of using except under standards far lower than we are accustomed to conceive. Many of these machines have neither guards nor the necessary safety appliances, in some instances not because the employer does not want to put them there, but because they are not available. The demands of defense are such as to make it impossible for materials to be made available for making these parts and guards which are so essential.

All of these factors have a definite relationship to the work in which we, as people interested in labor standards, are engaged. All of these factors affect the morale and attitude of these workers. One does not need to use his imagination to realize the effect upon a group of youngsters who, when they go into a plant, see people losing their fingers or hands or feet—someone getting hurt almost every hour of the day.

No one has to use much imagination to see the effect upon the morale of the people who go into a plant where, because of the tremendous expansion of work, waste is rampant and can be seen by anybody who cares to look. We must not fool ourselves. Workers know of these wastes and see them and know about them. And seeing them and knowing about them, and knowing that nothing is being done about them, can we look to the workers to lend every bit they have to increase production for the defense effort?

Several of the speakers mentioned the fact that it was necessary to maintain these standards if we were to maintain the American way of life. Frankly to me, and I think to you, the whole question of labor standards—all of these factors that make the problem so acute from the standpoint of hours of work, wages, safety inspection, child labor, women's labor, and all of the innumerable things dealt with in our daily work—has a very definite effect on the attitude of the worker toward his job and affects his productivity and his attitude toward his country.

We must have a unified Nation, and to me nothing is more conducive to bringing unity of thought and a cooperative attitude toward solving

the problems we must solve than good, decent labor standards. We are responsible for seeing that those standards not only are brought into existence but, more important, are enforced. We are given the responsibility, and it is a great responsibility and a serious one, of seeing to it that the standards are maintained. Only through maintaining these standards can we expect to receive the utmost from the men and women who produce the things we need for our defense.

Ours is a great responsibility. It is no longer a question of mere humanitarianism or of seeing that people get their just desserts because it is a matter of justice. It is a problem of seeing that people get their just desserts in order that they may be willing to give all of their energy to the great task before us. If we do not solve that problem, the existence of all labor standards will be threatened as they have been threatened and abolished in countries overrun by dictators.

Miss MILLER (New York). Where is it specifically that the situation has developed so that even the usual guarding of machinery is impossible because of conditions that would prevent a department of labor from carrying through its legal obligations to see that those guards are in effect and used?

Mr. FAUST (Illinois). The inability to have proper codes sometimes interferes with the type of orders that can be written against a particular industry. We are fortunate in our State in having a series of codes which we use in issuing orders to the various industries with which our inspectors come in contact every day. In some States I know you are handicapped. I know that some States have better codes than we do—probably more advanced—and in those States experiences they had in the past are reaping their results today.

In Illinois, we do not rely entirely on issuing orders. We have definite rules on our statute books that we have to enforce and we issue recommendations. I can safely say that we have had equally as many complaints with recommendations as we have had with orders that we could enforce in litigation. That gives us a scope of work in the recommendation field, where we use different types of rules probably than those with which other States have had success. We use the standards of the American Standards Association. We use anything that we feel would be of advantage to our inspectors in getting compliance with recommendations. I do not think any State should hesitate to issue a recommendation even if it has no definite rule, because in most cases it will get compliance. There are also those unsafe practices, which an inspector with an imaginative mind can point out, that might bring about an accident in the future. I think by using those tactics we can still carry on and remove all of the hazards of danger we can possibly observe in our training experience.

Miss MILLER. In other words, Mr. Faust, it is your feeling that, given the will and technical capacity on the part of the departments of labor, there is no reason why good safety practices should not be in effect in the industrial situation that faces us in this country today?

Mr. FAUST. We expect the cooperation of the various safety organizations within these various industries. That means a lot.

Miss MILLER. There is no legal difficulty, and no practical difficulty so far as the application of the knowledge is concerned?

Mr. FAUST. No trouble at all. There might be one case in a thousand, but sooner or later you will get compliance. If it does not come

through the activities of the department, something else will happen. There seems to be a law of averages, you might say. Something always happens to lead the persons concerned to realize that the recommendations that are made are for their own good, and in most cases where they have not realized that they should cooperate and protect the workers, they have paid dearly.

Mr. BLAKE (Washington, D. C.). So far as I have been able to observe perhaps 95 or 98 percent of all establishments—all employers—who maintain less than satisfactory conditions do so out of sheer negligence, out of bad practices. The great majority of the injuries in industry come from establishments which are run without any particular attention to safety, but without conditions that would appeal to anyone as being very bad. The outstanding conditions, generally speaking, are not bad—the business is just run without attention to safety, and the difference between the good accident record and the bad one lies in the careful attention that is paid by management to the problem of preventing injuries. The factory inspector who knows that and who knows the facts can sell the idea of safety to 95 to 98 percent of the employers with whom he deals. The remainder have to be forced. I should like to point out that Mr. Faust represents a State which has a basic clause in the law that states that it is the duty of every employer to provide reasonably safe and healthful working conditions for his employees. Something like 16 of the States have that clause or its equivalent—certainly every one of them should have it.

Mr. WILCOX (Washington, D. C.). I believe that there was a very promising move started whereby the safety engineers of the larger and better organized plants would be used for bringing the message to the companies that did not have safety engineers. I surmise that this movement was not paralleled by any effort to work through the trade-unions. I am wondering whether I am right or wrong in thinking that there has been no effect to sell the idea to the trade-unions.

Mr. BLAKE. You are partly right and partly wrong. It was felt in developing the work that the basic idea should be to get services on a voluntary basis. We know a lot more about how to prevent accidents in this emergency than we did in the last war. We know that the small plant particularly which is not safety minded, which is getting contracts and expanding rapidly, often has bad conditions. We know also that even the big plants which are doing a fine job of safety will, under pressure, have an increase in accidents. It looks as though our increase this year will be 20 or 25 percent over the 1940 figure. That is a guess. The Bureau of Labor Statistics may have a better opinion on that than I have. This committee on safety was set up by organizing the country into regions. This was to be run on a voluntary basis; the chairman of each region would enlist the services of or borrow the safety men in his region, and have them call on the Government contractors and offer them whatever information and help they might be able to give. The committee would bring together labor and industry and representatives of the Federal Government. The labor representatives were not asked to do any field work. It is not that kind of work. It is a matter of technicians calling and offering their services to managements who can use them. So far, it is going as all volunteer efforts involving men's time do;

you do not get the kind of efficiency that you do when men are on the pay roll. With the limitation of that drawback it is making progress and doing a lot of good. It may seem it is doing something which should be done by State factory inspectors, but their force is entirely inadequate. I believe Mr. Faust told me that in Illinois they have something like 62,000 establishments and inspectors enough to visit them once a year.

Mr. FAUST. They cannot visit them all.

Mr. BLAKE. What chance is there for progress when all that the inspectors can do is visit a man once a year? What chance is there in a plant where the management does not know about the safety game? What chance do the inspectors have, through one visit a year, to give that man enough inspiration and information to cause him to pay proper attention to safety? We know that in spite of everything the factory-inspection departments are able to do, they will fall far short of the job that they want to do and which needs to be done. Does that answer your question? I should like to raise a question which comes to my mind. Why has organized labor failed to take the problem of accidents more seriously? Some trade-unions have done much work in the safety field, but the great majority of them have paid very little attention to it. Is it the failure of the State labor commission or the United States Department of Labor to impress upon them their opportunity and responsibility? Is it, perhaps, because there is not a sufficient sense of drama in the picture to appeal to them, to make them want to do what can be done if they become a tremendous factor?

Here is my opinion on the subject. In my work I am called upon as safety technician in the Division of Labor Standards to try to help everybody as to safety information, and in that capacity I am called upon a great deal to attempt to help organized-labor representatives in various ways. I have talked over that particular problem with various labor leaders and almost universally, man to man, the answer has been, "We have been in from the start of this situation 20, 25, 30 years ago. We had a bitter fight to get compensation, but when compensation laws were adopted generally throughout the country, we largely dropped the safety issue. In fact, most of the time we have been engaged in a fight for existence." One man whom I talked to in particular spent half an hour telling me what a bitter fight the unions had had to exist at all following the previous war and through the twenties. He said, "It isn't because we think safety is less important, but because our time is fully taken up with a variety of problems which must be dealt with if we are to continue to exist."

There is another important matter. Management must take the responsibility for the establishment of safety, including the control of worker habits, worker practices, the way the men do the work. I have had man after man—foreman, superintendent, manager—say to me about some particularly bad practice that I saw going on in a plant, "I have told that fellow 50 times." My comeback is, "If you saw that man spoiling material, would you tell him 50 times? You'd either train him better, or you'd get rid of him." Unsafe practices must be controlled.

Mr. DURKIN (Illinois). I believe that there are several matters of vital interest to us. One is what is being done in order to get the

materials necessary for the protection of workers against accidents, as well as against occupational-disease hazards. We have difficulty in getting those devices needed for employers to protect their workers. That is one of the items I think priorities should take care of, so that we can keep the men on the job and do away with lost time caused probably by illness because of lack of protection.

Secondly, I am going to be critical of the United States Department of Labor, because I feel there has not been the proper cooperation between the United States Department of Labor and the State departments of labor on the conservation of manpower. The point is often raised that we are probably pretty busy doing our job and have not a sufficient staff. Well, the Government went and picked up people in Illinois, probably for a dollar a year. It has been called to my attention that one man picked out as a dollar-a-year man was head of a company against which we had 36 orders to bring about safety and the preservation of the health of his workers. That is one case.

Another case recently was where a person on the permanent roll called me about a complaint by an employer, who ran a foundry, of a silicosis hazard caused from the dust flying from a plant across the street. Now if there was a hazard of silicosis, I believe that the people in the State department are better equipped than the people who come into Illinois to try to conserve manpower. I know we in Illinois are ready and willing to do our utmost to conserve manpower—that is our everyday duty as factory inspectors—to protect the people against germs and occupational disease, and if there were a closer cooperation between the United States Department of Labor and the State departments, I think we could do a much better job.

Mr. LUBIN. I am very much interested in what has been said about difficulties experienced in getting materials, because, after all, in a defense plant these guards are part of the requirements of production and should be subject to the same priority rating as raw materials that are secured by the plants to make the parts for Government orders. If any firm uses that as an excuse, I should like to see such a case checked, because I cannot understand why a firm having a defense order which has certain priorities should not get equal priorities in materials necessary to make it possible for people to stay on the job and avoid accidents.

Mr. DURKIN. I think we might go one step further than that. The company that may not have a defense contract, but may have one at a later date, should also get it even though that employer has no defense contract.

Mr. BLAKE. The subject of priorities has come up before. There is a meeting in Washington today in which the question of priorities for safety devices and for things essential to safety is being discussed, and OPM has indicated that it will be given favorable consideration. I am sure that will be taken care of. Things look very hopeful now.

Mr. GHYLLMAN. Mr. Blake, can you inform us as to what the inspectors whom you have in the field do in the States? Do they try to enforce State laws?

Mr. BLAKE. No, their job is solely one of offering their services as men who know the safety game pretty well to those who know it less.

If they are invited, they go through the plant and point out the hazards and make a report to the management, but specifically they are not supposed to attempt to enforce any code or any law—they are not enforcement agents. No report comes to Washington. We get no reports of the situations in the plants.

Mr. DURKIN. Do they report on the conditions to anyone?

Mr. BLAKE. When conditions need your kind of enforcement, they get in touch with you.

Mr. DURKIN. Is it always necessary for employers to have Federal contracts under the Walsh-Healey Act?

Mr. BLAKE. The Walsh-Healey Act states two things: 1. Any contract issued shall be fulfilled under conditions reasonably safe and healthful. 2. That compliances with the codes of the respective States are to be considered as compliance with that provision. I am familiar with the codes of Illinois and I know, of course, that your code system is by no means complete. Therefore, where you do not have a requirement on a hazard, the question is, What standards should apply? That has been discussed a great deal in Washington and no formal decision has yet been reached, but the general impression I get is that the codes of the American Standards Association are to be and will be used as a guide in deciding whether or not there is compliance with the act where State codes are lacking. No formal order has been issued on that as yet, so far as I know. I should like to add a comment on codes. In my opinion, the thing most lacking is not so much one of codes as one of application of codes. Of course there are many incomplete codes and they should be much more complete, but the biggest trouble is failure to apply them. I venture to say that if you were to go through the plants of this city or any other city, you would find in 1 out of 10 plants a reasonable application of such existing safety standards as those of the American Standards Association, and in 9 out of 10 an indifferent or no application of them. So our biggest problem is to secure better application of the codes we already have.

Miss MILLER. Is that an enforcement problem rather than an educational problem?

Mr. BLAKE. I like to think of codes as providing a floor for safety at such a level that the State may properly say to the employers, "You may not operate your plant at a level below that floor." But 95 percent of the job of accident prevention is above that floor level, the way the plant is run. Do you agree?

Miss MILLER. I do say that to run a plant safely you have to go beyond the code requirements. I think all of our legal standards are minimum standards.

Mr. BLAKE. You have a right to say that nobody may do business in your State in the cellar.

Miss MILLER. Unless, of course, your standards service will go beyond that. I think so many work hazards are matters of practice alone, which cannot be subject to inspection in the same sense that machines are subject to inspection, because they are there only a part of the time. What happens in a plant after you go? You have to have an agreement on the part of those who are participating in that

kind of enterprise to meet the standards by their own compulsion. What is meant by your term "legal standards"?

Mr. BLAKE. I reserve the term "codes" for the legal requirements on physical control of physical hazards—safeguarding devices and guarding of machinery and equipment which are essential to safety. I like to use the word "standards" as standards of practice under which operations of a plant are carried on and the ways in which things are standardized. You do not get mass production unless you plan everything. Every operation must be planned with the greatest care and you must make it go the way it is planned. If you cannot, you change the plan. It means careful, detailed planning of every operation and meticulous control to make it go that way. You have no accidents if you operate according to your plan. If you show me the day-by-day production figures for any quantity-production plant, I will make a chart, and you will find your injuries clustered around the valleys—around the low points of production—every time. The only place where that is not true is in connection with the nonproduction men—the repair men, who are keeping those machines in shape and working Sundays and off hours under pressure to overhaul them and have them in shape for the next day—they may have a high accident rate, but it will not interfere with production. So if you plan the production of any group of workers, I will tell you where the accidents are; they will all be clustered around the drops in production. It will happen every time.

Miss MILLER. I think in order properly to safeguard the production power of defense workers, it is necessary to have an industrial-hygiene department within the labor department. It is necessary to make industrial hygiene important to the worker whom we have to keep on the job; keep him from being disabled. We find this kind of problem, that health problems relating to working conditions are not of enough interest to the regular health-department people to make them spend money; they have lots of other things on which they want to spend money. If you want money spent, and it takes that to keep up with the industrial-health standards, you have to make the labor department responsible for that work and for its application in industry.

Mr. BLAKE. I think the only industrial-hygiene units that are doing a real job in this country today and are coming close to meeting the problem on the broad scale it needs to be met are such as Miss Miller has in the New York Department of Labor. In the health departments, industrial-hygiene work is submerged in the larger problem of public health and gets the short end of it.

Mr. LUBIN. Is there any representative from organized labor here from whom we might get an explanation of why it is that organized labor is not taking a more active part in accident and industrial-disease prevention?

Mr. BLUMENTHAL (Missouri). I might be able to say something on that. Incidentally, I work in a shop. I came to listen to the discussion. If you worked in a shop and you told the foreman about some work hazard which should be remedied, somebody else might have your job. I belong to a union in a shop with good conditions, but nevertheless those are the facts. So I should say, so far as organized labor is concerned, I would not be in a position—

Mr. LUBIN. In your shop do you have a union safety committee to report to, which would be responsible for seeing to it—

Mr. BLUMENTHAL. We do, and I would say that in my particular shop good conditions exist. I do not know if I could say the same about other shops.

Mr. LUBIN. Why do not the rank and file have more interest in this sort of thing? What is the philosophy? I am not criticizing, I am just trying to get the facts.

Mr. BLUMENTHAL. Probably before the depression it could have been done, but you must realize that where there are two or three men for every job and there is an oversupply of ready labor, a man who has a job is going to take very good care of it.

Mr. PATTON. I am interested in this question of the psychology of the worker. It has been my idea that in times like these with increasing production there come many more accidents—there are lots of green workers and the factories are being speeded up. However, when I was discussing this with a member of the New York State Department of Labor, he said, "No, in times of depression there are a greater number of accidents." He went on to say that if a bricklayer or a painter observes a crooked scaffold, he does not dare to call the attention of his foreman to the fact that the scaffold is unsafe. He is afraid he will lose his job. The foreman will say, "O. K., if you're afraid, I'll get a new man." There is a reluctance on the part of the ordinary worker, at a time when he fears he may lose his job, to be too critical.

Mr. McCLURE (Illinois). I think labor is doing more than most people realize, and as it becomes more familiar with the subject, as its knowledge increases as to what may cause hazards and what the remedies may be, labor will take more of an interest in this field. At the present time we are conducting a study of a problem presented by roofers who are burned by fumes given off by coal tar. This was brought to us by the unions themselves. We have had other cases.

Mr. BLAKE. I should like to add a brief comment on the attitude of labor. Labor is for safety, but just as the management of many of our plants do not know what really good safety performance is, a great number of our employees and workers do not know. When they see hazards, just as Mr. Blumenthal pointed out, they do their best to get them corrected, but I think organized labor needs to make great advances in the form of organizing. Every local organization and the larger units should have a safety committee backed by the union, the members of which should know good safety facts, and should in the name of the union be in a position to and should work actively with employers to get correction of hazards and better safety performance. Education for safety is a major job that lies ahead of labor, and I am satisfied that it is going to go ahead. I should like to have your opinion.

Mr. DURKIN. Our industrial hygiene director, Dr. Straus, had his expenses paid by the painters' international union to appear before their international convention in Columbus, Ohio, this week; so that shows they are taking an active interest in the prevention of occupational disease as it pertains to the painters.

Mr. BLAKE. That organized labor is taking an increasing interest in safety is no question.

Mr. LUBIN. I notice we have been devoting our attention to inspection and safety standards. There are other aspects of the problem relating to safety, nevertheless. One of them is the old question of wages and hours. I wonder if Mr. King can tell us about the effects of the defense program on labor standards, so far as wages and hours are concerned.

Mr. KING (Washington, D. C.). For the most part, it has had little effect. The principal effect the defense program has had on our work is in getting agreements. We appointed committees for the purpose of seeing how soon they could get 40 cents an hour in certain industries, and they put that through a lot quicker than they could have 2 years or even 1 year ago. It has happened several times that where the committee expected to stay 2 or 3 days studying information the people had fixed up for them and arguing about the rate, instead they walked in and voted 40 cents and went home. I believe one of the best examples of the failure of the defense program to affect hours standards so far is the fact that there were very few responses last year when a general invitation was broadcast to all concerns in the country engaged in defense work to let us know if they were handicapped by compliance with wage-and-hour laws. All responses were investigated, and we found no case, so far as I know, where the wage-and-hour law was the trouble. In most cases the trouble turned out to be an effort on the part of the employer to get people to do work at substantially less than that which other employers in the same industry were paying for the same work.

Another example of the failure of the defense program to put pressure on wage-and-hour standards under the wage-and-hour law is the fact that during the last fiscal year there were introduced into Congress and referred to us about 15 amendments to the law—less than one-fourth of the number of amendments introduced in the preceding fiscal year. One Congressman did ask Miss Perkins various questions about whether the law was affecting defense work, and Miss Perkins replied that there was no evidence whatever that the requirements of the wage-and-hour law had curtailed defense work and no evidence that defense work had damaged or threatened to damage the standards of the wage-and-hour law. As to the future, well, that is a different question.

Mr. LUBIN. Has the fact that the defense program has created a demand for labor—high wages—had any effect upon the attempt of employers to evade the law?

Mr. KING. We do not think so. We do not have any statistics or data which would prove anything either way. We have stepped up inspections; we made in the last fiscal year 11 times as many inspections as were made in both the preceding fiscal years combined. Since the end of the fiscal year, the rate of inspections has gone up again to the point where we are making about 6,000 a month. Whether that indicates a speeding up of our technicians—greater speed on the part of our personnel—or the fact that the employers are more willing to settle up once we get in touch with them, I do not know.

Mr. LUBIN. Are there more or fewer violations?

Mr. KING. There is a surprising thing about that. We are still getting complaints, a great many of them, though they have dropped off somewhat, and we make, in addition to complaint inspections,

so-called routine inspections which do not arise from statements by anyone that the law is being violated. Nevertheless in those industries which we inspect on a routine basis, there are some violations so serious as to require restitution, and so far as we can tell, there are thousands of violations of the wage-and-hour law about which we would never hear if we did not go into industries as a whole. However, there is no evidence to prove that violations have increased or decreased. We have not gone far enough into it. The defense program has not speeded up enough to affect people throughout the country, so far as this is concerned in our operations. I asked Mr. Walter King, one of our regional directors, if he had heard or seen any evidence in his region of the impact of the defense program, and he said "No."

Mr. LUBIN. Where do you find the most violations, or are they equally prevalent in both wages and hours?

Mr. KING. It varies as to the industry—in the defense industries it is principally overtime.

Mr. LUBIN. Mr. King, do you find many violations due to the fact that the employer himself does not know he is under the act, and when told he still does not believe he is under the act?

Mr. KING. A great many tell us they did not believe they were under the act. One of the greatest troubles is in cases where the employer thinks certain people are exempt and they are not.

Mr. IVEY (Alabama). A question arose the other day about a paving contract. A paving contractor asked me if he came under the act. I suggested that he go to the Federal Department. He said, "No, I want you to do me a favor. Maybe I am under it, and if I am they are liable to dig in. I want to find out and then I'll comply." Now here is the answer I got—I do not know if it was right. I was told that if it was an entirely new street that he was constructing, then he was not under the act; but if it was a reconstruction of an old street, or the repairing of a street, he was under the act.

Mr. KING. In effect, if he were constructing an instrumentality of commerce, it was not yet commerce, but if he were repairing or maintaining a strip of road, it was commerce and under the act. That question is still one of our worst questions after 2 or 3 years.

Mr. IVEY. That man was really honest and wanted to know.

Mr. KING. In one instance the Department of Justice called and stated that a contractor working on a naval air base was being sued by an employee for overtime under the law. The contractor believed he was not covered by the law, so he notified the Navy Department, and the Navy Department asked the Justice Department to instruct the district attorney to represent the contractor in defending himself under the Fair Labor Standards Act. The Department of Justice wanted to know what it should do—if it should go ahead and defend the contractor under the Federal law. We said that in this case it might be embarrassing for it to represent the contractor, because we might have to intervene. The Navy Department had based its action on a precedent established a year ago, when we said a base on an island in the Pacific was not under the act, and it presumed that this case was not under the act either. But it depends upon whether or not it is new construction.

Mr. JAEGER (New Mexico). I think most of our trouble is that we do not know the difference between interstate commerce and intrastate commerce. I have never had anybody tell me. I have a case in my State. We have a sales tax in our State, and newspapers in our State refuse to pay the State sales tax on foreign advertising. We went to the Supreme Court of the United States and it said such advertising was intrastate and the newspapers had to pay the sales tax. The newspapers in New Mexico still pay sales taxes on job printing and everything else. We do not know the difference between interstate and intrastate.

Mr. LUBIN. There is another aspect to this question, namely, the employment of women. I wonder, Miss Anderson, if you will tell us something about how far the movement of women into industry has gone. We have started to employ women, we find them very efficient and plan on increasing the number of woman employees very greatly. I heard of an industry just the other day which had never employed women and whose total labor force—about 2,000—is made up of women. Evidently employment is really spreading out in that direction. Do you folks have any information as to what extent women are being employed?

Miss ANDERSON. It is very hard to tell just how far it has gone, because it is a situation that changes from day to day. We made an investigation last May in about 40 plants in the East. These were plants that were commonly employing women. Then we went back in August to find out to what extent women were being employed, and we found that in some plants the employment of women had doubled in that period and in others it had trebled. That would mean they are going into the defense industries at present at a very rapid rate. The airplane factories, with the exception of just a few, have heretofore never employed women, but now all of the airplane factories are beginning to employ them. The one in Baltimore will probably be the last to employ women, but I think that it, too, will do so. With regard to hour laws governing the employment of women, some States have a 48-hour-week law, and some have a 44-hour law. The laws differ in practically every State. One aspect of this problem that has come to my notice quite frequently is that Government arsenals located in some of the States, that do not come under the State labor regulations, are working longer hours than the State regulations permit.

Private employers, realizing this, want to work their woman employees longer hours also. They either go to the State department of labor and ask for permission to work women longer hours, or they put pressure on the War Department or on the Women's Bureau. We investigate all of those cases to find out to what extent it is necessary to employ women longer hours—whether the plant can expand or whether the labor supply is exhausted. Then we get in touch with the State department of labor. But I wonder to what extent the long hours worked in Government arsenals tend to encourage the breakdown of labor standards in private industry.

Mr. LUBIN. Mr. Shuford, you employ women primarily. Do you find that a problem? You have an hour law for women there, do you not?

Mr. SHUFORD (North Carolina). It is rarely that we have a request for permission to exceed the 8-hour law for women. In a few instances we have received requests for an extension of hours for a specific cause during some particular period of time, but those cases have been rare.

Mr. LUBIN. How about the other States, Illinois, for example?

Mr. JAEGER. I have a particular case on my desk now, which involves difficulty with female labor. The law provides for an 8-hour day, 48-hour week. A firm in New York placed a large order with a small concern in Santa Fe which employs about 120 people, of whom 100 are women. Here's that interstate commerce again. The man is willing to pay time and a half for overtime. So far as I am concerned, I am enforcing the 8-hour, 48-hour-week, law.

Mr. DURKIN. We have no difficulty with regard to standards. We had a complaint in Washington asking for authority to work longer hours in an industry which was using power machines, and for over a year we have been training people in the operation of power machines. The employer did not want to take the people we had because they were slower, although they were able to do the work. A great many people think that because they have defense contracts they can get privileges.

Mr. McCAIN (Arkansas). In Arkansas we are having the greatest trouble over violation of labor laws for females since the defense projects started in our State. We have several projects now, and industries such as laundries and hotels have to be very closely watched to keep them from violating the laws. We are having complaint after complaint. There are more complaints about those particular violations than anything else. It seems, now that the industries are getting a little bit more business than usual, instead of putting on an increased force they are trying to take care of their business with the same old employees.

Mr. POHLHAUS (Maryland). One part of our labor law in Maryland reads that no female shall work more than 6 hours continuously without a 30-minute rest period. One of our large defense firms wanted to work a third shift of 7 hours. The question was as to the interpretation that the court or the attorney general placed upon the word "continuously." The law says that no female may work continuously more than 6 hours. I thought that the intent of the legislature was that a woman should not work more than 6 hours without having a 30-minute rest period. I submitted the case to the attorney general, pointing out to him the dangers of such a proposition. He said it would not be allowed. So far, the question has not been settled and we may have to go to court on the problem.

Miss ANDERSON. That is one, though not the biggest, of the problems.

Mr. LUBIN. Mr. Mooney, I remember that some time ago a request came to OPA for permission for one of your firms to employ woman labor when it cannot get men, and to work the women longer hours.

Mr. MOONEY (Connecticut). Yes, there are a large number of requests in Connecticut from manufacturers filling defense contracts for permission to work females more than 48 hours a week. In some cases the request has been for permission to work them more than 9 hours a day. The Connecticut law regulating the hours of labor of females and minors sets limits of 9 hours per day and 48 hours per week, and

it has in it a provision which permits the commissioner of labor, upon application and after investigation, to allow an employer to work his female employees up to 55 hours per week and 10 hours per day for a period not to exceed 8 weeks in any 12 months. That has been the law regularly, and the past session of the general assembly modified the law permitting the Governor to extend the 8-week period for a further indefinite period, if necessary, for employees who were engaged in national defense work. These permits have been issued very sparingly.

I should say that at the present time there are roughly between 25 and 50 concerns in the State which are being permitted to work females more than 48 hours per week—up to 55 hours per week. Of that number I should think possibly 15 have been given permission to work beyond the 8-week period. In each case permission is granted only after careful investigation and only when the individual case merits such action. A good deal of pressure has been put upon the commissioner of labor, and I think the Governor, by various interested governmental parties. I think the only other major respect in which there has been a noticeable effect of the defense program upon existing labor standards is with respect to employment on Sunday. Connecticut has two laws relating to that. One is a vestige of the old blue laws which prohibits all secular work except work of necessity or mercy on Sunday. There are certain exceptions, such as the sale of food, delivery of milk, sale of newspapers, and so on. The other law permits work on Sunday in cases of emergency, providing the employee is given 1 full day of rest in the next 6 days. There have been some requests from employers to permit employment of labor, both male and female, on Sundays—that is, for 7 days a week without a day of rest, and those have been granted also in a few instances, but not many. Most employers are not working 7 days a week without a day of rest. Where 7-day operations are needed, there is usually a floating shift arrangement of some kind.

Mr. LUBIN. Do you have a wage-and-hour law relative to the hours of the day they are permitted to work?

Mr. MOONEY. Yes, they are restricted after 10 o'clock at night. We have some requests to work beyond 10 at night. Under the opinion of the attorney general that is extended to 11 o'clock at night during daylight time, but requests have been received to extend the hour even beyond the 11 o'clock time and some of the firearms manufacturing industries—Winchester and some others—have requested to be allowed to work women all night long, but not in excess of 8 hours. There are one or two cases in which those requests have been granted. I think it was on the representation of the War Department that the work was so vital, so urgent, so completely necessary, that a permit was issued. The situation in Connecticut may be somewhat different from that which prevails in other States in that the labor supply there is almost exhausted. The employment service states that if it is to fill labor demands in defense industries, it is going to need at least 50,000 new employees in the State—people who are not now on the labor market—before the end of this year. There are only two sources apparently from which they can come—either by importing labor from other parts of the country or through priority employment. We believe that most of the demands for labor in defense industries will or can be filled, but of

course only after training, from people who are thrown out of work in nondefense industries.

Miss STITT (Washington, D. C.). In cases where employers request permission to employ women all night, do you grant permits on the merits of the case?

Mr. MOONEY. We ask first to have an investigation made as to the type of work done, the kind of skill or semiskill necessary, the availability of labor supply in the employer's district, the possibility of training labor in the district, if any is available, or of importing labor from other parts of the State. I should have said earlier that none of these requests—I am speaking generally now—were found to involve the employment of an entire plant beyond the 48-hour limit or beyond 10 o'clock at night. The problem is mainly in certain skilled operations and occupations and in certain bottlenecks within an industry. For example, General Electric Co. in Bridgeport, Conn., is making some very important radio equipment which is being used in defense and that requires a kind of skill which simply cannot be supplied, at the moment at least, from untrained labor in the State or from any immediate source of labor from without the State. There is a case where our investigation brought out the fact that if the work is to be done and go forward, the employer must be granted an exemption in this case; and he has.

Mr. POHLHAUS. Mr. Mooney, does your State act provide for exemptions? Is anyone granted power to give those exemptions in cases of necessity?

Mr. MOONEY. Yes, the State act has for the past few years given the commissioner of labor power to grant an exemption to an employer for a period not exceeding 8 weeks in any 12 months, and, as I tried to point out, this was modified by the last session of the general assembly by giving the Governor the power to extend the 8-week period for whatever additional period is deemed necessary.

Miss MILLER. How much of your defense-industry program has gone on a 2- and 3-shift basis?

Mr. MOONEY. I can answer that only very broadly. My impression is that practically all of the defense industries in the State are on either a 2-shift or 3-shift basis.

Miss PAPERT (New York). With respect to working 7 days a week, I think we have the same situation that you have. Where an employer asks for an exemption and the facts warrant his receiving an exemption, it is granted. Usually this affects a very small proportion of the total plant, say the maintenance or repair men. So far, this problem has cropped up only in certain restricted areas. By and large, the semiskilled and unskilled labor supply seems adequate. Therefore, Mr. King in the Wage and Hour Division and we in the administration of the New York law find as many violations as we did before, because the increase in production is coming at the highly skilled level and not at the unskilled level, where we have always had our wage problem and have always had our greatest need for labor standards. However, the employers for whom these labor standards often are primarily designed are coming back with requests for legislative action of one kind and another. This is a general situation which does not apply to some of the cases Mr. Mooney was talking about. Wage and hour standards are needed most in the places where they have always been

needed most. Mr. King has not found any lessening of wage violations under the Fair Labor Standards Act at the 30-40 cent level, nor do we under the State laws where the wages run around 35-36 cents an hour. I think it is important for a convention like this to keep this in mind.

Mr. LUBIN. I believe this raises a very important question. It is quite evident, in times like these when pressure for defense is so great and in areas where you have not a sufficient supply of labor to meet requirements, that some arbitrary action must be taken. But I question the advisability of giving any administrative officer a right to exempt any employer who wants to work his woman employees, say 55 hours a week. Eight weeks might be too short, but in 16 weeks, if an employer knew he could not go beyond that period, he would be forced to find people or to train people.

Maybe the limit should be 20 weeks. There should be a limit. But are we not, by making exceptions of this sort even on the basis of facts for an indefinite period, automatically endangering our standard? I question whether or not this whole problem of labor standards is not being indirectly and substantially attacked by exemptions that are longer than necessary to replace the labor supply. In a case like Connecticut where the situation is acute, where labor could not be imported in time, I see the necessity of making exceptions. The question is as to how long we should continue to make them.

Mr. MOONEY. I agree with Dr. Lubin that there is a very serious danger, and we have been very much perturbed by it. Unfortunately, of course, we have no control of the legislature; what it does, it does. Still we have a feeling that many proponents of this kind of legislation—the relaxation of established standards—have motives not solely directed toward the national defense of this country, and so we are attempting to put all the action we can on granting the requests that come to us. Those requests go to the Governor and he has the right to exercise his own discretion as to them.

For example, there are many things that have to be inquired into before granting an exemption; the kind of training program that an employer has within his plant, whether he is trying to solve the problem on his own. If it is noted that he is making no attempt to train people or is not cooperating with the employment service in its training problem, then our recommendation is that his request be rejected. Now there is a very difficult combination of circumstances and forces working upon any administrative agency in the position of the Connecticut Department of Labor at the present time. Generally, it is very easy for an employer to get *carte blanche* from the War Department.

In these instances the employer often calls the Army or Navy in Washington and states that the work is of such vital importance that his request must be granted. Those agencies in turn call the department and in such calls, I believe, there have been indirect threats that an exemption must be granted or other steps will be taken.

Mr. LUBIN. Are there any other comments on this question?

Miss SWETT (Wisconsin). One thing came to my mind the other day. I do not know how important or serious it is. That is the fact that employers may get in the habit of relying on training centers to train all their people and then request that they be put on a 24-hour basis.

Mr. LUBIN. Do you have any provisions for eliminating night work in your State?

Miss SWETT. They may put on a second shift to 10 p. m. by special order permitting women to work after 6 p. m. We had one employer who thought he had to have a third shift of women, but I convinced him that that was not his trouble. His trouble was lack of space. It was not a defense industry, but he was being pushed for production and trying to do it in too small a space. He did not have a valid case, although it seemed valid to him. I asked him if he could not have a third shift of men or boys and he said, "They don't want to work for 30 cents."

Miss PAFERT. It seems that as women take men's places in semi-skilled work, there is the problem of lower wages—we get tied up on the whole question of cheap labor and hours limitations, which means more profit all around for the employer. It is just as Miss Swett says, the employer sees a chance for higher profit.

Miss ANDERSON. One employer wrote in that he could not find the kind of male help he needed and did not want to employ women. He said, "You know you can't work a woman in a restaurant serving a defense industry all hours of the night." We must see that our State labor laws are observed.

Mrs. MORROW. In Pennsylvania we felt the full impact of this situation in the beginning. We were flooded with requests to relax our standards—we have a 44-hour law and a 6 to 10 o'clock limitation on factory workers—but we have been firm. We also have a 5-week period during which they may work 48 hours. We had each firm fill out a questionnaire concerning the labor shortage. It would be reported that the Army or Navy had said that absolutely certain requirements must be met, but in many instances we found when we delved deeper into the case, that some officer had come into the plant and said, "Isn't it a pity you can't work longer hours," and so we gave little credence to such reports. Within the last few weeks our requests have been fewer, because employers have come to realize how firm our secretary is in the matter. The industrial board did make a ruling 2 weeks ago, however, including an emergency measure—probably only a very few requests will be granted—in case of fire, famine, etc. So far we have had only one request, which was not granted, because it was not an emergency. I look for a lessening of requests rather than an addition, because of the firm stand the State has taken.

Mr. ZISKIND (Washington, D. C.). I should like to offer a suggestion. I think the Federal and State officials ought to do everything within their power to induce employers and employees to incorporate in their collective-bargaining agreements desirable labor standards. I think we cannot pass enough good labor laws to help the defense program or preserve our standards in this particular period of emergency. We must get some other type of assistance to preserve our standards and to make possible the labor supply and labor production that we need for our tremendous defense program. I think the Federal Government has started this to a certain extent in the shipbuilding industry. OPM has called regional conferences and set up certain standards for uniformity in wages and hours to be adopted in collective-bargaining agreements. Similar things are being done for the aircraft industry, and something like it has been proposed for the construction industry. Aside from these broad measures which might be taken in large defense industries like shipbuilding and aircraft,

there are thousands of trade-union agreements in isolated plants all over the country in which employers and employees have voluntarily agreed upon clauses that preserve desirable standards and create conditions that are good for defense.

Let me mention a few of these provisions. There are seniority provisions in trade-union agreements devised to preserve the status of people called to the armed forces and seniority provisions designed to facilitate the shift of labor from one department of a plant to another, or even from one plant to another. These facilitate the defense program and still preserve the status that organized labor has won for its members. I think it is also possible to incorporate our apprenticeship standards and safety standards in collective-bargaining agreements. At least a beginning could be made in the introduction of those standards throughout the country. Trade-union agreements have also made provision for hours of work, for adequate compensation for overtime work, for shifts, and, in cases where a keyman is needed constantly, for cash instead of vacations. There have been similar provisions in the field of wages, and particularly now, when defense contracts are being subcontracted to the small shops, it should be possible for local unions, even in the small shops, to maintain the prevailing wages which have been won in the larger and better organized shops. The Government program is designed to subsidize or compensate the smaller employers to take care of that situation, so the Government will make it possible for unions to get better labor standards in their agreements on defense work.

It seems to me that it is possible for government labor officials not to dictate terms to employers and employees. We are obviously not in a position to do that, but we are in a position to advise employers and employees as to what is being done elsewhere. Let them know what kind of trade-union provisions can be inserted in contracts, and give them that information as a promotional service that will lead to the widespread use of collective-bargaining agreements for the permanent establishment of good labor standards and for the accommodation of labor standards to defense needs.

MISS PAPERT. The attack on legal labor standards usually comes from those trades and from those areas where the union is relatively small or where there is no union. The industries that you apparently have reference to have, as far as I know, long since exceeded the legal standards as to wages and hours. Their rates and their hour standards are far beyond what we have been able to establish through law. It is the weaker groups where there is no union or where the union relies on the help of the Government where labor laws are needed.

MR. ZISKIND. If we are to preserve good standards, we must preserve more than we have in our laws. I do not intend to minimize the value of these laws. It is necessary that we give them proper enforcement, but we must make our standards on the whole above those in our minimum laws.

MISS PAPERT. Those standards that are so often under attack are those very minimum standards.

MISS ANDERSON. May I say that it is, of course, most important that we have collective bargaining, but what about those cases where the industry has no organization to carry on collective bargaining? Who is going to organize, if not the people themselves? Take for instance,

an industry that is growing very rapidly right now—the powder plants. This industry is going to employ thousands of people. With the exception of State and Federal laws, there is nothing to assure better labor standards. I hope that some day these people will organize, but there is no organization now. The trade-unions cannot function because there are no trade-unions there; the only instrument is State and Federal legislation.

Miss MILLER. I agree heartily with Miss Anderson, and I want to say that I think a great deal of information on this point has not been made available, either generally to the departments of labor or to the unions which might use it in their arguments with employers when a new agreement is made. I wonder whether it might not be the request of this organization to the Federal Department of Labor, despite all its other business, that it inform us as fully and currently as possible of those technical and scientific grounds, health grounds, safety grounds, etc., on which we need to base the rallying of labor and public opinion in general for the maintenance and safeguarding of standards of this kind. I wonder whether it is wise at this time to have in certain trades as long hours as are being worked by skilled workers, both on the ground of the health of the workers and on the ground of production. I wonder whether they would be willing to continue this policy if they had an opportunity to review the facts—the results of such hours—over a period of time.

Mr. DAVIE (New Hampshire). I am very much concerned over the Connecticut 10-hour day. In New Hampshire we have had very few requests and those were very carefully investigated. Our law provides that if a female is employed more than 2 nights in a week after 8 p. m. she shall not be employed more than 48 hours in any 1 week.

Miss STITT. It seems important to me that the need for maintaining minimum wages and extending minimum-wage legislation be emphasized. Some people have the idea that minimum wages are causing inflation, and I think we should distinguish between the type of wages which might cause inflation—high union wages—and the minimum wage. As low as minimum wages are, the Wage and Hour Division collected more than \$6,000,000 during the past year in unpaid wages. This fact shows how necessary this type of legislation is; but people are not distinguishing between minimum wages and high union wages that may be an element in causing inflation.

Mr. LUBIN. As far as OPM is concerned, there is a very definite feeling that the minimum is still too low. We will never have inflation with 40-cent wages.

Mr. POHLHAUS. Dr. Lubin, this is not in the form of criticism. I have heard quite a lot of discussion on high wages causing inflation, yet have to hear any mention about high profits causing inflation. It does leave a thought with the workingman that OPM is intensely interested in keeping down wages but not profits. Whether that is the true picture, I do not know. That is the impression that is left.

Mr. LUBIN. As to the attitude that OPM is not interested in good wages, OPM's idea is to make the wage as high as industry can afford to pay and still continue to make a decent profit without raising prices. As far as this can be done, we want wages to go up. This is very definitely so and in the case of steel, when the wage rate went up 10 cents

an hour, OPA served notice that steel prices would not go up, so long as there was steel enough.

Mr. SHUMPERT (Arkansas). Dr. Lubin, do you mean to say that OPA does not want wages advanced if it is going to raise the price of commodities used in defense?

Mr. LUBIN. No, not in defense. If we raise the prices of other things that workers have to buy, so that their wages do not buy as much, high wages will not help anybody.

Mr. SHUMPERT. What about the worker who is having his commodities, everything, raised on him?

Mr. LUBIN. We cannot ask him to lower his standards. This thing is an endless circle. Prices must be controlled so the cost of living will not go up, so the worker will not have to have more money to maintain his standard of living. That is why OPA is seeking the power from Congress to control prices. Otherwise, the laborer is going to suffer by getting less real wages.

Mr. SHUFORD. Dr. Lubin, a large proportion of the wages goes into buying food. What has been done, if anything, to control prices of food products?

Mr. LUBIN. Very little has been done to control prices except on a voluntary basis. OPA has called industries in and said, "This is a fair price and you should not raise it above this point." Some industries have come to an agreement with OPA and stuck to it. In some cases other industries have said, "Go hang. We are out to get all we can." There is no legal authority to enforce those price scales, and what OPA has asked Congress for is power under congressional act to enforce price ceilings, and provide for a court to be made up of Federal judges who will hear complaints of employers who say fixed prices adversely affect them or are unfair. This would make the violation of the price ceiling a crime punishable under law. It is almost impossible to keep prices from going up in certain industries if the employers are not subject to pressure.

Mr. POHLHAUS. During the last war we had the Lever Act. It was enforced rather rigidly so far as the average small businessman was concerned, but from personal experience I know that quite a large number of large corporations simply ignored it and had indictment after indictment piled up against them. After the war was over, the United States Supreme Court declared the Lever Act unconstitutional. I have heard much discussion among legislators as to how we could get a real constitutional law controlling prices, after the Lever Act was declared unconstitutional.

Mr. LUBIN. We have had the same question asked us at every meeting year after year—how to get a wage-and-hour law that would be constitutional, and how to get a labor relations act, allowing employees to organize, that would be constitutional. In the past we have passed laws and then somebody has questioned them in court and we have gotten decisions.

Mr. PATTON (New York). We had a question put to us and nobody has answered it. This question of intrastate and interstate commerce—even the Supreme Court did not know. This is the only answer I know, that interstate commerce includes all commerce that is not intrastate commerce, and intrastate commerce includes all commerce that is not interstate commerce.

Labor Supply and Training

Labor Supply and Defense Needs

By ARTHUR FLEMMING, *Chief, Labor Supply Branch, Labor Division, Office of Production Management*

As we look at the national defense program today, as we look at the international situation that faces us at the present time, I think that those of us who are operating in connection with the national defense program have somewhat of an obligation to indicate to those on whose help and support we must depend just what are the basic convictions which motivate our approach to the problems in the field of national defense. Of course, it would be impossible for me to attempt to state the convictions that motivate others as they seek solutions to the tremendous problems in the national defense field, but I do think that in all fairness I ought to indicate to you just what my own approach to the problems in this field actually is and what are the underlying convictions that motivate whatever contribution it may be my privilege to make in this particular field. In a very brief way my own convictions as I look at this national defense effort may be stated in somewhat the following manner.

First of all, I have a basic conviction that words and deeds have developed for us a clear-cut picture of an aggressor whose one objective is the enslavement of the rest of the world. Of course, that conviction on my part grows out of the same kind of reading in which all of us are indulging at the present time—our daily newspapers, magazines, such books as Douglas Miller's "You Can't Do Business With Hitler," and other literature called to our attention as citizens today. When we think of all of this and try to add it up in our minds, I feel sure that all of us have this same conviction.

I also have the conviction that that aggressor has been and undoubtedly is much nearer than we think to the attainment of his objective. I suppose that we are all inclined to grasp at all the encouraging signs that appear on the horizon as we look at the international picture today, but sometimes I believe that we are too much inclined to grasp at those encouraging signs, that it is too easy for us to be led over into what may be, as we look back upon it in the future, something approaching a fool's paradise.

In the third place, I approach the problems of this field with a conviction that never before have we been so close to losing the privilege of working with and through democratic institutions as we are today. It is not necessary to dwell on that particular point, but I think that as we have looked at the world picture of which we are a part we appreciate today more than ever before the fact that we are faced with a real, immediate, pressing danger of being denied the opportunity and privilege of working with and through democratic institutions.

In the fourth place, I approach this work with a conviction that as a nation we must decide once and for all that our entire resources—material and human—are to be used for just one purpose, and that is the defeat of this aggressor. It seems to me that either we use our resources for this purpose or the aggressor will use them to destroy all that makes life worth while. If we approach it in a half-hearted way we run a very definite danger of developing resources which in the final analysis are going to be used against us and against everything in which we believe.

Finally, I approach this work with a conviction that the success or failure of our entire effort hinges on our ability to utilize our human resources in the most intelligent manner possible, and also on our ability to develop within the hearts and minds of those who are a part of our defense effort—and that means the entire Nation—a burning conviction that they must give all that they have if our Nation is to survive.

It is in the light of those convictions that I approach some of the staggering problems that face us in this whole labor-supply field at the present time. Although, as I have said, I would not think of trying to speak for others as to their convictions, as a result of the contacts that I have had and the opportunity that I have had of working with the other agencies in this labor-supply field at the present time, I believe that they approach this whole problem with similar convictions. They might state them in a different way, but I believe that we are driving toward the same objective with a definite feeling that we have to put all of the energy and all of the ingenuity that we possess to work in an effort to solve these tremendous problems in the labor-supply field.

What about this labor supply branch of OPM? What is it? What is it trying to do? In the latter part of May the President addressed a letter to Mr. Hillman as Associate Director General of the Office of Production Management in which the President requested the Office of Production Management through its Labor Division to assume full responsibility for facing the problems in the labor-supply field in connection with our national defense effort. As soon as that request was received, we had the opportunity of sitting around the conference table, thinking of the over-all objectives that we should and must keep in mind in facing these problems in the labor-supply field and also of the kind of an organizational structure which would help to bring about the attainment of those objectives. As a result of those discussions a recommendation was made that there should be established in the Labor Division of the Office of Production Management a labor supply branch, made up of representatives of all of the agencies that are working in the labor-supply field, with the understanding that those agencies would sit around the conference table together to face a particular problem, set goals as far as that problem was concerned, decide on a plan of action designed to attain those goals, and agree on assignments of duties and responsibilities to the agencies concerned in order to attain those goals.

Those recommendations were accepted, and at that time Mr. Hillman asked me to serve as chief of this labor supply branch. It is a branch that by and large is made up of operating agencies. We are not an operating agency ourselves, but we are in the picture simply for the purpose of providing a medium whereby the agencies

that are working in the field can agree on common objectives and on assignments of duties and responsibilities to carry out those objectives, and a medium whereby there will be a follow-up to ascertain whether or not the assignments of duties and responsibilities have been complied with. It is not necessary for me to indicate to you all of the agencies in the Government working in the labor-supply field. Briefly, associated with us in this joint effort are the Employment Service; the defense training program under Colonel McSherry, who was director of defense training for Mr. McNutt, the Federal Security Administrator's training-within-industry program (about which you are going to hear more from Mr. Dooley, chief of that operation); Civil Service Commission; priorities branch of the Labor Division. As I understand it, you have heard the story of the work that branch is doing from Mr. Lester, who is associated with Douglas Brown, chief of that branch. Also associated with us are the labor relations unit within the Labor Division; Bureau of Labor Statistics; apprenticeship program of the Department of Labor; Women's Bureau of the Department of Labor; Army and Navy Munitions Board. That is not an all-inclusive list—it seems to grow from day to day. We find that there are a great many agencies interested and concerned with problems in the labor-supply field.

When this group got together and began to look at the operating problems in the labor-supply field, it recognized almost immediately that it could do very little in Washington—operating simply as a Washington group. After all, these problems were problems that were arising in the field, problems which the persons working in the field knew and understood. It was the persons working in the field who in the final analysis were to provide the real solutions to these problems, and so we made provision for the establishment of 12 regional labor-supply committees. The chairmen of those committees are the regional representatives of the United States Employment Service. Members of the committees are regional representatives of the agencies that are associated or tied in with the program in Washington plus labor and management representatives.

What are the duties of those regional labor-supply committees? I want to spend a little time discussing the duties of the regional labor committees, because I think that, even better than any description of the duties of the labor-supply branch in Washington, they give you a picture of what we are trying to do. Incidentally, this description of duties is not a description that was worked out for regional labor committees by somebody in Washington, but a description of duties and responsibilities that was worked out by the chairmen of these regional labor committees working with the Washington group. Here are some of the things they felt must be kept in mind as they faced their responsibilities out in the field.

The first thing to do as we faced specific problems, they said, was to pool our information. Of course, that seems to be an elementary principle and it is elementary, but I think, as all of us who operate in the field of Government appreciate, sometimes it is a principle we ignore even though it is elementary, because one group or one agency becomes very much interested in a particular problem—very much stirred up over a particular problem—and begins to collect information, whereas maybe two or three agencies collected the same

information a few days or weeks prior. That that is one of the problems in the field of administration in the Government I am convinced, because I have had the opportunity of coming into contact with persons who furnish the information, and they get irritated over the fact that they are asked for the same information two, three, four, or five times over. So the first job of the regional committees is to see that they pool all information which they have relating to a particular problem. The second thing to do is to analyze the problem and decide what must be done. The third thing is to make assignments to the constituent agencies indicating what part they are to play in the final solution of the total problem. The fourth thing is to follow up on these assignments.

This is not a story of a group of agencies getting together, sitting around the table and comparing notes with one another. We do a lot of that—it is all to the good—but in this day and age we have to go farther than that. We not only have to compare notes with one another, but we also have to decide on a plan of action and to get that plan into operation. I feel that this whole labor-supply field lends itself to general discussion probably better than any other field with which I have had contact. The persons working in it love to discuss, but it seems difficult to get them at times to agree on a plan of action and to put that action into operation. Certainly, the time has come in the labor-supply field when we not only have to discuss questions but also to cut the discussions short and to decide on a plan and put it into operation. On a scale of 100, that plan may bring us up to only 40, but it is far better for us to get up to 40 than to stay at zero. I think at times the tendency is for us to stay at zero because we want a quick-decision plan which we think will lead us to 100 when put into operation.

Two other things were worked into this description of duties and responsibilities of the regional supply committees which I think are significant. The first is that the groups said to themselves and the Washington group said to them, "When a plan of action has been worked out, the thing for you to do is to act—so long as it is not in direct conflict with an established policy." In other words, we are trying to say to those regional labor supply committees, "For God's sake, don't keep coming to Washington all the time and asking us whether or not a particular plan of action meets with our approval." Personally, I think that is a foolish procedure in a great many instances, because, in the first place, in Washington it gets into the hands of persons who do not have a realistic picture of the local situation, but who somehow feel called upon to pass on it anyhow. In the second place, it gets into the hands of a person who feels that though he passes judgment on it, he had better send it along to somebody else, and then you have a procedure which requires the initials of half a dozen people before the answer gets to the field.

So far as I can see, in most instances it is a complete waste of time, energy, and money. The time lost is to no real purpose because those who are trying to pass judgment on it in Washington usually do not have a realistic picture of the local situation. So we are saying to the regional committees, "When you work out a plan of action, put it into operation unless you feel it is in direct conflict with an established policy. If you don't see conflict, put it into operation. Tell us about it afterwards."

That is not the easiest principle in the field of administration to put into operation. Some people like the sound of it, listen to it, but still keep referring things back to Washington. One principle we have tried to apply in connection with the operations of the Civil Service Commission during this defense period has been just that. We said to the district managers, "Size up your local situation and go ahead and act." For a few months after that we noticed that some of them were still sending a lot of things to Washington, so we sent a memo around to the division chiefs and said, "If the district manager sends something in to you that involves handling of a local situation, return it without comment," and we notified the district managers that we had sent out those instructions. The correspondence from the district offices dropped after that particular action. I believe that if we have had any particular success in meeting the needs of the defense agencies in the particular regions in which we are operating, it is because the judgment of those who are on the ground has been brought to bear on those situations. That is the principle we are trying to apply in connection with the operation of regional supply committees.

There is one more principle. We said to these committees, "Keep flooding us with ideas. Keep telling us in Washington what we ought to do in this labor-supply field." In other words, we are pleading there for the establishment of a two-track railroad. If you have an organizational structure where the only thing that happens is that ideas flow from the central office to the field offices, with no ideas flowing from the field offices into the central office, it seems to me you have a pretty serious situation on your hands. Frankly, I think there ought to be far more ideas, so far as the labor-supply field is concerned, flowing in from the regional committees than there are ideas flowing out from Washington to the field. Well, so much for the organizational structure and duties and responsibilities.

What are the problems? Personally, I feel the most serious problem facing us in the whole labor-supply field at the present time is the problem of displacement of workers because of material priorities or because of curtailment of production. It is a problem we will have to face far more realistically in all probability than it has been faced up to the present time. It is a problem which constitutes a challenge to the Government to do everything it possibly can in the way of advance planning. It is a bad situation where we pick up our newspaper some morning and find out that tens of thousands and even hundreds of thousands of workers are in danger of being laid off because of material priorities.

This whole problem, I am confident, is being faced in a much more practical, realistic, and effective manner at the present time than at any time previous in connection with the development of the defense program. Dr. Lester described to you the kind of program that has been worked out as a result of the splendid leadership of the priorities branch of the Labor Division of OPM, and I believe that that program will meet with real success, because it is not merely a program on paper, but there is a drive back of that program and a real determination on the part of those who are responsible for it that it must work. Of course, if the program does work, it means that those of us who are working in the labor-supply field are going to have more advance

notice than we have received in the past as to just what is going to happen in the way of displacement of labor.

I am in complete agreement with the statement that by all means the most desirable solution to the problems which are arising in this particular area is the placing of work in these plants that are affected by material priorities. There is no question at all about that. Where that can be done it means that a great many problems that otherwise we would have to face will not have to be faced. As you appreciate, the responsibility of following through along that particular line is the responsibility of another part of the Office of Production Management, but although the responsibility rests some place else, it is an operation in which we are vitally interested and with which we are going to keep in very close touch.

Of course, no matter how much advance planning is done, we are bound as a result of these material priorities to have situations develop where men and women are out of work, and that does constitute what I consider to be the greatest challenge in the present picture. Certainly there is nothing that can do more to undermine confidence in government than for us to permit a situation to develop where for any considerable time we are, on the one hand, begging for persons to man our defense industries and, on the other hand, permitting persons who are capable of making a contribution to the defense program to walk the streets without work. I can assure you that we are dedicated to the task of seeing that everything humanly possible to prevent such situations is done. I do not believe we have to sit back and say, "Well, yes, this policy of getting defense work into the plants affected by material priorities is a sound policy, and we will do everything we can to bring that about," but where that cannot be done or where it takes a considerable period of time to do that, say, "We can't do very much about getting people who are thrown out of work through no fault of their own back to work." I believe that we can do something about it.

Furthermore, I believe that everybody concerned with this problem is willing to see that something is done about it. I have had the opportunity, when facing three specific situations in this area, of sitting down with labor and with management, and I have found no reluctance whatsoever on the part of either labor or management to face the situation realistically and to say we are going to work out something. We cannot solve these problems by talking about them too long. We have to bring persons primarily concerned—management representatives and labor representatives—together around the conference table. We have to look at this particular situation that has developed or that is about to develop, and after a certain amount of discussion we have to decide on a plan and then operate that plan. It may not be a plan that, on a scale of 100, brings us to 100, but it is a lot better than nothing and will bring us part of the way up the scale. As we bring our total resources to play on these situations, and as we develop more and more ingenuity in handling situations, I am convinced of the fact that we are going to come close to 100 on them.

This is one of the finest opportunities we have had to demonstrate how, within a democratic framework, we can get together and face that kind of serious situation and work out a solution. A certain

pattern is developed in connection with the solving of these problems. I do not know whether the pattern will last long or not; it depends entirely on the results; but as we have approached these specific problems, we have tried to approach them in this way. We said first to the defense contractors, "Well, there is a definite obligation on your part to give these persons who have been laid off through no fault of their own preference in hiring if they are qualified to begin work immediately in your defense plant." Of course, when we said that we realized the word "qualified" is a word that can develop into a great deal of discussion, and so, working hand in hand with Employment Service, we found it possible for us to arrange for labor representatives to sit down with Employment Service interviewers and face, together with the cooperation of management, the question of whether or not a man is qualified to begin work immediately in connection with defense operations.

We have found that in many instances a very large percentage of those affected had the skill which enabled them to find work almost immediately. We also recognized the fact that there would be a fairly large percentage of any group affected by material priorities that would not have the skills necessary for the defense operations, and so again labor representatives and the Employment Service and the defense-training representatives sat together and examined the individual's background and tried to determine what kind of operations he could handle most successfully. They have made it possible for him to go into defense-training classes which have been set up as a result of direct contact with the defense operators, with the understanding upon the part of the defense operators that persons who had been laid off in this way by material priorities, and who successfully complete those courses, will again receive preference when it comes to hiring. In other words, our agencies are brought into the picture a great many times.

A great many groups have been brought into these pictures, and in no instance have we found anything but the most enthusiastic determination upon the part of those concerned with this whole defense effort to work out a solution. Now that is our number one problem in the labor-supply field at the present time. It is more than that. It is our number one problem as far as morale is concerned in connection with this whole defense effort, and without morale we cannot get very far.

Then, of course, there is the problem, as we look at the labor-supply field, of making sure that we are utilizing our human resources in the best possible way. Mr. Dooley will have a good deal to say to you about that matter. There is the problem of making sure that the qualifications set up by those who are hiring for the defense activity are realistic qualifications—the whole problem of making sure that there is the best possible utilization of our training resources.

If we look at that whole field of reemployment or supplementary training, we can appreciate the absolute necessity for very close coordination and cooperation upon the part of all concerned. It seems to me that we must, as time goes on, face the problem of pooling in the most effective way our human resources. Situations must be eased where tool makers are working on, say, the production line because there is no need in that particular plant to work as tool

makers, but in another plant there is a defense contractor who is literally starving, as far as defense activities are concerned, because he has no tool makers. Are we not ingenious enough to devise a plan whereby tool makers on a production line can be taken out and used in a defense industry a temporary period in order to expedite and forward that program? It seems to me the answer to that is, "Yes; we can do it." There must be some way of doing it, because every day that we do not do it we are running the risk of failing in our total effort.

Of course, there is the old problem of making it possible for workers who are now associated with a particular industry, and whose highest skills are not needed right now and may not be needed for an indefinite period, to shift to defense work without loss of seniority rights, etc. Those are problems we are facing, together with management and labor, in connection with some of the displacements that have already taken place, and I feel sure that solutions are going to be worked out.

You know the policy of the Office of Production Management as far as fullest possible utilization of minority groups is concerned. You know the policy of OPM as far as the utilization of Negro help is concerned. We are moving more and more, it seems to me, toward a situation where we will have to face on a Nation-wide scale and in a very realistic manner the whole problem of utilization of women in connection with defense effort. As we face that job in Washington, we will lean heavily on the guidance and direction of the Women's Bureau.

In certain parts of the country, notably California—I have just spent 2 weeks on the west coast trying to get a picture of the situation—we have a situation where it will be necessary in the future to get some help from other parts of the country. In a situation of that sort, it seems to me, we face a problem where it is necessary for us to bring together, for example, representatives of the aircraft industry and the shipbuilding industry, and to ask them to agree on a uniform recruiting program, particularly as it applies to the rest of the country. When they have agreed on a uniform program, we can bring the complete resources of the Government to play on the situation in an effort to execute that program. Of course, I could mention other problems that exist in the field, but I hope that I have been able to indicate to you that those of us who are facing these problems day in and day out, so far as the Federal picture is concerned, are convinced that the time for action has arrived and that those action programs which are necessary must be worked out within a democratic framework—sitting around the conference table. As I have indicated to you, up to the present time I have not seen any indication on the part of any of those concerned with this problem that it cannot be done that way. The time is short, and we must develop these programs today and not tomorrow, even though we realize we will have to have the benefit of experience before bringing our programs up to 100 if we are dealing with a scale of 100. I hope you will feel free to get in touch with me and with those of us working in the field in connection with the labor supply branch who can be of help or assistance to you.

Apprenticeship and State Labor Officials

By WILLIAM F. PATTERSON, *Chief of Apprenticeship, Division of Labor Standards, United States Department of Labor*

Upon officials of State departments of labor rests a heavier responsibility in regard to defense production than is generally realized. It is my fervent hope that what I am about to say will contribute somewhat to bringing members of the International Association of Governmental Labor Officials participating in this highly significant convention to an awareness of this responsibility and perhaps inspire them to take concrete action.

Let us view realistically one of the crucial defense problems that is facing the Nation—the growing demand for skilled labor for defense work. This problem is directly concerned with apprenticeship and other forms of in-plant training.

In its Bulletin No. 2 on Defense Training, the American Federation of Labor indicates that defense production, to reach its highest efficiency, requires a greater percentage of skilled workers than is required by normal production. Normal, peacetime production, the pamphlet reports, needs only 28.5 percent of skilled labor, whereas defense production needs 41.8 percent, or 1 more skilled worker for each 10 workers, skilled, semiskilled, or unskilled. In the meantime, the number of semiskilled workers required by defense production is approximately 5 percent under that required by normal production, and unskilled workers, who during normal times made up 26.4 percent of the labor force, constitute only 17.3 percent of the working force needed in defense work. Thus, to meet defense needs our skilled-workers force must be increased 30 percent.

I need not remind you that the only way skilled workers—all-round craftsmen—can be produced is through apprenticeship. The American Federation of Labor is well aware of this fact. It is significant that in recommending a solution the Federation maintains (I quote from the second paragraph of the pamphlet) : “Defense training can be done most effectively by adequately expanding existing agencies, thus making use of accumulated experience and standards and procedures found constructive instead of creating new agencies.”

Let me quote further from this frankly realistic pamphlet. “Two Federal agencies expanded,” it states emphatically, “can fully meet our training needs.” (The pamphlet is dated July 30, 1941, little over a month ago, so the latest defense developments were fresh in the minds of its authors.) This tract indicates that these two Federal agencies are the Federal Committee on Apprenticeship and the United States Office of Education, which provides vocation-education courses.

You will agree with me that the American Federation of Labor, an organization which has been dealing with labor problems of all kinds for nearly three generations—through several depressions and wars, including the First World War—is in position to speak with authority on the subject of labor supply. The bulletin, incidentally, bears the signature of such A. F. of L. personalities as Matthew Woll, John Coyne, John P. Frey, B. M. Jewell, George Q. Lynch, Edward J. Brown, and Robert J. Watt, powerful voices in the field of labor.

Throughout the Nation—in plants, in labor departments, in defense circles—yes, even among labor groups—there is altogether too much

of the do-nothing lackadaisical attitude best exemplified by the expression, heard over and over: "Apprenticeship is doing all right. Everyone appreciates its importance to defense. It is the other forms of in-plant training that we have to worry about." Most emphatically apprenticeship is not doing all right. Our records indicate that the number of apprentices whose training has been affected by the Federal Committee on Apprenticeship standards does not exceed 60,000.

According to the most conservative estimates, the number of apprentices that should be in training right now to meet the normal industrial requirements of the Nation is 500,000. Let me point out to you that this estimate is based on the normal peacetime requirements of the Nation. By recalling the data I have just quoted from the A. F. of L. bulletin in regard to defense requirements of skilled workers against normal requirements—an increased demand for skilled workers of approximately 30 percent—it will be realized readily how far behind schedule we are in meeting demands for apprentices.

Again I want to remind you that the only known way of developing an all-round worker—a truly skilled man—is through apprenticeship. If there are other ways, we shall be glad to know about them.

Last March, at a meeting called by Mr. Knudsen, Mr. Hillman, and Secretary of Labor Perkins for the purpose of discussing frankly and bluntly problems of in-plant training and evolving practical solutions, 78 of the country's leading industrialists and labor leaders—men representing the Aluminum Co. of America, Warner & Swasey, Carnegie-Illinois Steel Corporation, Wright Aeronautical Corporation, United Aircraft Corporation, and some 50 other major defense-production organizations—admitted that there existed no substitute for apprenticeship in developing all-round skilled craftsmen, and that the period of apprenticeship cannot and should not be shortened.

State labor officials are familiar with the fact that the Federal Committee on Apprenticeship has shouldered the responsibility of seeing that the apprenticeship structure is brought up to the point where it will be adequate to provide for the continuing skilled-labor needs of the Nation.

These officials are also aware that the national apprenticeship policy, as defined by a congressional act and the Federal Committee and endorsed over and over by labor unions, employer associations, and public agencies, is that the actual work in this field must be accomplished through the free cooperation of labor and management on a local and State level. This is in keeping with democratic principles. The task of putting the Federal apprenticeship program into practice, in the final analysis, is and must remain the responsibility of the States.

Since the very first, the Federal Committee and the apprenticeship staff of the Division of Labor Standards have directed their attention toward getting States, through special legislation or through powers granted by existing acts, to establish State councils of apprenticeship which would function on a State-wide basis precisely as the Federal committee functions on a Nation-wide one.

I am pleased to be able to report that 15 of our States have enacted apprenticeship laws. It is significant that in the past 4 crucial months 4 States—namely New York, Washington, Montana, and Arizona—have passed laws of this type. The full responsibility for proper administration of these laws must rest with the State commissioners of labor.

It is to the further credit of certain State departments of labor that they have set up apprenticeship councils without benefit of special legislation. Altogether there are 22 States with apprenticeship agencies in their labor departments. These councils are, in most cases, very active and highly interested in carrying out their functions.

However, I must remind you that there are still 26 States, or more than half of the 48 that make up these United States, which have given no official indication of an interest in apprenticeship.

The Federal Committee and the apprenticeship staff are daily gaining more and more the confidence, and, as it must follow, the cooperation of labor and employer interests. As a result, opposition to apprenticeship on local and State levels is gradually softening. As more groups are convinced that we are worthy of their good will and trust and that we are genuinely interested in working shoulder to shoulder with them, our work becomes easier.

Constantly national employer associations and international unions have, through resolutions, direct appeal to local affiliates, and trade and union publications, advocated more vigorous local cooperation with our program. These groups have indicated again and again that apprenticeship must be greatly expanded and strengthened on a State and city level, and that this can best be done through State departments of labor and State apprenticeship councils.

If Federal apprenticeship efforts are to gain the fullest measure of success—a success that is absolutely essential to national defense—each State department of labor must take full advantage of our promotional efforts, striking while the iron is hot. If this is not done, there is a waste of effort which, in the not too distant future, may have startling repercussions.

The importance of expanding apprenticeship on a local and State basis is widely recognized in all industrial fields. At an all-day meeting held less than a month ago by the General Committee on Apprenticeship for the Construction Industry (an advisory committee to the Federal committee) the international union and employer representatives present urged greater stress on cooperation with State apprenticeship councils and local and State organizations.

Incidentally, the day—August 14—on which this meeting was held was a red-letter day for apprenticeship in general. The construction meeting was held during the day. At night, national apprenticeship standards for the electrical industry were officially launched in the presence of many nationally known figures. A national joint committee composed of six representatives of the National Contractors Association and six of the I. B. E. W., had worked for months drafting a set of standards that would be mutually agreeable to contractors and workers. The standards are tailor-made to meet the requirement of the electrical industry and are designed for use in drafting standards to meet conditions prevailing locally anywhere in the country.

While we are pleased to set up standards for the training of apprentices in plants, localities, and trades, I want to make it clear that our job is far from done with the setting up of these standards. The servicing of an apprenticeship system is just as important. In this branch of our work we have hardly scratched the surface.

Three weeks ago I had the good fortune to spend several days with labor officials of the Province of British Columbia, Canada.

One of these officials was Mr. Adam Bell, the Deputy Minister of Labor for the Province and your immediate past president.

I learned that the Department of Labor of British Columbia, in carrying out the provisions of the Provincial apprenticeship act enacted in 1936, had been instrumental in more than doubling the number of apprentices in the Province during the past year. This increase had been almost entirely in the Province's metal trades, which make an important contribution to Canada's war efforts.

One respect in which the apprenticeship program of British Columbia is superior to those existing in States on this side of the border is the check-up conducted monthly to see that the apprentice is getting everything he is supposed to get in the way of supervision and effective training on the job.

Our latest figures indicate that there are nearly 1,000 apprentice-training programs under our standards in this country. This is almost double the number of systems reported in June 1940, when the President proclaimed a limited national emergency. Thus during the past 12 hectic months we have accomplished as much as we had in the previous 6 years. This is, to a certain degree, an indication that State departments of labor are giving increased attention to apprenticeship and its importance to national defense.

I want to call to your attention that to service these 1,000 programs adequately would require many times the combined present apprenticeship staffs of the United States Department of Labor and all State departments of labor with apprenticeship agencies.

State labor administrators have frequently expressed grave concern over the threats to further apprenticeship efforts as the result of the attitude sometimes bordering on hysteria found in many responsible quarters concerning the dwindling supply of skilled manpower in defense industries. Suggestions galore are being submitted for every conceivable type of substitute for apprenticeship.

As I stated earlier, there is no known substitute for apprenticeship. Industrialists who have been training workers of all kinds for decades recognize this fact. It is newcomers to the field of labor training; employers who in the past went blithely along, fondly believing that some Wizard of Oz by a magic stroke of his wand could produce fully trained skilled workers, who, awakening to the reality of life, look for a magic powder to sprinkle on unskilled workers which will make them master craftsmen overnight. No such powder exists.

Their insistence that there must be some way of developing all-round machinists, pattern makers, molders, shipwrights, die or tool makers other than through apprenticeship makes them a menace to realistic efforts to solve a vital problem. The only way to meet this persistent menace is by aggressive promotion, by insistence on a realistic attitude, by accepting the advice and counsel of veteran workers in these fields, and by providing more service for bona fide apprenticeship programs now in existence.

State labor administrators must act now. We cannot sit back and wait for this attitude to run its course. If apprenticeship is to be utilized for national defense, it must be utilized now and it must be utilized fully by all groups and individuals.

Methods and ideas in apprenticeship are being developed and utilized under present pressing conditions that will be found useful long

after this emergency is over. Our reports indicate that many nationally known companies have been doing an admirable job in setting up apprentice-training programs. However, the problem is not being attacked with anywhere near the Nation-wide, all-out vigor necessary to do the job.

In the three key defense industries—aviation, machine tools, and shipbuilding—there exists in many quarters a deplorable apathy. A few outstanding companies are carrying the training load in each of these industries. It is not only unfair but manifestly impossible for two, three, or even a half dozen companies to do the training job for a whole industry.

There is only one way that this problem can be adequately tackled, and that is to make available to these industries qualified apprenticeship field representatives who can assist them in setting up in-plant training programs tailor-made to their particular needs. It would be convenient and helpful if a number of apprenticeship field men were on the pay rolls of State departments of labor.

Obviously, then, to meet current demands for technical assistance in setting up programs to fit a local situation, there ought to be a State apprenticeship council in the labor department of every one of the 48 States. Only in this way can the direction, leadership, and the necessary servicing facilities be fully provided. These councils should be absolutely free from political considerations. The members should be persons who by reason of long experience, training, and study are thoroughly familiar with practical in-plant training difficulties.

A third consideration, in many ways more important than the other two, is that if apprenticeship is to be carried on effectively in a State there must be a full-time paid director of apprenticeship on the staff of the State department of labor. A few States have such paid apprenticeship directors. Some of them have one or two assistants. However, there are not over a half dozen apprenticeship officials of this kind. This indicates how small is the beginning that has been made.

Furthermore, there is a lamentable tendency on the part of this handful of officials to consider themselves as enforcers of laws rather than promoters of apprenticeship. We know from bitter experience that apprenticeship programs do not just happen. They require considerable promoting, strategy, and perseverance.

Even today there are some State labor department officials completely indifferent to key defense plants in their State which have made no move toward training the skilled workers they will need to meet contract obligations. They feel that this is a job for the Federal Government.

To meet increased obligations placed upon the Federal apprenticeship staff it is absolutely essential that State departments of labor pitch in and help on a State and local level. In this great crisis, State labor officials cannot make a greater contribution to national defense than to assist in promoting apprenticeship and other in-plant training needs of defense plants.

Labor unions have demonstrated exemplary willingness to cooperate. The same is true of employer groups. However, they need technical advisory assistance that can be provided only through field representatives. Because State departments of labor have been un-

able to provide this type of service, it has been necessary for the United States Department of Labor to expand its own apprenticeship staff many times. During the past year this staff has been increased from 18 to over 140. The Department is now seeking additional funds further to increase this staff.

Due to their persistent lack of interest and initiative, the Federal Committee has had to drop several State apprenticeship councils from its list. Needless to state, the committee was reluctant to take such a step and made repeated efforts to stimulate these inactive councils.

Another step taken in the field of in-plant training by the Department of Labor of particular interest to State labor officials is the appointment of a National Joint Committee on Advancing Workers. During the past year, the Federal Committee had been requested repeatedly to formulate standards for training workers who are learning only fractions of trades. In July, it recommended that the Secretary of Labor appoint a special committee for this purpose. This committee was appointed, and the standards that it drafted were formally approved by the Federal Committee at its meeting of August 29. These standards are now available for use in setting up programs designed to train workers on a lower level than apprenticeship.

To help meet the labor-supply problems which result from efforts to speed up industrial production a labor-supply division has been set up in the OPM under Mr. Sidney Hillman. In turn, Mr. Hillman has found it necessary to create a training-within-industry section. It is particularly gratifying to us that Mr. Hillman has seen fit to put this activity under the direction of a long-time member of the Federal Committee on Apprenticeship, Mr. Channing R. Dooley.

It was apparent at the beginning of the emergency that apprenticeship could not solve all in-plant training problems raised by defense operations. There was need of specialized workers and an upgrading program. The training-within-industry section is designed to do this work.

We have found the 22 TWI panels and their 500 to 600 TWI representatives of great help in focusing the attention of plants on the immediate value of apprenticeship. Each panel has one or more apprenticeship field men on its roster. There exists complete harmony and cooperation between the TWI and the apprenticeship staff on national, local, and regional bases. I am pleased to report a growing eagerness on the part of Federal agencies to cooperate more closely with each other.

The apprenticeship committee of the International Association of Governmental Labor Officials, which is under the able chairmanship of Mr. Voyta Wrabetz, has been making valuable contributions to apprenticeship. I know that your association, conscious of the vital role it plays in American industry, will continue to give keen attention to apprenticeship. We know that your interest in apprenticeship is not mere talk. The discussion of apprenticeship before your conventions has resulted in concrete action.

In closing, I want to express the heartfelt appreciation of the Federal Committee on Apprenticeship and the Division of Labor Standards of the United States Department of Labor for the cooperation State departments of labor have given us and our apprenticeship field staff. You have been kind enough to allot us office space, provide us

with stenographic help, and have otherwise facilitated our work. A growing list of State apprenticeship councils are compiling enviable records of achievements.

I ask you to remember always that the Federal Committee and the apprenticeship staff of the Division of Labor Standards stands ready to render all possible assistance in your efforts to solve in-plant training or related problems in your particular area. Coordination collaboration, and cooperation are the three C's on which we operate. They are basic to the American way of living.

DISCUSSION

Mr. SHUMPERT. In the State of Arkansas we have just set up a State council on apprenticeship. I am wondering if you have had any trouble so far with getting companies and unions to agree to an apprentice entering a shop. The thought occurred to me that, from the union standpoint there might be some thought that the apprentice, after learning a trade and being a younger man, might push the older man out of employment. If they should think in those terms they might be against apprenticeship training on that account. Then another question entered my mind as to whether or not the apprentice would be willing to go to work in a shop at a reduced rate of pay—maybe lower than what he could make in another field of endeavor—to learn a trade that would take him 4 years to finish and maybe the defense program would be over before he finished his apprenticeship. Maybe he would be cut off and have wasted probably 2 or more years at a reduced rate of pay.

Mr. PATTERSON. I think there is no problem in organized shops because the amount an apprentice makes is set up between the union and himself, and there is no resistance. There is more difficulty now in securing beginning apprentices than a year ago, but young people are still smart enough to differentiate between a make-believe opportunity and a real opportunity. So where there is a real opportunity young people of high quality seem anxious to and do forego the high wages they might get in defense projects. As to that other problem you mentioned, about apprentices not having work after the emergency, I do not think any number of apprentices should be taken on in a plant beyond what it is capable of absorbing in normal peacetime. That is so that every one who learns the trade will be able to find employment after this emergency is over.

Training in Industry

By CHANNING R. DOOLEY, Director of Training Within Industry, Labor Division, Office of Production Management

I have been with the Federal Committee on Apprenticeship since it was established 7 years ago, and I have also had the privilege of working on this employment-training job under Mr. Hillman for a year and directly with Mr. Flemming and the group of others described for about 3 months. Perhaps I should say first that I am not a Government employee—I am just a fellow trying to get along, who hopes the boss is willing to pay his salary and who has no ax to grind. I have no ulterior motive in saying that this Federal Apprenticeship Com-

mittee and the Labor Supply Branch are working in amazing harmony. For 7 years I have never seen a rift in discipline—never a time when the members of that committee under Patterson's leadership did not agree unanimously on the single objective of what is best for the apprentice.

The progress made has been excellent in every way. Now we come to an emergency brought about by that fellow on the other side of the Atlantic who thinks he wants to run everything, and I think it forces us to take a new look at our objective. This country was founded by our forefathers on the basis of freedom, and freedom to us has meant doing pretty much as we pleased. We have had a few laws to prevent murder and stealing and other things—otherwise you would have pretty much of a mess. We like our liberty and freedom to do as we please. The apprenticeship program, the vocational schools of the country, the manufacturing processes man built up, have all been to express the individual freedom of men and women. You said to the young men and women in the country, "We'll help you. Here is a variety of opportunities. It's up to you to do anything you want to." I think for the present a new objective is desirable, and that is production. The problem now is how can we get production to match Hitler's production and still maintain our freedom of enterprise? You can answer that by coordinated voluntary action.

Whether to build an apprenticeship program or a plant-training program, it is a serious problem to transfer employees to save them from losing their jobs because of priorities of materials. Whatever it is, there is just one object in it—to speed up production. Never forget it. We do not want to pay a higher price for it than is necessary. Neither Mr. Flemming, Mr. Patterson, nor I have found anywhere in the country—I have been all around the country three or four times within the last 6 or 8 months—in the groups of people at these conferences, representing all varieties of labor or management, anyone who has not been interested in doing the right thing. I, for one, do not feel there is any time to waste in discussion, particularly of profiteering, of strikes, of excessive wage rates. We will have to deal with people here and there who are doing the unrighteous things. They are a small percentage. The great majority want to do the right thing, and our object in our plan is to try to work out some technical way to answer the question, "What can I do?"

About a year ago Mr. Dietz and I were asked to come to Washington to develop a plan for training in plants. We did not know exactly what that meant. We had had a great deal of experience in our own companies, and were glad to tell of our experiences in visiting and talking with other companies. We thought we knew something about vocational training in shops. We are not school teachers in a technical sense. After we had been here about a week Colonel McSherry asked me where we could find lens grinders and instrument makers. The Army and Navy arsenals wanted about 450 each of these skilled mechanics. Of course we were just a couple of boys from New York and did not know, but we did know a lot of people around the country and said we would try to find out.

Sitting at our desks we found that, among the three of us, we knew enough people to set up a conference. We knew the presidents and

managers of half a dozen companies—Eastman Kodak, Westinghouse, General Electric, and some others—and we called a conference. All of this happened in about a week. We got the lens grinders and instrument makers of those departments and the ordnance department of the Navy at Washington and the Frankfort Arsenal at Philadelphia to come to the conference. How to make instruments without instrument makers, that was the situation. There are no patterns for making instrument makers. We had to make instruments and had no instrument makers. What were we to do about it?

It worked out in this way. I think the philosophy underlying this whole present training program, with the definite objective of meeting production, is going to have an exceedingly wholesome effect on our whole educational program if we keep at it long enough and get results. The answer is that instruments are not made by instrument makers any more. The same man does not make the whole instrument; he makes part of it. In one plant of about 500 employees there are 15 all-round instrument makers. The other 485 are specialists, each one doing his part and doing it exceedingly well.

I want to emphasize that. The term "semiskilled" is loosely applied—in reality there is no such thing. There is the all-round skilled man and the special skilled man. The man who can polish one side of a glass and do it perfectly is just as skilled as the highly skilled all-round man, but he is not an all-round skilled man himself. He does not make the whole structure. In that way the special skills of hundreds of people are coordinated into the assembly of parts. Instruments are made in the drafting room.

That looked good to us, so we had another conference in a week or two to see if the pattern would work in other industries, such as machine-tool making, and found that it would. Then we sent two or three men out to various plants to get the details. It focused attention on every one of us—on everything we do from the highest operation down to the last detail, and the best possible way to do it. There is a right way to pack a bag or set a table. In this country we learn to do things efficiently.

Now I want to tell you how we operate. Last summer, in June 1940, Mr. Young was invited to confer with Mr. Hillman and others, and they talked over the whole matter of training. A year ago Mr. Studebaker stimulated a lot of training in vocational schools by getting an appropriation of \$65,000,000, and vocational schools started up without any coordination with industry. They did the best they could, and I could not have done better. Even as late as last November, after we had gotten into the job pretty well, we could not find many industries which knew then what they wanted. They would like to have machinists, they guessed, but did not know how many.

So at this conference a year ago this summer, they said there should be some agency to stimulate an employer to do his own training, even though the schools have done a lot and are going to do a lot. The employer should do his own training in this specialized production. During the last 10 years nobody has wanted to train men—during a depression you cannot spend money in training. The whole idea needed stimulating. It was agreed that there should be an advisory committee made up of labor and management. So when Dietz and I arrived we found an advisory committee already appointed—there

were six representatives of management, three A. F. of L. and three C. I. O. We studied the minutes of the meetings and had about three or four conferences in about a month. We started with the lens grinders and machine-tool makers, and worked out a plan to be used as a pattern for training people for defense production and a procedure of operation—as to what extent we should use existing agencies, as to what extent we might do the job in the field and not in Washington.

We have a headquarters organization with just a few people—about 20 altogether. We have set up 12 districts in the United States, each one presided over by a representative borrowed from industry as we were borrowed. Mr. Batt is the representative for St. Louis. He is personnel manager of the Laclede Gas Co. We have 22 men in the main production-center cities—St. Louis, Chicago, Philadelphia, Baltimore, San Francisco, Los Angeles, etc.—each one covering from half a State to about 4 States. Those representatives give practically full time to this job. They work with 2 representatives of management and 1 A. F. of L. and 1 C. I. O. representative, which makes 88 advisers on our advisory committee—44 for management and 44 for labor. They have reached around among their friends in the communities so that, all told, we have about 600 persons, counting the advisers.

Practically all of these men are used to training and breaking in men systematically. Some of these men are production engineers, some trained men, some apprenticeship supervisors. These men are borrowed on a part-time basis; they are subject to call. They hold meetings and discuss problems. Mr. Patterson spoke of having 140 field men. They are tied in with our groups. We all work close together. If one panel man finds a problem in supervision he calls us. The point is to give intimate detailed service to each employer as to his particular needs at the time.

Let us take specific cases. There is a little company in Los Angeles that makes defrosters for airplanes. They had 16 employees. Then they got an order from the Government for 600 defrosters, and they had to have, perhaps, 150 more mechanics. I told the men to get 30 or 40 all-round machinists and 10 die makers in the course of 15 minutes. There were none—as all such workers were being used by airplane builders and shipbuilders—so our people inaugurated this program of training. Take a large corporation, the Curtiss-Wright here in this city. We have been in there time and time again working with their foremen and giving them a few tips on how to train men. Our group has no schools, no classrooms, and does no teaching; our job is merely to advise employers and advise them on all manner of things.

We set up a program in about this way. The man in the plant says he needs 15 more machinists. We find he has 25 and by analyzing the jobs we find those machinists are doing many things that are not the highest grade of machine work. What this plant probably needs is not 15 more machinists, but 2 machinists, 3 or 4 more men who have had some experience in shop, and a lot of young helpers who can be supervised. So we check up, point out to the employer that each employe should be spending all of his time doing the highest skilled work of which he is capable and no time in getting tools, boring rough holes, etc.

We have found, in many shops that have grown up through the depression, men who are pretty good. A man might have been an ap-

prentice or might not, but he has been around awhile. Here is a chance to move him up. Put him on a special job and see what he can do. That is called upgrading. The first step is to make a study of the plant and upgrade all the people and see where the gaps are. The second step is to train specialists to fill in the gaps and, where the whole process is new, to define the job in such accurate detail that the specialization becomes very narrow. You and I do not like that. I should not like to assemble one fender on one side of a car all my life. That method, however, produced cheap automobiles, and at present it is the only solution during this speeding up of defense production.

We started off with a statement of policy that we would not train specialists if there were plenty of people, but that we would put the older people at training the new ones. That is obvious. In most places in the country the supply of all-round skilled workers has long since run out. It is amazing what the young inexperienced people are doing. In Denver about 2 weeks ago, I saw a boy, who had never been in a machine shop until about 5 months ago, honing out a hole that he had previously bored. It was a beautiful job. He was doing just one job, but he knew how to do it; it was a little job, too. There were 3 or 4 old-time mechanics and 8 or 10 young fellows doing the most magnificent precision work I had ever seen. That kind of specialist is the second step. The third step, as Mr. Patterson advised, is the apprentice. You have to have some all-round mechanics to run a shop with specialists, too.

I am glad to say that a number of all-round skilled mechanics are being trained, and there should be plenty of demand for them when this mess is all over. We should not get too many of them, that is true, but it has been proved in the past year that one expert all-round mechanic can handle, not just 1 or 2 helpers, but a dozen and bring them along. Peterson, at Lockheed, told me that he was looking for 200 tool die makers. He said "For every one of those I can find I can put on 50 more men. Each one of these toolmen can keep 50 others busy." So we are strong for all-round skilled men to supervise and do the fine all-round skilled work which is required, but in this emergency it is a crime to have any man who can do a highly skilled piece of work with a hand tool, who is really an artist in steel, working on a machine.

At this time we are trying to get production by upgrading, specialized training, all-round apprentice training; and now we come to supervising. You know what it means to take a skilled mechanic off the bench, off a tool, and put him in charge of 10 or 15 men, when he has never bossed a man before—you know the problems. Now I could not outline a program of training supervisors; I do not know enough about it. No one of us does, but let us go on record as saying that something ought to be done about it. Lockheed is taking on about 200 persons every day; think of having to produce 10 new supervisors every day. I saw Lockheed's plant last November and there were about 18,000 in it. I saw it again in July, and there were 38,000. That means 2,000 supervisors. Where did they get them? They had to make them over night. But there again you cannot train an all-round trainer of men in 15 minutes; however, we are glad to give a little help.

I suggest that a supervisor should not find fault with a worker in the presence of other workers. Any mechanic is entitled to have the required tools and should not be accused of delay due to break-downs; he should be treated as you would be treated. We tell the supervisors that is a problem that cannot be ignored. We have more tricks about training supervisors, and that brings me to the sixth point—the development of teacher training. This has been worked out in the last 6 weeks. In a rapidly expanding plant this would apply to apprentices. If you have plenty of time you eventually learn, but if a mechanic has to break in a new man quickly it is important that he know how to teach a youngster.

We have developed a program of teaching the skilled mechanic how he can teach the youngster who is to be taught. This is something I should like to emphasize. We started the experiment in New Jersey and selected 3,000 leading men and mechanics from various plants. These plants cooperated with us by sending these men to this 10-hour course in teacher training. To us it seemed silly to train a teacher in 10 hours, and it may sound so to you—it cannot be done perfectly, of course, but you would be surprised to find out what can be done. It is amazing what can be accomplished in that short time to orient the mind of the skilled mechanic and get him to see that included in his skill are some tricks.

In one plant there was an old skilled mechanic running a milling machine, with a boy watching and taking a hand when he could. The old fellow would make adjustments, quickly turn the dial, set the number, and make a cut with the caliper just right. The boy would take over and it would not turn out right. He would have to take another cut. Time and time again this happened. For 5 weeks the boy had been with the man. The man said, "He's all right—it'll just take time. He has to learn. There's a knack. It took me a long time. It's a skilled job." After a while I happened to notice he monkeyed with one of the screws whenever he took a cut and asked him, "Did you tell the boy that? Why did you do it?" He answered it had something to do with gearing up the machine and he had not thought about showing the boy. He waited 5 weeks for the boy to learn a trick that was not taught him.

Now with teacher training we are just beginning to find out what can be done and getting down to the minute details. First of all, we go into the plant and analyze its needs. We stop there if that is all the employer desires. The second thing we do is to help him set up his own training program at his own expense—he is given no money for it. He must employ a trained supervisor, if he has a large plant he must employ several. Then he has a lot of apprentices. If it is a small plant there must be one man who is responsible for the direction of the absorption and adjustment of new employees—call it anything you like, selective employment training, adjustment and teaching, or bringing a man up to production. Production is what we want.

We are accumulating a lot of experience over the United States and getting it typed and printed—we are bringing the experience of one house to another house. Somebody wants to know how to train welders, so they learn from the tricks and experiences of others. These little stories will tell him how to use Government agencies, among them the Employment Service that extends all over the United States. Here

you have a boy going along fine, not knowing much, but getting along, and he could do a lot more if he had a little more training or education—some elementary physics. The nearest vocational school is 10 miles away and the people do not know enough about the services offered. We say, "How many other boys could use this training?" Maybe there are 30 to 60 boys, and when the vocational school learns that, it sends a teacher who teaches the boys after hours.

At first the employers are afraid. They say, "What about the wage and hour law?" We tell them it is a voluntary project and there are no wages to pay. Lots of places all over the country are doing this. The whole third shift is turned over to the vocational school on contract. The school takes over the shop and holds classes in the factory maybe 4 nights a week. However, it must be voluntary, out of hours, no production, and there must be an improvement of skill or the adding of a new one.

People have to be told how to use these agencies. We told them to try WPA that it had mechanics, but the employers said it had no good ones. We started to check on that. We got expert interviewers from industry who were hard-boiled, and had WPA send to them a lot of their so-called machinists to see if they really were machinists. In Cleveland, I believe they took about 60 and classified them in three categories—those who were, those who were not, and those who could be.

NYA is in the same class with WPA. It has shops and is doing a good job, but it was formed primarily to keep people off the streets and we do not expect it to do a 100-percent job. Then there were CCC boys. On one job that came up it was suggested that we get them, but it seemed all the CCC boys had jobs. There were no more available. Lockheed made an arrangement with CCC to train their employees at the camp. There are lots of facilities like that available if our people would just utilize them.

I have a word to say about vocational training which I think you will find interesting. In the Lockheed plant there are about 3,000 employees going to school after hours. The town of Burbank, where the plant is located, has many more Lockheed employees than school children in its school. It ran out of buildings and vacant storerooms for training employees and Lockheed built 20 portable buildings on its property to be used for training. That was not the beginning of the vocational school. It started on its present improvement around the beginning of the summer and fall of last year. The refresher job is over, there is nobody left to be refreshed—they all have jobs. I should like to sum this up by saying that, at present, employment training is decreasing and supplementary training is increasing.

All of this story of upgrading, specialized training, apprenticeship, in a brief form somewhat as I have told it, has been put up in a set of bulletins. If you care to write for it I should be glad to send it. There are about 40 pages. These bulletins were put out as an aid to new employees. One page tells how to bore a hole; there are 24 items on that. Everything is told in that story.

By and large, we find there is a great deal of cooperation all over the country, that people have learned it does not get them anywhere to steal employees from one another. First one plant will steal a man from another management and then the next week another plant will

steal the same man and they get nowhere. If a factory has one man who can go ahead and do anything that has to be done, it should hire green people and tackle the job. This one fellow can train them. It will take time, but it can be done.

We have invented nothing new. We have merely studied what progressive companies had to do to get a foothold. Westinghouse, General Electric, all the big companies, followed a course of action similar to this—upgrading, apprenticeship, and specialized training, which is coming in for the bulk of the limelight now. We have taken those stories and put them in readable form, and built up this force of about 600 people to show other companies how to put in a well-balanced training program and get unbelievable production. Just one more story. In the latter part of January in a swamp in San Pedro south of Los Angeles the first pile was driven. Early in August the first ships were launched. In June, I think it was, 14 shipways had been built—a shipway is an inclined floor, 50 to 60 feet wide, 1,000 feet long, sloping to the water. On that they build the ship. I saw 14 of those completed in June and keels had been laid for 7 ships. The company did not have a welder when it started, nor any marine engineers. What they did was to hire civil engineers—after all what is the difference between civil and marine engineers, except the name? Take a civil engineer and teach him marine engineering—that is not hard. What is the difference between pipe fitting in a house and in a ship? There is not enough to count.

The first ship was launched in August although the first piles were driven in January. That story is a tribute to training on the job. It shows what American ingenuity can do. Then the cooperation is wonderful. Take the case of the plant in Chicago, that loaned 65 of its mechanics to another plant which was on defense work. When the employer was asked if he thought he would get his men back, he said, "Sure, we've been exchanging men for years." That is the kind of spirit that will save this country. If you do not have it you cannot get it. Compulsion would not do—in that case we might just as well take Hitler.

DISCUSSION

Mr. HINES. I was very much interested in Mr. Dooley's reference to the request made by the Army and Navy for lens grinders and other mechanics in arsenals and navy yards, etc., and his reference to the fact that they called in representatives throughout the country. I am wondering if he ever got his lens grinders and where.

Mr. DOOLEY. We did not get them. We found we did not need them and withdrew from the Civil Service Commission our request for lens grinders and substituted a request for trainees, and we also have students. The people who called me told me they were training men—breaking down the process into 49 operations and using green people and training others to do specialized operations. That solved their problem.

Mr. HINES. Of course, everyone knew when the request was made there was no such thing as getting 4,000 (is that the number?) lens grinders, and that they would have to be trained. I am interested in this question from the standpoint of an administrator of the employment service. About a year and a half ago we had a conference

in Washington and agreed with those administering the employment service throughout the country that we would have a working agreement with various branches of the Government that all requests for employees and requests for trainees would come through various employment services. Pennsylvania has a very fine set-up and has had it for 2 years. The department of labor and department of public instruction have developed training to a high degree.

About a year or 8 months ago, representatives of the Army came into Philadelphia and said to the officials of the arsenal there, "We want you to put on 3,000 people—400 lens grinders, 600 or 900 tool and die makers, etc." They protested that the arsenal did not have facilities for that many people. They protested that they did not have the material to work on. Nevertheless, the demand was made, "You go get them." Now our office in Philadelphia never got the orders. It was never given an opportunity to supply these people.

One Philadelphia newspaper got the story, and it came out on the front page as an ad—"Tool makers, lens grinders, all kinds of workers needed at the arsenal"—with the result that some 45,000 people next day crowded the gates, and then the newspapers came out with the story that there was a dearth of skilled workers—"Many skilled on relief. Tremendous relief problem in Philadelphia." Next day the paper had an editorial laying great stress on the fact that there were not enough mechanics and blamed the unions. It said the unions had closed the door to apprentices, and as a result during the last decade there were no apprentices because the unions did not want them.

When I protested to the arsenal officials that they had not followed the program, had not given us an opportunity, I was referred to the Civil Service Commission. The Civil Service Commission said that notwithstanding any agreement reached in Washington under the supervision of the Department of Labor to the effect that we would try to do this in a coordinated manner, they would take care of training efforts needed for these jobs. We had on our rolls in Philadelphia any number of boys and girls who could be trained. I do not know if the Civil Service Commission ever availed itself of those people or not, but I know we were not called upon to supply these trainees, and I know that from time to time we had offered the facilities that we had in Pennsylvania to this end.

The point I am making here is this, and I hope OPM can solve this problem. There has been too much working at cross purposes. We have to get people and get them fast. I do not know what will happen when this is all over. Probably the same thing that happened in the beginning of the recession. Skilled mechanics were shunted aside in preference to the semiskilled whatever-you-call-him. I hope that when this training is all over, something will be worked out to preserve the status of the mechanic who is so urgently needed at this time.

There is a very definite tie-in between apprentice training and training in industry, because both go together and the needs of industry must be served now. I hope, as I said before, that OPM will be able to coordinate the facilities at hand and the employers will not all work at cross purposes. The NYA was given an appropriation of so many millions of dollars to train the youth of the Nation. That is all right, but that is not the thing of the moment. We have to get

people and get them on the job, and it must be done through agencies that are able and capable of doing it.

That is why I do want to stress the point that maybe there is not enough cooperation between the Federal and State people to use the existing facilities for the services for which we are responsible. In Pennsylvania, I think we will be able to supply all the trainees necessary, and on top of that, because of the fine set-up we have between our own department and the department of public instruction, we will be able to assist greatly in the training program.

Mr. DOOLEY. I believe your first statement was answered a year ago. The Civil Service Commission has the responsibility under law of supplying the needs of Government agencies. I do not know, but I will assume that it would come to you for help in getting them in the Pennsylvania area, and I think I would be safe in saying that today it is doing that; whether it was a year ago, I do not know. I cannot answer the question as to whether there is enough coordination going on all over the country. I suppose not. We are still a democracy, but as to training within industry, the man in Philadelphia for eastern Pennsylvania is doing a good job. Those people, Jones and Ford, and the advisory committee on behalf of management, have on their panels school people and employment-service people and are going into the plants to train people on the job. I am sure you can count on help and information and unflagging cooperation from them. I should be pleased and they would, too, to help you if you asked them.

Mr. HINES. I am familiar with them.

Labor Supply and Training

By L. S. HAWKINS, Director, Vocational Training for Defense Workers, United States Office of Education

The significant characteristic of the defense training program administered by the United States Office of Education through State boards for vocational education is that it marks on a scale unprecedented a wholesale program of vocational training geared into the labor needs of industry. Legislation, administrative regulations, and organizational techniques have been developed with one central frame of reference—the maintenance and the acceleration of the flow of skilled and semiskilled workers into defense jobs where needed and when needed. It is in these terms that the program of defense training must be seen to be understood.

The Labor Supply Problem

The magnitude of the labor-supply job can be measured by some data concerning employment in defense industries. In 16 selected defense industries as of June 1941, there were 2,440,500 persons employed, which amounts to an increase of 47.6 percent over the same time a year before. Aircraft employment stands at more than double the employment in June 1940, shipbuilding employment stands at slightly less than double, and employment in the machine-tools industry shows an increase of 47.2 percent, while total civil nonagricultural employment shows a gain of 3,365,000 workers since June 1940.

The size of the defense job that needs to be done can be gaged by the fact that according to the United States Bureau of Labor Statis-

tics nearly 19 million man-years of labor will be required to complete the defense program. This is based on appropriations and contract authorizations amounting to slightly more than 40 billion dollars.

Minimum estimates of additional employment by April 1942 show that 323,900 will be required in shipbuilding, 408,441 in aircraft, 291,611 in machine tools and ordnance. The Bureau of Labor Statistics further estimates that the number of wage and salary workers in nonagricultural employment will increase from 2½ to 3 million by July 1942.

In terms of the kind of a labor-supply problem which is created, it is worth noting that while under normal circumstances industries operate with from 20 to 25 percent of highly skilled labor and about an equal proportion of semiskilled, the labor requirements of defense industry demand approximately 37.5 per cent of highly skilled and 37.5 percent of semiskilled; in other words, an increasing emphasis on skills and consequently on training.

From the point of view of the effect of the condition of the labor market upon training, it is possible to distinguish five major problems of varying degrees of importance.

The first, and most pressing, problem has been a shortage of qualified workers in the higher brackets of skill. Machinists, tool makers, die makers, loftsmen, and pattern makers are illustrative of the high order of skill involved. It has been estimated that in the year ending April 1942, selected defense industries will require more than one-half million workers in the skilled categories. It has been recognized that as the number of unemployed workers with the requisite skills reach the vanishing point, the greater part of the need for skilled workers would have to come from the ranks of experienced workers on the lower levels of skill.

Second, although less pressing, the sheer number of persons to be hired in semiskilled jobs has constituted a serious problem.

Third, the induction of large numbers of new workers in semi-skilled occupations and the necessity for breaking down the operations in the skilled occupations have raised the problem of providing an adequate force of foremen and subforemen.

Fourth, as the exercise of priorities in materials has curtailed employment in nondefense industry, there has arisen the problem of retraining the workers thus employed to make them employable in defense industries. Illustrations of this may be found in unemployment in the automobile, silk, and aluminum-ware industries.

Finally, although there appears to be no general shortage of labor numerically, it has been considered a matter of good public policy to develop a secondary labor reserve.

The Adjustment of Training to the Labor-Supply Problem

It is, therefore, this kind of labor-market situation to which defense vocational training has had to adjust itself. Supplementary instruction has been the major source of training utilized to alleviate the shortage of skilled workers. This type of instruction is given during out-of-work hours, and takes one or both of two forms.

In the first instance, as part of an in-plant upgrading program, it seeks to teach employed persons to perform at a higher grade of

skill than the one they are doing by permitting them to work in a school shop under expert supervision and direction and with the pertinent tools and machines. At a time when machine facilities and factories are being utilized to full capacity in actual production, it is not feasible, in many instances, to permit extensive learning on the jobs in the process of which such machines would be diverted from production.

Secondly, supplementary instruction provides the related knowledges which are essential in the performance of semiskilled jobs in the higher levels and all skilled jobs. In this category would fall such courses as blueprint reading, shop mathematics, and mechanical drawing. Here again, it is not feasible, for the most part, to provide such background training on the job. It has been found that the school shop makes possible a more effective acquisition of such knowledge. Between July 1, 1940, and July 31, 1941, a total of 548,000 persons had been trained in supplementary courses under the defense training program.

Prospective trainees for supplementary courses are usually referred to the schools by employers and labor organizations. The educational authorities work with local representatives of the training-within-industry branch of the Office of Production Management in the utilization of supplementary instruction as a desirable and effective means of complementing the program of training within industry.

Supplementary instruction serves much the same purpose in the apprenticeship program. That is, it provides the training in manipulative skills which cannot be given adequately in the plant or factory. It also gives the apprentice instruction in the related knowledge which is necessary. On the Federal level, the Office of Education cooperates with the Apprenticeship Section of the United States Department of Labor in establishing desirable standards of educational participation in the apprenticeship program. Thus, the minimum standard of 144 hours per year of related instruction in the vocational schools has been set up as a necessary part of an approved apprenticeship system.

Locally, the schools cooperate with the apprenticeship unit of the State department of labor, the apprenticeship committee, composed of representatives from employer and employee groups where such agencies function, and the regional representative of the Federal Apprenticeship Section. In many cities the vocational school authorities have appointed an apprentice coordinator, whose function it is to adjust the related instruction of the apprentice to his work experience on the job.

Preemployment Training

A major source of semiskilled workers in defense industries is from preemployment courses. The preemployment courses offer induction training to unemployed workers. The objective is to provide instruction which will fit the trainee for immediate employment. The emphasis is put on training for a specific pay-roll job, rather than on, simply, general conditioning.

In previous legislation authorizing defense vocational training, the formal designation for this type of course was "preemployment refresher," on the assumption that there existed a reservoir of skilled and

semiskilled workers who, with a short amount of "refreshing," could brush up on skills which they had commanded previously. It is apparent now that the number of workers with refreshable skills has gradually, if not completely, been exhausted. Public Law 146, the most recent legislation, therefore uses the designation "preemployment and refresher," in this way, taking notice of the fact that at this stage in the condition of the labor market it is necessary to give training to persons who do not have refreshable skills and who are new entrants into the labor market. Between July 1, 1940, and July 31, 1941, a total of 472,000 persons received training in preemployment courses.

Prospective trainees for preemployment courses are required by law to be referred to the schools by the United States Employment Service. Other authorization makes possible the referral by the Work Projects Administration of WPA workers to preemployment courses. Such WPA referrals receive work-project wages while in training. It has been recognized as an element of good public policy to transfer, as rapidly as possible, persons on WPA rolls to gainful employment divorced from the connection with relief.

Foreman Training

The educational authorities have attempted to meet the problems raised by the need for competent foremen and subforemen through intensive utilization of the foreman training staffs of both the United States Office of Education and the State and local vocational school authorities.

Through the conference method the foreman conference leaders emphasize the functions of the foreman as an instructor. The instructional aspects of the foreman job may be thought of in terms of job analysis, planning of instruction, and the teaching process. The technique of job analysis involves an ability on the part of the foreman to examine the details of the job from the beginner's point of view. The experienced worker frequently overlooks significant details of the job which have, in a sense, become automatic to him. There is also involved an ability on the part of the foreman, the recognition of key motions, in other words, the "knacks," which are indispensable in the satisfactory performance of each task.

With the analysis of the job on which the new worker is being broken in, as the framework, the foreman should be able to devise a program, or plan, indicating points which must be stressed, the sequence in which operations are to be taught, and the methods of developing satisfactory productive efficiency on the part of the new worker. Finally, the foreman should be able to command a practical understanding of the elements of the learning and teaching process.

It is, then, these abilities and knowledges which the foreman conference leaders impart to prospective foreman trainers and, in many instances, to the foremen themselves. All of this, of course, assumes that the foremen are occupationally competent.

Retraining

The problems raised by what may be called "priorities unemployment" have resulted in essentially a retraining program. A concrete situation of this kind may be illustrated by citing the unemployment

of 3,600 automobile workers in the Buffalo industrial area. While many of the occupations in the automobile industry are comparable to other occupations in defense industries, notably in the aircraft industry, the operations are nevertheless not identical. In cooperation with other agencies concerned with the problem of labor supply the Buffalo vocational schools will offer short intensive courses specifically designed to make the transition from one job to another as short as possible and at the same time assure the acquisition of the skills necessary to satisfactory performance of specific pay-roll jobs.

Labor Reserve

From the instructional point of view, the problem of developing a secondary labor reserve does not involve training for specific occupations, but rather a general conditioning of the trainee to factory and shop practices and an understanding of tools, materials, and machines. The out-of-school youth training program and the training program for youth on the work projects of the National Youth Administration have been set up precisely for this purpose of developing a secondary labor reserve. Since the youth most affected by the out-of-school youth and the National Youth Administration programs reside, for the greatest part, in rural communities, these programs serve the additional purpose of providing a conditioned labor supply which may be of substantial importance in connection with the increasing significance of the less densely populated areas in defense production. In view of the potential shortage of farm labor, the specific training of rural youth for defense occupations is carried on as well, with due consideration to defense agricultural labor requirements. Trainees for both youth programs are required to file a registration card with the employment service, but no prior registration is mandatory. In the fiscal year ending June 30, 1941, 300,000 young people received training in the out-of-school youth training program and 250,000 NYA enrollees received training on the NYA vocational training program administered by the various State boards for vocational education.

Other groups of workers for additional labor supply which are not normally in the labor market in the heavy defense industries are woman workers. The Office of Education has followed a policy that defense training programs should be set up for woman workers where there are existing or anticipated employment opportunities for women in specific occupations. There is apparent an increasing utilization of training facilities by women who are preparing themselves for occupations which have been traditionally limited to male workers. This is, of course, a reflection of the increasing opportunities available for women in defense industries.

Where there are existing or anticipated opportunities in defense occupations for Negro workers, adequate provision will continue to be made for their training. In areas where there are serious color limitations in employment, defense occupations in which Negroes are being used are being reported promptly and training of Negroes in these fields is offered to the extent needed to facilitate the maximum use of the local labor supply. Negroes are trained in selected occupations in communities where, at the present time, there may be no opportunities for them, but in which it is probable that their services will be used at a later date by defense contractors.

Equipment and Labor Supply

An indispensable element in adjusting the volume of training to the demand for labor is vocational-school equipment. The existing facilities of public vocational schools, while adequate for the normal training requirements, were inadequate to meet the kind of concentrated need for heavy equipment stimulated by the nature of the defense program. The availability of equipment on a geographical basis corresponded in the past to the geographical distribution of industry. The establishment of large defense industries in localities where no industry of any kind had existed before has therefore further aggravated the lack of equipment.

A partial solution of the equipment problem was made by the passage of subdivision 2 of Public Law 812 (76th Cong., 3d Sess.) which made 8 million dollars available for acquisition of equipment in connection with the preemployment refresher and supplementary courses. However, the need of the public vocational schools for equipment, in order to do an adequate job of defense training, was far greater than that which could be met by this appropriation. In the early spring of 1941, the Office of Education requested that an additional 12 million dollars be made available by Congress for the purchase of equipment. Such an appropriation was subsequently incorporated in Public Law 146 (77th Cong., 1st Sess.). The provision of the various statutes and provision of the Office of Education affecting the acquisition of equipment make it possible for equipment to be transferred from one school to another within a State in line with shifts in defense labor requirements.

General Labor Supply and Training Policies

It was clearly apparent at the outset of the program that the industries which were most crucial to the progress of defense production and which, at the same time, evidenced the most serious shortages were aircraft, shipbuilding, machine tool and accessories, and ordnance. Accordingly Federal assistance in the training program has given training in these crucial industries priority over training proposals in other industries. The greater number of trainees by far have been enrolled in courses preparing for occupations in these industries.

Training of local workers, all other things being equal, is given precedence over clearance as a means of meeting local needs. This is a part of a labor-supply policy which aims at the complete utilization of the local labor supply before resorting to in-migration as a means of meeting the labor requirements of defense industry. Unregulated in-migration of workers into a community, as is already well known, may be responsible for serious social and economic hazards.

The training of workers in one State, where training facilities are in excess of local demand, is conducted to meet the needs of another State where facilities are inadequate. In certain occupations in which shortages develop because of pending defense contracts, training may be given in excess of locally known demand.

The most important element which has made possible the rapid integration of the public vocational schools into the defense labor-supply program has been the fact that there existed a background of 23 years of Federal-State relationships in public vocational educa-

tion. Specifically, the Smith-Hughes and the George-Deen Acts have served as a foundation for the development of sound standards of administration in vocational education.

From the viewpoint of labor supply, the normal program of vocational education is a long-run source of basic training for the all-round skilled mechanic. Current experience with the labor requirements of defense production indicates that the highly skilled craftsmen constitute a nucleus which affects the employment of proportionately larger number of single-skill workers. Similarly, the all-around mechanic is the source from which the supply of supervisors and foremen is drawn. Apprentices are also drawn from the ranks of those who have received this all-round training in the public vocational schools.

It is on the basis of these considerations that the Office of Education and the State and local vocational authorities have been unusually zealous in guarding against the impairment of the regular program. Adjustments between the regular and the defense programs have had to be made, but in making these adjustments care has been exercised in preventing unnecessary weakening of the regular program.

The exigencies of defense training have stimulated a new development in vocational training; namely, the utilization of school buildings 24 hours a day. It is estimated that there are now some 500 public schools which are operating on this basis, thus permitting capacity utilization of building and equipment and at the same time increasing the rate at which trainees are being turned out by the schools to man defense jobs.

Reflecting the same tendency has been the elimination of the summer closing period for most schools and the shortening of the traditionally long Christmas and Easter holidays. One of the worthwhile features of the defense training program has been the willingness and the fine spirit which teachers, supervisors, and administrators have manifested in thus willingly giving up these accepted features of teaching employment.

ROUND-TABLE DISCUSSION

Mr. MOONEY (Connecticut). Within the past 12 months almost 4,000,000 people have been absorbed into industry, and you have heard that in the airplane industry, aircraft, and engine manufacturing industries, it is expected that some 400,000 new employees will be absorbed in the near future. That problem of securing 400,000 new employees for that industry and similar large groups of employees for other industries is what we are here to examine and discuss. I should like to ask Mr. Davey what problems of labor supply he has encountered in the Curtiss-Wright Corporation in St. Louis, and what methods of training he has found particularly effective or has used there.

Mr. DAVEY (Missouri). We have been confronted with a shortage of machine operators and we will always have that. The other trades, such as workers with sheet metal, etc., we are taking care of through schools. On the machine work we plan to use facilities of the vocational schools, and as we get tuned up further we plan to put men on the job along with skilled men and specialists. The sheet-metal workers we will take from the local schools which have been

organized in conjunction with OPM and the board of education and our own personnel department, give them advanced training, and put them to work on the job. We also have our own schools, which to date have turned out approximately 200 men, and in some cases have found, that due to lack of equipment and materials in some schools, it is better to put them at work in our own school before putting them in our shops.

Mr. MOONEY. Mr. Dooley made some interesting remarks about the various problems and methods of training—particularly as to training supervisors. What has been your experience in that connection?

Mr. DAVEY. It is very important to train supervisors. We have taken some steps. For instance, we have conducted a class for training supervisors and in this way they can be taught how to work with our own people specifically. In our personnel department we have men specializing in that work. It has proved a good investment and we intend to follow through. Within the next 2 weeks we are establishing our largest class—it will take in foremen, assistant foremen, lead men, and prospective lead men. We will be training about 500 men this winter. It certainly does help.

Mr. MOONEY. Mr. Slinkard, what comments do you have on the labor-supply question or on training?

Mr. SLINKARD (Missouri). I should say that certainly labor, as well as management and Government, is concerned about the certain skills required by defense today and the necessity of having a sufficient number of experienced men to handle the situation facing us in the emergency. However, behind the apparent shortage of today are several underlying causes. Skilled mechanics simply are not made overnight. The fact that industry itself has broken down many skilled operations during the past decade is largely responsible for the crying need for mechanics today.

In respect to the training program, labor agrees that it is necessary to train men. The first consideration should be given to retraining men thrown out of employment because of priority shortages. There should also be definite consideration given—how definite that consideration has been up to this date, I am unaware—of coordinating the training program. It would appear that the ineffective and inefficient results being obtained today are due to lack of coordination in the activities of WPA, NYA, vocational training schools, training within industry, and the apprentice-training programs. I am sure that organized labor would like to know of the coordination, if any, and if there is none I believe that labor has good reason to insist that such activities be coordinated and maximum results be obtained.

Another vital point is this. It is quite true that today we are in need of any number of men, either skilled mechanics or semiskilled operators. However, it does not make sense to train hundreds of thousands of people to work in one industry, while at the same time the priorities program is obviously going to discard hundreds of thousands in other industries. Consideration must be given to the retraining and reallocation of those men with experience and with seniority. Furthermore, consideration must be given to the number of new, inexperienced and haphazardly trained people who are being put into industry.

Mr. MOONEY. Mr. Carpenter, have you any remarks as to this seeming lack of coordination between the various governmental agencies concerned with various parts of the defense program?

Mr. CARPENTER. Mr. Flemming stated that the Office of Production Management is setting up 12 areas, each with an area committee, primarily to get action to coordinate the work and to give effective means of training in these areas. It is possible, for instance, that although the area committee for Kansas City covers four States, within a short time there will be a subcommittee in the St. Louis area composed of agencies having to do with supplying labor—that will help in addition to what is already being done toward pooling interests. I should say the situation at the present time is very critical. We are met with the dilemma of priorities and nobody knows how many people that is going to affect. Although priorities will hurt to a great extent industries in isolated towns—one-industry-town groups—we know that in the larger centers the tendency will be to keep the skilled men, regardless of lay-offs, and they will not necessarily be available. In other words, I do not expect a large number of tool die makers—who are needed badly in every area—to be available from Detroit under the present automobile cut. They will be available later on in large factories. We have a sense of procrastination. Tanks, pursuit ships, etc., are not being produced fast enough, and yet there is idle machinery. In the Martin bomber plant we find hundreds of planes out in the yard but lacking central parts to meet the production schedule. So we definitely need skilled men in that situation and on the west coast also.

Then the problem of shipbuilding is coming up. Where are we to get shipbuilders? The only way I can see is from other shipbuilding companies. That will probably involve the transfer of people. As Mr. Flemming said, we must see that those people who are laid off are employed and also train other people. However, in isolated towns there is the problem of getting contracts; the obvious thing is to try to get contracts placed there.

I have noticed from the paper this contract business is more serious than ever, and people are insisting that the contracts be spread more than they have in the past. But this brings up another problem. The producers of heavy bombers, for instance, say that they would be glad to spread this production, but bomber manufacturing is a highly specialized job and they are running short of engineers and technicians and they cannot sublet that particular work. The result is that we find such concerns pyramided with contracts; and as far as the housing conditions are concerned the conditions are getting worse, rather than better. That must be solved.

In Los Angeles, San Francisco, and all through the East we need skilled men at the present time—we have over 339 orders asking for 16,000 skilled men. It seems to me the first solution to this problem of how we are to get skilled men is to take them from industries engaged in civilian production and put them into defense jobs. I think we could work this out in each locality and negotiate transfers. In the first place, I do not think a man should be asked to give up a job without being given assurances that he will retain seniority rights or that his job will be there when this emergency is over.

Another big problem we face is that we have no right to give any one employer the full number of tool makers requested rather than another employer when one is doing everything to use available labor to the utmost and the other is not cooperating in this connection. We cannot sit in judgment unless we know from the employers, either by occupational analysis or by self-registration of the employees themselves, just what the status of the plant is. We are facing quite a number of technical points in our operations in order to be of all-round public service.

Mr. SLINKARD. There are a few points in Mr. Hawkins' and Mr. Mooney's remarks on which I should like to comment. I am quite positive that the general assumption among most of those at these meetings is that labor is quite critical. That is not a new assumption, and we in labor, especially in the C. I. O., feel that we have every reason to be critical. We do not say a good job is not being done, but we say a much better job could be and must be done. Labor's interests are at stake much more than those of business. Business, to a large extent, took care of itself some months back.

The fundamental problem of national defense is nothing more nor less than this: full use of all productive resources of this country, which means machines, men, and materials. Lack of coordination is the crux of the whole problem. Labor cannot be useful in the defense of this Nation if the matter is left largely in the hands of a few selfish interests. Labor has insisted for some time past, and will continue to insist, that the program must be administered by the joint activity of Government, labor, and industry. Neither Government nor industry has a monopoly on all of the ideas or all of the genuine interest within the country. I believe the C. I. O. defense plan, that is, industry councils, would take care of all problems of labor, materials, priorities, employment, unemployment, retraining, and reallocation of employees.

The Government is charged with the first responsibility of doing something about it, but is it really using all the resources at its command? Months ago the United Automobile Workers, of which I happen to be a member, made a canvass, a thorough study and good research job, of what can be done with the combined facilities of that industry. Yet that plan was kicked around in Washington, and if it was given any consideration I am unaware of it.

I read just recently in an official defense publication of August 26 that the Buffalo plant in the automobile industry was going to be utilized, and in this undertaking the automobile workers' international union representatives will certainly have a place the same as Government and industry. The opinion of everyone is much the same—why let a few people have all of the contracts, and then those employers find it necessary, first to request, and then to demand, and eventually to hijack, if necessary, the needed workers from other manufacturers?

Certainly airplanes are not being delivered on schedule in many places, for the simple reason that things did not get under way a year ago when the Government wanted them to. I can recall very clearly when the airplane industry, as one example, spent a great deal of time, both in and out of Washington, not accepting contracts because it was not satisfied with the terms. When conditions got around to

their terms, such as building big plants financed by the Government and certain concessions on the excess-profits-tax bill pending at that time, then they finally came out of the sit-down strike and went to work. Industry saw that everything was in order before it moved.

Now it is essential and necessary to transfer workers from one industry to another, since there was not sufficient spreading of contracts originally. If there is to be no reallocation of contracts, then, in the transfers of workers, this point about full recognition of seniority and in addition that of leave of absence from the original employer are essential, because without them the worker's personal interest in self-preservation in the future would make him reluctant to accept a transfer. Certainly the Government, labor, and industry can get together on this and then more men can be transferred, contracts can be reallocated, and there can be a great deal more subcontracting than there has been to date, thereby giving a few of the little men being run out of business by the priorities—lack of material—some of this business.

National defense is something of vital concern to everybody, and not just a few groups, whether large or small, should be permitted to reap all the profits or at least a great profit while others suffer. I mean by others the little businessman who has no contracts or chance of getting contracts, his labor being thrown out of work because of priorities, while there are big plants with defense orders making a very nice profit but still paying low wages.

Here are some of the recent headlines: "OPM Combating Defense Unemployment"; "OPM Moves to Forestall Priorities." I should like to emphasize that 6 months ago or better 9 months ago had OPM and other agencies heading the emergency program given full recognition, full consideration, to the industry-council plan advocated by the C. I. O. some of those headlines would have been uncalled for. Those conditions we are experiencing today would not have happened if we had had the C. I. O. defense plan drafted and presented by the president of the organization, Mr. Philip Murray.

I understand from a direct source that at a recent OPM meeting in Washington the Murray plan was discussed and that the comment was made that it was only a stopgap measure or words to that effect. It is anything but a stopgap measure. Some of the ideas that were put forth, such as training here and training there, can very well be construed as temporary stopgap measures, but a thorough study of the industry-council plan produced by the C. I. O. will prove that it is not a temporary measure for the emergency, but that it has what will be required to lay a concrete foundation today for stabilizing the program that must be carried on by Government, labor, and industry after the emergency has hit the peak and started down the other side; and that is bound to come some day.

Mr. MOONEY. I should like to direct the conversation along the lines of training. Most of the discussion has been dealing with the problem of labor supply. The United States Office of Education has as its regular business various kinds of training, and today, with the defense program, it is in the forefront of the training and retraining of workers in order to supply the defense industries. I wonder, Mr. Hawkins, if you could give us an idea of what plans the Office of

Education has for training or retraining of workers displaced by the exercise of priorities.

Mr. HAWKINS. The training people are in the rear of the procession so far as plans for operation are concerned, because it is impossible to plan a training program until the production program is planned and until the contracts are let so as to know where production is going to take place; so the plan of the training program is very largely dependent upon the industrial plan for production. I may say, however, that, taking the average citizen, when you speak of training, right away he thinks of getting some novice who has had no experience and giving him training to enter upon a job.

It is true that is part of the training program as it is being carried on now by various States and local communities through the stimulation offered by the Federal Government to the Office of Education. However, both have been operating in the regular program of vocational education for the past 20 years and will be in operation for the next 20 or 200 years, and the number of individuals who are being trained for entrance into industry is much smaller than the number of people who are already employed in industry and who are coming back to school for additional skill or additional knowledge for advancement in their chosen occupations. For instance, at the present time there are about 200,000 employees in the training program; about 120,000 of those employees are already employed, and only about 80,000 of them are training for an initial or new job.

I think the problem of training for initial employment in the defense program is really not nearly so important nor so vital as the training of those who are employed for advancement or upgrading for a job higher up. The country at large, in thinking of the defense-training program, thinks of it as a means of getting novices ready to go into employment. I think all of us should be thinking of it in terms of trying to make out of the unskilled employed person a semiskilled or single-skill person, out of the skilled worker a supervisor or lead man, or one who has enough in addition to his particular skill to enable him to supervise and oversee and to make use of the skill of a group of people who are not so highly skilled.

Nowhere in the present employment training have we ever had any idea that it is possible for schools to train what we call an all-round skilled mechanic. The most that we hope to do in our regular training program is to train for advantageous employment in either an apprenticeship or a single-skill occupation, with the possibility of extending those skills and the skilled workers. Now it is possible for a school to afford opportunities for an increase in skill either in an extension of skills—operating additional machines or performing additional occupations—or in increasing the knowledge of workers to make them more valuable in the defense program than they are at the present time.

At the beginning of the defense program a survey of the facilities of the vocational schools showed that there were enough machines, tools, and equipment to train at any given time about 75,000 individuals. Those facilities were being used in most instances 6 or 8, but not exceeding 10, hours a day, and the first thing done was to make use of that equipment by extending the use of the school beyond the ordinary 6 hours of day school by 2 or 3 hours of night school. Since

that time we have put in about \$8,000,000 worth of additional equipment and are now in the process of putting in about \$20,000,000 more to extend the number of possible training stations. In the past year nearly 450,000 to 500,000 have gone through these courses and into employment.

All of the individuals trained on these courses come from the employment office register, referred either by the employment office or by WPA. The extension courses are operated under the direction of the local Federal vocational school authorities, and each one of those local school boards has an advisory committee composed of an equal number of employers and employees. The range of training is determined by the list of occupations approved by the Office of Production Management.

Mr. SLINKARD. Having had an opportunity to serve as one of labor's representatives on the so-called advisory committee for the local defense training program, I still question what part labor or even industry actually does play in the program. I gather from the reports that practically all decisions are made by the State employment service, NYA, and public schools. Industry has a definite contribution to make in the way of determining what is needed. Labor has a definite contribution in being able at least to assist in supplying manpower for these upgrading classes. I am yet to be convinced that industry and labor are in fact any more than a rubber-stamp advisory committee.

Mr. HAWKINS. I think there is probably a very good foundation for your case, because many people do not quite understand that those State councils of administration have no administrative authority whatever. So far as advisory committees are concerned, they are exactly in the same position as they always have been, and I think that is getting to be understood, State by State. There is no question that there has been that confusion as to what authority or power the State council of administrators have.

The State council of administrators, city council of administrators, and local council of administrators were formed primarily for the purpose of ironing out difficulties between any two of those three organizations, and because those of us concerned with the getting up of the instructions or regulations did not make them clear, there has been that confusion. I think it is becoming understood by both the State and local councils that only through regular administrative channels can any recommendations be made.

Mr. WYATT (Missouri). I represent St. Louis. I think what Mr. Slinkard says is true—that the fault lies not so much with the schools as with labor and management. I believe that the schools are ready to go along, but that certain specific courses have not been requested in the past. The employers or manufacturers were not going to request that courses be set up for their particular benefit if there was no assurance that the people would get employment after they were trained.

Mr. SLINKARD. My knowledge of the facts may be a bit vague, but I am thinking of those people still working in occupations likely to be affected by priorities who would appreciate additional training in order to be upgraded, either supplemental training or upgrading. I believe the State employment service should enter into the

picture. However, there seems to be too little coordination and too many agencies. There must be coordination in this field between the NYA, WPA, and the Employment Service and all such agencies. Everybody seems to be working along the same channel without any degree of coordination, and this could easily lead to working at cross purposes. Take NYA as an example. Is it training for national defense? I have yet to see a shortage of any kind in some of the categories in which it is training. In fact, there is an overabundance of people on the labor market and it is still training more people for some of those very occupations.

Mr. CARPENTER (Washington). I should like to ask Mr. Hawkins a question. What about those cases where employees take courses to upgrade themselves and are then hired by a defense employer?

Mr. HAWKINS. I could not say, Mr. Carpenter, if there is any number of such cases. I know of some such instances. It may be that such employees would have done the same thing even if they had not taken the new training; I do not know.

Mr. CARPENTER. I brought the matter up for the following reason: The Employment Service has a certain responsibility not to approach employees working for one employer about jobs with other employers. OPM has asked all employers not to advertise for workers outside the local area.

That request was made throughout the country in the hope that such advertising might at least be regulated, and so that people of one community who were already employed and vital to that particular community would not leave their jobs for new ones. There is no law against it, but some control must be exercised. We find that certain employers do advertise for workers. We feel that the time has come when it would be better if no advertising was done at all. What we would like to do is to get all government labor officials and other labor officials to help us work with employers on voluntary negotiated transfers. I do not know what the next steps will be.

We want to use every means we can and to institute new means to keep within the democratic way of doing things and keep away from all compulsory methods until absolutely necessary, and not do as England and Germany have done in regard to this problem. So what I should like to urge is that you help us through employers and unions to place skilled people where they are most needed. I believe there will be a break-down in the production schedule unless something is done to provide that skilled workers employed in nondefense industries are made available to employers in essential defense industries. That is a tremendous task—we must get it under control.

Mr. SLINKARD. Certainly there is a problem, an immediate problem, facing this country today—that of supporting the emergency; but in supporting the emergency the fact must not be lost sight of that we have a democracy to preserve in the United States now and after the war is over. Certainly, I think there is good reasoning on the part of anyone who objects to excessive training, for example, in the aircraft industry, while thousands of competent workers are being dislocated in the automobile, electric refrigeration, and aluminum industries.

Such workers can, with only slight retraining and in many cases no retraining at all, be reallocated and placed in the aircraft industry.

They can become far more competent workers within a few months than some of the new people who are being placed in those industries today; in fact it will take some of those new workers years to attain the same skill that has already been acquired by people who have been working in a similar industry.

Mr. MOONEY. I believe it was brought out by Mr. Flemming this morning that those people who are being let out of jobs—automobile workers—will be absorbed first, so far as it is possible.

Mr. HAWKINS. In the two instances that I know of, Detroit and Buffalo, a study made of the schools showed that would be possible, and the schools agreed that they would make the retraining of these men being let out of jobs their first consideration.

Mr. MOONEY. Now, as to the question of employment of the minority groups. Where you have on hand available labor, it is agreed that that labor should be used before labor is imported from other States or before women are used. Is that part of the program proceeding as well as you hope it will progress?

Mr. CARPENTER. In answer to the last part of that question I should say "No." It is very sad and shows a lack of democracy—this prejudice against certain individuals, both on the part of the employer and of labor. In communities like San Diego and Baltimore we do feel we have qualified minority groups that are not being used.

All I can say is that if we are going to be all-out and protect our democracy, then I think the citizens of the democracy and those living within the democracy and striving to become good citizens should be given equal opportunities.

Mr. DOOLEY. Last June Mr. Dietz and I talked to Mr. Martin in his offices at Baltimore, and he said he was willing to employ Negroes and would arrange to do so as quickly as he could. The only thing that might give him some concern was the pattern of the city, which had been set for some 100 years or more—Negroes in that city have been separated entirely in every way. They have their own schools, theaters, everything along that basis. He said, "Our company has been here for about 10 years. We're newcomers in Baltimore. We're perfectly willing to do anything that can be done, but we just don't feel that we should be the agency to upset the old tradition of the city. We'll go along once it's started."

That was nearly 2 months ago, and just before I left the office yesterday afternoon I called to see what was being done. I did not know whether to go ahead and train a lot of colored fellows or not. We might have them left on our hands and without any work. That is one of the characteristics of a democracy. Many problems have to be decided, such as what jobs these people are to be put on. Certain questions have to be decided about locker rooms and toilets. You might think it would be easy to have a big plant put in toilets, but a maintenance crew works day and night, and putting in extra toilets means you must take men away from production. It does take time.

I suppose that it looks like no progress has been made, but there has been some, and I think a year from now we will look back and see that quite a lot of progress has been made. Up at Lockheed they told me they are just ready to put in a lot of women. That means an entire

new set-up of rest rooms and toilet facilities, which will be a terrific job. They have thousands of employees.

Western Electric sent out a letter about a month ago to the effect that they were showing no discrimination. I talked with one of the men who told me they had arranged to take colored men and women into the plant and put them on regular jobs right in with the white people. However, they are always sent in in pairs. If you have a section of a shop where 40 white people are employed you do not send in 1 Negro—you send 2. They have worked out a lot of little things like that to make this go along. My belief is that in 6 months from now—maybe by November—we will find a lot of progress has been made.

Mr. CARPENTER. There is not only the Negro situation but there are many people of Italian extraction.

Mr. DOOLEY. Buffalo has quite a large Italian population. One of the big problems is supervision of workers. One of the supervisor's jobs is to handle Italians and Poles in the same section. It requires a good supervisor to handle different racial groups in the same plant and keep them all happy.

Mr. CARPENTER. If you must take all these people, it should be done—certainly the machinery should be such as to permit them to participate, through their representatives, in making any agreement. The labor organizations have a big responsibility in this whole scheme of things.

Mr. DOOLEY. More than ever I believe this is true. There are collective-bargaining committees in many plants, and I am all for that. I hope this will grow, but like everything else in a democracy there are always a few who stand out against changes. There must be freedom for the different races to work, but there must also be freedom to manage. It should be worked out on a voluntary cooperative basis rather than on a dictatorial basis.

Now I should like to tell you a different story, about the problem of technical training for specific employment, which illustrates the cooperative relations between the Government services. About 2 years ago the Wright aeronautical plant in Paterson was faced with a large expansion. The plant manager and his representatives sat down to figure out how many of each kind of employee they needed and when they would be needed. For example, they needed screw-machine operators. They hired all they could get through the employment service and elsewhere and still needed more. Then they went to the vocational school and this is how they worked it out.

They said to the school people, "We have to hire a lot of people and can you give them just enough preliminary training so they will know simple tools—measuring instruments, which side of the machine to stand on, and things like that?" The school people said they could. "If your company wants young men trained, we'll train them the way you want them." So they sat down and wrote out a program. Whether or not Wright aeronautical had a union committeeman to sit down and advise with them I do not know. Other companies which have collective-bargaining agreements have done just that. Anyway, the plant put in an order for so many people to be trained in a week's period in such and such subjects. The management went to the State employment office and said, "Send up the trainees. Here's the kind we want."

So the employment service did the best it could and sent out a bunch who met the specifications. They went to the vocational school and the first week started in reading blueprints and learning a little elementary shop mathematics and something about micrometers. Then they went in the school shop for 3 weeks and worked on some of Wright's own screw machines. During this time the students got accustomed to running the machines and adjusting them and learned something of what it was all about.

Then the boys went to work at the Wright plant. I really should not say "boys," because they ranged all the way up to 35 and 40 years of age. These men were stationed for the first few days as "lookers-on" with the screw-machine operators. At the end of 2 or 3 days they were helping run the machines. A week later they were doing part of the operation and in 2 or 3 or 4 weeks they were operating the machine, and a new man would come in under them. In Cincinnati, the Wright Co. later opened a new plant which would require 12,000 people. Before that Cincinnati plant opened, a pattern was set up for the schools and the employment service in Cincinnati in advance, so that 4,000 men were ready to step into the plant as beginners when it opened.

So that is the pattern. You start with a need for production, you have a plant and a date line on which to meet delivery. You lay out your own in-plant training program and use the employment service and school to help you, but the real training to develop skill is done on the job. I think that is important, because there has been in this country in the last 30 or 40 years a tendency to build up academic school courses which were good as background, but not geared to meet an emergency where production is demanded immediately. I took electrical engineering, machine design, for 2 or 3 years, and later when I got in the designing room of an electric manufacturing company I found that I had to learn it all over again.

The background was good. I had understanding of principles and slowly acquired ability to produce. Now we must have production first and acquire such understanding as men can get through related instruction later. You have to learn to do the job. The average youngster coming out of school cannot do a thing until he gets oriented. He has a fine background but he is not capable of a high degree of proficiency quickly.

I hope that out of this intensive training to meet the emergency will come a change in our whole educational system, so that youngsters in grade schools can at least add figures accurately, make change accurately, know the exact locations of places, and be well prepared at each step to do something perfectly. The exciting thing about this training program is that labor has just as much a place in it as management. The quicker a man produces, the more he understands the meaning and need of more understanding, and that leads to real education. Apprenticeship must not be neglected because you cannot operate a factory with special-machine operators only. Apprenticeship is the best and in fact almost the only way to insure an adequate staff of all-round skilled craftsmen to supervise the skill of the operators.

Mr. DAVEY. In this training the board of education and OPM have been doing, I believe that they have been handicapped because small industry in most cases has not informed these guiding agencies

what they require, and they in turn are in the dark because they do not know which way they can turn. They do not know if they are going out of business or if they will get defense orders. For that reason they are unwilling to give trained men to some other company, because they may need them tomorrow. I believe that it is most important for the small man to know where he stands. And I know, also speaking for the local OPM and board of education, they have gone around and begged for information as to what industry wants. From my own experience, when we stated what we wanted and predicted in advance the type of men required and the type of training we wanted, in most cases we got it to the best of their ability. But the small man does not know which way to turn. He does not know if tomorrow he will get subcontract work or have to go out of business, and I believe the Government should let the small man know what he can do, so all of them can pool their trained men and put them into defense.

Mr. SLINKARD. I think that is a good point. It brings us back again to the C. I. O. program and the industry councils which I mentioned earlier in the discussion. You will recall it was 9 months ago that this plan was first proposed. At that time a survey had been made of the steel industry. Certain shortages were predicted. I attempted to help organize such a committee locally but nothing concrete was done about it, and today we are faced with acute problems because the shortages are here. Now after months of delay, we are going to do something about it. If OPM or the other agencies start out by making the necessary survey, taking both labor's viewpoint and industry's viewpoint as just presented by Mr. Davey, go to work with the thought in mind of making a thorough study of the industry in advance rather than waiting until confronted with a crisis and then getting busy trying to do something about it, eliminating past practices of either shortsightedness in planning, lack of necessary surveys, or lack of coordination of activities, we can yet eliminate some of the problems that face us today. For example, the industry-council plan as designed gives labor equal voice with industry in planning expansion of the defense production in such a way that idle plants and workers might all be put to work without first having all this confusion regarding consumer goods. Today we are faced with a curtailment of production of consumer goods, drastic curtailments because of priorities, wholesale shut-downs in the silk industry, auto industry, and aluminum industry. Not only does this situation result in needless unemployment when everyone's labor is needed to expand production, but it also means that production of consumer goods will be drastically curtailed, which will in turn result in serious price increases, thereby lowering living standards. We must eliminate all procrastination. It seems that the problem is not tackled seriously until it is in our laps. We must eliminate that unnecessary problem with a long-range program of planning in advance.

Mr. DOOLEY. The Labor Supply Committee is trying to solve that problem in Buffalo—

Mr. SLINKARD. Yes; in Buffalo they are trying to cope with this problem but actually they are 6 months too late. They could have had at least a pretty good solution to the problem in advance, rather than waiting until the crisis is in their laps and then spending 6

months trying to do something about it. Labor and industry should have equal opportunity to participate in the setting up of standards and regulations for defense training. If not, we believe that promiscuous training will eventually result in an excessive number of unskilled and semiskilled workers on the labor market which will in time become a serious problem to our country. Long-range programs are very necessary—absolutely essential.

Mr. WYATT. I happen to be a member of the labor supply committee for this area. If any of you individually or any organization has a knowledge of any displacements that are going to take place within the next 30, 60, or 90 days, or 6 months, we would appreciate very much your advising us of it. That is the only way we can know of it. We cannot go in and say, "Are you going to lay off your men?"

You propose a problem to which we would like to have the answer. How can you plan for dislocations you do not know will happen, in what numbers, and, if only a percentage of employees are to be displaced, what percentage? Say you have a plant where 1,400 men are employed. If 500 are going to be displaced, which 500 shall it be? You cannot retrain 1,000 on the theory that 500 will be out. You have to know which 500 will be out and retrain them. Getting that type of information is the one big problem of the labor supply committee for this area. We have to know who is going to be displaced and where. If you or any organization can shed light on that, let me assure you we will be glad to know.

Mr. DOOLEY. With regard to the automobile curtailment, Mr. Knudsen had announced about 2 months before that the shut-down would be about 20 percent. Then there was something in the papers about 50 percent, and so there was a question as to how much it would be. I said, "Well, that's all settled, isn't it 50 percent?" "No, we haven't made up our minds yet and don't know."

These problems are so gigantic we have to bring in the War Department and the Navy Department and OPM and sit around and puzzle what we shall do. There is a lot of criticism which is perfectly natural, but how can anybody know all the answers? These things have all come about so quickly. Even a couple of months ago we did not know that there would be displacements in refrigerators and radiators to such a great extent.

Mr. SLINKARD. Now with respect to the radiator plant (Harrison Radiator Co.) here in St. Louis, involving 200 to 250 employees, I believe that this problem was handled with greater efficiency because of the small number of people involved. Then there is also the fact that the type of work which they were performing made it easier for them to be placed in another industry. But supposing it were 10 times that number of people in an industry doing an entirely different type of work which would require retraining; in that case the training program should have been going on over a period of months before the plant closed, both for the benefit of the people involved and of the employer who was going to take these workers on his pay roll.

Mr. DOOLEY. I can go you one better. There will be some 105,000 people out of work in the State of Michigan. Maybe those fellows have been putting a left front fender on a Ford car for several years. It would seem that they might very easily go into airplane work. There are no airplane plants in that area, but why not put some there?

The airplane plants are mostly on the west coast, some in Baltimore in the East, and more recently some in Kansas and Texas. I do not know why they could not be put in Michigan. They no doubt will be. That problem is just looming up—you would think somebody might have seen it a year ago.

Mr. SLINKARD. Take the situation with which we are actually confronted. There are hundreds and thousands of skilled and semiskilled assemblers in the Detroit area who are going to be thrown out of work, and industry is erecting airplane plants out there in Nebraska and down in Texas. It seems to me that if the plants could be put where the men are or else these people sent to the plants we would get airplanes much quicker.

Mr. DURKIN (Illinois). It was stated that there is a shortage of skilled people. We know that industry has not reached the peak of production. Larger numbers of defense contracts probably will be let and an increased number of employees will be necessary, as well as production for Great Britain and no doubt for Russia. The question is whether there should be a transfer of skilled people from an employer who probably has no defense contract to one of those companies having a defense contract. Now, perhaps the company that you want to take this man away from is a company that has an apprentice system and has trained this man and also has a number of apprentices meeting the minimum requirements of the apprentice-training committee; and perhaps the employer to whom you want to transfer the employee has no system of training of apprentices. I believe that no person should be taken from an employer who has no defense contract, to be given to some employer who should have apprentices but has not met the minimum requirements of the apprentice requirements of a State or of the Nation or of some system of standards that may be set up for other people with lesser skills than that of apprentices. I believe that should be inserted in the contracts that they get.

If we do not increase the tempo of training of apprentices you are going to have this shortage with you until the defense program is over. Something will have to be done for the small employers who are going to be affected by priorities, and I think you will be forced to do something—public sentiment will make it necessary. I do not say you are going to force persons to meet this minimum standard, but if they want transfers of skilled or semiskilled people, then they must have this apprentice training, this training within industry, and any other type of upgrading that you care to have as minimum requirements. Let the union and employers cooperate in raising the standards and setting up curricula for training and supervision.

Mr. WYATT. One basic tenet of the labor supply committee is that there shall be no transfer from any nondefense organization to partial defense or defense until the defense contractor has demonstrated that he is taking advantage of all the agencies available to him for training and procuring skilled workers. In other words, I had a request from a defense contractor in St. Louis not long ago for a certain number of highly skilled men, and the only place they could be obtained was from a nondefense industry. I wrote him, as a member of the labor supply committee, that until his firm was able to show us he was doing all he could to take care of the situation through upgrading, training, break-

ing down jobs into specialist classifications, etc., we could make no transfers to him. I think that answers that question pretty well.

Mr. DURKIN. That is probably true. We have listened to discourses of representatives in the field, to reports of employers, but what has been accomplished? What do they set up in the States in the way of applying this apprentice training? How many employers have adopted it? If something is not done to write this clause regarding the transfer of help into contracts—I know they say they are going to do this and that, and probably will in a measure, but do they go to the State apprentice council and agree in advance? Do they go in and say, "We're going to adopt this and begin to come under this plan?" I do not think there is much of that in the defense contracts. I should like to know how many employers have adopted it in Illinois.

Mr. MOONEY. Mr. Patterson, can you answer that? Mr. Durkin has proposed that before workers be transferred from nondefense industries to defense industries, the employer in the defense industry who wants a transfer should be required to show that he himself has exhausted all of the training methods, all the agencies of the Government, and is trying to meet the problem to the best of his ability, before a transfer is made, and specifically that he should be able to show he is engaging in the apprentice-training program and is upgrading employees. Mr. Durkin further recommends that there be written into defense contracts a provision that the employer securing a contract be required to train apprentices in accordance with approved Federal and State standards. He asks how many employers, for example, in the State of Illinois have voluntarily subscribed to the apprentice-training program established in the State of Illinois and how many apprentices are being trained? Is that it?

Mr. DURKIN. Yes; that plus the question why we should take away from employers who do train apprentices and do upgrading work to give to some employer who does nothing to try and supply the needs of the labor market.

Mr. PATTERSON. I think the school of thought all over the country is in accord with Mr. Durkin. Contractors in many cases will not do anything about this problem of apprentices and something drastic must be done.

Mr. DURKIN. Not only must they adopt this, but it must be enforced if the contractor does not live up to the contract. I would not take men away from employers that do train apprentices in order to give them to another. Further, I believe that there should be an apprentice-training program committee set up in every State to go out and police with the cooperation of the State and Federal Governments, see if employers are living up to their contracts and requirements, and if not, notify the employment service that there is to be no transfer—that the labor supply committee cannot transfer any needed mechanics or men if such an employer makes a demand.

Mr. MOONEY. I would add one point to that—that if a firm is not living up to the standards, no additional contracts be allotted to that firm by the contract-letting committee.

Mr. DURKIN. I do not want to take it upon myself to shut off the use of these employers—in manufacturing for defense we need them—but if they want to get any additional men, let them do something to help retrain and educate.

Mr. PATTERSON. You asked about the number in Illinois. There are not many in Illinois that have regularly recognized apprentice systems. I believe the pattern shops in Chicago do and a few others.

Mr. DOOLEY. I believe there are about 60,000 apprentices and 500,000 needed.

Mr. SHUMPERT (Arkansas). We have heard lots of discussion about apprentice training, and it would seem from the discussion that we anticipate a very great shortage of skilled labor over the country in general and to meet this shortage we want to train both apprentices and special mechanics. We have also heard that due to priorities on materials several establishments have already been closed down and men put out of employment, and Mr. Dooley has just stated that it is anticipated that in Michigan within the next few months over 100,000 men who are all skilled will be thrown out of employment.

Mr. DOOLEY. Not all skilled men—they have not much all-round skill—just skilled in some one or two things.

Mr. SHUMPERT. Even if they have no skill whatsoever, why do we train apprentices for jobs when we know these men will be without employment? Why not retrain them for the emergency in schools at night to meet the requirements of employment?

Mr. MOONEY. Would you, Mr. Patterson, like to answer that?

Mr. PATTERSON. You need a great deal more training for all-round skill and that is the problem in priority displacement.

Mr. DOOLEY. If you could train those people to be tool makers they would all have jobs tomorrow morning, but it takes years to make tool makers. They can be trained quickly as production workers but that requires production jobs. If they just had an airplane factory in Detroit, and that is being talked about, there would not be so much difficulty. Of course, the workers could be shipped to Wichita and elsewhere, but that is expensive and their wives and children do not always want to go away from their present homes. There are not enough housing facilities—absolutely no houses to be had in San Diego. It is really serious.

Mr. McCAIN (Arkansas). What, then, is the program of the schools in regard to future situations like this? Are they going to continue to bring out of the colleges bank presidents and people of that kind, or are they planning so that in the future there will be a sufficiency of trained people and we will not have the troubles we are having today?

Mr. MOONEY. In spite of all we can do and in spite of all that has happened, the worship of the white-collar job continues. Perhaps this will not be so strong in the future as it is at present, but apparently this country has grown up with the idea, and when I say this country I mean the rank and file of the people. They have the idea that they do not want their sons to have to work as laborers. That means that they want them to go to school or college and get a white-collar job instead of an overall job. It is only recently that there has been anything like a healthy reaction against what 10 or 15 years ago seemed to sweep the country. There was an idea that this work was for dumb-bells and misfits, but I hope that this present situation is going to counteract that.

Mr. SHUMPERT. The greatest problem now seems to be that there is too great a number of men with brains, but not enough who know how to use their hands.

Mr. HAWKINS. I am not sure of the brains. Just because a man wears overalls is no sign that he has no brains.

Mr. SLINKARD. May I say this with respect to the 100,000 automobile workers. I spent a number of years on the assembly line myself. The reason there is going to be such a problem in placing these men is because the industry itself has given too little opportunity for them to be able to use their hands for more than one purpose. On the mass-production assembly line you do not need the wide variety of experience that you might need on a different type of work. Industry can be held largely responsible for this problem of labor supply which is facing the Government today. Is industry going to assume its responsibility?

Mr. DOOLEY. I am glad you mentioned that. That is one point on which we are trying to sell management. Every once in a while a fellow should be moved along on the same level—no more pay—but just break him in to another job along the line. It increases his versatility, his variety, his morale, and it does not take long. Some companies have done that. Western Electric is way ahead of any company I have found. Then, of course, all vacancies above the beginning jobs should be filled only by promotion—upgrading is another name for it—so that each employee will work full time at his best skill.

Mr. SLINKARD. In the automobile industry they did not rotate their employees.

Miss MILLER. As far as the labor supply committee is concerned, we are talking about two or three different things and not keeping it quite clear. There seems to be a need in every part of the defense program for semiskilled persons. However, it appears that a lot of people whom some of you call specialists, with limited skills and all that, are being let out. It seems to me that in talking about this problem we run into a war between the two. We do not want to upheave a pottery plant—we want that back and working, I hope, in a couple of years from now. Our labor people would not want to move to places where there is no labor organization. We want to use these people but we do not want to upset their contacts, their way of living, and their future in a civilian industry. And then we have new people coming in. These folks want to get into industry and find a great opportunity, and it seems to me that when they do start in this great defense work they should at least be entitled to advice, not only as to how they can earn money after 10 hours of training or 4 weeks in a vocational course, but also as to how that can be related to a decent job opportunity for the future when they are not making cartridges, bombers, etc. If we could segregate our sections of trade and the problem of labor supply, it seems to me we could have a pretty general agreement on most of these things. There are only 2 or 3 points where none of us seem to have the answers to the questions.

Mr. CARPENTER. I am going back to the pooling of facilities of employers in a community so that contracts can be let. I do not think enough is being done along this line, not only in small areas but in

large areas such as Detroit. There should be a pooling of machinery among industries, so that together they can negotiate for contracts and in some way work out a share in the subcontracting. I feel strongly that such an approach to the problem among the manufacturers and the labor groups together might evolve a scheme whereby help and facilities could be utilized, traded back and forth, and collectively these groups might negotiate a contract which would take care of the people and keep them in a particular area, so that when this upheaval is over they will not be scattered and uprooted.

Mr. SLINKARD. Certainly the transfer of workers from one community to another must be done, if that is absolutely necessary and the only way in which the defense program can go forward. However, reallocation or subdivision of existing contracts would be a far better method of solving the situation even though it means taking away some portion of a large contract from one firm or large company and providing another employer and group of employees with some work immediately. That would be the preferable method and would minimize the needless waiting.

Apprentice Training

Report of the Committee on Apprenticeship, by VOYTA WRABITZ (Wisconsin Industrial Commission), Chairman

During the past year sharp attention has been focused on the need for skilled mechanics. It would seem that with all the newspaper publicity on the subject and with industry itself squarely facing the problem of finding skilled help, the situation would call for concrete and speedy action. However, progress made up to date has been anything but encouraging from a national standpoint. Already much precious time has been lost and vast sums of money spent in what appears in some respects to be an attempt to find a substitute for apprentice training, when in fact there is no substitute.

We Americans are supposed to be quick to learn from others and also to be able to use our initiative. The war in Europe has taught us many lessons as far as the mechanics of warfare is concerned. We have learned that paralyzing blows can be struck from the air and so in great haste we are engaged in a huge aircraft production program. We had no tanks worth mentioning until their effectiveness was demonstrated. Now we are building them. We are training parachutists. In fact, we are revising many of our ideas on how to conduct a successful war on the ground, in the air, and on the water.

Those are the more spectacular aspects of warfare, and it would indeed be foolhardy for us to close our eyes to something we can so plainly see. However, no one can doubt that Germany's efficiency extends back of the lines where we cannot see. For generations she has had a most thorough apprentice-training program which has given her an ample supply of skilled journeyman mechanics. In that regard we have learned practically nothing. As above indicated, we are still trying to find some substitute for apprenticeship.

It may be true that in the average manufacturing plant only about 10 percent or 15 percent of the employees need to be skilled journeyman mechanics. Probably that is one reason why not much importance has been attached to the problem. The percentage of mechanical engineers

required may not be more than 1 or 2 percent, but no one would argue that we can do without them. Yet that seems to be the attitude toward the problem of training mechanics.

Perhaps we should explain what we mean by "journeyman mechanics." By so doing, it will be easier to show how ineffective present so-called training programs actually are. In the metal trades, for example, there are included a variety of crafts. Some of the lesser ones, such as certain forms of welding and molding, can be learned in 2 years' time or less, depending largely on the nature of the product manufactured. In this trade group the demand is for machinists, tool makers, pattern makers, floor molders, blacksmiths, and others. Such trades require an apprenticeship of no fewer than 4 years. A youth with a background of some trade or technical-school training may become a mechanic in 3 years' time, but the longer term is the accepted one in most basic metal trades. At the end of the 4-year apprenticeship the graduate is not yet a journeyman or skilled mechanic, unless we can say that a law-school graduate is an attorney or a medical-school graduate is a physician upon receipt of his college diploma. Additional practical shop experience of some 2 to 5 years is necessary before a graduate apprentice can be classed as a journeyman mechanic.

Twenty years of continuous employment on a drill press will not produce a machinist. The training and experience must be diversified. There are roughly eight different or basic machines common to the average machine shop. Each is entirely different from the other. A minimum of about 6 months' experience on each is necessary. The apprentice cannot be expected to master any of them during those few months, especially if there is any great variety of jobs which come to those machines. During the term of training the apprentice learns something about the various metals and their cutting peculiarities and properties. Gradually he learns to read blueprints. He learns how to grind cutting tools and how to read a micrometer to a fraction of a thousandth of an inch. And these things take time. This seasoning or tempering process cannot be hurried or crowded into short-term programs of 6 weeks or 6 months. Give the journeyman mechanic a blueprint, and no matter how intricate the job, he will be able to do it without having someone else tell him how to proceed step by step. When one of the modern, highly complicated machine tools, costing a fortune, is moved into the plant, it is the journeyman who takes over. His diversified training and experience, his sound judgment, and his ability to shoulder responsibility enables him quickly to master the new machine and to break in others.

Whose responsibility is it to produce such skilled mechanics? We might as well face the facts. The truth is, if employers want skilled mechanics they must train them. They must not and cannot depend on the NYA, trade schools, vocational schools, or any public or private agency to do the job for them. Remember, we are discussing here journeyman mechanics, and not machine operators or other classifications of production workers.

Employers, organized labor, the Government, and everybody else know and admit that there must be a certain proportion of apprentices trained for the skilled crafts. Known also are the best apprentice-training methods and practices. It is easy enough to say and agree that we must have apprentices, but again let us face the facts. The

employer is not likely to inaugurate an apprentice-training system merely because his trade association goes on record as favoring the employment of apprentices, nor because trade papers and magazines urge him to do so. It seems that no amount of correspondence, bulletins, or reports from this or that agency has the desired effect. Therefore, salesmen must be sent around to make personal calls and to answer any and all questions which the employer might raise. The salesman must be entirely familiar with all phases of apprenticeship. The program he has to sell allows the employer plenty of leeway, and furthermore it has the support of organized labor. All the employer is asked to do is to give the apprentice a chance to learn the trade as carried on in the particular shop at a wage approximating half the wage the skilled worker earns in the same trade and plant during the same period of time. In a word, the employer will be asked to do no more for the apprentice than he would do anyway were he to make a sincere effort to teach the apprentice a trade.

If the apprenticeship experience in Wisconsin, extending back some 30 years, means anything in this discussion, we can say with a fair degree of accuracy what success such salesmen will have. In this industrial center, practically all of the larger plants sponsor modern apprenticeship systems. Sixty-nine shops now employ 1,300 indentured apprentices. In addition there are 269 other, mostly smaller, metal-trades shops. Of that number, 196 have been contacted with the following results.

Thirty-six percent were found not fitted for apprentice training because they are straight production shops; 5½ percent said flatly they were not interested, although the shops were suited to apprenticeship purposes. In 17½ percent there were good apprenticeship possibilities, but the managements were not ready to give the matter immediate consideration. The balance of 14½ percent could train apprentices, and in all probability most of them will adopt a program sooner or later. They represented the best prospects.

Both of these last two groups, comprising a total of 32 percent of the shops, could be designated as future employers of apprentices, but it would be optimistic to say that 20 percent or 22 percent actually will participate. The salesmen might need to repeat their calls all the way from 3 to 10 or even 15 times before they can show results.

The foregoing experience is cited in some detail to present concrete evidence that many employers simply are not interested in hiring and training apprentices, even though they are equipped and otherwise qualified to do so. Field workers of the Federal Committee on Apprenticeship report similar experiences in other States. If our salesmen operate in a community in which there already are 1,300 indentured metal-trades apprentices working for employers who are satisfied with results, it is reasonable to assume that the situation cannot be better in any other State.

It might be argued that these are relatively small shops and therefore not important. Subletting of defense contracts is reaching down to the small shops and, therefore, they are daily becoming more and more important. Furthermore, it is generally conceded that small but complete shops usually are good places in which to learn a trade.

For the reason that individual calls, and sometimes many such calls, are necessary to "sell" an employer on apprenticeship and also because small shops are numerous, it is obvious that the staff of the Federal

Committee on Apprenticeship must be further expanded. Employers can raise so many arguments against apprenticeship and there is so much other ground work to be done before apprenticeship can be possible, that only a person especially trained in this field can hope to achieve any degree of success. Promotional apprenticeship work is highly technical. It cannot be delegated to the Employment Service or to any of the schools as an incidental function.

Nor can Federal Committee representatives confine their activities strictly to the promotional aspect of apprenticeship, as has largely been the policy in the past. Once an employer agrees to adopt a program and once he actually hires apprentices, administrative problems can and do arise. The field representative must be prepared to offer his services in adjusting such problems. His job is not finished when the program has been adopted. In fact his and the employer's responsibilities only begin at that stage.

In this connection the Federal Committee might well consider the advisability of giving aid to State administrative agencies in this phase of apprenticeship.

It is not the intention here to place the blame for the lack of apprentices entirely on the shoulders of management. Organized labor could do much more than it is now doing to encourage employment and training of apprentices. Union members of bargaining committees, and even organizers in some cases, are not themselves skilled mechanics. It is understandable, therefore, that not having served an apprenticeship such men may overlook the fact that certain kinds of shop training have some monetary value, just as much so as has training in a technical school. It is not easy for them to appreciate that under the right conditions there is some justification for paying apprentices a slightly lower wage. There is an inclination to view with suspicion efforts on the part of management to employ apprentices at reduced wages rather than at the standard minimum wage paid production workers.

This minimum wage may be the same one fixed for production workers. Since the employer assumes certain definite obligations when he enters into an apprenticeship arrangement, he can hardly be blamed for balking if, in addition to those obligations, he must pay the going production wage. The facts are that after an apprentice has had some training and is able to produce, almost invariably the employer is willing to pay the apprentice what he actually can earn over and above the indenture rate. However, a start must be made somewhere along the line, and the employer should be given an opportunity to demonstrate his good faith. On the other hand, he should be denied the opportunity of hiring apprentices if his chief interest in apprenticeship appears to be the procurement of cheap labor.

A labor union whose membership contains skilled mechanics can hardly afford to take a lukewarm attitude toward apprenticeship. At the present time local unions are being diluted by defense workers who are products of short-term training plans or who have had no previous experience at all. The continued induction into the locals of such workers, without at the same time encouraging apprenticeship, most certainly will leave the unions in a weakened condition after this abnormal period is ended. If the current trend continues, it is conceivable that eventually there will be machinist unions, for example, with practically no machinists in them.

Now the Office of Production Management is sponsoring a system known as "upgrading." The plan contemplates the advancement of employees from one machine or operation to another and job rotation among a number of employees, similar to what is customary practice in a regular apprenticeship. During this emergency period the program should go a long way toward relieving the situation, but it still is not a substitute for long-term apprenticeship. No specific training obligations are placed on either management or the workers and that is the weakness of the system. In any event, the one heartening aspect is that industry apparently is beginning to realize that the place to learn a trade is on the job.

In our opinion, definite responsibility for the training of skilled mechanics must be placed on industry. By industry is meant both management and organized labor. Thus far practically everything has been left to chance and to the Government itself. The short-course, makeshift training programs initiated by the Government cannot seriously be considered as a substitute for genuine apprenticeship, but they probably are better than nothing at all, in view of the fact that industry has failed to respond and act. It may be true that there are more long-term apprentice programs now than there were a year ago, but on the whole not even a fair beginning has been made toward producing the number of skilled men which will be needed in the future. Neither management nor labor has indicated any marked concern over the problem. There are plans, but they are still in the formative stage and mostly on paper. If the results of the past 12 months are any indication of the progress to be made during the next 12-month period, it is evident that more persuasive steps will need to be taken by the Government.

We believe the time is ripe for more direct action. The remedy is simple. In awarding to employers of skilled labor contracts for the production of defense goods the Government could attach as one of the conditions the training of a certain proportion of apprentices. Such an arrangement would not work a hardship on any manufacturer nor on any labor union. Both would benefit immeasurably in the long run and certainly the apprentice would profit. The standards and policies promulgated by the Federal Committee on Apprenticeship now are acceptable to right-thinking representatives of management and labor.

There are numerous State and Federal departments which impinge on the promotion and development of apprenticeship. Some may need revamping in order to meet the current demand for speed. Most of them have been functioning long enough to have gained the confidence of both management and labor and in that respect they have a running start on any emergency duplicate bodies which might be created. It is our opinion and it seems only logical that these established agencies be accelerated and given every opportunity to demonstrate their capacity to deliver the goods and to do the job.

DISCUSSION

Mr. MORTON (Virginia). I am very much interested in this question. In 1938 the legislature in Virginia passed an apprenticeship law and appointed a commission to work for 2 years, without an appropria-

tion. During that time we got help from the Federal Committee on Apprenticeship Training. Twelve months ago we were given an appropriation, and since then we have put on a director and secretary. Frankly, we are discouraged to some extent as reports that come in are of a negative nature. We cannot get started at one plant, because the leaders in the union are specialty men themselves. We cannot get started in the building trades because, although they are very busy now, they are fearful that they might not be able to employ a boy for 4 years. In our shipyard we already have a regular training program, so they say, "What else can you offer us except what we are doing?" I am very much interested in this—I came from the ranks of labor myself, and I see a great advantage in apprenticeship training. While there has been no opposition on the part of organized labor, they are still to some extent indifferent to the program. I wonder what the experiences of other States have been. We have not the number of boys indentured that I think we ought to have. Recently a plan has been suggested that we indenture boys to the unions. Some of the unions are quite active and anxious to have the boys. Some of them, particularly the building contractor organizations, say, "If you will indenture these boys to the union, we will do our best to keep them working and moving from one employer to another." When this was first discussed our board did not think the idea of indenturing boys to an agency other than the one paying them wages was practical. I wonder what the experience of other States has been. I am especially anxious to carry back some constructive thoughts on this particular subject.

Mr. WRABETZ (Wisconsin). You should not be discouraged; it is a long, slow, steady job, and you will have many discouragements over the years. It takes time, patience, and a lot of hard work to sell the idea of apprenticeship. I think one thing that will probably speed up the educational process in apprenticeship is the appointment of definite trade committees—not only State advisory committees, but local committees in the various cities. We have hundreds of apprenticeship committees over our State—committees of employers and workers who consider nothing but apprenticeship problems in the locality. They select the boys for apprenticeship training, investigate employers, advise us which employers are eligible and properly equipped to take on the program, and then help to sell the program. We have indentured quite a number of boys to joint apprenticeship committees and to the unions, and it has worked out very well. That is especially true, I think, in the building trades. We have apprentices indentured with the plumbers, carpenters, and others of the building trades, and we do not have much difficulty in transferring these boys from one employer to another. Employers are willing to take them because the wage plan is measured somewhat by the boy's capacity to deliver. It works out very well.

Mr. POHLHAUS (Maryland). I should like to ask a question of a commissioner from any of the States whose child-labor requirements are such that in many of the industries an apprentice cannot be taken on before he is 18 years of age. How is that situation handled? For instance, in Maryland a boy cannot go into a machine shop because there is a requirement in our law which prevents him from working on an emery wheel. Now, that is a good trade and he is prevented

from going into that trade until he is 18. We have found apprenticeship training very difficult and we are backward in it. Our record is zero so far as it is concerned. We have found that when a boy reaches 18 years of age now, with the defense program on, it is no trouble for him to get a job. We are certifying somewhere in the neighborhood of 2,000 a month—certifying all ages to all employers. That 18-year-old boy can get a job at \$20 or \$25 a week right after leaving high school, but the 16-year-old boy who may be available for apprenticeship in some of these factories cannot go in because the law bars him. I wonder if any of the other States have the same difficulty. I might say this. I was tied up in conciliation work at the time and put a bill in the legislature through the president of the senate, knowing that it was in good hands. It was merely an amendment to the law stating that a boy might go into bona fide apprenticeship at 16 years, providing he worked the machine under instruction. However, the senate committee was too busy doing something else, and the amendment did not go through. That indicated to me that there is a lack of appreciation and lack of thought on the part of our legislature as to just what is confronting us. An amendment of that kind should have meant something, because the machine shops were anxious to get apprentices, but it put us in a position where we had to tell them they could not have them.

Mr. McCAIN (Arkansas). The State of Arkansas passed an apprentice training law in 1937 and set up rules whereby it might work. There was an apprentice council and supervisor of apprentice training, but there was no appropriation. The council had a few meetings, but apparently did nothing because there was no money. Then in 1941 the legislature appropriated money to pay the salary of the supervisor of apprentice training. Now the governor has given me a young man who is a college man from a working family and who has been reared in the labor environment—he is a young lawyer and sympathetic with the labor people. We have been using him to do our labor work, but now I have permission from the governor to make him supervisor of apprentice training. I am going to call my council together, and what I want to know is, can I take that kind of man and make anything worth while out of him. I have a promise of help from a Federal apprentice trainer in Memphis who says he will come over and spend as much time in Arkansas as we need and take this young man and coach him. But I want to know, can I take that kind of man and make a supervisor out of him?

Mr. WRABETZ. I would say yes. If he has a keen personal interest in the development of young people, he would develop into a good man. Now about this question of the age of apprentices. Under the Wisconsin law the indenture takes the place of a labor permit. Any boy who is indentured does not have to have a labor permit to work. We do not indenture boys under 18 very often, because even now we have no trouble in getting boys who have just finished high school and who are that age. However, the apprenticeship program is so planned that during the early months, the early part of the training, the boy is probably not employed at dangerous machinery.

Mr. MOONEY (Connecticut). I am speaking from brief experience with apprenticeship. It is a slow and difficult job, and I should say

that on the basis of our experience, Mr. Morton does not have any real reason to be discouraged at this early date. In Connecticut we have had a voluntary committee since 1938, and for the first 2 or 3 years we encountered the same situation that Mr. Morton described—the going was slow and there was little cooperation from employers, although somewhat more from the labor unions. In the past 2 years, however, progress has been much more rapid, and at the present time, while we have not a large number of apprentices under indenture, we have a more respectable number than we have had for the past 10 years. I think something like 700 or 800 apprentices are now indentured in the State and have been indentured within the past 18 months or 2 years. We also have no appropriation in Connecticut to carry on the work. The members of the council serve without any pay and without any traveling expenses. All of the routine work is done by regularly assigned employees of the labor department, and the field work is done by members of Mr. Patterson's staff who have done a splendid job within the past 18 months. The field men, of whom we have about 3 or 4—I do not remember the exact number—have been contacting practically every manufacturing establishment in the State and have explained the program of the State council and Federal committee to those manufacturers. We have found the judicious use of publicity very helpful throughout the State, and through that and sales efforts we have got very good cooperation recently from the manufacturers and labor unions, mainly under the impetus of the national defense program.

We have contracts, or rather agreements, drawn up with various building-trade unions—carpenters, plumbers, steam fitters, steel workers—and other unions and manufacturing industries such as the machinists and tool makers. Last month we held our first graduation exercises of apprentices under indenture for the past 2 years. At those exercises there were present the governor of the State, Mr. Batt of OPM, Mr. Patterson, and other people from neighboring States. The apprentices were present with their relatives and friends. That kind of device is very helpful in promoting apprenticeship throughout the State. I should like to comment on the question raised by the other gentlemen relative to the age of apprentices. We have a similar provision in Connecticut that bona fide apprentices under instruction are exempt. They may be employed on emery wheels and on certain woodworking machines under instruction. It seems to run to this situation—a number of employers in the State have voluntarily insisted upon the 18-year minimum age limit for training apprentices, and the unions have also been anxious to have the higher legal age limit put into effect. So far there has not been any labor shortage or any shortage of young people willing to become apprentices and undergo training in Connecticut, although they may develop in the future.

Mr. MORTON. Our law specifically states that boys cannot work in hazardous occupations under 18 years of age, and I think we ought to be careful not to lower the standards for apprentices or anything else now. The law specifically mentions scaffoldings and other dangerous operations. You cannot put a boy to learn carpentering and expect him not to work on a scaffolding; you cannot put one to work as an electrician's apprentice and expect him not to work around high-ten-

sion wires. We must not lower the standards we have worked so hard to build up, under apprenticeship or anything else.

Mr. PATTERSON. I think there should be more cooperation from the States. We are anxious to have the field representatives responsible to the labor department. I believe the speakers have brought out very clearly the need for strong State councils—we must build them up to make them feel their significance. With these strong State councils and hundreds of joint committees the job will be speeded up considerably.

Wage and Hour Legislation

Minimum-Wage Legislation in the United States, September 1, 1940, to August 1, 1941

Report of the Committee on Minimum Wages, by FRIEDA S. MILLER (New York Department of Labor), Chairman

Minimum-Wage Legislation of 1941

As was anticipated by members of this Association a year ago, the past year has been one of struggle to prevent the passage by State legislatures and by Congress of bills inimical to the welfare of labor. The campaign for labor standards of necessity has been a defensive one, waged to preserve gains already made and to ward off attempts made often in the name of patriotism and national defense to weaken labor's position. Perhaps it is more reasonable, therefore, to rejoice than to deplore the fact that the status of minimum-wage legislation in this country today is practically the same as it was when we last met. No new States were added to the list of those that have minimum-wage laws, but on the other hand no ground was lost. Neither the Fair Labor Standards Act nor the Public Contracts Act was amended, though many changes were proposed by groups that would have benefited by them. Puerto Rico, without repealing the law that provides for a minimum wage of \$6 a week for women, passed a new law this year which permits the establishment of minimum wages and the regulation of hours and other working conditions for all workers on the recommendation of wage committees. The gain made by this act of extending the protection of minimum-wage legislation to men appeared for a while to have been offset by an amendment to the Oklahoma minimum-wage law which would have excluded men from the coverage of that act. The Oklahoma amendment would have effected no practical change as the supreme court of the State in 1939 held the minimum-wage provision of the law unconstitutional in its application to men because the word "men" was not properly included in the title of the act. The legislature's answer to those who sought a correction of this defect apparently was to make the law fit the title, rather than the title fit the law. But the last chapter in the history of the Oklahoma minimum-wage law has not yet been written, for on July 10, 1941, the attorney general of the State ruled that the law amending the State minimum-wage law was unconstitutional. So for the time being the status of the Oklahoma minimum-wage law is the same as it was before the 1941 session of the legislature.

Possibly a fairer measure of present public interest in minimum-wage regulation is the bills introduced in the recent legislatures rather than the bills that were passed. Forty-three State legislatures were in regular session during 1941, and in practically three-fourths of these

some type of bill to establish minimum wages in private industry, to extend present coverage, or to raise existing standards was introduced. Minimum-wage bills for women were introduced in the legislatures of 3 of the 23 States which do not have such laws for women. (Maine is included because the law of that State covers only one industry.) Amendments that would have extended existing minimum-wage laws to men, to domestic workers, or that would have provided minimum wages for blind workers, or would have increased present minimum-wage rates for women were introduced in several States that now have minimum-wage laws. In 29 of the 43 States in which legislatures were in session wage and hour bills somewhat similar to the Fair Labor Standards Act were introduced. None of these bills were passed, though in Connecticut such a bill was approved by the senate, and similar bills were passed by the house in both Rhode Island and Pennsylvania. The senate of the Indiana Legislature passed a wage bill which can scarcely be called a wage and hour bill inasmuch as it provided for a flat hourly rate with no provision for overtime rates nor wage boards.

Some of these bills in the form in which they were introduced constituted a real threat to existing labor standards. Unlike the model wage and hour bill they provided for the repeal of present laws which regulate the hours of woman workers and establish minimum wages. Under existing minimum-wage laws wage orders have been issued setting minimum rates well above the initial statutory rates proposed in State wage and hour bills and providing important regulations to safeguard the minimum wages set. All these orders would be completely wiped out if the present minimum-wage laws were repealed, and woman workers would be deprived of the protection that they have had for years. If the model wage and hour bill were followed, the gains that have been made during the past 30 years would be preserved until equally high standards could be established under the new type of law for both men and women. The State wage and hour bill is not intended as a substitute for State hour laws that place an absolute limit on the number of hours for which women may be employed. The overtime provision of the State wage and hour bill, requiring, as does the Fair Labor Standards Act, the payment of time and one-half the regular rate of pay for hours beyond the basic week, doubtless would discourage long hours, but it does not prohibit them as do State hour laws for women. The model wage and hour bill expressly provides for the nonrepeal of these laws as well as of State minimum-wage laws.

Minimum-Wage Orders

State wage orders issued during the year illustrate the growing tendency of the States since the passage of the Fair Labor Standards Act to consider intrastate industries the principal sphere of State activity. All the State orders issued since September 1, 1940, have established wage rates for women working in hotels, offices, laundries, dry-cleaning establishments, or beauty shops. In fact, no State has issued an order covering manufacturing in the past two years. The policy that the States seem to have adopted of leaving to the Federal Government the establishment of rates for interstate industries will at least have the effect of not adding to the confusion and duplication that already exist when more than one wage order applies to the same industry.

One cause for confusion has been clarified during the year. Section 18 of the Fair Labor Standards Act provides that nothing in the act excuses noncompliance with State law that requires the payment of minimum rates higher than those established under the Federal law. Many persons believed that this section authorized the Wage and Hour Division to enforce compliance with State rates when these were in excess of the Federal. At the request of the Tenth Minimum Wage Conference, held in Washington in January of this year, Miss Mary Anderson, director of the Women's Bureau of the U. S. Department of Labor, asked the Wage and Hour Division for a statement of its policy concerning this matter. Mr. Rufus G. Poole, Assistant Solicitor in Charge of Opinions and Review, replied that when overtime is involved the Wage and Hour Division requires the payment of the State rate when higher than the Federal for both straight time and overtime. This policy is based on the requirement of the Fair Labor Standards Act that overtime shall equal time and a half the employee's regular rate of pay. The Wage and Hour Division takes the position that an employee's regular rate of pay cannot be less than the highest minimum rate established by law, whether that law be State or Federal. When overtime is not involved, however, the Wage and Hour Division has no power, said Mr. Poole, to enforce State rates even though they are in excess of the Federal, because no sanctions were attached and no penalties provided for the violation of section 18. Mr. Poole's opinion has since been incorporated in field letters addressed to both the inspection and legal staff of the Wage and Hour Division and is now the recognized policy of the Division.

The 7 State wage orders for women that have been put into effect in Connecticut, Massachusetts, New York, Ohio, and Utah since our last meeting cover approximately 160,000 women employed in service industries not covered by the Fair Labor Standards Act. An estimated million and three-quarters workers in continental United States have been brought under wage orders that have become effective under the Fair Labor Standards Act since last September. Every effort is being made by the Wage and Hour Division to establish as rapidly as possible the 40-cent minimum for all workers covered by the law. Twelve of the 21 wage orders (the 21 include the original and revised orders for the textile industry) provide for a 40-cent rate for all or part of the workers covered by them. More than 800,000 persons are employed in occupations for which the 40-cent rate has been established. Existing wage orders providing for less than 40 cents are being revised upward as rapidly as the evidence indicates that employment would not be substantially curtailed by the payment of higher minima. Recently three industry committees recommended 40 cents for branches of industry for which lower rates previously had been established by wage orders.

Some of the States also have taken steps to revise existing rates. Oregon within the past few months has increased the majority of the minimum-wage rates provided for by State wage orders. With the exception of a few, all rates that were formerly 30 cents an hour have been raised to 35 cents and the rate for the laundry industry was increased from 30 to 33 cents. The cannery workers enjoyed the greatest increase as their rates were raised twice during the year, once from 35 to 37½ cents and the second time to 42½ cents. For several

industries lower rates for learners were entirely abolished. California also plans to revise the minimum-wage orders of the industrial welfare commission. Many of these have not been changed since 1923. Public hearings to receive testimony concerning revising the orders have been held. Wage boards will be or have been appointed for each industry for which the commission decides a new order should be issued.

Connecticut, because of a change in the State minimum-wage law, gradually has been revising its orders. This year the first wage order covering men was issued. This order is for the beauty-shop occupations and the provisions governing men are exactly the same as those incorporated in an order for women in the same industry, the rate being \$18 a week if work is performed on 4 days or more. A separate order was issued for men to assure that, should the validity of the law or order in its application to men be challenged in the State courts, the protection of women, which has been approved by the courts, would continue uninterrupted.

Wage Restitutions

In addition to the extension of coverage and the raising of minimum-wage standards, the amount of wages employers have been required to restore to workers under minimum-wage laws illustrates the activity of minimum-wage administrators during the year. In the first 9 months of the fiscal year 1940-41 the Wage and Hour Division arranged for the restoration of over 6½ million dollars to workers who were underpaid under the law. The Public Contracts Division, which has made wage determinations covering 35 industries employing approximately 1,900,000 workers, collected during the first 11 months of the fiscal year \$237,465 in unpaid wages for workers engaged in producing goods for Government contracts. Reports from the States are incomplete and in many cases are for the calendar year, but on the basis of those available it is evident that hundreds of thousands of dollars have been collected under State minimum-wage laws. Ohio, for example, during the year 1940 collected \$106,604 under four wage orders, and New York from June 1940 to June 1941 collected under a single directory order, that for the restaurant industry, \$111,000 which was refunded to 8,154 women and male minors.

Inspections

Constant inspection and investigation of complaints is necessary to assure that these benefits to workers are realized. Ways by which economies through greater efficiency could be effected and thereby the goal of regular periodic inspections more nearly approached were discussed at the Tenth Minimum Wage Conference in January. The Wage and Hour Division has continued the policy adopted last year of putting on industry enforcement drives. An effort is made in these drives to inspect within a certain time every establishment in the country engaged in particular lines of business. During the past year enforcement drives of this kind have been carried on in the apparel, canning, and citrus fruit, furniture, hosiery, leather and luggage, shoe, and woolen industries and among employers of industrial home workers. The Wage and Hour Division had hoped to be able to adopt the

policy of making routine inspections of all plants subject to the Fair Labor Standards Act during this fiscal year. Though the present number of field inspectors, 900 and more, is practically twice the number employed by the Division last year, it is not enough to permit regular periodic inspection of all the 300,000 establishments in the United States covered by the law. As Congress failed to appropriate the funds necessary for this purpose, the plan probably will have to be abandoned for another year at least.

Court Cases

The year 1941 doubtless will be as important in the history of Federal minimum-wage legislation as the year 1937 has become in the history of State legislation of the same kind. When the United States Supreme Court 4 years ago decided that the States have the constitutional right to establish minimum wages for women, it paved the way for the important decision rendered February 3 of this year in which the Court held that the fixing of minimum wages by the Federal Government for all workers, both men and women, engaged in producing goods for interstate commerce is constitutional. The results of the 20-year struggle in the courts to establish the constitutionality of State minimum-wage legislation, and the more liberal attitude of the public and the courts toward such legislation, are reflected in the favorable Supreme Court decisions in the cases involving the constitutionality of the Fair Labor Standards Act.

A week after the United States Supreme Court held constitutional the most far-reaching piece of minimum-wage legislation ever passed in this country, the Bronx Court of Special Sessions shocked the State of New York and other States that have similar laws when it ruled that certain provisions of the New York minimum-wage law for women were unconstitutional. The answer to the question, which was raised on all sides, as to the probable effect of this decision on the enforcement of the law had been given 41 times by the first of June and probably has been given many times since by New York municipal courts of rank equal to that of the Bronx. In decisions rendered by these courts the law has been consistently upheld. According to the New York Division of Women in Industry and Minimum Wage the usual high degree of cooperation and compliance of employers continued after the Bess Morgan case, and the percentage of convictions in cases taken to court increased rather than decreased following the decision. What first was feared to be a setback to minimum-wage legislation has instead demonstrated how firmly such legislation is established.

In California recently an important principle incorporated in the wage order for the laundry and dry-cleaning industry was upheld by the Superior Court of Los Angeles County. The wage order provides that the State minimum wage of \$16 shall be paid for the "standard workweek," or the hours regularly worked in each establishment, whether those hours equal, or are less than, the 48 permitted by law. The court held that this provision is reasonable and valid.

An extremely important court case was won on July 5, 1941, in Pennsylvania, when the Court of Common Pleas of Dauphin County dismissed a petition to review the mandatory minimum-wage order for laundry occupations and held the Pennsylvania minimum-wage law

for women constitutional. This decision is an important victory in a struggle that has been going on for several years in Pennsylvania to determine the legal status of the minimum-wage law for women.

The rulings of both the Federal and State minimum-wage authorities that tips are not wages under minimum-wage laws have fared less well with the courts in the past year than have the basic laws. In June the United States Supreme Court refused to review a decision by the Circuit Court of Appeals at New Orleans that tips received by redcaps may be counted as wages paid under the Fair Labor Standards Act. The Wage and Hour Division did not accept this denial as final, and almost immediately filed in the Supreme Court another petition for review of a similar decision. It is hoped that the Supreme Court may yet rule that tips are not wages under the Fair Labor Standards Act. In the meantime the Wage and Hour Division is undertaking an inquiry authorized by Congress of the wages, hours, and other conditions of employment of redcaps by railroads or terminal companies. This investigation may reveal facts that will aid in the solution of this very serious problem.

In California a court decision recently was rendered in which tips in relation to the legal minimum wage were involved. The minimum-wage order for hotels and restaurants of California, like similar orders of many other States, provides that "No employer may include tips or gratuities received by employees * * * as part of the legal minimum wage. * * *" (Section 3 of Industrial Welfare Commission Order No. 12a.) When the Division of Industrial Welfare of California attempted to enforce this regulation strictly the members of the California Drive-In Association, many of whom paid no wages at all to girls who received tips, instituted legal proceedings to test the validity of this provision. In May of this year the Superior Court of Los Angeles County held void that portion of the minimum-wage order that prohibits the inclusion of tips as part of the minimum wage. Fortunately the decision did not turn on whether or not tips are wages. The court held that a conflict exists between section 3 of the Industrial Welfare Commission Order No. 12a and the so-called tipping sign law of California; which latter provides that a notice must be posted informing the public that tips given to employees belong to the employer or are shared by him with the employees. The court held that the tipping sign law, which was passed in 1929, implied the repeal of the wage-order regulation which had been issued earlier. The State expects to appeal this case in the near future.

In view of this unfavorable decision it is regrettable that the 1941 session of the Colorado Legislature passed a law similar to the California tipping sign law. The Colorado law provides that if employers collect employees' tips, a notice must be given to the public that tips are the property of the employer. As wage orders of Colorado, like the hotel and restaurant order of California, prohibit the inclusion of tips in minimum wages, the passage of this law is most unfortunate.

However, the relationship between tips and minimum wages is not a settled question. The United States Supreme Court has not spoken on the subject. A municipal court of Cincinnati ruled in 1939 that tips are not to be considered as part of wages under the Ohio minimum-wage law. No State court as yet has ruled to the contrary. There is still reason to hope for a favorable decision.

Conclusion

In these days of economic strain, when pressure for ever increased production causes many employers of labor to become impatient with all Government regulation and to advocate the abolition of labor laws and standards, the observations of one Federal labor administrator deserve consideration. The Administrator of the Public Contracts Act reports that though minimum wages set by the Government are designed primarily to help labor, the establishment of minimum wages under the Public Contracts Act has created safeguards for the prosecution of our defense program. This administrator believes that fewer strikes have occurred in establishments holding Government contracts than would have been the case if the Government had not set a floor to wages, and that the migration of labor in search of higher wages is less now because of minimum-wage rates than it otherwise would have been. Competition for Government contracts is now less frequently based solely on low wages and more often on economies and efficiencies resulting from improved equipment and more scientific management. If these indeed are the results of minimum-wage regulation, our entire economy has profited from these laws and employers as well as taxpayers should join labor in promoting their passage and in supporting proper administration.

Minimum-Wage Legislation in Canada, 1940-41

Report of Committee on Minimum Wages

It has been pointed out in previous years that except for Prince Edward Island, which has no minimum-wage act, and Nova Scotia, where the act applies only to women, all the Provinces of Canada have legislation under which minimum wages may be fixed for both sexes. The earliest legislation applied only to women and the orders established minimum weekly rates on a cost-of-living basis with some regard for the standard of living in different workplaces.

Minimum-wage legislation for men was first adopted in the thirties when business was depressed. In New Brunswick, where the act to fix minimum wages for women was never put into effect, the few orders that have been made under a law applying to both sexes apply to industries in which few, if any, female workers are employed, such as automobile repair and dairy production in certain centers. On the other hand, in Ontario only a textile order applies to male workers. In Quebec, Manitoba, and Saskatchewan the same orders apply to men and women, but in Quebec, in addition to a basic order applying throughout the Province and fixing the same minima for men and women but with some variation according to establishment, there are special orders covering certain industries in which different rates are established for different occupations and for each sex. In Manitoba, in addition to the weekly minimum for both men and women in factories, shops, and so on, there are orders for women in dressmaking, tailoring, millinery, fur sewing, and in offices and theaters, a special order for boys under 18 in Winnipeg, and one for adult males as messengers or in other work of the kind usually done by boys.

In Alberta and British Columbia there is a statute for each sex. In Alberta orders for women cover factories, shops, restaurants, places of amusement, etc., but for men there is a general minimum applicable

to all industries throughout the Province, with a few exceptions such as sawmills and woodworking plants in small places. In British Columbia minimum rates for men have been fixed in the industries of logging, sawmills, shingle cutting and milling construction, baking, shipbuilding, transportation, fruit and vegetable packing and canning, woodworking, household furniture, and the occupations of mercantile clerk, janitor, elevator operator, barber, first-aid attendants, carpenters and painters in certain areas, taxicab and bus drivers, shingle packers and sawyers. For women, there is a minimum weekly rate for experienced workers in each class of establishment. Where orders fix minimum rates for both sexes in certain workplaces, e. g., in shops, the highest for males is \$15 for those over 21 as compared with \$12.75 for experienced females over 18. In other occupations, such as elevator operators and janitors, equal rates are set for men and women.

In Ontario, the Minimum Wage Act specifies the hours to which the ordinary minimum rate is to apply, and in Nova Scotia the board may determine the work period to which the rate applies. In Manitoba, New Brunswick, Quebec, and Saskatchewan, and in British Columbia, under the Female Minimum Wage Act, the board has power to limit hours. In Alberta and British Columbia, there are Hours of Work Acts administered by the same authority as the Minimum Wage Acts.

Since the last meeting there have been no changes in the minimum-wage laws but the effect of the war is shown in a tendency to increase minimum rates. In most Provinces the orders have been in effect for a considerable number of years with little change in the rates for experienced workers but the pressure of the increase in the cost of living is likely to bring about somewhat higher rates.

A new order for women and girls in British Columbia laundries and dry-cleaning establishment raises the minimum hourly rate from 28 $\frac{1}{8}$ cents to 31 cents. Learners' rates have been raised in similar proportion. The British Columbia order for personal service occupations was amended to apply to women employed in physiotherapy. Experienced employees, 18 years or over, must be paid at least \$14.25 a week and other classes at lower rates.

Quebec has raised the minimum rates of pay for taxicab drivers in Montreal and the first order governing employees in cinemas and theaters in the Montreal district is now in effect. Alberta has raised the rates in sawmills, box factories, and other woodworking plants in small towns and rural districts as well as permitting longer hours of work.

In Saskatchewan, where until 1939 the orders governing factories and shops, hotels and restaurants, applied only in cities, and since 1939 to cities and two towns, they have now been extended to five additional towns. Alberta has made orders for women fixing the same rates for city hotels as were in effect in restaurants throughout the Province. Lower rates under a special order now cover hotels in towns and in villages with 600 population or less except where the dining room or restaurant is open for more than 5 hours in a day.

Since 1900 the Dominion Government has required Government contractors for the manufacture and supply of postal stores, fittings for public buildings, equipment for the military and naval forces and other Government supplies, to observe the prevailing rates and hours

in the district where the contract was being carried out, or in the absence of such current standards, fair and reasonable rates and hours as determined by the Minister of Labor. In 1934, the Government established for persons over 18 years of age employed on contracts for supplies, minimum hourly rates of 30 cents for males and 20 cents for females. For those under 18, the rates fixed by the Provincial authorities were to apply.

It might be noted here that the Dominion Parliament has no power to enact a minimum-wage statute applying to private industry, and only by a clause binding a contractor for Government supplies can the Dominion Government control the wages paid in private establishments. The Dominion Government has no power over wages in establishments producing goods for interprovincial commerce as the Congress of the United States has over wages in establishments producing goods for interstate commerce.

In May last, in accordance with its wartime policy of adjusting wages to the increase in the cost of the basic necessities of life, the Dominion Government raised the minimum rates for Government contract work by 5 cents an hour, to 35 and 25 cents. It was provided also, however, that with permission of the Minister, a male or female worker over 18 might be employed as a learner for 4 months at 20 cents an hour if the rate was increased for the second quarter to 25 cents, for the third quarter to 30 cents and thereafter to 35 cents. The minima for persons under 18 are to be governed, as before, by the Provincial regulations.

The Government's wartime wages policy, which is mandatory on boards of conciliation and investigation appointed to settle disputes under the Industrial Disputes Investigation Act, stabilizes wage rates at the highest point between 1926 and December 16, 1940, with an increase of at least 5 percent in the official cost-of-living index number being taken care of by the payment of a bonus of \$1.25 per week, a subsequent bonus being payable only after 3 months on the same conditions. This policy is designed to protect the wage earner, and particularly the low-paid worker, against an increase in the cost of the basic necessities of life by providing for a bonus in the form of a flat sum, while at the same time controlling wages so that they in turn will not exert undue pressure on prices to the detriment of the whole community, including wage earners.

This policy is likely to be adopted by the Provincial authorities, and at the time of writing (July 29) the Quebec Government has taken the first step in this direction by legalizing and making binding on all in the industry, under the Quebec Collective Agreement Act, collective agreements in three industries providing for increases on this basis.

Minimum-wage-fixing machinery, somewhat like that of the Fair Labor Standards Act, is provided under the Industrial Standards Acts in Alberta, Ontario, Saskatchewan, New Brunswick, and Nova Scotia, but under these Canadian acts different rates are fixed for different occupations in an industry on the recommendation of a joint conference representing a sufficient proportion of the employers and employed in the industry in the district concerned. In Nova Scotia, the act relates only to the building trades in Halifax and Dartmouth. Except in New Brunswick orders under these laws have

been in effect for some time. In New Brunswick, the act applies to construction, where the value of materials and services exceeds \$25, and to the manufacture and repair of motor vehicles. Orders covering several building trades in the city of St. John, New Brunswick, were issued during the past year. Industries or crafts with rates fixed under the Industrial Standards Acts are in some cases those in which labor is organized to a considerable degree, such as the building trades, barbers, men's and women's clothing, and brewing, but the acts do not recognize organizations. In Manitoba, similar machinery to that of the Industrial Standards Acts may be set up for barbering, hair-dressing, shoe repairing, wood sawing, bread and pastry making, and dry cleaning. In April the first Manitoba order of this kind established a schedule of wages and hours for bread and pastry making and steps are being taken in connection with the shoe-repairing industry.

DISCUSSION

Miss PAPERT (New York). I think it is very important that the people responsible for the administration of State minimum-wage laws be not swayed by the fact that there is so much talk of the high wages of people in defense industries, and that we move forward in the minimum-wage movement, rather than sit back and say other things are more important. I do not know what has been the experience of other States. I do know that in New York we continue to get complaints from industries that are not directly affected by the defense program. The very fact that wages are rising in defense industries sharpens discontent—makes the people who get wages of \$6, \$8, and \$10 per week realize that they are not being treated right. These people should not be forgotten by us or by the labor departments that have responsibility for the minimum wage.

Miss MORROW (Pennsylvania). This is the time, we in Pennsylvania think, when it is very important to join with neighboring States in a program in connection with Miss Papert's suggestion. We hope to have regional conferences of the industrial States, such as New York, Ohio, and Pennsylvania, so that in setting up our wage laws we may have comparisons of figures and work together on this problem.

Social Security

Major Developments in Employment Security, July 1940–June 1941

Report of the Committee on Social Security, by W. A. PAT MURPHY (Oklahoma Department of Labor), Chairman

Labor Market and Defense Activities

The impact of the defense program was the most important single influence affecting the policy and operations of the employment security program during the period July 1940–June 1941. While its ramifications were manifold, the defense program had two major influences. It reduced substantially the administrative loads in connection with the unemployment-compensation program, but it increased tremendously the employment service activities of the State agencies. After the Bureau of Employment Security was officially designated as the agency responsible for mobilizing manpower needed in connection with the defense program, all other activities of the United States Employment Service were directed to this major objective. In the States, renewed efforts were made to register workers who had not previously used the facilities of the public employment service offices, employers were urged to use these facilities in order to effect more orderly recruitment in the hiring of workers, and job histories of applicants were reviewed in order to uncover workers who were not working at their highest skill. As a consequence, 4.6 million jobs were filled by the public employment offices, more than in any year since the years in which the major efforts of the employment service were directed toward the placement of relief workers.

Shortly after the creation of the National Defense Advisory Commission on May 28, 1940 (now succeeded by the Office of Production Management), the United States Employment Service was requested to assist the United States Civil Service Commission in recruiting workers for the immediate expansion of army yards and arsenals under Federal supervision. Thousands of workers were referred to these operating units. At the same time, similar demands arose from private shipyards and ordnance works. It was in connection with the filling of these requirements that it became apparent early in the defense effort that shortages of certain skilled workers were to be expected, including machinists, loftsmen, coppersmiths, ship fitters, ship carpenters, and others.

It was also apparent that a successful recruitment program could be operated only upon the basis of certain information on conditions of the labor market. While much of this information was already available to the United States Employment Service, refinements of information already collected, as well as the extension of the reporting program, information hitherto not collected, were necessary. Fortu-

nately, an inventory of the occupational, industrial, and social characteristics of 5.1 million job seekers registered at public employment offices had been taken in April 1940, and this vast body of information was available at the outset of the defense program. One of the first of the new reports to be instituted concerned itself with the monthly reporting of the supply of workers registered at public employment offices who possessed occupational skills essential to the defense program. This report, initiated in July 1940, has been modified to meet changing needs and at the present time includes a list of 631 occupations. These data, together with the regular active-file data of the public employment offices, have been used in connection with the location of plant sites and for other purposes. Information on the supply of labor, however, was only half the data needed to direct the recruitment of workers. Accordingly, steps were taken to provide information on the labor needs of defense employers. Arrangements were made for monthly visits of representatives of the public employment offices to obtain detailed schedules on their labor needs for a 60-day period subsequent to the date of the visit. The number of workers needed in specifically enumerated occupations was listed on a prescribed form and the information was used not only to recruit needed workers, but also to determine the adequacy of the supply available. Labor needs are still being obtained in the manner described, except that the visits are now being made every other month, and instead of a 60-day forecast, employers are furnishing 6-month forecasts of their labor needs. A third report inaugurated with the advent of the defense program, known as the report on labor-market developments, has provided the means for obtaining a vast amount of information on labor-market conditions that cannot be obtained quantitatively. Each State agency prepares a report of this character monthly, fully describing various aspects of the labor market with respect to the relation of supply to demand, changes in employer specifications, competition for labor, migration, training—both public and private—and other subjects.

The need for more detailed information on particular local labor markets, however, led to intensive studies of the labor markets of communities. These studies, made in cooperation with the State employment services, provide long-range forecasts of employer labor needs, information on the adequacy of supply, number of workers that will have to be imported to the area, and under such circumstances, the adequacy of housing. These reports are used constantly by the Division of Defense Housing Coordination of the Office of Emergency Management, in discharging its responsibilities in connection with the defense housing-construction program. Numerous other Government agencies dealing with problems of labor supply in specific communities, such as the Office of Civilian Defense, also utilize the reports. As of July 1, surveys of almost all industrial or defense areas in the country had been made or were in process.

One of the most important problems that arose early was that of minimizing geographic dislocations as much as possible. Accordingly, a labor supply and clearance unit with regional clearance representatives in each of the Social Security Board regions was established for the purpose of strengthening clearance procedures. The streamlining of clearance machinery expedited the process of obtaining workers for

localities in which labor supply was inadequate, by making possible simultaneous clearance with a number of States.

Many problems developed in connection with the referral of applicants to job sites distantly located, when orders were being filled for employers who required a large number of workers. Processes were therefore instituted whereby company representatives could interview and employ preselected groups of qualified applicants at designated local offices, in accordance with a prearranged time schedule. This obviated the necessity for long-distance traveling on the part of applicants who might, upon application at the site, still be rejected by the employer. This process, known as the "pooled interview" type of recruitment, is still in operation.

The inauguration of the defense vocational training in July 1940 placed another responsibility upon the United States Employment Service in connection with the referral of persons to the preemployment refresher courses. Legislation establishing such training authorized the Service to refer half of the trainees in these courses, the other half to be referred by the WPA. By the end of May 1941, 11 months after the program was initiated, 175,000 workers had been referred to these courses by the public employment offices. The scope of the activities of the public employment offices in connection with the defense training program was extended in April 1941, when an agreement was made with the United States Office of Education, providing for a much closer cooperation between vocational education authorities and the local employment offices. In effect, this agreement charged the Employment Service with the responsibility for initiating training proposals for specific occupations and the number to be trained, and with counseling and advising on training proposals submitted to the Advisory Committee on Training. In June 1941, the responsibilities were somewhat modified by having representatives from the State employment services on local administrative committees on vocational training, who were authorized to participate in all proposals dealing with training. Determining the occupations for which training is to be given and the number of workers to be trained continues to be a primary responsibility of the employment offices.

Another major undertaking of the United States Employment Service was the intensive registration campaign conducted from March 15 to April 15, to induce all unemployed workers to register at their local employment offices. Employed workers were also urged to register, particularly if they were not working at their highest skill. As a result of this campaign, thousands of workers registered with the public employment offices and applications for work reached a new all-time high of 1.8 million at the end of April. In the special inventory taken on April 25, 2 weeks after the campaign closed, it was found that there were 4.4 million workers available at the public employment offices for referral to jobs, of whom half a million had defense skills. Another 600,000 workers had been left out of the inventory because they had not visited the local employment offices since March 1, 1941, although they were actively seeking work in accordance with the individual State procedures.

With the increasing emphasis on upgrading and training within industry as a means of relieving labor shortages, job-analysis work of the Service was extended. Occupational specialists were sent into

defense plants, including Government shipyards and arsenals, to study the industrial processes and the occupational structure of employment. Some of the largest corporations in the country were visited. As a result of these studies, suggestions were made for changing processes and for training, achieving thereby more effective utilization of the labor already employed in the plants. Furtherance of job-analysis work also produced a series of occupational descriptions for the use of interviewers and placement personnel.

An important operating service for the State agencies in the defense program is the occupational or aptitude-testing service which has expanded during the past 12 months and will continue to expand as new defense contracts require added workers in plants being constructed or about to go into actual production. There are now aptitude-testing facilities in 175 public employment offices, and trade tests in use in 575 offices. The increased demand from the States for aid in these technical matters has been greatly stimulated by the cooperative arrangement with the Office of Education by which employment offices must supply the most suitable learners to the schools. Local offices also supply industrial employers with trainees who have the aptitudes to make the quickest possible adjustment to defense occupations. Measurements of skill in the form of trade tests for important defense jobs are being given in public employment offices over the country. Some new trade tests which apply to particular defense jobs are being developed, but the primary work is to supply the States, upon request, technical assistance and guidance in the use of these materials.

Administrative machinery, having very important implications, was established with the appointment of 12 regional supply officers in July 1941, who have been designated by the labor supply branch of the Office of Production Management to act as chairmen of 12 regional labor-supply committees established by that agency. These committees will include, in addition to the regional labor-supply officers, representatives of the United States Civil Service Commission, Training-Within-Industry Service of the Office of Production Management, Federal Committee on Apprenticeship of the Department of Labor, the United States Office of Education, and the National Youth Administration of the Federal Security Agency, together with representatives of labor and management. The regional labor-supply committees are responsible for dealing collectively with problems of labor recruitment, training, and placement, and to assure that all facilities of Government, labor, and industry are utilized in obtaining an adequate supply of workers for the defense program. In describing this committee, Mr. Sidney Hillman, Associate Director General of the Office of Production Management, stated that it is "unquestionably one of the most significant poolings of labor management and Government resources that has thus far taken place in the national defense program."

Unemployment-Compensation Activities

Although modifications in the unemployment-compensation program took place during the past year, they were rather limited in scope. Legislatures of 45 States met during 1941, and of the 28 which had adjourned by the end of May, each had amended the State unemployment-compensation law in some respect. There was no general trend among the amendments toward extending coverage, either to firms or to occupations previously excluded, nor was there any general

tendency to increase the adequacy of the benefits provided. The disqualification provisions, however, were made far more severe. The duration provision, probably the most important single element in the benefit formula, was amended by only 13 States, and in most cases the change tended to liberalize benefit payments. Significant changes were also made in experience-rating provisions. Existing provisions were repealed by three States, one enacting such legislation for the first time, four changing the effective date, three postponing it, and one advancing it. The administration of unemployment compensation is expected to show further improvement as a result of the issuance of several employment security memoranda establishing standards and procedures in connection with certain aspects of the program. Among these were the standards for the interpretation of section 162 (a) (1) of the Internal Revenue Code, standards and procedures for the compensation of seasonal unemployment, and standards and procedures for the administration of benefits for partial unemployment.

With the inception of the Selective Service and Training Act it became apparent that some arrangements had to be made for preserving the benefit rights of selectees, in order that upon release from service their wage credits would not have lapsed but would be available as the basis upon which unemployment compensation could be paid. Draft legislation prepared by the Social Security Board provides for "freezing" an individual's rights as of his entry date into military service and permits the individual to utilize benefit rights previously acquired under the unemployment-compensation law if he becomes unemployed after a period of military service. As a supplement, the Board was developing legislation for a system of unemployment allowances which would affect all members of the armed forces who have served a period of not less than 90 days and whose discharge from active duty occurred after June 30, 1940. At the end of the fiscal year 1941, no final decision on the legislation for a plan of administering this system had been reached, but the Social Security Board expected to include a proposal for such a system in its legislative recommendations to Congress.

The fiscal year 1941 was the first in which benefit-payment procedures were fully operative in all States. During this period, 888 million dollars was collected for unemployment-compensation purposes and 433 million dollars was paid in benefits, roughly 50 cents on each \$1 of contributions collected. Funds available for benefit payments rose to 2.1 billion dollars, a 400-million-dollar increase over the amount available June 30, 1940. In addition, the State agencies transferred more than 100 million dollars to the Railroad Unemployment Insurance account of the Federal Treasury in accordance with provisions of the Railroad Unemployment Insurance Act.

The growth of the reserve has raised serious questions, on the one hand, regarding the adequacy of the benefit structure. On the other hand, certain interests propose to effect a closer relationship between income and outgo by reducing the tax rate. From the size of the reserves of the respective States, it was apparent that benefit payments could be liberalized in practically every instance. The Social Security Board went on record in support of standards that would provide for a 1-week waiting period, a higher weekly benefit amount, a minimum weekly benefit amount of \$5, and a maximum of \$20, uniform duration of 16 weeks, and eligibility for all workers whose earnings were 30

times or more their weekly benefit amount. Another plan was suggested unofficially by one of the members of the Board, which provides for contribution-rate reductions contingent upon provision for more adequate benefits. The proposal also provided for a scheme of reinsurance for those States which might become insolvent through the payment of more liberal benefits. In view of the fact that about half of those who draw benefits exhaust all of the rights to which they are entitled, and since the duration of benefits has been 9 to 11 weeks in length on the average, it is evident that unemployment-compensation laws are not designed to provide benefit payments to workers even over short spells of unemployment.

Developments in Old-Age and Survivors Insurance, 1940-41

Report of the Committee on Social Security

The first normal year in which the old-age and survivors insurance program was fully operating was the fiscal year ending June 1941. In 1937 the main task was the establishment of accounts for the initial employee registration. During that year employers commenced reporting taxable wages. Benefit payments under the Federal old-age benefits system were confined to lump sums at death or at age 65. By 1939 employee registration was largely limited to new workers; benefit payments were still limited to lump sums.

In August 1939, however, amendments to the Social Security Act created radical changes in the structure and mechanics of this Federal social insurance. Payments of lump sums at age 65 ceased and plans for the payment of regular monthly benefits were made. In January 1940 wages of individuals in newly covered groups began to be taxed. At the end of that month monthly benefits became payable and increased steadily throughout the year. Lump-sum payments under the Social Security Act of 1935 began to decline and are now of minor significance.

Over 370,000 aged men and women, widows, and dependent children were receiving monthly insurance benefits, amounting to close to \$7,000,000 a month, under the old-age and survivors insurance program at the close of the fiscal year 1940-41. More than 245,000—or about three-fourths of the total monthly benefits in force—were going to aged workers and their wives, to aged widows, and to parents.

Six different types of monthly benefits are payable: (1) Primary insurance benefits—for workers who have attained age 65 and are fully insured. These benefits are equal to 40 percent of the first \$50 of the worker's average monthly wage, plus 10 percent of the next \$200, plus 1 percent of the basic amount for each year in which he was paid at least \$200 in wages. (2) Wife's insurance benefits—for wives aged 65 and over of workers entitled to primary insurance benefits. These benefits are equal to one-half as much as the primary insurance benefits. (3) Child's insurance benefits—for children of deceased workers and of workers entitled to primary benefits. Child's benefits are equal to one-half the primary insurance benefits. They are payable to unmarried children under age 16 and between ages 16 and 18 if attending school. (4) Widow's insurance benefits—for widows aged 65 and over of wage earners who died fully insured. These benefits are equal to three-fourths of the primary benefit. (5) Widow's current insurance

benefits—for widows of any age caring for the young dependent children of workers who died either fully or currently insured. These benefits are equal to three-fourths of the primary benefit. (6) Parent's insurance benefits—for parents aged 65 and over who were wholly dependent upon workers who died fully insured leaving no widow or unmarried surviving child. Benefits to each parent are equal to one-half the primary benefit.

In addition to these monthly benefits, lump-sum death payments equal to six times the amount of primary insurance benefits are payable in the case of individuals who die and leave no surviving widow, child, or parent immediately entitled to monthly benefits.

During the year and a half in which monthly benefits had been payable, some 532,000 claims were awarded for monthly benefits and lump-sum death payments under the 1939 amendments. Payments totaling 79 million dollars had been certified with respect to almost all of such claims by June 30, 1941. Of this total 64 million dollars was certified for monthly benefits and more than 15 million dollars for lump-sum death payments. For this same period about 39,000 lump-sum death payments, counted in terms of wage records of workers who died prior to January 1, 1940, were awarded; about 3 million dollars was certified with respect to claims of this type. In June 1941 payments certified for monthly benefits totaled 6.5 million dollars as compared with 2.3 million dollars in June 1940; lump-sum payments amounted to 1 million dollars in each month of the fiscal year. For the calendar year 1940 the average amount of primary benefits awarded to male beneficiaries was \$22.89. Since the security program, through its benefit structure, provides for family benefits, amounts given to the families are more significant.

For a worker and his wife the average monthly benefit was \$36.56; for a worker with one or more children, \$36.88; and for a living worker with wife and child, almost \$50.00. Average monthly amounts equaling \$49.31 were payable to families of deceased male workers consisting of a widow and one or more children. For families of orphans, an average monthly benefit of \$28.03 was allowed.

TABLE 1.—*Number of individuals on monthly benefit rolls and monthly amount payable, by type of benefit, June 30, 1941*

Type of benefit	Number of beneficiaries	Monthly amount
Total.....	372, 339	\$6, 815, 164
Primary benefit.....	184, 545	4, 187, 238
Wife's benefit.....	49, 365	597, 778
Child's benefit.....	91, 428	1, 114, 016
Widow's benefit.....	9, 709	197, 141
Widow's current benefit.....	35, 861	700, 441
Parent's benefit.....	1, 431	18, 550

The average amount of monthly primary insurance benefits ranged from \$18.58 in Mississippi to \$24.57 in New Jersey. These averages, however, hide a significant range in benefits. Although the extra weight given to the first \$50 of wages has resulted in a concentration (40 percent of the total) of benefits for primary beneficiaries in the range from \$20 to \$25, over 30 percent of the primary benefits are in amounts higher than this range. A similar dispersion occurs in other

types of benefits. Thus, both the objectives of paying a substantial benefit to lower paid workers and paying larger benefits to higher paid workers in accordance with their higher earnings, are being achieved.

TABLE 2.—Total number and amount of claims for monthly benefits and lump-sum death payments awarded,¹ and average amount of primary benefit awarded, by State,² January–December 1941

[Data corrected to Mar. 1, 1941]

Jurisdiction	Number of claims awarded	Amount payable	Average amount of primary benefit
Total	254,984	\$4,710,281	\$22.71
Alabama	3,774	57,566	19.59
Alaska	46	964	23.40
Arizona	600	10,465	22.16
Arkansas	1,644	24,021	18.62
California	14,752	293,440	23.33
Colorado	1,830	34,779	22.99
Connecticut	5,055	96,747	23.56
Delaware	618	11,016	20.90
District of Columbia	1,004	18,711	23.31
Florida	2,926	49,730	21.31
Georgia	3,542	52,196	19.29
Hawaii	736	11,179	19.79
Idaho	649	11,550	22.31
Illinois	17,511	343,693	23.71
Indiana	7,094	128,948	22.33
Iowa	3,426	59,920	20.92
Kansas	2,304	40,086	21.02
Kentucky	4,113	65,081	20.47
Louisiana	2,658	42,542	20.26
Maine	2,243	38,950	20.88
Maryland	3,425	61,784	21.98
Massachusetts	13,440	262,321	23.55
Michigan	9,873	183,346	23.25
Minnesota	3,969	78,468	23.73
Mississippi	1,539	21,780	18.58
Missouri	6,140	113,672	22.08
Montana	683	13,113	22.77
Nebraska	1,413	25,619	21.64
Nevada	178	3,479	24.24
New Hampshire	1,936	33,286	21.43
New Jersey	10,779	218,327	24.57
New Mexico	446	7,152	20.77
New York	34,711	691,491	23.74
North Carolina	4,469	64,208	18.91
North Dakota	322	5,385	21.07
Ohio	17,180	328,340	23.31
Oklahoma	2,177	36,738	21.09
Oregon	2,437	45,702	22.36
Pennsylvania	27,095	502,874	23.09
Rhode Island	2,365	44,663	22.91
South Carolina	2,217	31,004	19.02
South Dakota	434	7,951	22.18
Tennessee	3,770	58,332	19.73
Texas	6,773	112,260	20.88
Utah	969	17,376	23.02
Vermont	1,036	18,565	21.47
Virginia	3,736	57,945	20.29
Washington	4,073	79,133	23.05
West Virginia	4,281	69,968	21.77
Wisconsin	5,995	114,189	23.36
Wyoming	361	6,410	21.94
Foreign	237	3,766	19.64

¹ Represents all claims under the 1939 amendments awarded during 12 months and monthly amount payable without adjustments required by section 203 or section 207 of the Social Security Act amendments of 1939.

² Distribution based on residence of claimant at time claim was filed.

Attention was devoted to evaluating progress thus far made and to planning for the future development and extension of the program. The old-age and survivors insurance law, even as amended, represents but an incomplete instrument for the provision of basic security to those stricken by the major economic hazards of old age, death, or disability. Potential protection is now given to only about two-thirds of the gainfully occupied persons of the United States. Extensive studies, therefore, proceeding on the basis of investigations commenced last year, look toward including the large groups of workers still outside the insurance scheme: agricultural workers, domestic employees, and employees of nonprofit institutions and of Government units and their instrumentalities. For the large category of self-employed individuals, whose economic status is quite similar to that of wage workers, plans are being developed which would allow benefits of the same character. Emphasis has been placed upon developing data regarding the economic characteristics of these groups and evaluating proposals to amend the program to meet their basic needs. Administrative difficulty is a major handicapping factor in collecting contributions from some of these groups. As a result of practical study, methods have been devised, which, if adopted, should result in effective solutions.

The most far-reaching expansion of the program suggested is the supplementation of the present scheme of insurances by a system of protection for those permanently disabled, and for their dependents. An integrated plan, embracing a benefit structure and eligibility requirements similar to those for old-age and survivors insurance, and a program for rehabilitation have been composed.

The old-age and survivors insurance program has felt the impact of defense activities in many ways. An important part of the planning work was concerned with the development of methods for protecting the insurance credits of young men selected for army training. Proposals were prepared recommending either the freezing of existing credits during years of army service, the granting of credit for army service, or outright extension of all phases of old-age and survivors insurance protection to these groups.

Other influences of the defense effort were recognized in the vast increase in the number of persons in employment covered by the Social Security Act at some time during the year. In 1941, it is estimated, there will be 40 million such workers. Because of the growth in employment opportunities, many persons eligible for retirement benefits have failed to file, preferring to continue in employment for which the financial return is greater than the amount of monthly benefits. At the end of June 1941, almost 10 percent of all beneficiaries and about 12 percent of primary beneficiaries entitled to monthly benefits were not receiving benefit payments because of employment for which they received \$15 or more a month.

Officials of the Bureau of Old-Age and Survivors Insurance responsible for the administration of this program have been assigned special responsibilities in connection with the defense program. The Director is a member of the Advisory Committee on Family Security to the Coordinator of Health and Welfare. Regional representatives of the Bureau are members of local advisory defense councils, serving as consultants to regional defense coordinators. Field offices of the Bureau have cooperated with local staffs of defense agencies, providing space and special services.

DISCUSSION

Mr. DURKIN (Illinois). I believe that at this particular time we should all have a keen interest in the amendment of unemployment-compensation legislation. We all understand, I think, that when this defense program is over and war production stops we are going to be faced with a situation which may bring about a recession or even a depression. What are we going to do about establishing a curb—extending the number of weeks in which the weekly benefits are paid? This convention of labor officials should be thinking very keenly about subjects of this kind—extending benefits. I should like to hear some discussion as to whether or not we are in accord in the extension of the number of weeks of benefits. Some of the States have already made certain amendments but I do not think we have gone far enough. I do not know how far we should go, but I am of the opinion that at this time we should go on record for 26 weeks of benefits and for increased weekly benefits.

Mr. HINES (Pennsylvania). In Pennsylvania we have given considerable thought to liberalization of the unemployment compensation law, and in fact, in the last session of the legislature, the governor recommended certain amendments to the law. It was suggested that there be a reduction in the waiting period from 3 to 2 weeks. Better than half of the States have a 2-week waiting period now. We have a 13-week benefit period, and it was suggested that this be increased to 16 or 18. We pay maximum benefits of \$15 per week, and it was suggested that this be raised to \$18 and that the \$8 minimum likewise be raised. However, the amendments were defeated—lost in the legislative turmoil that took place in Pennsylvania as a result of the fact that one branch of the legislature was dominated by one political party and the other branch, together with the governorship, by another.

Another question that is receiving considerable attention from our people in Pennsylvania is the question of partial benefits—partial payments. We have one industry which is peculiar to Pennsylvania—the anthracite industry—which has been on the decline for the last 10 or 15 years. We have been trying up there to work out for the past few years a program of stabilization. In other words we are trying to get the operators to agree to produce so much coal per week, in order that the market may be stabilized and that there may be some degree of stabilization of the whole industry. This program provides that a miner will work only 3, perhaps 4, and in some instances 2 days a week. Over a period of time he will lose the equivalent of several weeks' employment for which he gets nothing, and we feel that it is highly important that a situation like this receive serious attention, in order that the miner may benefit from the unemployment compensation fund as a result of idleness. Another condition exists—perhaps this is true in other centers, such as New York and Illinois—where there is collusion between the employer and employee. A man may work 2 days a week and maybe he will credit that work on the next week, so that officially he is idle the first week and draws unemployment compensation. We cannot trace all of these cases down but that condition actually exists, and I think that is an important factor in the consideration of these partial benefit payments. I believe that at the next meeting of our legislature these things will be taken care of, because they will become real, live issues between now and the

time the next session meets in Pennsylvania. There is no question as to whether or not we need this action, and the fund is growing by leaps and bounds. Right now we have about 180 million dollars in the Pennsylvania fund.

When we analyze the situation, the worst kind of argument brought forward is that we may run into a depression shortly. Well, the worst kind of a depression we can imagine would not affect that fund for over 455 years, according to past experiences. There is one other thing I should like to point out. If the States do not do anything and the funds increase, Washington is going to do something for you. Already there is a move on foot to suggest to States like Pennsylvania, "You cut your tax from 2.7 percent to 2 and, in turn, we'll increase ours from 0.3 to 1 percent." Then this seven-tenths of 1 percent will revert to a fund in Washington that will be used for the benefit of those States that are not able to meet the requirements to pay unemployment compensation—it will become a matching fund. I should not be surprised if some day the Government would say to us, "Here is what we're going to do. We're going to increase the tax—or suggest that you drop yours from 2.7 to 2 percent and we'll increase ours from 0.3 to 1 percent."

Now I want to impose on you and tell you what I feel about the whole program of the domination of the Federal Government over the States with regard to this social security program. We have gone through 2 years that are almost unbelievable. The Government comes into Pennsylvania and takes 90 million dollars away in taxes and then apportions back to us about 7 million dollars a year to administer the fund. It insists that we set up certain civil-service regions in Pennsylvania unlike those of any other State. For instance, I am called to Washington before the Social Security Board and told that we must establish a program which will provide for competitive examinations.

I suggest that I be allowed to use the Indiana plan—the plan which is in force in Paul McNutt's home State—which provides for competitive examinations in the lower brackets and in the higher brackets allows the appointing authority to send in the name of a person to the civil-service commission, to ascertain his qualifications. But the Board will not let me do this. The weapon it holds over our heads in Pennsylvania is this: "If you don't do this and do it immediately, tomorrow morning, we'll withhold the grant of the funds for that particular job."

We have civil-service lists in Pennsylvania that are 4 and 5 years old and for the most part conceived in fraud. That is conceded as a result of two investigations, one that Washington made and one that the joint legislative committee in Pennsylvania made. Yet, despite all that, when it comes to a question of employing temporary people in an emergency, the Board insists that I use those lists and will not permit me to take the high-grade people who can pass the examination and be certified by the board of review. Now I do not know what your experiences have been in this connection, but it is a very serious matter with us as it stands at the present time.

We in Pennsylvania are responsible for the administration of the act and administration of the unemployment-compensation fund—I want to say this to the credit of the employers in the State, they are doing a mighty fine job—but as far as our administration duties or

functions are concerned, we have absolutely nothing to say. We have a regional director who stays in Pennsylvania constantly, who directs everything and the activities of everyone right on down the line. If we do not agree, the Board simply says, "No funds are available." The common conclusion of most of us is that this two-way business will not work.

You cannot have divided authority between the Federal Government and the States. If the Federal people are going to run it, then they should run it and not leave any responsibility up to the State; and if the State is going to run it, it should run it without any restrictions and be permitted to try to run it properly and try to do a good job. I mention these points, because some of you may have had similar experiences. This is not confined to our administration; the same thing took place in the last administration.

Pennsylvania has the highest type of civil service, the highest type of promotional examination, the highest type of everything that is required to administer this law in accordance with the rules and regulations of civil service, and can stand on a par with any State and above many of the States in that respect. I happen to know that there is an utter disregard for civil-service regulations in many of the States, whereas States like Pennsylvania and New York have had similar problems. I have talked to the representatives of the Board. It seems that they pick out certain States and bear down on us and say, "These are the standards we have set up and we advise you to go along with us." The answer always is, "If you don't, there won't be any money to administer your fund."

Mr. WRABETZ (Wisconsin). In Wisconsin we liberalized our law, so that we now pay \$17 and 20 weeks of benefits. We have always paid partial benefits. Most significant of all, I think, we reduced the waiting period from 3 weeks per employer to 2 weeks over-all waiting period, so that the waiting period is almost eliminated. There is no waiting period for partial unemployment. I call attention to this principally to indicate that a 100-percent experience rating law such as Wisconsin has is not a deterrent to liberalization of the unemployment compensation law, as is so often argued. As a matter of fact, I find from experience in Wisconsin that experience rating, not only in unemployment compensation, but also in workmen's compensation, makes liberalization of the law much easier, because the employer—the fellow who foots the bill—can see that if he actually does something to stabilize his employment, that ultimately his costs will be lower, as they should. We believe that an employer who has no social outlook on his employment relations should pay more. To use a blunt word, he should be "socked" for not doing what employers should be doing to stabilize and give employees regular employment, so that they may earn an adequate annual wage and not be subsidized by payment of unemployment compensation. I hope that before the labor officials and even the Social Security Board make up their minds as to what system of unemployment compensation is best, that at least some further time will be given to working out the problems of unemployment compensation, so that we may have some basic data on which we can determine whether or not one law is better than another. We feel in Wisconsin that our experience-rating principle has already indicated many things which show that employers have

done much to stabilize employment. These things which I have in mind are not events which occurred during this period of increased employment because of the defense program, but before that took place, showing that quite a number of employers did many things to give their employees steady employment, in order that they might ultimately earn reduced contribution rates.

MISS MILLER (New York). There is one thing which Mr. Wrabetz has just said that I sincerely hope all of us who have any responsibility for this program of paying benefits when wages cannot be earned will keep in mind. I think it is our responsibility not only to study the problem in relation to stabilizing the employment of workers with jobs at a level which enables them to earn enough to stay in the unemployment system, but also to study the broader and more basic problem of enlarging employment opportunities so that we increase the chances for people who are seeking work and are available for work to get into the system.

Mr. Wrabetz and I both know that one of the differences in approach between the system he has been working with and the system we have been working with is that in New York State there is a fund from which benefits are paid regardless of the establishment in which a worker earned wages, whereas in Wisconsin the fund is made up of separate accounts for each employer, and benefits are chargeable to each employer's account based on his workers' employment with him. I can understand how the individual employer's interest in the unemployment insurance system is more keenly directed toward that individual fund in Wisconsin. We know that individual employers have been eager to obtain a similar measure of control in New York, but then they would also have to pay contributions in relation to their individual employment experiences.

I wonder whether we do have, beyond the problem of employment stabilization, a further opportunity and responsibility under the system. I think Mr. Wrabetz had this in mind in the plea he made just now that we face our governmental responsibility and attempt to deal with those large amounts of unemployment that cannot be dealt with even by the largest and most important employer.

It seems to me that we have to look forward to that time when the defense program will certainly come into a different and less active phase, and when men and women, who have come to expect benefits to carry them over idle periods between jobs, will look to the system to do something more than it has done under the defense program by expanding opportunities for work in civilian jobs. If this Association during the next year could spend more of its energies and funds in a study of positive ways to gear unemployment benefits to work opportunities, I think we would be carrying forward a really constructive job. I sincerely hope that our new officers will find it possible to have us all pool our experiences in such a way that next year it will be possible to talk about positive ways of dealing with shifts in employment opportunities and the use of the benefit system to enlarge, not to limit, and surely not to shrink, the chances of employment.

MR. DURKIN. At the time when the Federal social security law was passed and when the model bills were distributed, one of the phrases commonly used was "merit rating." But I find now and have found for the last year or two that the employers have dropped

the term "merit rating," because they have come to realize that it is not merit rating but experience rating. I am not in favor of such ratings because I find that many industries are competing against one another—one industry has to pay a higher rate and another a lower rate than the industries it is competing against. I do not think that that is fair. Now with regard to the bill before Congress—I believe it is known as the McCormack bill, as it was introduced by Congressman McCormack at the behest of the American Federation of Labor—I am for it. I happen to be for that bill not because it is going to tell us at the State level how we are to run our unemployment compensation, but it is going to be helpful. I think we should make our determination as to what benefits we are going to pay on the basis of what benefits the people are entitled to receive. We should not look at the balance in the fund and then determine how many weeks they should get benefits. We have 218 million dollars in our fund. I believe we should increase the benefits, not because we have that amount in our fund, but because the benefits in our act are not sufficient for the workers. I believe that there should be set up a fund to help those States that may not be able to raise their standards because they have not enough money in their funds. I believe that the McCormack bill does the right thing. It gives to a State which meets the standards set forth in the bill the right to participate in a fund when its fund may be depleted—it can draw from the other fund, so its workers can obtain benefits, and it is not necessary for that State to reduce the benefits to its workers. I believe the McCormack bill is a good one and should pass.

Mr. WRABETZ. Wisconsin is one State that did not have to wait for Federal pressure to enact unemployment compensation law. We had a law for some years before the Federal law was passed—before it was even thought of by Congress. We had a sort of feeling that because we had that law we gave the idea to Congress. That is probably a little presumptuous. Now, with respect to the McCormack bill, I have not read it, and do not know whether we should be for it 100 percent or against it. I do say that merely because the general public and the American Federation of Labor are for it is no indication that we should be for it. Organized labor in Wisconsin, both A. F. of L. and C. I. O., are for our system of law because they know how it is operating. They know it is going to be of benefit to them by ultimately encouraging regular full-time employment for the worker, which is the thing most devoutly to be wished.

Women in Industry

Women in Industry, September 1940 to August 1941

Report of Committee on Women in Industry, by MARY ANDERSON (United States Department of Labor), Chairman

Women in the Labor Market

The question as to how many women are employed in industry in the United States at present is still an open one.

Preliminary figures from the 1940 census estimate the total number of women in the labor market for the various States as well as for the country as a whole, but as yet figures on occupational distribution are not available. While these data are estimates from a 5-percent cross section of the complete data and may be changed later, and the basis of reporting differs in several respects from that of 1930, they indicate significant trends. A notable difference in reporting is the inclusion of job seekers with no experience in 1940 but not in 1930. Also, the figures are for those 14 years and over in 1940, 10 years and over in 1930.

In the decade from 1930 to 1940 the number of women in the labor market increased by about 2 million—from 10,750,000 to 12,750,000. The proportion of women among all the Nation's workers shows some increase also—now being 24.3 percent as against 22 percent in 1930. In general, however, the proportion of the entire woman population, that is, in the labor market, differs very little from the former situation. In 1930, 24.3 percent of all women 14 and over were in gainful work; in 1940, 25.5 percent were in the labor market. The difference probably is little or no greater than could be explained by the inclusion of new workers seeking jobs in 1940 and the exclusion of such persons from 1930 data. In only one State, Delaware, is this difference considerable—28.4 percent in 1940 as against 23.9 percent in 1930.

Comparison of the numbers of women in the 1940 labor market (including new workers) with the numbers gainfully occupied in 1930 (14 years and over in each year) shows the greatest increases in New York, California, Pennsylvania, Illinois, Texas, and New Jersey, adding respectively from 287,000 to 102,000 woman workers. Over 50,000 were added in Michigan, Ohio, North Carolina, Florida, Virginia, and Missouri. The only State showing a decline in number of woman workers is Mississippi, but in Alabama, Nevada, Wyoming, Arkansas, Utah, and Vermont the increase was so small that if the untrained youth were subtracted advance would be slight.

During the past year developments for women in industry have been influenced to such extent by the defense program that analysis of its effects on woman workers is of foremost interest. Because of this

situation the Women's Bureau has devoted a major part of its time and effort to defense problems and conditions as these relate to women. Such activities comprise:

1. Special investigations and analyses of women's share and role, present and potential, in defense industries, such as aircraft, small arms and artillery ammunition, and so on.
2. Two conferences, one in November on women's training needs for defense employment, attended both by the regular Women's Bureau Advisory Committee and its special Labor Advisory Committee, and the other in June, attended by the Labor Advisory Committee, to discuss the progress of defense work as it relates to women and to formulate a program for future activities.
3. Services as consultants to the War Department, the Office of Production Management, the Office of Education, the National Youth Administration, State departments of labor, private industry, and union groups concerned with specific problems connected with women on defense production.
4. Published reports on standards, on findings of the defense-plant surveys, and so forth.
5. Day-by-day scrutiny of legislative developments affecting woman workers.

Women's Job Chances in Defense and Other Work

Some of the major developments with regard to the employment of women on defense and other jobs within recent months are noted as follows:

1. Women are receiving a share of employment in the rapidly increasing defense industries. Visits made by a Women's Bureau agent in October and again in February to certain New England munitions and airplane factories showed that in some of these the force of women had increased by about 50 percent, in some it had doubled. In several plants combined, where some 2,600 women were employed in October, over 4,500 were at work in February. A recent estimate shows that for 15 plants with defense contracts, over 25,000 women will be needed in the near future.
2. While placements of women in 400 defense occupations constituted only about 1 percent of the total for the early months of 1941, according to tabulations of the Bureau of Employment Security, such placements were more than three times as great as in the late months of 1940. Of these new jobs, 60 percent were in textile mills, most of them as yarn winders, frame spinners, weavers, slubbers, and throwers—traditional employments for women. Some were in electrical plants as radio assemblers or armature winders. A few were in less usual jobs, such as work at engine lathes, milling machines, or as core makers, spot welders, or airplane coverers. These data do not tell the whole story as many woman workers have secured jobs by going directly to the gates of the plants operating on defense contracts. In general, women are doing efficient work in various types of defense production. Women are proficient at inspecting cartridges and polishing small parts for rifles, and in one plant they are reported as assembling, shaping, sharpening, testing and chrome-plating bandage shears for Government use. Women work in rubber factories on the bullet-proof gas tanks—rubber lined and covered. They work also on silk parachutes.

3. While as yet few women are employed in airplane assembly factories, though they are being used to a considerable extent in making the parts and accessories for planes, Women's Bureau investigations show that the force of women could be considerably increased. Operations which women could perform with a little training include riveting, drilling, counter-sinking, dimpling, and bucking; much of the bench work on the simpler subassemblies; and at least one-fourth of the inspection of parts.

4. There is a greatly increasing demand for many other types of workers by the United States Government. A recent press statement estimates that a million new employees will be placed on the Federal pay roll in the 2-year period ending July 1, 1942. Only about two-thirds of this number will constitute new jobs, the rest will be accounted for by turn-over. While no break-down of this number has been made by sex, it is obvious that a large percentage of Federal jobs will go to women. Thousands of women are finding employment in Government arsenals. Clerical workers are in great demand. Furthermore, because of the increasing difficulty of obtaining adequate persons to fill many positions essential to the defense program, the Civil Service Commission in June appealed to all Federal agencies to employ more women and in a greater variety of positions.

5. There are general indications that many women are leaving household employment for jobs in defense and various service industries.

Forces and Events That are Bettering Conditions of Women's Work

During the past year conditions under which women are at work have been improved. Some of the most outstanding gains made are these:

In the field of Federal control or aid.

1. In October of 1940 the workweek prescribed by the Fair Labor Standards Act was lowered from 42 to 40 hours. Furthermore, many thousands of women have had their wages raised above the minimum specified in the flat rate of the Fair Labor Standards Act. These are in paper, leather, luggage and leather goods, railroads, enameled utensils, carpets and rugs, embroideries, converted paper products, portable lamps and shades, drugs, medicines, and toilet articles, and rubber. In addition, June 30 marked wage raises for the largest number of workers ever to have increases by an industrial wage order, 300,000 in textile mills (other than wool and knit), two-thirds of them in cotton mills. The new rate of 37½ cents takes the place of a 32½-cent minimum set in the original order of 1939. Lowest-scale workers who previously received \$13 now earn \$15, in each case for the standard 40-hour week. During the year minimum rates were set for many industries in Puerto Rico, which, while low in relation to mainland standards, constitute significant wage increases for many hundreds of women.

2. The most significant minimum rates set for workers employed on Government contracts of \$100,000 or over during the year were those covering the uniform and clothing industry, including suits and coats, outdoor jackets, and wool trousers. Also covered by a special rate were die castings.

3. Woman union members gained new job security through a Supreme Court decision that the National Labor Relations Board has constitutional power to require an employer to hire a worker once denied employment because of union connection.

4. The increasing effectiveness of the social security program in benefiting woman workers as well as men is shown by the fact that during 1940, \$520,000,000 was paid out in unemployment insurance benefits to unemployed workers and about 3,800,000 placements were made by employment offices. Already 45,000,000 persons have earned wage credits in the old-age and survivors insurance plan; at the end of 1938 about 11,750,000 women—29 percent of all applications for account numbers under this plan—were registered.

5. Studies have been made in certain fields which may point the way to the betterment of employment conditions for women. Some of the more important surveys made by the Women's Bureau include the following:

a. Defense activities—determining woman-labor needs in a variety of defense industries, including small arms and artillery ammunition, and aircraft.

b. Migratory labor in Delaware canneries.

c. Maryland service industries.

d. Employment conditions and demand for workers in offices.

e. Rural home workers—bedspreads, etc., and channels for their sale.

f. Manufacture of confectionery, chewing gum, etc.

g. California cost of living for woman workers.

h. Earnings and hours in stores and restaurants in Michigan.

In addition to the field surveys mentioned, important studies were made of special defense problems of women, including the hazards involved in the lifting of heavy weights and desirable work clothing for women in defense industries.

Toward the close of this period the Women's Bureau sent a staff member to Argentina to study industrial and social conditions as a basis for a regular interchange of technical information, experience, and ideas concerning woman workers, between groups with kindred interests in Argentina and the United States.

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. (See appendix for details.)

2. Some advances have been made in State legislation. (See pp. 163 and 164 for details). Though 43 State legislatures met in regular session there were few major changes in basic wage and hour legislation.

Are State Labor Laws for Women Being Relaxed?

Experience during the war of 1914-18.

The Woman in Industry Service, the forerunner of the Women's Bureau, was created in 1918 to safeguard the welfare of the thousands of women called upon to take their places in war industries. In that year only 12 States had a minimum-wage law for women; only 3 States and the District of Columbia had legal maximum hours for women of 8 a day and 48 a week. There was no such Federal legislation as the Fair Labor Standards Act, the Public Contracts Act, the National Labor Relations Act, and the Social Security Act. However, the en-

trance of the United States into the war in 1917 saw a movement to relax such labor standards as were in effect. The Council of National Defense urged that governors be vested with authority to suspend or modify legal restrictions at the recommendation of the council. Vermont, New Hampshire, and Connecticut passed laws giving the governor power to suspend labor regulations. A Massachusetts law placed such suspension in the hands of a board including representatives of both employers and workers, with the State commissioner of labor as chairman. The New York Legislature passed a similar bill, but it was vetoed by the governor.

At the close of the war some of the emergency acts ceased to operate; others continued in effect and will be operative if the United States again goes to war. These latter acts include the following:

Connecticut.—The governor may suspend the State night-work law in the event of war or other serious emergency.

New Hampshire.—The State hour law for women does not apply in the manufacture of munitions or supplies for the United States Government, or for the State “while the United States is at war with any other nation.”

Vermont.—The act of 1917 passed by the legislature apparently is still in effect. This provides that “the commissioner of industries may, with the approval of the governor, suspend the operation of the laws relating to the hours of employment of women and children while the United States is at war.”

Current indications as to the relaxing of labor laws for women.

The past year has witnessed several specific instances of the relaxing of labor laws affecting women. Some of these can be traced without question to the defense program, and others may be presumed to have been so affected.

In Connecticut the 9–48 hour law for women in manufacturing was amended by authorizing the governor, in the interests of national defense, to allow 10 hours daily, 55 hours weekly, during an emergency.

In Nebraska, hour-law amendments exempt public service from the State hour law. The night-work law was amended to prohibit employment between 1 and 6 a. m. instead of 12:30 and 6 a. m. It provides further that the commissioner of labor may permit employment between 1 and 6 a. m. in all covered industries except offices.

Ohio amended its hour law to allow more than 8 hours a day but not over 6 days a week for women in financial institutions during any period of the year requiring preparation of Government reports. Only women preparing these reports are covered. A further amendment extends to all communications companies the exceptions formerly applying to telephone companies, adds pharmacy to the professions exempted, and defines a “day” as the period from midnight to midnight.

Another evidence of “the attempts of opponents of progressive legislation to exploit the national emergency to reactionary ends was the effort made in State capitols to reduce financial appropriations for labor-law administration. Considerations of economy in nondefense expenditures, with emphasis upon the production of military equipment, have also provided the background for the defeat of progressive wage-and-hour bills and ‘little Wagner acts.’”¹

¹ The American Labor Legislation Review, June 1941, p. 88.

Advances in Women's Wages

In addition to the Federal and State legislation referred to, widespread wage increases for women of from 5 to 10 percent may be noted in many industries, particularly in mass-production industries where new union agreements have been negotiated. For example:

1. Wage increases were secured in at least 45 rubber plants in 1940 in amounts ranging from 1 to 25 cents an hour.

2. A contract covering some 6,000 workers in 3 States has been signed with a shirt manufacturer. Eventually it may raise earnings for some 100,000 employees. Probably about four-fifths of all in the industry are women.

3. Eight thousand cannery workers in a single large plant have received a 7½-percent wage increase, which will amount to \$500,000 a year. A large proportion of the workers in this industry are women.

4. Some 16,500 workers in the viscose industry recently received pay increases amounting to 5 cents an hour for men and 3 cents for women.

5. Twenty thousand workers for a New York shoe firm received pay increases amounting to 6½ percent.

6. Other woman-employing industries where wage increases have been noted within recent months include packing, steel, automobiles, electrical, aluminum, and various branches of the textile industry.

7. Wage raises for women to the base rate of 72½ cents per hour set for men, in one of the largest steel companies in the country, were announced this spring. Similar cases of starting wages for women equal to those for men in other industries have been reported during the past year.

8. In connection with defense production the Women's Bureau has found beginning rates for most women run generally from 40 to 45 or even 50 cents an hour. Rates are raised with experience.

Summary and Future Needs

The two problems discussed last year as looming large are even more significantly those facing us during the coming year. These are:

First. The months that lie ahead will increasingly throw into relief the role of the woman worker in defense industries. Every effort must be made to train her for her work, place her in occupations for which she is well qualified by reason of her natural endowments, and safeguard her health and well-being. Those of us who have had years of intimate contact with these problems must be prepared to take an active part in formulating standards and policies.

Second. There must be no slackening in the struggle to secure for woman workers everywhere the benefits of reasonable labor regulation. There are still large groups of workers who are without the benefits of State laws or are not covered by Federal law. Two groups in particular are agricultural workers and household employees.

Furthermore, there must be increasing attention to living conditions for woman workers. Many defense plants are being erected in small communities without adequate facilities for the housing and recreation of the thousands of woman employees, a large number of whom are living away from home for the first time and for whom these problems loom large.

Even during the present emergency, because of the occupational and geographical migrations which it necessitated, there is a definite need to facilitate readjustments of woman workers to prevent hardship for them when the emergency program ends.

A further problem relates to the effect of defense priorities in production whereby curtailment of output of goods to meet normal consumer needs may mean job dislocations for many women. In such cases special effort must be made to reabsorb such workers.

The recent Executive order of the President requesting that there be no discrimination against the employment of Negroes in defense industries calls attention to another basic problem which deserves careful consideration, in regard to Negro women, at a time when the curtailment of the WPA program has thrown on the labor market additional numbers of these workers.

It must be kept in mind that the country's inner defenses—defenses against exploitation, poverty, disease—are as important to the national existence as the military preparations being made. No stronger weapon against aggression can be forged than the day-by-day demonstration that the American way of living is the best designed to meet the needs of mankind.

**Summary of Important Laws and Major Events Improving Women's Status,
September 1940 to August 1941**

[Supplement to report of Women in Industry Committee]

COURT ACTION

(Limited to statutes applying particularly to woman workers)

California.—The fact that a minimum-wage order set up a standard without defining it as such does not destroy the validity of the order. (This case was brought by an association of laundry owners seeking a declaration by the Superior Court of Los Angeles County as to the term "standard week" used in a number of minimum-wage orders. The court upheld the contention of the Division of Industrial Welfare that the standard week for which the \$16 minimum must be paid is the usual number of hours an establishment may operate, even if less than 48.) (*Troy Laundry v. Clark et al.*, Los Angeles County Sup. Ct., March 21, 1941.)

An order prescribing a blanket minimum wage for all unclassified industries is invalid as authorized by statute for want of due process. (The court held that inadequacy of wages could not be determined at the same time for occupations so diverse as bootblacking and taxi driving, both admittedly covered by the order for "unclassified occupations.") (*People v. Johnson*, Superior Ct. App., Dept. Los Angeles, January 30, 1941.)

The section of the California hotel and restaurant minimum wage stating that no employer may include tips received by employees as part of the legal wage was declared void by a California court. This section was held in conflict with the tipping sign law enacted by the legislature, which provides that employers may consider tips as part of the legal wage of workers if signs informing the public of this situation are conspicuously placed at the location where the enterprise is carried on. (*California Drive-In Association v. Clark*, Los Angeles Superior Court, April 14, 1941.)

District of Columbia.—Receipts for wages do not represent the actual payment of wages where they are used as a device to circumvent the minimum-wage law. (*Groves v. Adelman*, District of Columbia Municipal Ct., February 28, 1941.)

Georgia.—Criminal proceedings against violation of a municipal ordinance prescribing hours for beauty operators are not subject to equitable relief. (*Anthony v. Atlanta et al.*, Sup. Ct. Atlanta, September 26, 1940.)

Illinois.—A person who employs three beauty culturists in a beauty shop is engaged in such a business as to be subject to the provisions of the minimum-wage law and must therefore keep a record of the hours worked and the wages paid to

such employees. (*People v. Maggi*, Illinois App. Ct., First Dist. 1941, April 23, 1941.)

Michigan.—The Michigan State Supreme Court held constitutional a Michigan law making it a misdemeanor for an employer of both men and women in the manufacture of any article to pay any woman a lower wage "than is being paid to males similarly employed." (*General Motors Corporation v. Read*, Michigan Sup. Ct., September 6, 1940.)

New York.—The New York directory order providing for minimum wages in the confectionery industry is unreasonable to the extent that it requires paying the minimum regardless of the gainful hours or desisting from activities not affording full-time work. (*Mary Lincoln Candies v. Department of Labor*, New York Sup. Ct., November 26, 1940.)

On an appeal to review the validity, reasonableness, legality, and constitutionality of the order governing minimum wages in the cleaning and dyeing industry, the board of standards and appeals ruled that the members of the wage board were validly appointed; that the basic hourly rates for zones A, B, and C, and the overtime rate for work in excess of 40 hours, are valid and reasonable; that the regulation of the split shift is valid and reasonable except the requirement of a written permit and the ruling defining a "reasonable lunch period"; and that all other challenged provisions are valid and reasonable. (*Ames Stores, Inc., et al.*, New York Board of Standards and Appeals. Case No. 1448-39, August 28, 1940.)

The revision of an industrial home-work order to include male persons is within the powers of the legislature and such act does not affect the validity of the order. (*First American Natural Ferns Co. v. Picard et al.*, New York Sup. Ct., November 5, 1940.)

The New York minimum-wage law has been the subject of considerable court action during the year. On February 11 the court of special sessions in Bronx County (*People v. Morgan*) held the law unconstitutional in its provision that an employer can be prosecuted criminally for failure to pay the minimum wage under a mandatory order. It upheld the part of the law requiring accurate records to be kept, and held the employer guilty on that count.

However, on February 13, the Manhattan Special Sessions Court, in the case of Louise Ponte, which was identical with that of Bess Morgan, ruled that the law was constitutional, and that the employer was guilty of paying rates below those fixed in the mandatory order.

Since the unfavorable decision of February 11, in more than 40 similar cases the courts have upheld the constitutionality of the law.

Pennsylvania.—A most significant recent court case is the decision of a Pennsylvania court declaring that the State minimum-wage law is constitutional and does not violate the provisions of the State and Federal constitutions. The case was brought by a laundry owner in connection with the mandatory minimum-wage order covering laundries. (*W. J. Fisher v. Commonwealth*, Court of Common Pleas of Dauphin County, July 5, 1941.)

ATTORNEY GENERALS' OPINIONS

(Limited to opinions concerning matters of particular application to woman workers)

California.—The setting up of a voluntary audit system in the minimum-wage orders issued by the industrial welfare commission is within the order-making power of the commission. (Attorney General's opinion, March 20, 1941.)

After the industrial welfare commission has determined that it may desire to rescind, alter, or amend, a prior order, a public hearing must be held and the same notice must be given as prescribed for the original hearing. (Attorney General's opinion, December 21, 1940.)

The day-of-rest statute, which provides that each employee is entitled to 1 day's rest in 7 and that no employer shall cause his employees to work more than 6 in every 7 days, is mandatory. It prohibits the employment of any person for more than 6 out of 7 days, and the employee may not agree to work on the seventh day. (Attorney General's opinion, December 21, 1940.)

An industrial welfare commission regulation prohibiting women or girls from lifting burdens in excess of 25 pounds takes precedence over the section in the labor code imposing a 50-pound limitation. (Attorney General's opinion, August 21, 1940.)

The industrial welfare commission has the authority to fix minimum wages for women and minors engaged in industrial home work. (Attorney General's opinion, September 20, 1940.)

Idaho.—The women's 9-hour-day law (sec. 43-707) is not operative so far as the employment of women by railroads in the course of the interstate commerce is concerned. (Attorney General's opinion, March 22, 1941.)

Indiana.—The night-work law for women does not apply to female telephone switchboard operators employed in the office of a manufacturing plant. (Attorney General's opinion, January 7, 1941.)

Kentucky.—A charitable institution devoted to missionary work among mountain people is subject to the State wage-and-hour law. (Attorney General's opinion, April 21, 1941.)

The 1-day-of-rest law does not apply to charitable institutions. (Attorney General's opinion, April 21, 1941.)

Rural electrification cooperative corporations are subject to the wage-and-hour laws governing women and minors. (Attorney General's opinion, January 20, 1941.)

Louisiana.—The provisions of the maximum-hour law do not apply to beauty schools and beauty shops unless there is a sale of merchandise in connection with the operation of such beauty schools or shops entirely independent of such as might be used in the work conducted in the establishments. (Attorney General's opinion, February 19, 1941.)

The State of Louisiana has no legislation fixing minimum wages for salesgirls employed by chain stores in municipalities with population under 10,000. (Attorney General's opinion, February 18, 1941.)

An employee working in a branch office of a laundry where no washing, cleaning, ironing, etc., is done, does not come within the provisions of Act 363, Acts of 1938, since such branch office is neither a "laundry" nor a "mercantile establishment." (Attorney General's opinion, March 1, 1941.)

Missouri.—Employers desiring to reduce the wages of any of their employees must give such employees 30 days' notice of such reduction. (Attorney General's opinion, January 21, 1941.)

Nebraska.—A charwoman or janitress in an office building is not a female employed in an office within the meaning of section 48-205. (Attorney General's opinion, April 7, 1941.)

Complaints concerning violations of the woman's 9-hour law may be filed with any county attorney by employees as well as by department of labor inspectors. (Attorney General's opinion, September 3, 1940.)

Pennsylvania.—Where interstate carriers and their employees enter into collective bargaining agreements under the Federal Railway Labor Act, the Pennsylvania women's labor law is superseded. Woman employees of railroads engaged in interstate commerce are no longer subject to the provisions of the Pennsylvania act. (Attorney General's opinion, March 4, 1941.)

Texas.—A tavern engaged mainly in the sale of beer, and which is located along a public road, comes within the scope of article 1569 of the women's labor law. (Attorney General's opinion, March 10, 1941.)

Washington.—Institutional maids, that is, maids in county institutions, are excluded from the benefits of the minimum-wage law only when their employment is concerned primarily with general housework. An institutional laborer, that is, a man of all work, does not come within the exception. (Letter of Attorney General, April 30, 1941.)

Wyoming.—The women's 8-hour law does not cover persons employed as canvassers, especially where the employer does not exercise any supervision or control over the hours of employment. (Attorney General's opinion, March 6, 1941.)

LEGISLATION IN THE STATES

Workweek.

Connecticut.—The 9-48 hour law has been amended by authorizing the governor, in the interest of national defense, to permit 10 hours a day, 55 a week, for more than the 8 weeks already permitted in cases of emergency.

Maine.—The hour law has been amended to exempt women employed in executive, administrative, professional, or supervising positions and their personal office assistants who receive at least \$1,200 a year.

Nebraska.—The amendment to the 9-54 hour law exempts public service. Also provides that 11 hours a day, for emergency periods of 20 days at a time, may

be permitted by commissioner after careful examination, in plants processing agricultural products. A fee of \$3 is to be charged for any permit and credited to the "labor fund" out of which expenses for administration of the act are to be paid.

New York.—An 8-hour day, 40-hour 6-day week, has been fixed for woman bindery workers over 21. A week of 48 hours may be allowed if overtime is paid.

Ohio.—The 8-48, 6-day week has been amended to allow more than 8 hours a day but not over 6 days a week for women in financial institutions during any period of the year requiring preparation of Government reports. This provision applies only to women working on such reports.

Further amendment extends to all communications companies the exceptions now applying to telephone companies; adds pharmacy to the professions exempted; defines a "day" as the period from midnight to midnight; requires 10 hours' rest between workdays; clarifies the exemption for canneries, making it apply only to women over 21.

Minimum wage.

Rhode Island.—The minimum-wage law has been amended to clarify enforcement provisions. The employer or his agent is now made directly responsible for compliance.

Puerto Rico.—A law has been approved providing machinery for establishing minimum-wage rates, maximum hours, and proper working conditions for all employees in any occupation, business, or industry, except domestic service. This act does not repeal the old minimum-wage and maximum-hour laws for women.

Tips.

Colorado.—Colorado passed a law providing that any employer engaged in any business where the custom of patrons giving tips or gratuities to employees prevails, may not assert any right to such tips or consider the same as part of the employees' wages unless a printed card at least 12 inches by 15 inches in size containing thereon a notice to the public that all tips given to the employees are not the property of the employee but belong to the employer is posted in his place of business, in a conspicuous place.

Night work.

Massachusetts.—Suspension of the 6 o'clock law for women in textiles has been extended for 2 years. This permits employment until 10 p. m. as in other manufacturing.

Nebraska.—Hour law amended to permit employment of women until 1 a. m. instead of 12:30. Commissioner of labor may permit employment between 1 and 6 a. m. in all covered industries except offices (i. e., in manufacturing, mechanical, or mercantile establishments, laundries, hotels, or restaurants).

Sex or marital status.

New Jersey.—Passed a law providing against discrimination based on sex or marital status in appointment to all offices or boards and commissions and employment in other public service in the State and its subdivisions.

Regulation of home work.

Massachusetts.—Bill passed house.

New Jersey.—Bill reported favorably in senate.

Household workers.

Michigan.—60-hour workweek bill passed house, failed in senate.

California.—Several hour bills introduced. All failed.

New York.—Bills introduced relating to hours, minimum wages, workmen's compensation. All failed.

Massachusetts.—Bill introduced to attain minimum wage. Referred to committee.

LIST OF MINIMUM-WAGE ORDERS

Made mandatory within year.

Massachusetts.—Office and other building cleaning, December 1, 1940.

Jewelry, December 1, 1940.

New Hampshire.—Retail, January 6, 1941.

Ohio.—Beauty culture, April 4, 1941.

Pennsylvania.—Laundry, February 1, 1941.

New orders.

Connecticut.—Cleaning and dyeing, October 7, 1940 (replaces 1939 order).

Beauty shops (males and females), March 3, 1941.

Massachusetts.—Office workers, April 1, 1941.

New York.—Hotels, November 25, 1940.

Ohio.—Beauty culture, December 5, 1940; became mandatory within year. (See p. 164.)

Utah.—Laundry, June 16, 1941.

Public housekeeping, July 14, 1941.

Revised.

California.—Public hearings have been held in San Francisco and Los Angeles on revision of the series of wage orders long in effect. Orders in this State cover maximum hours and other labor standards as well as wages.

Illinois.—Beauty shops, March 24, 1941.

Oregon.—Eight orders revised, by increasing minimum from 30 to 35 cents an hour in all occupations except laundry work, where increase is from 30 to 33 cents an hour, July 22, 1941. Rates for the canning industry have been revised twice, April 1 and June 8, 1941.

Washington.—Beauty culture, December 1, 1940.

DISCUSSION

MISS ANDERSON. I want to make only a few remarks, because the report here is quite detailed. One thing I should like to emphasize is the fact that women are going into the defense industries at a very great rate at the present time. Their increased employment was very slow in the beginning, but it is very fast now, and that, of course, raises quite a great many problems. Of course, we want women to get jobs because we know that women need jobs just as men do. They have dependents, they have to eat, and they have no surplus funds of money, so that they really need jobs, and we are glad they are getting them. But we do not want women to go into these industries and be exploited.

We want certain standards to prevail. We do not want women to take these jobs and perform them well and receive from one-half to one-third less than the men do on these very same jobs. So I have a few recommendations to make. In the months that lie ahead the role of the woman worker in defense industries will become increasingly important. Every effort must be made to train her in her work, place her in occupations for which she is well qualified by reason of her natural endowments, and safeguard her health and well-being. Those of us who have had years of intimate contact with these problems must be prepared to take an active part in formulating standards and policies. There must be no slackening in the struggle to secure for woman workers everywhere the benefits of reasonable labor regulations.

There are still large groups of workers who are without the benefit of State laws or who are not covered by Federal laws. Two groups in particular are the agricultural and household employees. Furthermore, there must be increasing attention to living conditions for woman workers. Many defense plants are being erected in small communities without adequate facilities for the housing and recreation of the thousands of woman employees. A large number of them are living away from home for the first time and for them these problems loom large. During the present emergency because of the occupational, geographical migration there is a definite need for a plan to prevent hardship for the woman workers when the emergency program ends.

A further problem relates to the effect of the defense priorities in production whereby curtailment of output of goods to meet normal consumer needs may mean job dislocations for many workers. In such cases special efforts must be made to reabsorb such workers. It must be kept in mind that in the defense of our country the defense of our workers against exploitation, poverty, disease, etc., is tremendously important. No stronger weapon against oppression can be forged than the day-by-day demonstration that the American way of life is best designed to benefit mankind.

Industrial Home Work

Industrial Home Work

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

Progress in the control of industrial home work this year occurred through administrative action under existing legislation rather than through new legislation.

State Developments

California has issued an order under its 1939 law prohibiting home work in the garment-manufacturing industry except in hand knitting. Since most of the licenses issued under California's home-work law have applied to the garment industry, this prohibitory order will reduce home work in the State to a very great extent.

The New York Department of Labor in June 1941 held hearings on a proposed order to prohibit industrial home work in the glove industry. Industrial Commissioner Frieda S. Miller, releasing a study of working conditions in this industry, said:

In the glove industry in New York the facts speak for themselves. When wages of workers are found to be as low and in many cases lower than relief budgets which provide for a "minimum of subsistence" then it is obvious that something needs to be done.

Fortunately a majority of employers in this industry see the disadvantages of home work. They realize that the control and restriction of home work will in the end be good for the industry. Their problem is concerned chiefly with when the shift can be made with the least confusion.

The report included the following high lights:

Although most of the work on gloves requires skill, wages were found to be lower than in industries where work is unskilled. A large number of the home workers were elderly women and those who had to stay at home to care for invalids. Many others reported that they could go to the factory, while still others said they were working for "pin money." Although production during the year increased, factory workers did not receive a corresponding increase in employment; meanwhile, home workers were found to be working long hours, including night work and Sunday work.

As a result of its study, the labor department has proposed some unusual concessions, not necessary in prohibitory home-work orders for other industries. Included is an adjustment period of 8½ months when home work may be continued on payment of factory rates and a limitation of the weekly amount of work distributed per person to the amount that can normally be done in 40 hours. After this adjustment period, only elderly or disabled persons or those caring for invalids at home will be certificated, with a limitation of home workers permitted to each employer.

The New York Department of Labor reports an increase for 1940 over 1939 in home-work permits and certificates granted to employers and home workers. The Rhode Island Department of Labor, on the other hand, reports an 18-percent drop in the number of licensed home workers, a 4-percent drop in the number of licensed home-work employers in 1940 as compared with 1939. "Employers are finding it impracticable to continue sending work out into homes," says the 1940 annual report of the Rhode Island Department of Labor. These opposite trends in New York and Rhode Island suggest two different results of home-work regulation. Application of wage and hour standards to industrial home work may result in a decrease in such work, while at the same time more efficient enforcement of a licensing system may bring bootleg home work into the open, but the only real solution to the home-work problem is prohibition.

Industrial Home-Work Conference

The Division of Labor Standards of the United States Department of Labor in October 1940 brought together a group of Federal and State officials to discuss coordination of policy and enforcement in this field. This conference laid the ground work for Federal-State cooperation in a national home-work inspection drive which began in March 1941.

In the drafting of new legislation as well as in the enforcement of existing laws the groups agreed that State and Federal work must be mutually supporting. The conference also approved an outline of inspection procedure to be included in the Inspection Manual issued by the United States Department of Labor.

The Public Contracts Division of the United States Department of Labor reported that the Division had issued a regulation under the Walsh-Healey Act to prohibit home work on Government contracts. Home work, found only in 2 cases so far in 13,000 inspections, has not been a serious problem, but pressure for exemption is anticipated because of the increase in Government buying. The Division suggested that States empowered by law to curb home work report to the Division any requests for exemption, so that jointly the Federal and State agency may preserve existing standards.

The Wage and Hour Division reported that while only slightly more than 1 percent of the total number of litigated cases under the Fair Labor Standards Act concerned home work, almost 25 percent of the total restitution went to home workers, who constituted 13 percent of all workers receiving back wages. Average restitution per home worker was almost twice as much as the average amount for all workers, a rough index of the extent to which home workers are exploited in comparison with other employees. Approximately 85,000 to 90,000 home workers were involved in cases instituted by the Division.

Developments Under the Fair Labor Standards Act

Of major importance in the industrial home-work field is the proposed prohibition of home work in the jewelry manufacturing industry by the Wage and Hour Division. Unanimously supporting prohibition at the preliminary hearing on wage board recommendations in January 1941, trade-unions and trade associations joined with the

Government representatives in holding that home work must be prohibited in jewelry manufacturing if the minimum rate set for the industry is to be enforced.

Mrs. Clara M. Beyer, Assistant Director, Division of Labor Standards, United States Department of Labor, gave a comprehensive summary of private and public agencies on home-work systems and the experience of labor-law administrators over many years. All pointed to the impossibility of regulation and the need for prohibition.

The Research Section of the Wage and Hour Division presented a study of jewelry handbooks demonstrating various methods of falsification and reported that many employers failed to use handbooks at all. Wage-and-hour inspectors reported that the majority of home workers earned substantially less than the minimum, while many worked excessive hours without overtime. Figuring restitution without true records proved time consuming and could not assure the worker full payment for work performed.

Of particular interest was testimony that violations of the Federal act were at a minimum in the jewelry industry in Rhode Island where home work is prohibited in a wage order, while violations were found in every inspection in New York, where the State has not prohibited home work in jewelry.

Edward Otis, Jr., representing the New England Manufacturing Jewelers' and Silversmiths' Association, Inc., said:

I can unequivocally state that home work cannot be properly supervised by any State or Federal body; that it creates a difficult and undesirable competitive situation; that it strongly tends to vitiate any minimum wage established by any governmental body; that it is socially and economically undesirable.

Representatives of the American Federation of Labor and the Congress of Industrial Organizations testified that the regulation of home work is impractical and urged prohibition of home work in this industry.

The Wage and Hour Division and the Children's Bureau began a national home-work inspection drive in March. Since a number of State labor departments are engaged in the enforcement of State industrial home-work laws it was agreed that the State and Federal agencies should work together closely on this drive for their mutual benefit in tackling the home-work problem. Accordingly, the Division of Labor Standards conferred with the agencies concerned and developed plans for informal and voluntary cooperation between the regional offices of the Wage and Hour Division and the State labor departments in New York, New Jersey, Pennsylvania, Massachusetts, Rhode Island, Illinois, Wisconsin, and California.

The Fair Labor Standards Act prohibition of child labor has not resulted in the abolition of children's work on industrial home work. Reporting on a 1940 study of industrial home-work conditions in the candlewick-bedspread and lace industries, the Children's Bureau of the United States Department of Labor revealed:

Persistent use of child labor in industrial work because close supervision is impossible; continued substandard earnings and excessive hours for the majority of home workers; widespread falsification of home-work handbooks; unfair competition with employers observing established standards resulting from home work performed under substandard conditions; decrease in home work in the candlewick-bedspread industry because of an increase in the machine-made substitute for the hand-made product.

On the basis of this study, the Children's Bureau recommended:

1. That no special treatment be given the particular problem of the candlewick-bedspread industry under the Fair Labor Standards Act but that former home workers in this industry should be assisted, along with other impoverished families in the area, through general measures for improving their economic condition.
2. That if immediate prohibition of industrial home work in all industries is found impracticable, prohibition should proceed industry by industry by administrative order, with provision for the employment of handicapped workers under permit.

The Seventh National Conference on Labor Legislation

The Committee on Industrial Home Work, reporting to the Seventh National Conference on Labor Legislation, presented a program for the elimination of industrial home work, which included:

Continued effort to secure home-work laws which make possible prohibition industry by industry, and, for States where home work has not yet become an important part of the economy, laws which prohibit home work outright, except for handicapped workers. The committee recommended and the conference endorsed two draft bills; the first, a simplified version of the bill endorsed by the Third National Conference; the second, the prohibitory type. The committee stressed the importance of securing the united support by all groups within a State of a single bill. It recommended concerted action by the States in issuing prohibitory orders in given industries.

The committee stressed the value of Federal-State cooperation in this field, both from the point of view of good public relations and efficient administration. The committee urged the extension of other State labor laws to the home-work field.

The committee urged the Wage and Hour Division to intensify enforcement in the application of the Fair Labor Standards Act to home work. In view of the extremely low wages and inadequate records in home work, the committee urged the Administrator of the Wage and Hour Act to move as rapidly as possible in the direction of prohibiting home work by industry in wage orders.

DISCUSSION

Mr. MOONEY. The progress in industrial home work this past year has been by administrative action under existing legislation rather than by new legislation. The outstanding exception to this statement occurred in New York where an industrial home-work law patterned after a model bill recommended by this Association, as well as the National Conference on Labor Legislation, was passed about 3 weeks ago—after this report had been written. This marks a very great advance in legislative control of industrial home work. Other outstanding developments in the control of industrial home work by administrative action occurred in New York State and California primarily. I believe that Miss Papert would like to make one addition to the committee report.

Miss PAPERT. In the glove industry, because home work was so greatly concentrated in one area in the State, we provided for the first time for a period of adjustment—for a period of about 8½ months all home workers were entitled to special certificates. After this period of temporary adjustment only the handicapped will be entitled to certificates. It seemed a fairer and easier way, both for home workers and for employers in the industry to make the transition from the home-work system of manufacturing to the factory system of manufacturing. The report originally did not make that point clear as to why New York proposed and issued such an order. Another point

that I think important is that provision should be made for the strict enforcement of these home-work regulations, for the States that have home-work laws or have any dealings with home work know that that kind of thing is much harder to control than hours or factory wages or any other thing. With the Federal Government issuing these orders on a Nation-wide scale, there is a great danger, and my proposal to the committee was that there might very well be some discussion as to the possibility of coordinated action, or at least action along similar lines to secure adequate enforcement. If the employers and home workers know that these orders are going to be enforced and there is evidence that they are being enforced, then the later period will become all the easier, whereas if in the earlier period the orders are not enforced and the people see that they are not enforced, later on when we go to enforce them, we will find that we have had just a lot of paper regulations.

Child Labor

Child Labor

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

The events of the past year have been significant in the field of child labor and youth employment. To those concerned with the welfare of young workers, these events have brought encouragement in some respects and new problems in others. On the one hand, Federal child-labor legislation based upon the power of Congress to regulate interstate commerce has been held constitutional, and mounting industrial activity due to the defense program has opened the way to employment for many young persons. On the other hand, the rapid gearing of Government and private industry to national defense, accelerating the demand for both skilled and unskilled labor in many industries and many areas, is making equally rapid changes in our economic set-up and has precipitated certain child-labor problems that are of particular significance, not only to labor-law administrators but to all concerned with the welfare of the growing generation.

As regards employment opportunities for youth, the lack of jobs for large numbers out of school and seeking work and the high rate of unemployment among them have been matters for serious concern during the whole of the past decade. Preliminary figures for the 1940 census show that over a million young persons 14 to 19 years of age, inclusive, were seeking work or employed in public emergency work during the last week of March of that year. While this is a preliminary total, subject to correction and generally believed to be an understatement, it gives an idea of the magnitude of the problem. The past year, however, has seen a change in the picture.

A noticeable increase in the employment of young persons 16 and 17 years of age was seen in 1940 and has been more pronounced in 1941, especially in areas affected by defense production. This rise is reflected in the placement statistics from public employment offices reporting to the Bureau of Employment Security, Federal Security Agency, although these figures represent, of course, only a small section of the total number of young persons employed. The number of 16- and 17-year-old boys and girls in the United States placed by such offices was 26 percent higher during 1940 than during 1939; in January 1941 the number placed was 52 percent higher than during January 1940. During February, March, and April 1941, placements of minors of these ages were 87 percent higher than in the corresponding 3 months of 1940, an increase in round numbers from 12,000 to 23,000. Much larger increases, numerically and proportionately, have occurred in the group of minors between 18 and 21 years of age.

In the field of child-labor protection the outstanding event of the year was the position taken by the United States Supreme Court in the case of *Darby v. United States*, upholding the constitutionality of the Fair Labor Standards Act.¹ By a unanimous decision, the Supreme Court removed all doubts as to the legality of this type of legislation. The decision was of far-reaching importance, as it affirmed the power of Congress to regulate the conditions under which goods destined for shipment in interstate commerce are produced, and overruled *Hammer v. Dagenhart* (247 U. S. 251), the case decided in 1918, that declared unconstitutional the first Federal child-labor law.

Substantial advances have been made during the past year in the cooperative arrangements, inaugurated in 1938, between State labor and education officials and the Children's Bureau of the United States Department of Labor for making available to employers certificates as proof of age of their minor employees, under the child-labor provisions of the Fair Labor Standards Act of 1938. Now 44 States, the District of Columbia, and the Territories of Hawaii and Puerto Rico have been designated as States in which State employment or age certificates are being accepted under the Federal act; Federal certificate systems have been set up in only 4 States, where they are operating with the full cooperation of State and local officials; in the one remaining Territory, Alaska, pending the establishment of an age-certification system, employers may protect themselves from unintentional violation of the minimum-age provisions of the act by obtaining and keeping on file birth or baptismal certificates for their young workers. Under the hazardous-occupations provisions of the Fair Labor Standards Act, orders have been issued establishing in effect a minimum age of 18 for employment in logging and sawmilling occupations, and on power-driven woodworking machines, with limited exemptions.

Gradually, through the influence of the Federal act, there is being brought about an acceptance of the principle that governmental agencies, both State and Federal, should conform to the minimum child-labor standards which have been set up by law for private industries. The United States Civil Service Commission, for instance, has agreed not to certify for employment minors below the ages specified in the hazardous-occupations orders issued by the Children's Bureau under the Fair Labor Standards Act—a decision carrying along with it acceptance of the general minimum-age standard of the Fair Labor Standards Act. Other governmental agencies also have accepted the principle of hiring minors only in conformance with the standards of State child-labor laws and the Federal act even though they are not legally bound by such standards.

In State child-labor legislation, on the other hand, progress on the whole has not been encouraging. In the 43 legislatures in session this year, considerable interest was shown in the improvement of child-labor standards, but at the same time there was pressure toward a break-down of existing standards that was more far-reaching than at any time during the past decade. A few important advances were made, however, and some of the efforts to reduce standards were unsuccessful.

¹ *Darby v. United States*, 61 Sup. Ct. 451, decided February 3, 1941.

State Legislation

Legislative advances

Florida.—The most important advance in legislative standards during the year was made in Florida, which now ranks among the more progressive States of the Union in protection against child labor. The basic minimum age for employment was raised from 14 to 16 years, the 16-year standard being established for work at any time in any factory, workshop, mill, mechanical establishment, or laundry, and for all employment during school hours with limited exceptions. Florida thus becomes the fourteenth State to set a basic minimum age of 16, the standard set by the Fair Labor Standards Act of 1938.

The former maximum 9-hour day, 6-day and 54-hour week for minors under 16 in specified occupations is reduced to a maximum 8-hour day, 6-day and 40-hour week, and coverage is extended to any gainful occupation except farm work, domestic service, and street trades. On days when school is in session the hours of work for any child under 16 years of age when combined with hours in school may not exceed 8. A lunch period of not less than 30 minutes is required for employed minors under 18 years of age. Like the maximum hours of labor regulation, the occupational coverage of the night-work prohibition for minors under 16 is widened and the former prohibition of work between 8 p. m. and 5 a. m. is extended to include the hours between 8 p. m. and 6:30 a. m. Night work is also prohibited for minors 16 and 17 years of age between 10 p. m. and 6 a. m. Minors between 14 and 18 years of age are, however, permitted to appear in theatrical performances or concerts up to 11 p. m. Under the former law there had been no night-work regulation for 16- and 17-year-old minors except for messengers.

Regulation of street trades is somewhat improved and made State-wide; the 10-year minimum-age standard for boys engaged in selling newspapers and periodicals was not raised but it now applies to both selling and distributing and also to bootblacking. Boys under 16 are prohibited from work after 7 p. m. (8 p. m. April 1 to September 30); they may, however, begin work as early as 3 a. m.

Protective measures against employment of minors in hazardous occupations are strengthened in this new law, and a minimum age of 18 is established for employment in a number of specified hazardous occupations, including substantially all the occupations which, up to the present time, have been declared particularly hazardous for minors 16 and 17 years of age by orders issued under the child-labor provisions of the Fair Labor Standards Act. Power is given to the State labor inspector to determine other occupations hazardous for minors under 18, and their employment is prohibited after such a determination has been made.

The basis for good administration is strengthened by widening the application of the employment-certificate requirement for minors under 16 years of age and making age certificates mandatory as a condition for the employment of minors 16 and 17 years of age. Age certificates formerly were issued only on request.

Other States.—Minor improvements were made in the State laws of Montana and Michigan. Montana established an 8-hour day and 48-hour week for persons employed in or about certain carnivals or circuses and for persons engaging in endurance contests. Michigan

adopted an amendment clarifying its compulsory school-attendance law by requiring a child attending a parochial school to secure a work permit before he may be excused from school attendance. Such a permit had previously been required for a child attending public school.

The Industrial Board of the Pennsylvania Department of Labor and Industry adopted in April 1941 a ruling prohibiting the employment of boys under 18 in coal mines, except in certain specified surface occupations. The coverage is identical with that of the order issued under the Fair Labor Standards Act.

One State, Minnesota, adopted legislation expressly authorizing the State Industrial Commission to cooperate with the Wage and Hour Division and the Children's Bureau of the United States Department of Labor in the administration of the Fair Labor Standards Act.

In California an amendment to the law requiring work permits clarified its application to agriculture and was a step in developing special techniques for administration of child-labor regulations applying to farm work. Under this amendment a work permit is specifically not required for a minor under 16 employed in agriculture on work under the control of his parent or guardian and performed on premises owned, operated, or controlled by the parent or guardian; thus it seems clear that permits are required for employment of children in all other agricultural work. Owners, tenants, or operators of farms employing as agricultural laborers parents or guardians with minor children in their care are also required to post a notice that children are not allowed to work unless legally permitted to do so under the child-labor and school-attendance laws and unless permits to work have been obtained. The owner, however, is not responsible if he has no knowledge of the employment of the child. This amendment also provides that during summer-vacation periods governing boards of school districts may issue vacation permits for work in agriculture as well as in other occupations, upon forms provided and under instructions issued by the State Superintendent of Public Instruction.

Hawaii raised the age up to which employment certificates are required from 16 to 18.

In several other States individuals and groups actively interested in improving legal standards, evaluated existing standards and considered possible amendments, although no bills were introduced. Such preliminary planning provides a sound foundation for future action and will no doubt pay dividends in ensuing legislative years.

Proposed advances defeated.

Proposals for major improvements in child-labor legislation in 7 States (Arizona, Delaware, Georgia, Maryland, North Dakota, Rhode Island, and Wyoming) failed to become law. In 5 of these States (Arizona, Delaware, Georgia, Maryland, and North Dakota) the bills introduced provided a 16-year minimum age; improved employment certificate, hours-of-labor, or night-work standards; and, except in Georgia, raised the minimum age for work in street trades. The Wyoming bill would have established a 14-year minimum age not dependent, as now, upon the compulsory school-attendance standards, and the Rhode Island bill would have greatly strengthened the present 16-year minimum-age standard by requiring employment certificates up to 18 years of age.

Other unsuccessful efforts to improve standards included a bill in Connecticut widening the scope of its child-labor law; bills in Oklahoma and Vermont improving standards relating to hours of labor for girls or for all women and minors; a bill in North Carolina to raise the compulsory school-attendance age from 14 to 16; and bills in California and New York to limit hours of household employees. Six States (Connecticut, Massachusetts, New York, Rhode Island, Texas, and Wyoming) introduced resolutions to ratify the proposed Federal child-labor amendment, but no State ratified.

Attacks on existing standards.

In general, attacks on existing standards for minors in State legislatures this year, as distinguished from opposition to improvements, have been centered chiefly on street trades and employment in agriculture and less frequently on work in public performances and in connection with commercial amusements. In addition, there were a number of attempts to relax standards relating to hours of labor. Indiana passed an act which expressly exempts newspaper carriers from the minimum-age, employment-certificate, and hours-of-labor provisions of the child-labor law.

An amendment to the New Jersey child-labor law permits boys of 16 years of age to work as pin setters in public bowling alleys up to 11:30 p. m.; formerly the minimum age was 18. In Hawaii, an amendment to the child-labor law widened the exemptions applying to domestic service and to work for parents; minors between 12 and 16 years of age are now permitted to work in nonfactory and nonhazardous employment "when not legally required to attend school" instead of only outside school hours and during school vacations; lunch periods are now required only for minors under 16 years of age, instead of under 18.

In Connecticut, the exemption which the commissioner of labor and factory inspection may grant, permitting women and minors 16 and 17 years of age in manufacturing and mechanical establishments to work a 10-hour day and 55-hour week during a period of not more than 8 weeks per year (instead of the legal maximum of 9 hours a day, 48 hours a week), may be continued beyond this 8-week period by the governor in the interest of national defense. This authority of the governor to extend the exemption expires in 1943.

In a number of States, maximum hours and night-work requirements applying to female workers were relaxed; these in most cases would affect only girls 18 or over.

There was, however, definite recognition that the safeguards that have been established as necessary for the health and welfare of youth should not be sacrificed in an emergency program. One evidence of this is seen in a resolution introduced in the Pennsylvania Legislature. This resolution called upon the State department of labor and industry to enforce strictly the child-labor law of that State, by enlarging the appropriate divisions if necessary, and urged all local school boards to be vigilant in the enforcement of the compulsory school-attendance laws. Furthermore not all the efforts to break down standards were successful. Two Governors vetoed retrogressive legislation that had passed both houses of the legislature—in California a bill to exempt street trades from the permit provisions of the law and

in New York; a proposal to break down standards by permitting minors of any age to appear on the stage.

Other backward steps that failed to become law included permission in Indiana to employ women or female young persons in manufacturing industries between 6 p. m. and midnight instead of only up to 10 p. m.; a bill in Connecticut permitting employment of girls under 18 in manufacturing, mechanical, or mercantile establishments until 11 p. m. instead of 10 p. m.; a bill in North Carolina exempting from its hours-of-labor law employees engaged in the first processing of or canning or packing perishable fresh fruits or vegetables during a period of not more than 14 weeks in any year; and bills in Pennsylvania excusing pupils of 15 who have completed the sixth grade from further school attendance if they are assured of gainful employment, permitting sixth-grade graduates 14 years of age to leave school for farm work or domestic service, and exempting golf caddies from the protection of the child-labor law.

Significant Trends in Relation to the Defense Program

Underlying much of this opposition to advances in standards and many of the backward steps either actually taken or threatened may be seen the reverse of the encouraging picture of increased employment due to defense activities. Even in nondefense industries and occupations, effects of the defense program are seen as demands for labor increase. In some areas a comparative labor scarcity, due to diversion of workers to Army service and to airplane or armament factories, is requiring replacement of experienced workers by those who are inexperienced and often young and is tending to discourage further restrictions upon the possible use of young workers should occasion arise. Local industries, like filling stations, restaurants, and service establishments of all kinds, find themselves obliged to draw on new material. This scarcely analyzed fear of a labor shortage—a fear of not being able to produce enough for defense and domestic needs—has motivated particularly the attempts to break down standards for the employment of children in agriculture and to lengthen hours of labor. Such a fear, in fact, is likely to be increased by the psychology necessarily involved in mobilization for defense, and it can be counteracted only by an analysis of the actual facts and a sane and critical weighing of objectives.

In this connection, it is significant that even in England, despite its critical situation, there has been no relaxation of the legislative standards for children, the age for leaving school is still 14, and the relaxation in the hours of labor standards for children and young persons that occurred in the early days of the war has been at least partially reversed. Nevertheless, the pressure of war conditions has brought about suspension of compulsory school-attendance provisions in many areas and increased employment of children of school age in agriculture and in stores, tendencies deplored in a recent report issued by the British Association for Labor Legislation. The report also urges that there should be no further authorization for employment of children 14 to 16 years of age for longer than 44 hours a week. In Great Britain's effort to speed up production in the spring and summer of 1940, increased hours for both adults and young persons under the

terrific pressure of immediate need resulted in a large increase in output. But after a few months of this intense effort, the ill effects of long hours began to appear, and action was taken to reduce hours in order to avoid serious impairment of the health of workers and actual decrease in production.

Another tendency in the United States that has its basis in this same subconscious fear is in the direction of allowing demands for labor to interfere with school attendance and cause interruptions of school terms. Proposals are becoming more frequent to stagger the opening of rural schools to enable farm youths to help in the harvest; to close schools for the harvesting of certain crops; to give children school credit for farm work; and in other ways to subordinate the child's need for education and the Nation's need for an educated citizenry to the immediate demands of agriculture. However, in each of these seeming emergencies, a recognition of what the proposed remedies may mean in terms of the country's vital needs, present and future, is essential. Those concerned with employment of children have always been concerned also with opportunities for education. In fact, the first child-labor laws were designed to safeguard the education of children, and through the years child-labor legislation has continued to be closely bound up with the requirement of school attendance. So in these situations we must realize the need for surveying the whole field and being certain of the necessity for interruptions of school attendance and the probable effects of those interruptions. It may, for instance, be found that coordination of effort will relieve scarcity in one area by tapping resources in a nearby area, whereas if the "easiest way" of taking the children out of school is followed, adults may be unemployed in one place and children may lose needed schooling in another.

Immense and increasing pressure is being exerted upon State and local agencies enforcing child-labor laws on account of the rise in employment. Demands for certificates of age are increasing by hundreds in defense-industry areas. Bureaus of vital statistics are overwhelmed with requests for birth records because of demands not only for employment certificates but also for evidence of nationality. Care must be taken lest the work of these important agencies be bogged down, endangering the effective enforcement of laws protecting children.

In the whole field of child labor and youth employment, an over-all consideration of the problems in local communities and a program that will recognize both the needs of production and the needs of children must be developed if the hard-won gains of the past 10 years are not to be thrown away. It is true that the child-labor provisions of the Fair Labor Standards Act of 1938 stand as a barrier to employment of children under 16 in industries producing goods shipped in interstate commerce, and the minimum-wage standards of the act prevent the employment of children at wages lower than those of adults. But pressure on children under 16 to leave school for work in local industries not subject to the Federal act can and should be prevented by keeping them in school and guiding older boys and girls into openings arising from the withdrawal of adults for work in defense plants or for army service. To make this new employment opportunity yield its greatest advantage to youth, there should be conscious direction of the

methods of filling the new jobs. One practice which deserves careful scrutiny is the recruiting of boys and girls even as young as 16 and 17 for work away from their homes and their home communities. This means that the communities into which these young persons go face difficult problems of providing adequate facilities for housing, recreation, and other essential community resources for their care and protection.

Legislation Relating to Child Labor in Canada, 1940-41

Canada is meeting many of the same child-labor problems that confront the United States. As in the United States, employment is expanding and job opportunities for young persons are on the upswing. In Ontario, the most important manufacturing Province of the Dominion, the number of children 14 and 15 years of age exempted from school attendance is increasing. Therefore, it seems significant that during the past year the chief legislative changes affecting the employment of children occurred in the field of school-attendance laws. In three Provinces, New Brunswick, Prince Edward Island, and Alberta, laws raising standards for school attendance were enacted.

In New Brunswick, school attendance previously had been compulsory only in about half a dozen towns where a Provincial statute required attendance up to 14 years of age. Regulation of school attendance elsewhere was at the option of local authorities. The law which went into effect July 1, 1941, makes attendance up to 14 years compulsory throughout the Province for the first time and prohibits the employment of a child of school age during school hours unless he has completed the eighth grade, or unless, in the opinion of the school inspector, he should be exempted from further attendance. In Prince Edward Island, where attendance in rural districts under the former law was required for only 60 percent of the school term, attendance is now compulsory for 75 percent of the term; in urban districts attendance is required, as formerly, for the full school year. In Alberta, attendance of children under 15 years of age has been made compulsory until they have completed the ninth grade or its equivalent, instead of the eighth.

In Canada, as in the United States, the compulsory school-attendance laws are closely related to those establishing a minimum age for employment. The age up to which a child is required to attend school varies from 14 to 16. Children under these ages, however, may be exempted under certain conditions—for instance, upon reaching the age of 13 or 14 and obtaining employment certificates for work, upon obtaining a certain academic standard, or, for a limited period, if their services are necessary for the support of themselves or others. Quebec, the second most highly industrialized Province, has no compulsory school-attendance law, but no child under 14 years of age may be employed in an industrial establishment and no child under 16 who cannot read and write fluently may be so employed unless he is attending night school.

Other Immediate Problems

In January of 1940, the White House Conference on Children in a Democracy, the fourth in a series of decennial conferences held during

the past 30 years under Presidential auspices, approved standards for child labor and youth employment, and follow-up programs are being developed in many States. The standards for protection against child labor embodied substantially those that have been recommended by this organization for a number of years. The conference report emphasized also that—

* * * the work of children in certain phases of agriculture is different today from what it was when children were mainly working for their parents or cooperating in harvesting a neighbor's crops. With the development of intensive cultivation of specialized crops there has grown up the practice of using large numbers of children in industrialized agriculture under conditions which in many instances differ little from those of "sweatshop" employment and which require the same kind of safeguards as those found necessary with reference to industrial employment.

It also points out a need repeatedly recognized by this organization—that is, the necessity for developing practicable regulation of employment of children in street trades that will place the responsibility upon the persons who profit by their employment, a responsibility which more and more is being shifted to the child himself by the use of the "little merchant" system to distribute papers.

These two fields of child labor, agriculture and street trades, were pointed out by this committee last year as particularly calling for the establishment of adequate standards and the development of special techniques of administration. Unfortunately, no legislative advances in these two fields can be reported this year.

There has been, however, a more widespread interest in the problems of agricultural workers, particularly those migrating from place to place and from crop to crop. This interest has been stimulated by the hearings and reports of the La Follette Committee in the Senate and the Tolan Committee in the House and by interstate conferences of labor officials and others interested in the problems. A significant step in the administration of measures to regulate child labor in agriculture was made this summer when inspections were carried on in New Jersey to determine compliance with the provisions of the State child-labor law enacted last year that apply to the employment of children on farms.

There has also been progress in making certificates of age available for children employed in the production of sugar beets and sugarcane, a project carried on by the Children's Bureau of the United States Department of Labor, in cooperation with the Department of Agriculture, but the program covers only one phase of industrialized agriculture—that is, the cultivation of sugar beets and sugarcane. As regards the application of the child-labor provisions of the Fair Labor Standards Act to agriculture, it will be remembered that the application of the act is circumscribed by its dependence on the widely varying standards of State compulsory school-attendance laws.

Youth and National Defense

Your committee on child labor wishes to emphasize that the safeguarding of the youth of the Nation is one of the vital aspects of national defense. Committed as this country is to all-out defense of the American way of life, we cannot forget that in a few years the children and youth of today will have the responsibility of carrying

on the struggle to maintain that way of life. If we are to prepare them for what will surely be a difficult task, we must do it today; we cannot put off that preparation until tomorrow. No young person should be deprived of educational opportunity or of the protective measures that make for health, safety, and morals, whether he is still in school, about to enter the labor market, or on a defense or a nondefense job. You as labor officials hold one of the keys to that protection—on your efforts depends to a high degree the extent to which the youth of America will receive it.

DISCUSSION

MISS McCONNELL. I should like to call your attention to the report you have before you, which shows the progress and the lack of progress made in the past year since the Association met in 1940. This year has brought improvements in some directions and less encouraging action in others. The decision of the Supreme Court in upholding the constitutionality of the Fair Labor Standards Act, thereby guaranteeing continuance of Nation-wide child-labor regulation was, of course, important. This action has made possible extended cooperation between the Federal Government and the State agencies concerned with the enforcement of child-labor laws. I should like to say here as the person responsible for the development of the program of enforcement of the child-labor provisions of the Fair Labor Standards Act in the Children's Bureau, that without the cooperation and help of the State departments in the development of this program, such progress as has been made would not have been possible. I think the cooperation we have had from the State departments of labor and the departments of education in developing programs of age certification in the various States, is a most encouraging and a most heartening illustration of the way in which the protection of children can be worked out cooperatively. With the help of both the Federal and State departments progress can be made, and real progress has been made. At the present time State certificates are being issued and accepted under the Federal act in all but four States. Four States have no provision in their laws for age certificates or work permits and, with the support of State and local agencies, the Children's Bureau is now issuing Federal certificates in those States.

The increase in employment due to the defense program in general has opened up a tremendous opportunity for the employment of young people. This brings responsibilities which we, as a group of labor administrators, must face. As has happened in the past, the less desirable and less well regulated types of employment continue to draw the younger group of children.

The past year has seen in State legislation some encouraging developments in child-labor legislation. Florida joined the ranks of States with a basic minimum age of 16 for general employment and with certain other very effective strengthening of the standards of their child-labor law. Other standards were raised in various States, but none of such major importance as in Florida. At the same time, however, more bills were introduced into the legislatures during this past year to break down existing child-labor standards than have been introduced at any time during the past 10 or 20 years. It is a most dis-

couraging situation that we face in this respect and one to which we must all be alert. We must develop a public awareness of the importance of safeguarding the welfare of the youth of the Nation, and make possible the maintenance of the standards which have been brought about in the past years. That brings me to the recommendation of your committee on child labor that every effort should be put forth to maintain all of the accepted standards which have been set up for the safeguarding and protection of working children; that in this period of expanding employment opportunity we must be particularly alert to the safeguarding of the health and safety of the young wage-earning group—the inexperienced and the irresponsible young persons who go into industry for the first time; that we should do everything possible to safeguard the education of these young people, so that they will not be forced into wage earning before they have had the opportunity for education and training that we consider so essential; and that in so doing we safeguard the future of our American way of life, which is dependent, after all, upon these children growing up around us today.

Miss MORROW (Pennsylvania). A report which came to our attention in Pennsylvania last week stated that a number of boys in the 16- to 18-year age group and a few girls were graduated from short defense-training courses. Now I happened to be at a number of the so-called graduations where scouts from our industries were in attendance to induce these boys and girls to sign up with them. They asked the young people who were under 18 to raise their hands, whereupon they made the statement, "You're out. We don't want you." The work involved was not after 9 o'clock at night; it did not come under any prohibitory clause. This was merely company policy on the part of many of these industries, because they did not wish to post schedules or bother with details involved in employing these boys and girls who were fitted and not prohibited from entering the type of employment involved. I think, as a group of labor officials, we should not be very tolerant with company policies of this sort, nor with employment agencies which aid in this confusion. These children immediately got the idea that they were prohibited from all types of employment, which is not true. I hope that we will disabuse their minds of this idea and will bring to their attention and to the attention of the public the fact that we are merely safeguarding the maintenance of the standards.

Mr. POHLHAUS (Maryland). I proposed an amendment similar, I think, to Connecticut's. I got it, I think, from that law or from the New Jersey law. This amendment contained common sense, and in dealing with child labor or with any other kind of labor common sense has to be used. I attempted to give a child 16 or 17 years old who no longer desired to go to school, who would not or could not go to school, an opportunity to enter an employment—something he would like in the way of a job—where all he would have to do, contrary to present law, would be to grind a tool or operate a machine, probably 30 minutes a day, under the supervision of a trainer. Now the law arbitrarily says, "No, he can't do it." Shall I make a loafer of that boy? Will he have to go into some occupation he does not like? That amendment would not lower the standard in my estimation. When we meet con-

ditions of that kind I do not feel that we are lowering the standards of child labor by giving a boy an opportunity to enter an occupation he likes.

Miss MILLER (New York). On this question of placement of young people I wonder whether it is not important for us to remember that with the vast expansion of opportunity for jobs there is right now, and with apprenticeship beginning to take hold in this country, we have existing machinery to which we can refer these young people for advice and guidance and knowledge in the way in which they ought to start their wage-earning careers. I speak of the employment service, which is a tool that so many of us have under our jurisdiction, and especially of the junior services of that employment service, where in addition to providing ordinary replacement, we have fully expanded our testing service and our advisory service. When they want to know what they ought to be doing, when they want to know what the chances are for work, when they want to know not only today's job but the earning and employment opportunities 5 years from now, is it not our business to go beyond what they can find out for themselves—find out from employers, and their families—to see that they get the technical and really expert services that we have been building up in the last couple of years, so they will not be misfits a year or 2 or 5 or 10 years from now?

Wage-Claim Collection

Wage-Claim Collection

*Report of the Committee on Wage-Claim Collection, by JOHN S. B. DAVIE
(New Hampshire Bureau of Labor), Chairman*

The need of an agency whereby workers might obtain assistance in the collection of their wages has been apparent for a long time. The subject received special attention at the twenty-first annual meeting of this Association in Asheville, N. C., in 1935.

At the second National Conference on Labor Legislation, held also at Asheville the same year, the question received consideration, and the problem was vividly presented in a committee report in these words, "the failure of employers to pay wages owed to employees is today a widespread abuse. The inability of workers to collect these claims through existing judicial channels has demonstrated a large and growing problem and points to the need for making special provisions for it. This failure is due to the disproportionate cost of collecting a small claim, the delay incident to a civil suit, the timidity and ignorance of the worker in a legal proceeding, and to the inability of present civil-court machinery actually to enforce payment of judgment, because of the concealment of the employer's assets, or his escape from the jurisdiction of the State." The committee believed it to be a legitimate function and obligation of a labor department or industrial commission to concern itself vitally with this problem through the establishment of better types of machinery "to promote the prompt payment of wages and to adjudicate wage claims." It was recommended at this conference that a committee of inquiry be formed to develop proper types of legislative remedy, and also to study "the findings and recommendations existing in this field and prepare, in cooperation with other interested groups, an act or acts to serve as a model for State laws."

The president of our association in 1935 subsequently appointed a committee which joined the committee named by the Secretary of Labor in drafting a proposed State wage-payment and wage-collection law. This Association accepted and endorsed the proposal at the Topeka convention in the fall of 1936 and instructed the secretary to send copies of the bill to each State labor department and the legislative committee of each State federation of labor.

The following year, wage-claim legislation similar to that recommended by the committee was introduced in nearly a score of States. Of this number four States adopted such a law, practically as written by the committee. Since the presentation of the draft in 1936 all or substantial portions of the model law have been enacted in eight juris-

dictions (Arkansas, Illinois, Indiana, New Hampshire, New Mexico, Rhode Island, Utah, and Hawaii).

During the current year, legislative bills authorizing the administrator of the State department of labor to take assignments, etc., of wage claims, or bills amending existing laws, were introduced in more than a dozen States, including Arkansas, Michigan, Minnesota, Nebraska, Nevada, New Mexico, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, West Virginia, and Wyoming.

In the field of constructive wage-claim legislation enacted this year, the following is worthy of note: In Rhode Island, the legislature authorized the director of labor to take wage-claim assignments up to \$200 per claim, to sue for the collection of unpaid wages, and to enforce generally the wage-payment provisions. Arkansas amended the State wage-collection law by excluding from the provisions of the act wages which are regulated by Federal statute. The Nevada legislature changed the time limit from 5 to 45 days within which the district attorney shall prosecute wage claims. In Oregon the legislature amended the wage-collection law by abolishing the appropriation (\$500) for expenses of the labor commissioner in wage-collection cases, and in lieu thereof provided for a penalty of 10 percent of the wages due to be imposed upon an employer failing to pay the wages within 30 days after notice.

Your committee is mindful of the fact that nearly all of the States have adopted some type of legislation regulating the payment of wages. However, many weaknesses have been evidenced in these laws, and the committee believes that the most desirable features are those contained in the model wage-collection law, such as the granting of authority to State labor officials to file suit without giving bond and to accept assignment of wages for collection. The committee believes that the failure to pay the wages earned by a worker continues to be a serious abuse in the United States, and particularly in those States which do not have labor departments equipped to enforce such payments. Again, it is agreed that the rights of workers to their wages is indisputable, and that public opinion strongly condemns the employer who defrauds a laborer of his wages. Your committee further endorses the opinion of a former chairman of the Wage-Claim Collection Committee and his colleagues, in the suggestion that "the I. A. G. L. O. continue its efforts through its president and secretary, together with a standing committee, to keep alive the interest in the various States to bring about the passage of wage-collection laws along the lines of the model wage-collection law compiled by the joint committee in 1935." The committee believes that it also can share the opinion of former chairman E. I. McKinley that the progress made so far is gratifying and that the interest aroused "is sufficient proof that there is an opportunity to incorporate in the State laws of the various States, wage collection laws that will result in securing for the laborer wages earned, without demanding of him payment of cost or requiring a bond to be made." And further, your committee believes that such condition is so obvious "that the payment to the wage earner of the money he has earned is not only for the benefit of the laborer himself, but is a benefit to society in general."

Civil Service

Civil Service

Report of the Committee on Civil Service, by E. B. PATTON (New York Department of Labor), Chairman

The Civil Service Committee at the last annual meeting reported that it had under consideration the possibility of making a survey of the personnel practices of labor departments of the State governments of the United States and the Provinces of Canada. Such a study is now under way in collaboration with the National Civil Service Reform League.

The committee has not yet completed its study but reports considerable progress and makes this preliminary report. A questionnaire was sent to each of the State labor departments and the Provinces of Canada seeking factual and statistical data relating to the personnel and features of the work of the administration of these agencies and collateral matters. A copy of the questionnaire is appended hereto.¹

The committee is glad to report that it has received splendid cooperation from these agencies in its survey. All but 11 States and 2 Canadian Provinces have furnished the required data, and it is expected that information will be forthcoming from those who have not yet completed their statistical reports in time for our report to this meeting.

The committee has not yet had sufficient opportunity to analyze or evaluate the data thus far collected and has therefore decided to submit at this time no more than a compilation of the factual and statistical data that were furnished to the committee in response to the questionnaire. It is hoped that these statistical reports may, besides furnishing valuable information to the members of this Association, serve as a basis for further study by the committee, which hopes to complete its study of the personnel practices of labor departments in time for a report at the next annual meeting.

The statistical reports our committee now submits are the following:

1. A statement showing among other things for each State and Province the annual appropriations, number of employees, the general method of selection of employees, and the method of removal of employees.
2. A cross section or comparative statement of salaries of substantially similar positions paid in the various jurisdictions.
3. A cross section or comparison of appropriations and number of employees in State organizations, grouped according to population.

Our committee in submitting these statistical reports has deliberately avoided making any appraisal, evaluation, or critical analysis of any jurisdiction. On the contrary, the committee has set forth solely the data furnished it by the States and Provinces. The committee

¹ The questionnaire is not reproduced in this report.

appreciates that no appraisal or evaluation can well be made without careful study and consideration of the many differences that exist in the organization, composition, and jurisdiction of the various State and Provincial agencies responsible for administration of labor problems.

The committee might make a few general observations at this time solely for the purpose of directing attention to certain major factors that have been brought to the committee's attention in preparing the statistical reports.

It is interesting to note, for example, that in three States there is provided a fixed term of office for subordinate employees of the labor agencies—Delaware, Kansas, and Wyoming. (With the adoption of a new civil-service law in Kansas this year we understand that fixed terms of office in that State's labor department have been ended.)

Of the jurisdictions that have reported to us, 13 State departments and two Canadian Provincial departments are subject to civil-service laws and rules; in 4 other States that have not yet reported—Tennessee, Connecticut, Minnesota, and Rhode Island—the labor agencies are subject to civil-service laws; Louisiana will be subject to the new civil-service law in 1942. In 2 other States, departmental competitive tests are used for selecting employees; and in another 2 States, departmental qualifying or noncompetitive tests are provided.

In most instances the head of the labor department is appointed for a fixed term varying from 1 to 6 years. In 12 jurisdictions there appears to be no fixed term, and presumably the labor agency head serves at the pleasure of the appointing authority.

While it was to be expected that, in the case of agencies operating under civil-service laws, dismissal of subordinate employees would be made after charges and in some cases such dismissals would be reviewable by the civil service commission, it is interesting to note that in a few jurisdictions where civil-service laws are not applicable the employees may likewise not be discharged without charges and a hearing.

The committee is cognizant that attempts to compare appropriations, salaries of apparently similar positions, and size of staff of the agency may be without particular significance and in many instances futile. However, it does appear from the bald statistical information furnished us that there is a wide variance in salary levels for apparently similar positions.

The committee proposes to continue the survey and hopes to complete its report in time for the next annual meeting, assuming, of course, that the Association authorizes the continuance of the survey. We hope and expect that with further cooperation from the labor agencies, and further study of the reports already made and supplemental information that may be gathered, our committee may be able to make some comprehensive recommendations and suggestions with regard to the personnel practices of the labor agencies for the consideration and guidance of our members.

TABLE 1.—Data re personnel of State and Provincial labor departments

State	Population	Total appropriation	Appropriation for personal services	Number of employees	Department head; Whom appointed by	Salary of department head	Term	Method of appointment of subordinates	Tenure of subordinates	Removal method
Alabama.....	2, 830, 285	\$57, 886	* \$45, 000	26	Director, department of industrial relations—governor.	\$5, 700	4 years.....	Civil service.....		Charges; review by civil service commission.
Arizona.....	497, 789	14, 760	11, 260	5	Manager, labor department— industrial commission.	3, 000		No test.....		No restriction.
California.....	6, 873, 688	945, 750	721, 292	331	Director, department of industrial relations—governor.	6, 000		Civil service.....		Charges; review by civil service board.
Colorado.....	1, 118, 820	99, 190	75, 885	37	Industrial commission (3 members)—governor.	4, 000 each	6 years ¹	do.....		Hearing before civil service commission.
Delaware.....	264, 603	7, 850	5, 200	3	Labor commission (3 members)—governor.	None	5 years.....	No test.....	4 years.....	Charges and hearing.
Florida.....	1, 877, 791	² 120, 000	79, 971	49	Director, industrial commission.	5, 000		do.....		No restriction.
Illinois.....	7, 874, 155	1, 510, 964	1, 173, 360	268	Director, labor department—governor.	6, 000	4 years.....	Civil service.....		Charges and hearing; review by civil service commission.
Indiana.....	3, 416, 152	148, 150	100, 000	44	Commissioner of labor—governor.	6, 000	do.....	No test.....		No restriction.
Iowa.....	2, 535, 430	16, 180	10, 320	5	Commissioner of labor—governor.	3, 000	2 years.....	do.....		Do.
Kansas.....	1, 799, 137	46, 920	31, 920	17	do.....	4, 000	4 years.....	Department, competitive test.	4 years (changed by civil service act)	(Changed by civil service act to require charges, and review by civil service board.)
Kentucky.....	2, 839, 927	30, 000	18, 000	7	Commissioner, department of industrial relations—governor.	5, 000	do.....	No test.....		No restriction.
Maine.....	845, 139	23, 000	Under 23, 000		Commissioner, labor and industry—governor.	4, 000	3 years.....	Civil service.....		Charges; limited review by civil service commission.
Maryland.....	1, 811, 546	60, 663	52, 725	33	Commissioner, department of labor and statistics—governor.	5, 000	4 years.....	do.....		Charges and hearing; review by civil service commission.
Massachusetts.....	4, 312, 332	503, 390	382, 760	172	Commissioner, department of labor and industries—governor.	7, 500	3 years.....	do.....		Charges and hearing; court review.

Michigan.....	5,245,012	182,200	142,000	68	Department of labor and industry (5 members)—governor.	6,000		do.....	Charges; limited review by civil service commission.
Mississippi.....	2,181,763	4,550	3,800	2	Director, bureau of industrial hygiene and factory inspection—State board of health.	2,600		Department competitive test.	No restriction.
Missouri.....	3,775,737	45,000	31,500	18	Commissioner, labor and industrial inspection department—governor.	3,500	4 years.....	No test.....	
Montana.....	554,136	5,000	4,200	1	Commissioner, department of labor—governor.	2,700		(?).....	Do.
Nebraska.....	1,313,468	14,600	11,600	5	Commissioner of labor—governor.	3,600		No test.....	
Nevada.....	110,014	5,600	3,800	1	Labor commissioner—governor.	3,600	4 years.....	do.....	Not stated; probably no restriction.
New Hampshire.....	489,716		19,500	14	Labor commissioner—governor.	4,000	3 years.....	do.....	No restriction, but employee may appeal to court.
New Jersey.....	4,148,562	443,877	391,126	171	Commissioner, labor department—governor.	6,000	5 years.....	Civil service.....	Charges and hearing; review by civil service commission.
New Mexico.....	528,687	8,740	6,600	2	Commissioner, labor and industrial commissioner—governor.	3,000		No test.....	No restriction.
New York.....	13,379,622	3,598,953	3,142,526	1,470	Industrial commissioner, labor department—governor.	12,000	Pleasure of governor.	Civil service.....	Charges. ⁴
Ohio.....	6,889,623	402,337	295,319	154	Director, department of industrial relations—governor.	6,500	2 years.....	do.....	Charges and hearing; review by civil service commission.
Oklahoma.....	2,329,808	40,000	32,460	17	Commissioner, labor department—elective.	3,000		No test.....	No restriction.
Pennsylvania.....	9,891,709	1,394,625	1,019,101	562	Secretary, department of labor and industry—governor.	10,000	4 years.....	Department test both competitive and noncompetitive.	Do.
South Carolina.....	1,905,815	48,945	35,570	19	Commissioner, labor department—governor.	3,600	2 years.....	No test.....	Charges and hearing.
South Dakota.....	641,134	9,200	8,200	3	Industrial commissioner—elected (attorney general is commissioner).	2,400	do.....	do.....	No restriction.
Texas.....	6,418,321	97,860	66,760	39	Commissioner, bureau of labor statistics—governor.	3,600	do.....	Department non-competitive test.	Do.
Utah.....	548,393	82,500	61,798	27	Industrial commission (3 members)—governor.	4,000 each.	6 years.....	No test.....	Do.

¹ Overlapping.
² Income.

³ No subordinates employed.

⁴ Effective October 1, 1941, a new law gives to an employee, dismissed or demoted, the right of appeal to the civil service commission or courts.

TABLE 1.—Data re personnel of State and Provincial labor departments—Continued

State or Province	Population	Total appropriation	Appropriation for personal services	Number of employees	Department head: Whom appointed by	Salary of department head	Term	Method of appointment of subordinates	Tenure of subordinates	Removal method
Vermont.....	357,598	\$19,000	\$14,580	6	Chairman, department of industrial relations—governor.	\$3,500	2 years.....	Informal test.....	.....	No restriction.
Virginia.....	2,664,847	76,065	54,280	23	Commissioner, department of labor and industry—governor.	5,000	4 years.....	No test.....	.....	Do.
Washington.....	1,721,376	\$ 101,110	\$ 62,400	24	Director, department of labor and industries—governor.	6,000	do.....	do.....	.....	Do.
West Virginia.....	1,900,217	78,515	48,420	21	Commissioner, department of labor—governor.	5,000	do.....	Department non-competitive test.	.....	Do.
Wisconsin.....	3,125,881	301,387	241,272	110	Industrial commission (3 members)—governor.	5,000	6 years.....	Civil service.....	.....	Charges; review by civil service commission.
Wyoming.....	246,763	8,000	7,222	2	Commissioner of labor and statistics—governor.	3,000	4 years.....	No test.....	4 years..	Charges and hearing.
Alberta.....	731,605	33,030	25,930	15	Board of Industrial Relations—Minister of Trade and Industry.	2,500	.....	do.....	.....	No restriction.
British Columbia.....	694,263	444,602	127,305	86	Minister of Labor—elected.	7,500	Not over 5 years, usually 4 years.	Civil service.....	.....	Do.
Manitoba.....	700,000	80,000 to 90,000	70,000	35	Department of Labor—is minister of Crown and appointed by Premier. Must first be elected member of legislature.	4,800	Term of legislature, usually 5 years.	do.....	.....	By department head; review by civil service commission.
New Brunswick.....	408,000	10,050	6,050	4	Labor Director; Department of Health and Labor—governor in council.	2,800	1 year.....	No test.....	.....	No restriction.
Nova Scotia.....	513,000	.....	20,800	14	Department of Labor—elected member of Provincial Parliament; then appointed by Cabinet.	6,000	.....	Civil service.....	.....	Charges and hearing, review by civil service commission.

Ontario.....	3, 431, 683	873, 086	614, 330	406	Department of Labor— elected as member of Government and ap- pointed as Minister by Lieutenant Gover- nor upon recommen- dation of Prime Minister.
Saskatchewan.....	921, 785	24, 400	17, 840	15	Bureau of Labor and Public Welfare— Elected member of Provincial Parlia- ment; then appointed by Cabinet.

* Does not include the industrial relations division.

8,000	Pleasure of Lieutenant Governor in Council.	Competitive test for boiler inspector; no test for others.	Do.
3,500	-----	No test.-----	By department head; review by civil service commission.

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TABLE 2.—Comparison of salaries of substantially similar positions in State labor departments

State	Conciliator or mediator	Compensation referee	Chief inspector	Inspector or investigator	Statistician	Stenographer	Senior clerk
Alabama	\$1,800		\$2,820	\$2,100	\$1,320-1,800	\$340-1,400	\$1,200-1,400
California		\$3,840-4,800		2,040-4,560	1,680-5,040	1,080-2,280	1,680-2,280
Colorado		3,500	1,800	1,500-1,800	2,700	1,200-1,500	1,200-1,500
Delaware			2,100	1,900		1,200	
Florida				1,500-1,800		1,200-1,800	1,200-1,920
Illinois	4,500	4,250	3,000	1,620-3,000	2,700	1,200-1,800	1,500-1,800
Iowa				1,500-1,620	1,800	1,200	1,200
Kansas			2,200	1,600		960	
Maryland			1,800-2,000	1,425-1,500	2,000	1,000-1,800	1,300-1,500
Massachusetts	2,640-3,180		3,000-3,840	1,680-2,820	2,400-2,940	900-1,680	1,320-1,680
Michigan				1,500-2,400	2,000-2,500	1,200-1,800	To 1,660
Missouri				1,800	2,400	1,200	
Montana				1,500			
New Hampshire				1,500-2,200			To 1,525
New Jersey	2,820	2,500-3,600		1,800-2,880			To 2,520
New York	3,120-3,870	5,500-7,000	4,200-5,200	1,680-4,250	2,100-3,900	900-2,200	1,600-2,100
Ohio			3,600	1,600-2,200	1,800	960-1,560	To 1,980
Oklahoma			1,800-2,100	1,680-1,900		1,320	
South Carolina	2,700		2,400	1,956	1,500	1,200	1,200
Texas			2,700	2,100	1,500	1,350	
Utah	2,200			1,080-3,600	1,320-2,700		1,320
Vermont				1,700-2,400	1,400-1,800	1,200-1,500	
Virginia				1,800-3,000	3,600		1,500-1,920
Washington				1,800-3,000	3,600	1,200	To 2,700
West Virginia				2,100		1,000-1,500	
Wisconsin				1,800-3,180	2,040-3,300	900-1,920	To 1,920
Alberta				1,200-1,800			600-900
Manitoba	2,520		3,180	1,500-2,220			1,320
New Brunswick				2,800			1,500
Nova Scotia				1,800		1,020	1,440-1,600
Ontario	5,000		3,000	1,400-2,400	1,900-5,000	750-1,900	To 1,900
Saskatchewan				1,380-1,620			To 1,590

TABLE 3.—Comparison of appropriations and number of employees of labor departments according to population

State	Population	Appropriation for personal services	Number of employees	Method of appointment
Less than 500,000 population				
Delaware	264,600	\$5,200	3	No test.
Nevada	110,000	3,800	1	Do.
New Hampshire	490,000	19,500	14	Do.
Vermont	357,600	14,580	6	Informal test.
Wyoming	247,000	7,222	2	No test.
New Brunswick	408,000	6,050	4	Do.
500,000 to 1,000,000 population				
Maine	845,000	Under \$23,000		Civil service.
Montana	554,000	4,200	1	No test.
New Mexico	529,000	6,600	2	Do.
South Dakota	641,000	8,200	3	Do.
Utah	548,400	61,798	27	Do.
Alberta	731,600	25,930	15	Do.
Manitoba	700,000	70,000	35	Civil service.
Nova Scotia	513,000	20,800	14	Do.
Saskatchewan	921,800	17,840	15	No test.

TABLE 3.—Comparison of appropriations and number of employees of labor departments according to population—Continued

State	Population	Appropriation for personal services	Number of employees	Method of appointment
1,000,000 to 2,000,000 population				
Colorado.....	1, 118, 800	\$75, 885	37	Civil service.
Florida.....	1, 877, 800	79, 971	49	No test.
Kansas.....	1, 799, 000	31, 920	17	No test (civil service after June 6, 1941).
Maryland.....	1, 811, 500	52, 725	33	Civil service.
Nebraska.....	1, 313, 500	11, 600	5	No test.
South Carolina.....	1, 905, 800	35, 570	19	Do.
Washington.....	1, 721, 400	62, 400	24	Do.
West Virginia.....	1, 900, 200	48, 420	21	Department noncompetitive test.
2,000,000 to 3,000,000 population.				
Alabama.....	2, 830, 000	\$45, 000	26	Civil service.
Iowa.....	2, 535, 400	10, 320	5	No test.
Kentucky.....	2, 839, 900	18, 000	7	Do.
Mississippi.....	2, 182, 000	3, 800	2	Department competitive test.
Oklahoma.....	2, 330, 000	32, 460	17	No test.
Virginia.....	2, 664, 800	54, 280	23	Do.
3,000,000 to 5,000,000 population				
Indiana.....	3, 416, 000	\$100, 000	44	No test.
Massachusetts.....	4, 312, 300	382, 760	172	Civil service.
Missouri.....	3, 776, 000	31, 500	18	No test.
New Jersey.....	4, 148, 600	391, 126	171	Civil service.
Wisconsin.....	3, 125, 900	241, 272	110	Do.
Ontario.....	3, 431, 700	614, 330	406	No test.
Over 5,000,000 population				
California.....	6, 873, 700	\$721, 292	331	Civil service.
Michigan.....	5, 245, 000	142, 000	68	Do.
New York.....	13, 379, 700	3, 142, 526	1, 470	Do.
Ohio.....	6, 889, 600	295, 319	154	Do.
Pennsylvania.....	9, 891, 700	1, 019, 101	562	Department competitive and non-competitive test.
Texas.....	6, 418, 321	66, 760	39	Department noncompetitive test.

DISCUSSION

Mr. PATTON. I told Mr. Lubin last year that I did not want to make any more of these reports, since I believe that what we need most now is some sort of appraisal of civil service in the States that now have it. Somebody ought to make a frank criticism of civil service as it actually operates, but when I thought about it, I at once realized that under no circumstances could I get up and tell you what I thought about the faults of the New York civil service, because I expect to stay in civil service. I tried to think of some other civil-service person who would be frank, which is what the situation calls for, and I found I just could not ask any civil-service employee of any State to make such a report.

So, in that dilemma I asked Mr. Kaplan of the National Civil Service Reform League if he, being a detached, impartial observer of civil-service legislation and not being dependent for his job on any civil-service pay roll, would undertake such a step. To my great gratification and surprise he agreed to do it. He said he had done such a study for the American Bar Association and would be pleased to undertake it.

However, along about the latter part of June, when I talked to him and asked how he was getting on with the job, he informed me that he had found the task greater than he thought, and all that he would be able to do at this time would be to present a report based on the States that had civil service, their appropriations, salary ranges, etc. He added that if the Association saw fit to permit him to continue, he would try to do in the next year what he had thought he might do this year. I was somewhat disturbed by Mr. Hines' remarks about Pennsylvania, because according to information which we received, there is no civil service in Pennsylvania.

Mr. HINES. In Pennsylvania we have had a complete set-up of civil service covering a portion of our employees—about 3,000 in number—for the past 4 years. The same holds true for a number of other departments. More recently the legislature passed an act providing for a civil-service commission to be appointed to cover three departments—public assistance, labor and industry (that part of labor and industry dealing with employment service and unemployment compensation), and public insurance. As originally drawn up it embraced several more departments, but as a result of amendments it was cut down to cover those three. We also have civil service in our liquor control board.

I think the purpose of civil service, in the first instance, is to try to get the proper person for the job, and in the second instance, to insure him tenure of employment and to provide that he will not become a political pawn or the subject of political manipulations. Most civil-service provisions that I have studied provide that the appointing authority pick one from the first three on the list. In Pennsylvania the law says that if you are among the first three and are passed over three times, you are out. You get no further consideration. You can imagine what happened to the Republican list under the last Democratic administration.

I want to register a protest now as to one thing. There is a trend that has been taking place during the last 10 years, among that little select group who set up the standards and qualifications, to make the

qualifications so high that unless a person has a college education he is out of the picture. When you stop to consider that of around four or five million members of the American Federation of Labor and an equal number of the Congress of Industrial Organizations, a small percentage went to college, that means the fellow who developed in the labor movement does not have a Chinaman's chance for one of those jobs. The result is that some professional civil-service examination paper always comes out on top of the list.

Those of us who really have the question at heart ought to give a lot of attention to the conditions under which people can be appointed to those jobs. We ought to keep the best people in them, regardless of the changes in politics. I have had considerable experience in the department with this question and have seen men who had been in the office for 20 years previous to the other administration ruthlessly cast aside. We were fortunate in getting those men back again, and because we were able to get them back we are doing an exceptionally fine job. I want them to stay there. I do not want them to be removed and some system should be set up.

Civil service is far from being perfect, especially when it bars capable persons from a job. I know I could not take a civil-service examination such as we have, and I am the secretary of labor and industry. I lack the necessary academic qualifications. I think many capable persons are barred from these positions because the qualifications are so high. I know, for I write the qualifications for positions in employment service and unemployment compensation. I write them subject to the approval of Washington, and if the qualifications do not meet the high standards set up we do not get any money to run the service. I just want to see what others think about the trend in this country to set the qualifications so high that some good people are barred from taking the examinations.

Mr. PATTON. I wish everyone would be as frank as Mr. Hines. I feel that we need more frankness in our meetings, and I think a good part of what Mr. Hines is saying is exactly what I had in mind last year when I told Mr. Lubin that I did not want to be chairman of this committee any longer. There are real grounds for just criticism of civil service as it is administered in the States that have the best civil-service systems. All of you have read the Chicago Tribune and the St. Louis Globe-Democrat, and, like Mr. Hines, you all want tenure of employment. This morning's Globe-Democrat said that yesterday 75 employees of the city were fired and replaced by workers of another political faith in advance of the coming elections to be held September 15. The mayor spoke to us yesterday and made a good talk, and I am not blaming him particularly. Probably he could not be reelected next time if he had not fired those 75 people yesterday. In Illinois the Tribune says that 4,000 State employees will be released from their jobs in a few days. How can Mr. Hines say that is getting tenure of employment? And, with due regard to Mr. Hines, he has no business writing the standards for the jobs in his department. That is the function of an impartial civil-service commission—to consult with the department head and find out the nature of the job and get all the help it can from him—but that department head does not prepare the tests. I agree with Mr. Hines that we want people to have tenure of employment. I know all the faults of civil service too

well. I wish we could have a real report on civil service—one that points out the faults and errors that exist in the States which have the best civil-service systems. When all is said and done it still remains true, as I see it, that Pennsylvania has not got real civil service. Why have a bill to give civil service to three departments in Pennsylvania? If it is good enough for three, why not for all? Why say to three departments, "You will have civil service." Why leave the other departments as happy hunting ground for political spoils?

Mr. HINES. As I stated, the bill was originally drawn up, at the request of the Governor, to cover probably six or seven departments, but when it went to the Democratic-controlled house it struck out all but the three departments, and then the bill was passed only under pressure from Washington, which said the funds would be withheld from those departments unless the civil-service measures were passed.

Mr. PATTON. You would not have civil service unless Washington made you?

Mr. HINES. Right; because the Democrat-controlled legislature hopes to elect a governor next year and wants to leave the patronage question alone. The Republicans took a chance on it. All these things were mixed up in the political whirlpool. I think the important thing in connection with civil service is my point about qualifications. What about the fellow who does not have academic training but who has experience and is capable of doing the job? Would you make any provision for him or would you bar him completely? I think it is a very important question, particularly where it relates to people in the trade-union movement who have not had the advantages of academic training and who come from the ranks, but who are better qualified in many instances from the psychological standpoint—from the standpoint of emotional adaptability, or what have you—than the people who could pass the examination.

Mr. POHLHAUS (Maryland). One fault I have found with the merit system is that the department head—and they are not all dishonest—at times knows who is better qualified for a promotion in his department than the civil-service board. I can speak of a situation of a \$1,000-a-year worker in the statistical department, and when it came to statistics I think she knew as much as the head of the department, with all respect to the head of the department. I did not want to lose that employee and had the departmental examiner change her to a senior clerk, where I could give her \$1,240 instead of \$1,000. Then the statistician was taken sick and was home for a period of 5 months. I could not get somebody else and break her in in 5 months, so that young clerk ran the department and ran it well. Yet at no time could I raise her pay above \$1,240. She cannot become a statistician because she is not a college graduate, and yet she can do that work better than thousands of college graduates. On that part I agree with Mr. Hines. I think the department head should have some say, and when the commissioner has reason to believe that a department head is dishonest or a cheap politician, then I say let that commissioner get rid of that politician.

Mr. DAVIE (New Hampshire). I agree with the gentleman from Pennsylvania, and I think a great deal of trouble in the past has been due to this unequal education. I wonder if Mr. Patton can clear the atmosphere.

Miss MILLER (New York). I do not promise to clear the atmosphere at all. I am one of the people who has appointments to make, and I suspect from seeing a good many examination papers that probably I could pass enough of them to have a technical job in certain areas of the department's work if I chose to compete. Yet I agree with Mr. Hines that any appointing officer has certain existing grievances with the qualifications and the type of examination current today, so far as certain jobs are concerned. However, I do not think he would disagree with me when it came to changing the qualifications for industrial-hygiene positions—we do not want to change those qualifications. We want those people to be good, qualified physicians, and I suspect the same thing is true when it comes to engineers. But we also have examinations where maybe there are technical qualifications, maybe not. I believe we should have mediators, officials who sit in an official capacity at hearings. I agree with what I think is back of a great deal of the heat of this discussion—that this kind of selection has not been furthered by written examinations and the kind of tests set up. On the other hand, I think that there is a need for us to specify more clearly the type of person we need for the job. It seems to me that private industry is going way ahead of us when it comes to personnel selection.

Mr. MORRISON (Virginia). I am glad to note that there are some people present who agree with the thoughts expressed in New York a year ago. I heard one gentleman say, "Isn't it a pity we still have some people who don't believe in civil service?" I do believe in it. But I should like to know who is better qualified to write these questions than the director who is in charge of the work. It looks to me as if the person who has charge of the work and knows what the people have to do should have something to do with writing those questions.

I serve as one of the members of the unemployment compensation commission in Virginia. We have just put our unemployment-compensation employees under merit service. We had to give examinations to everybody who had been employed by us for 4 or 5 years. The commission felt that we should blanket those in who were doing a good job or had been there a long time, but we did not have our way about that. We have not finished giving all the examinations yet. However, of those who have taken the examinations, three failed to pass who had the type of personality along with other qualifications that made them suited to their jobs. One person was so popular with organized labor in the community that they asked me if he might instruct them at night on unemployment-compensation law. Someone told me after taking the examination that only about 15 percent of the questions had anything to do with the work at all.

I am in favor of extending civil service even wider than it is, but that does not keep me from pointing out the defects in it, along with Mr. Pohlhaus and the others. I am certainly not in favor of discarding it; I am in favor of improving it and believe it will be done.

Mr. HINES. There is one thing more I should like to point out—the necessity for conducting civil service properly. In 1937 we set up a civil-service commission within the department of labor and industry. Examinations were held that were taken by thousands of people in the State, and a large number of people were appointed. No attempt was made by the civil-service board at that time to verify the applications, and in many instances the persons who took these examinations were

induced to place statements regarding schooling, employment, etc., in their papers which were not true.

In fact, schools were set up in Philadelphia which were dominated by political leaders, and the pupils were told what to put in their papers. When a fellow eventually got a job he had to contribute financially to the party and if he failed to contribute and said, "I'm under civil service now. You can't touch me," he was told, "We'll get your papers and look for falsifications." The result was that this hung over his head constantly while he held the job, and in many instances persons who refused to go along with the political leaders were discharged because they had falsified their papers.

What happened with the change in administration? There were wholesale dismissals because in many instances there were legitimate cases of falsification. The first position I took when I came in was not to appoint anyone from the civil-service list until his papers were passed and cleared of falsification. In other words, I did not want to have to remove a fellow for falsification or to hold that over him after appointing him. I think, once appointed, he is entitled to the job: Now the Social Security Board is a stickler for civil service. They will have you do almost anything in the name of civil service. Recently they told me I would have to appoint persons to temporary jobs—not necessarily permanent civil service—from the lists; appoint first and examine the papers later. I refused to do this, with the result that there are a number of vacancies that have not been filled. The Board called the commission, or rather that part of the department that handles civil service, and told those people not to check the papers for falsification, saying, "We insist that the secretary appoint first and check the papers afterward." There is no one here who, under the circumstances and with the history that there is before us in Pennsylvania, would attempt to appoint anyone from the lists unless his papers were verified and absolutely cleared.

MISS PAPERT (New York). It seems to me that it is not civil service that we are criticizing, but the way in which civil service works. I think in trying to improve the situation—and we all agree that improvement is necessary—we have to see to it that the civil-service commission has the knowledge it needs in order to place people properly and that it has the staff to do it, and, what is most important of all, that it is realistic about the jobs for which it is testing. The last point, at least in my experience, is the one I would stress most, and by being realistic I mean not only academic qualifications but other qualifications or lack of qualifications. I think it is up to the labor departments and to the people who appoint to push civil service, or to push the community or legislature, so that we can get what we really need under civil service.

Factory Inspection and Safety

Machinery Safety Requirements

Report of the Committee on Machinery Safety Requirements, by FORREST H. SHUFORD (North Carolina Department of Labor), Chairman

1. The primary purpose of the committee is assumed to be that of promoting the maximum practicable degree of safeguarding machinery and mechanical equipment by its manufacturers. The major hindrances of such safeguarding appear to be:

A. Conflicts in regulatory requirements. State safety codes, while in the main in reasonable accord with American standard safety codes, nevertheless vary sufficiently to hinder seriously the satisfactory safeguarding by their manufacturer of standard models of such widely used machines as circular saws and punch presses.

B. Indefiniteness in requirements. Requirements are so vague that the machinery manufacturers have little to guide them in designing and guarding their product.

C. The conflicts and indefiniteness of the regulatory requirements as among the various States are heightened by the variations in inspection standards, whereby guarding accepted by some inspection departments is unacceptable in others. In some cases considerable variation has been reported as among the different inspection districts of the same State.

D. Finally and most important of all is the fact that consumer demand for the maximum in machinery safeguarding must be stimulated if a satisfactory level of performance in providing adequately for user safety is to be secured from the machinery manufacturers. They make what they can sell and unless user safety is definitely demanded by purchasers, we cannot expect it to receive adequate attention from the manufacturers. However, if the State regulatory agencies will develop a united attack on this problem, it can (if we may judge from the progress already made in certain jurisdictions) be solved, through:

(a) Contacting machinery manufacturers and aiding them to develop and incorporate detailed provisions for user safety in the specific products of each.

(b) The stimulation of consumer demand for the maximum in built-in machinery safety actively and systematically by their inspectional and promotional personnel.

(c) Strengthening (where necessary) of requirements for the safeguarding of new or newly installed machinery and equipment.

2. It is proposed to prosecute the work of the committee through a system of regional subcommittees, each representing a geographically convenient group of States. Each such subcommittee (through meetings and correspondence) to work out a regional program as conditions may require and facilities allow.

3. As the program of these regional committees develop, their work can be coordinated through the main committee as conditions may require and the progress made may justify.

4. Tentatively, the regional divisions might be: (a) New England; (b) New York, New Jersey, Pennsylvania, Maryland, Delaware; (c) Virginia, West Virginia, North Carolina, South Carolina; (d) Tennessee, Mississippi, Alabama, Georgia, Florida; (e) Ohio, Kentucky, Michigan, Wisconsin, Illinois; (f) Minnesota, Iowa, Missouri, North Dakota, South Dakota; (g) Oklahoma, Arkansas, Louisiana, Texas; (h) Rocky Mountain and Pacific Coast States.

5. The fact that many of the States do not have legislation enabling the drafting of safety rules should, in my opinion, not prevent their inclusion in the program, for the end sought is the same regardless of the form of the regulatory requirements in any given State. Nor should the fact that some of the States carry on only very limited safety inspectional services justify their exclusion, for the program should be national in its coverage, and besides every State is developing industrially and its safety problem is growing.

DISCUSSION

Mr. DURKIN (Illinois). I think this matter hinges greatly on the next subject matter, factory inspection. If you recall, in New York at the last convention a resolution was passed requesting that the United States Department of Labor set up an organization or committee for the purpose of setting standards, not so much for protection alone, but in methods and procedures, so that we would have something as a standard or measure. I do not want to be too critical and hope the United States Department of Labor will take this as constructive criticism, but I believe that as regards the methods they use now in trying to assist the States in the protection of the life, limb, and health of the worker, some of the States have stepped along a little bit faster. They have been dealing with the situation in the States as an everyday problem, whereas the Federal people have to go back to the States, because their problem is not an everyday problem and they have no laboratory in which to make tests of samples taken in the field where there is an occupational-disease hazard. I think that if there would be more activity on the part of the United States Department of Labor in taking those things into consideration, we would have no problem of keeping people on the job.

We know that in the glass factories for many years there was little production, little activity, and we know also that there is an occupational-disease hazard there because of the lead used. The skilled people are pretty well employed now because of the defense program, and the industry itself has been stepped up. In the glass foundries there was a certain amount of ventilation that took care of that hazard in the past, but because of the stepping up of activities and the overcrowding in some of those places, there is now a greater hazard. We know this is true also in the battery industry—there is hardly a plant making batteries today where there is not a definite lead hazard. Why should we not have standards that every State should follow? The State should have a competent staff, and there should be a laboratory and a trained technical staff capable of helping the States in Washington.

During the last year we had the cooperation of the United States Department of Labor in training our inspectors on about four different occasions. The last time the class was held our technicians thought we should not call on the United States Department of Labor. They felt the Department was a little bit behind the times and that we were further advanced and could do a better job of conducting the class ourselves. Nevertheless, I insisted that the Department of Labor be called in again, in order to keep it in that particular line of work. I believe that its staff should be placed in the field in the States that are doing the job. Let them get first-hand information, go out and see what we are doing, practice, do the work as we are doing it in the States, and then make determinations as to whether or not we are doing it right. Let us call in Washington a committee of technicians from our departments and have them set up standards. Then we will have something to fall back on if someone finds a practice that he considers wrong. Then we can say, "This is a practice accepted by all the States doing this kind of work."

Mr. POHLHAUS (Maryland). I should like to ask Dr. Patton a question. Is there much difference in the requirements as to acceptance of boilers from the manufacturers—is there much difference in the different States? Why are such high allowances made by the manufacturers on old boilers?

Mr. PATTON (New York). I have been informed that the reason such high allowances are made for condemned boilers is that the States vary so much in their requirements that the manufacturer knows he can take one off your hands and resell it to another State where it will meet the requirements. I do not see why it is not possible to have a consensus of opinion as to what is the best and safest manner of construction and to have that agreement accepted by all of the States. It would be cheaper, and I think it would save the burden of inspection—save the nuisance of having to condemn such a machine as being unsafe for use.

Mr. POHLHAUS. I know that the differences are such that today you could buy a condemned boiler in Baltimore and ship it into a neighboring county and I could not stop you. The agricultural counties are exempt from these restrictions. I am glad I asked that question. It brought out something that was not quite clear in my mind.

Mr. McCLURE (Illinois). This procedure that Mr. Durkin is advocating has nothing in it that is particularly new. The Department of Agriculture has had such a set-up for a good many years. The Department in Washington is the clearinghouse of information from all the States. A method of analysis is proposed by a commission in one of the States. This is passed on to the other States as a tentative method. After it has been worked out and improved it becomes a permanent official method throughout the country. The practice is therefore uniform. We have got to realize that industry is not intrastate. If Illinois has a certain industrial practice and sets up certain rules and New York does not have the same rules, we immediately have a situation where resistance is set up by the bigger corporations to enforcement of these rules.

If we had uniform standards cleared through a central clearinghouse at Washington, resistance to orders of this sort would be greatly

lessened. For instance, a certain machine is manufactured in Illinois and Michigan and also in New York. Michigan and New York insist on having an exhaust on these machines. Although we have no rules, we have been issuing orders on this and have met some resistance in this connection. If it were a standard practice in all States, it is very likely that we could work along the lines of Mr. Patton's suggestions—these machines would come equipped with the proper protective devices. However, in order to do that we would have to have set rules and regulations and a testing method worked out somewhat along the lines that the Department of Agriculture employs.

Mr. WILCOX (Washington, D. C.). I should like to ask Dr. Patton or Mr. McClure as to the advisability of enlisting the assistance or interest of the American Standards Association in this type of work.

Mr. McCLURE. I hesitate a little to assert myself on that, because I feel that the Standards Association would be attempting to do something that should be done by the Department of Labor.

Mr. PATTON. It is true that the American Standards Association has confined itself primarily to safety requirements. I do not know whether it would welcome an invitation to enter this field of industrial hygiene, and I could not speak for it on that. I do know that it has accomplished a great deal in industrial safety standards, and it is true that industrial-hygiene standards are a part of safety work, but I do not know whether the Association would welcome taking on the additional task of industrial hygiene.

Mr. LUBIN. I am wondering if this question might not be a good basis on which to get together men from the different States, with a view to agreeing to do certain things. The idea occurred to me—if the Association sees fit—of asking the Secretary of Labor to call a conference of the various industrial States, with a view to agreeing on certain specific standards which might then be entered into through compacts. In most instances the compact should be approved by the State legislature.

Mr. SHUFORD (North Carolina). As those of you who were at the conference in Tulsa and also in New York know, the purpose of this committee is to do the things which Dr. Patton has mentioned, and the proposed method of procedure is one way of trying to do it. What we will be able to accomplish I do not know, but I suspect we will use all the means which have been suggested here and any others you may suggest at a future time.

Mr. McCLURE. I do not see why there should be any differentiation between the physical guarding of a punch press and the placing of an exhaust on a machine. Our work should be to protect the people working on these machines, and anything that happens to come under the jurisdiction of industrial hygiene or safety engineering should not limit that.

Mr. MOONEY. On that question of interstate compacts, I believe this group is forgetting that the Association and its individual members had some experience in interstate compacts. There were some memorable meetings—one in New Jersey notably. From my rather brief experiences with interstate compacts—

Mr. PATTON. Mr. Mooney is not quite up to date on interstate compacts. That movement died. The Interstate Compact Association has

passed out of the picture, and has been taken over as a part of a new organization known as the Committee on Interstate Cooperation. It does encourage the making of compacts as a part of its work. At a meeting of the New York Committee on Interstate Cooperation I brought this matter to its attention and asked the chairman whether or not it would be willing to consider this problem. The committee agreed to take the matter under advisement. I believe that Mr. Mooney would view with more favor the Committee on Interstate Cooperation than the old committee on compacts.

Factory Inspection

Report of Committee on Factory Inspection, by JOSEPH T. FAUST (Illinois Department of Labor), Chairman

We believe the time has come when we can review with facts the past efforts made toward the training of factory inspectors, the accomplishments achieved, and their reflection on the future of our Nation at a time when the balance of the world is in chaos.

Seven or eight years ago, factory inspection was considered only a small part of the labor departments existing in the States of our Union. Efforts were made here and there to build up the standards and the education of the inspector, so that his duties would obtain the results necessary in affecting the lives and limbs of our industrial workers. Many States had visions of the future and built their labor departments accordingly, to control all of the various activities coming under their jurisdiction. Various methods of securing legislation, giving them extended powers and creating divisions and departments within their scope, were suggested, adopted, and passed, which thereby gave them a field to work in. In some States codes were amended to fit modern methods of processing and manufacture. In other States new codes were drawn up within the realm of the department's power, and rules and regulations, both general and specific, were made part of their laws to be enforced.

The Division of Labor Standards of the United States Department of Labor was observing these conditions, and entered the field in the capacity of standardizing, assisting, and cooperating as far as possible with these ever-increasing demands upon the State departments of labor. It was plainly evident that training of personnel and inspectors was needed to maintain an average degree of efficiency. Many of our States grasped this opportunity of assistance and cooperation of the United States Department of Labor, and took advantage of everything it had to offer in building up their departments.

Schools for these men and women were held in many of our States, and even up to the year of 1940 the States of Illinois, Pennsylvania, Alabama, Arkansas, and Indiana, and others, were still having training courses for their factory inspectors. These schoolings were held in some of our large universities, and the training personnel was of the highest caliber obtainable from the various States and the Federal Government. These courses gave the prospective factory inspector a training in engineering, along the lines suitable to fit him to observe unsafe practices, unguarded machinery and equipment, also, the existence of dangers in connection with health conditions affecting the well-being of our Nation's workers. The private employer fitted into

the program, giving his time and facilities to make it possible to provide this country of ours with a type of skilled worker needed so badly in this time of need.

There always has been in the past a shortage of engineers and qualified inspectors for factory-inspection work. These men under training were given the best information obtainable on the most modern, up-to-date methods in use, and were trained to keep step with the changes in manufacture, and the influx of new raw materials.

All of this training was then utilized in bringing forward the best results in the State's program from year to year. Quite a number of these men were merited, and in time became a permanent factor in the division of factory inspection.

However, we must not forget that the other phases in factory inspection activities had to be considered properly, to give these men definite rules and regulations upon which to write orders or make recommendations, and also to see that proper compliance was made. In this connection again the United States Division of Labor Standards gave a helping hand in the writing of codes and standardizing them as far as possible. These codes are now in practice in many of these States.

This brings us up to the present period. To quote statistics of activities at this time would be impossible. Some States have compiled reports, and others have not, and to attempt to secure reports from the States individually would be futile and too late for submission to this convention. When we look back at the work we are indeed fortunate that the need for this training was foreseen years ago, which definitely realizes a dream come true.

We ask today, Where are these trained men who have come forward during these years of preparation? In this emergency, in addition to acting in the capacity of factory inspectors, we find them in many lines of endeavor identical with factory-inspection work. In our defense program these men are important cogs in keeping up the schedule of defense orders. Not only do we find them in Federal defense work, but with private employers and insurance companies, who have welcomed them within their ranks, and who, directly or indirectly, are affecting the health and safety of our workers and who we can safely say have saved many man-hours of defense work.

These same trained men are carrying on this work and assisting in the development of new and younger workers coming up along the same lines. Never before have we been able to state with such enthusiasm that a training program would eventually fit into a national emergency. Never before have we been so prepared to do effective work to keep our workers on the job. Never before have we had such a sudden change within the mechanical ability of the Nation's employees and such a shortage of skilled men. Almost within a fortnight we have sprung from a Nation giving dole to one in which productive labor is needed badly. Increased employment and the type of workers involved have made so much more difficult the task of keeping the cost of accidents within reason compared with the frequency and severity rates of the past years. Every manufacturing city in our land has had to have its employers put into operation all idle equipment available, and many of these units are taking a heavy toll of accidents in comparison with the modern machines used in

industry today. But this old equipment must be used, and the old processes must be continued, to get out the orders affecting our future destiny on schedule. The present demand for new machinery is far beyond the possibility of the manufacturer to supply its needs. And effectively to guard its motions requires the skill of an engineer who can visualize the proper method to guard its moving parts and be able to advise the employer on the most economic way to do it. We might say here that the progress we had expected in modernization of built-in safety machinery was hampered because of the insecurity of manufacturers in the years back. Had the world remained at peace, no doubt we would have looked upon a record which we who guide these activities could be proud of. But now almost everything mechanical must be put into use, and it may be the products produced by the old, obsolete, unused machine that will eventually be our real salvation. The demands upon us by the nonaggressive nations call for the use of all tools and equipment that we have at our disposal, as well as their products.

Now the problem is to keep a qualified operator at that machine, and to keep the machine busy 24 hours a day, and at the same time prevent the operator from being injured and the atmosphere from affecting his health.

An untrained inspector could never fit into this program, and semi-skilled inspectors will not do much toward effecting a standard accepted frequency. Actual production supersedes unproductive labor, and only that work is being done in the factory today to keep the machine in motion. Therefore, accident prevention takes a secondary role in the industrial program. This very important item then is not considered, and we are again having a great loss of man-hours. It is the inspector's duty to bring this item to the attention of the employer, to prove to him that an expenditure in safeguarding will pay dividends in the long run in saving man-hours. There is no reason for the employer to cut down his pay roll by saving necessary unproductive labor used for safety, and throwing it all into production. We know it is the mechanically skilled men who are needed today, above all, to operate this obsolete equipment, and they cannot become experienced overnight and must be trained to work safely.

The problem also confronts us of the shortage of materials used in building guards for the moving parts of machinery, which is sometimes used as an excuse for not complying with orders. Here, too, a trained inspector is needed to be able to solve the problem in the use of the materials that are available and effective in building guards. All of us, including the employer, realize that certain materials come under priority rights, and substitutions, where made today, may be used as standards in the years to come. The raw material processed in the past has taken on new research work in our laboratories, and the blending and mixing have given the inspector additional headaches, and only time, in some cases, will decide whether a new industrial hazard has been created. In the years past, it was difficult to determine the threshold limit of an industrial health hazard, and now we have new fields to conquer and revisions to make, in order that we may keep abreast of the times. The equipment used in measuring and analyzing samples is becoming more standard and better results are obtained. In the analyzation work, cooperating with the designing and engineering

of exhaust and ventilating systems, many easier methods have been found to create workable atmospheres. All of this will eventually crowd itself in some manner into the industrial progress lying ahead.

To sum up our position in 1941 in factory-inspection work throughout our country, we find ourselves advancing toward our goal, mechanized modernly to a certain degree, with a clear understanding of our problem. We do not step forward proudly, but rather cautiously, making every step firm, with a determination that the paramount problem of men in our work capacity is to save man-hours, particularly in defense work, so that our Nation can realize, through us, what it expects in accomplishing its program. When we emphasize saving man-hours, we consider an item which will mean much as an integral part of this program, as the loss of man-hours, which reports show run into millions, is enough in a short period of time to lose the building of several battleships, or airliners, etc. With proper statistics these facts can be made clear to responsible executives or engineers and brought to the attention of the factory inspector so that he can put forth additional effort and added skill in the writing of orders and recommendations to eliminate the hazards and dangers existing in the manufacturing plants of the United States in the days ahead.

DISCUSSION

Mr. FAUST (Illinois). I believe that in Illinois we realize more than ever what the Division of Labor Standards at Washington offered us in helping with our first school. The director stated we have trained four groups of men, and I believe it is a dream come true, for today we stand in this emergency with a group of qualified men still being trained every week in the most modern ideas, methods of guarding machinery, new trends in industry and of saving man-hours.

Due to the increased employment, naturally our accident rates are going to go up. We have crowded plants such as we have never had before. Old machines have been repaired and added when the supply of new machinery was depleted. This is the situation not only in Illinois but in other States as well. This presents a problem for the inspector and makes it necessary for us to have trained men—men who will be quick to observe a point that makes for unsafe working conditions and who will make recommendations and tell employers how to remove hazards.

Then we have the problem of unskilled labor. I have had examples in my field work of men being interviewed and hired as operators of certain types of machines simply because they knew the names of them, and who in due course were injured to such an extent that they were handicapped for life. That example is typical. Just the other day I was called in to look over the punch-press department of a certain plant. It was stated that in that certain plant the guards had been removed from the machines, and every time an inspector came he was asked to wait for a half hour or so before he was allowed to make a survey of the plant. This particular time I went over and started a survey immediately, but when I found that the guards were off it was blamed on the foreman.

Just last Friday in this same plant after giving the men a lecture and seeing to it that the guards were put on, I received a call that a girl had lost a finger. The machine on which she was working did

have a guard, but it was bent so that the girl could reach around the side and get under the press. The man in charge seemed quite enthusiastic about wanting to prevent injuries, but said it was impossible in many cases simply because a mere youth will take chances and do things foolishly. The example he gave was where people drive slowly on dry roads, but the minute they become slippery speed up to 70 miles per hour.

Then there was the time when, on going through a factory, I noticed that there was a repeat in the tripping of the treadle. I did not call this to the employer's attention immediately, because I wanted this man to get the actual facts and to visualize for himself the things that existed in his factory. Then I asked the man running the machine to let me operate it, which he did. I then operated another machine where, if the operator was not supervised properly, it too would repeat because of the strong spring. But even when I operated these machines myself, I could not convince the man running the machine that there was a hazard there. The superintendent admitted that it could cause accidents. These are the things that an inspector has to contend with. The workers and supervisors have to be educated to catch conditions such as that. An inspector cannot go through and operate every machine in the plant.

We have another serious problem to contend with. During my vacation recently I visited the shipyards at Newport News. I visualized while I was there what is coming—what is before us now—and am now trying to apply preventive methods in my State. This is a new hazard with which we have to contend. In building ships you have to have portable machines that you can bring to the job. You cannot bring the work to the machines in such a bulky operation as shipbuilding. This means that portable tools are coming more into prominence than ever before. In our own State a certain welding unit, which was at one time obsolete, has been brought back into existence because the tool was needed to speed up production. Those are the things we have to contend with, and this old obsolete machinery is a headache. It is going to be a headache for every State in the Union, because if there is any machinery not in use these companies are going to find it. At our State fair recently, we could have sold every machine exhibited, simply because factories are behind in their orders and it is so hard to get machines—maybe a 60- or 90-day wait for machinery. So you can see that an untrained inspector does not fit into this program, and it is up to us to see that these men are given up-to-date instruction and that they move along with the times.

We also have this problem. The builders cannot get raw material. The inspector is told by an employer that on account of priorities he cannot get sheet steel and certain other types of metal used in building guards. What are we going to do about it? There will have to be a mixing and blending of new materials or other substitutes to take the place of the materials that they cannot get. We will have to keep trained men in the field every day on this, to make surveys and report to the hygiene department and let them know what is going on. I should like to state now that this report on factory inspection has come at the end of the session for the last 3 years, so we have never been able to put our problems over satisfactorily. I should like to say a word before I close about this idea of guarding the machinery at the source. We have tried to get

designers and engineers to do something about it, and in some of the industrial cities in our State they have cooperated with us. To sum up our position in factory-inspection work throughout the country we now find ourselves advancing toward our goal, realizing that we can serve our country best by keeping the worker on the job and seeing that he does not get hurt, and trying to bring others to see that, too. We do hope that through the efforts of the factory-inspection departments of our country we will save many man-hours and preserve men for useful service, and that some day again we may enjoy the peace we are entitled to in this world of ours.

Business Meetings—Reports and Resolutions

Report of the Secretary-Treasurer

Since the New York convention four new members have joined the Association, viz, the Alaska Department of Labor, the Manitoba Department of Labor, the Colorado Industrial Commission, and the Nevada Department of Labor. The membership is now as follows:

ACTIVE MEMBERS

United States Bureau of Labor Statistics
United States Bureau of Mines
United States Children's Bureau
United States Employment Service
United States Women's Bureau
United States Division of Labor Standards
United States Social Security Board
National Labor Relations Board
Alabama Department of Industrial Relations
Alaska Department of Labor
Arkansas Department of Labor
California Department of Industrial Relations
Connecticut Department of Labor and Factory Inspection
Florida Industrial Commission
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
Montana Department of Agriculture, Labor and Industry
New Jersey Department of Labor
New York Department of Labor
North Carolina Department of Labor
Pennsylvania Department of Labor and Industry
Philippine Islands Department of Labor
Puerto Rico Department of Labor
Rhode Island Department of Labor
South Carolina Department of Labor
Utah Industrial Commission
Virginia Department of Labor and Industry
Washington Department of Labor and Industries
West Virginia Department of Labor
Wisconsin Industrial Commission
Department of Labor of Canada
British Columbia Department of Labor
Manitoba Department of Labor
Nova Scotia Department of Labor

ASSOCIATE MEMBERS

Colorado Industrial Commission
Delaware Labor Commission
Maryland Commission of Labor and Statistics
Nevada Department of Labor
New Hampshire Bureau of Labor
North Dakota Department of Agriculture and Labor
Oregon Bureau of Labor
Alberta Department of Trade and Industry

The proceedings of the New York City convention have been printed as Bulletin No. 690 of the Bureau of Labor Statistics of the United States Department of Labor.

The committees which have prepared reports for presentation to this 1941 convention, are as follows:

COMMITTEES

Apprenticeship

Voyta Wrabetz.....	Industrial Commission.....	Wisconsin (chairman).
Lewis G. Hines.....	Department of Labor and Industry.	Pennsylvania.
George G. Kidwell.....	Department of Industrial Relations.	California.
Thomas B. Morton.....	Department of Labor and Industry.	Virginia.
Morgan R. Mooney.....	Department of Labor and Factory Inspection.	Connecticut.
E. C. Burris ¹	Department of Agriculture, Labor, and Industry.	Montana.
William F. Patterson.....	United States Department of Labor.	

Child Labor

Beatrice McConnell.....	United States Children's Bureau	(Chairman).
Margaret F. Ackroyd.....	Department of Labor.....	Rhode Island.
C. H. Gram.....	Bureau of Labor.....	Oregon.
W. Rhett Harley.....	Department of Labor.....	South Carolina.
Maud Swett.....	Industrial Commission.....	Wisconsin.

Civil Service

Eugene B. Patton.....	Department of Labor.....	New York (chairman).
Adam Bell.....	Department of Labor.....	British Columbia.
John M. Pohlhaus.....	Commissioner of Labor and Statistics.	Maryland.
William L. Connolly.....	Department of Labor.....	Rhode Island.
John J. Toohy, Jr.....	Department of Labor.....	New Jersey.

Factory Inspection

Joseph T. Faust ¹	Department of Labor.....	Illinois (chairman).
William T. Cameron.....	United States Department of Labor.	
James T. Moriarty.....	Department of Labor and Industries.	Massachusetts.
John D. Petree.....	Department of Industrial Relations	Alabama.
Forrest H. Shuford.....	Department of Labor.....	North Carolina.
Chas. Sattler.....	Department of Labor.....	West Virginia.

Industrial Home Work

Morgan R. Mooney.....	Department of Labor and Factory Inspection.	Connecticut (chairman).
Marian L. Mel.....	United States Department of Labor.	
Kate Papert.....	Department of Labor.....	New York.
Boyce A. Williams.....	Industrial Commission.....	Florida.

¹ Letters of acceptance from Burris and Faust not in file August 22, 1941.

Machinery Safety Requirements

Forrest H. Shuford.....	Department of Labor.....	North Carolina (chairman).
Roland P. Blake.....	United States Department of Labor.	
Joseph T. Faust.....	Department of Labor.....	Illinois.
C. H. Gram.....	Bureau of Labor.....	Oregon.
John Roach.....	Department of Labor.....	New Jersey.

Minimum Wage

Frieda S. Miller.....	Department of Labor.....	New York (chair- man).
Mrs. Rex Eaton.....	Department of Labor.....	British Columbia.
Lottie Shupe.....	Industrial Commission.....	Utah.
Louise Stitt.....	United States Women's Bureau.....	
Mrs. Bess Proctor.....	Department of Labor.....	Arkansas.

Social Security

W. A. Pat Murphy.....	Department of Labor.....	Oklahoma (chair- man).
L. D. Currie.....	Department of Labor.....	Nova Scotia.
Math Dahl.....	Department of Agriculture and Labor.	North Dakota.
Charles W. Harness.....	Bureau of Labor.....	Iowa.
J. M. Reese.....	Labor Commission.....	Delaware.
Jeff A. Robertson.....	Department of Labor.....	Kansas.

*Wage Claim Collection*²

John S. B. Davie.....	Bureau of Labor.....	New Hampshire.
Robert H. Harlin.....	Department of Labor and Indus- tries.	Washington.
Thomas R. Hutson.....	Department of Commerce and Industry.	Indiana.
Wm. M. Knerr.....	Industrial Commission.....	Utah.
E. C. Manning.....	Department of Trade and In- dustry.	Alberta.

Women in Industry

Mary Anderson.....	United States Women's Bureau.....	(Chairman).
Nellie Kennedy.....	Department of Labor.....	Kansas.
Margaret Mackintosh.....	Department of Labor.....	Canada.
Frieda S. Miller.....	Department of Labor.....	New York.
Mary Rice Morrow.....	Department of Labor and In- dustry.	Pennsylvania.

² Former chairman McKinley (of Arkansas) no longer in office. No record of new chairman being named**FINANCIAL STATEMENT COVERING PERIOD SINCE NEW YORK CONVENTION***Receipts*

1940		
Sept. 5	Balance in bank.....	\$2,914.18
20	Washington Department of Labor and Industries, 1941 dues.....	\$25.00
25	Montana, Department of Agriculture, Labor and Industries, 1941 dues.....	25.00
1941		
Feb. 24	New Jersey Department of Labor, 1941 dues.....	25.00
Mar. 3	Pennsylvania Department of Labor and Industry, 1941 dues.....	25.00
25	Puerto Rico Department of Labor, 1941 dues.....	25.00

FINANCIAL STATEMENT COVERING PERIOD SINCE NEW YORK
CONVENTION—Continued

Receipts—Continued

1941		
May 20	Nova Scotia Department of Labor, 1942 dues.....	\$25.00
24	Virginia Department of Labor, 1942 dues.....	25.00
24	Illinois Department of Labor, 1942 dues.....	25.00
24	Colorado Industrial Commission, 1942 dues.....	10.00
26	North Carolina Department of Labor, 1942 dues.....	25.00
27	British Columbia Department of Labor, 1942 dues.....	25.00
28	Nevada Department of Labor, 1942 dues.....	10.00
28	Alberta Department of Trade and Industry, 1942 dues.....	10.00
June 4	Massachusetts Department of Labor and Industry, 1942 dues.....	25.00
4	Maryland Commission of Labor Statistics, 1942 dues.....	10.00
6	Rhode Island Department of Labor, 1942 dues.....	25.00
9	North Dakota Department of Agriculture and Labor, 1942 dues.....	10.00
9	Kansas Department of Labor, 1942 dues.....	25.00
9	Montana Department of Agriculture, Labor, and Industry, 1942 dues.....	25.00
12	Arkansas Department of Labor, 1942 dues.....	25.00
12	Missouri Department of Labor and Industrial Inspec- tion, 1942 dues.....	25.00
20	Delaware Labor Commission, 1942 dues.....	10.00
30	Washington Department of Labor and Industries, 1942 dues.....	25.00
July 7	Indiana Division of Labor, 1942 dues.....	25.00
22	South Carolina Department of Labor, 1942 dues.....	25.00
24	Iowa Bureau of Labor, 1942 dues.....	25.00
28	Florida Industrial Commission, 1942 dues.....	25.00
31	New York Department of Labor, 1942 dues.....	25.00
Aug. 8	California Department of Industrial Relations, 1942 dues.....	25.00
11	Manitoba Department of Labor, 1942 dues.....	25.00
27	New Hampshire Bureau of Labor, 1942 dues.....	10.00
		\$670.00
	Total receipts.....	3,584.18

Disbursements

1940		
Sept. 16	Commodore Hotel, tips and telephone calls.....	\$30.17
16	Caslon Press, programs and letterheads.....	54.50
19	Frieda S. Miller, clerical services rendered at con- vention.....	35.00
19	Mary Carr, reporting convention.....	100.00
24	J. B. Clark, secretary-treasurer, bond.....	5.00
Oct. 1	Caslon Press, letterheads.....	7.90
3	Western Union, telegrams.....	1.00
12	Cash, postage, secretary's office.....	5.00
Nov. 1	Manhattan Stationery Co., cards, tickets, and signs for banquet.....	2.04
14	Western Union.....	5.81
Dec. 3	Cash, postage, secretary's office.....	5.00
1941		
Feb. 27	Cash, postage, secretary's office.....	5.00
27	Aaron Horvitz, flowers for Miss Miller.....	3.00
May 9	Cash, postage, secretary's office.....	5.00
23	Caslon Press, billheads and letterheads.....	14.00
July 7	Cash, postage, secretary's office.....	5.00

FINANCIAL STATEMENT COVERING PERIOD SINCE NEW YORK CONVENTION—Continued

Disbursements—Continued

1941		
Aug. 18	Cash, postage, secretary's office-----	\$10. 00
18	American Airlines—travel to St. Louis for Lucille Buchanan-----	78. 66
20	Exchange charge by bank on North Dakota check----	10
28	Lucille J. Buchanan—expenses of St. Louis trip-----	19. 57
Sept. 4	Hotel Chase—executive board luncheon-----	6. 00
		\$397. 75
Sept. 5	Net balance-----	3, 186. 43

Report and Recommendations of the Executive Board

1. Your board recommends that an appropriation of \$500 may be available to 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, and to increase membership of the association to include not only the agencies dealing with unemployment compensation and employment security, but all States, Territories, and Provinces of Canada not now affiliated with this association.

2. 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.

3. In view of the widening extent of the problems in the field of labor standards and administration that are bound to arise as a result of the expanded defense program, your board deems it advisable that aid be provided to the president of the association in handling such problems as may arise during the course of the coming year. Accordingly, it is recommended that the association appropriate \$500 for such assistance as may be required by the president between now and the next convention.

4. Your board further recommends that you authorize the payment of \$100 to Phyllis Bramlet for stenographic and transcription services for the minutes of this convention.

5. Your board further recommends the authorization of expenditure not to exceed \$50 for gifts to such persons as helped our association in a clerical and in other ways at this meeting.

6. The many responsibilities that are imposed upon certain members of the association during the month of September have led your board to raise the question as to the advisability of changing the annual meeting date from September to May or June. It is recommended that the membership give serious consideration to this suggested change of date.

[The first five recommendations of the board were accepted. After some discussion on the sixth recommendation, it was voted that the 1942 convention be held at a date in June to be fixed by the board.]

Resolutions Adopted by the Convention

International Labor Organization

1. Whereas, the International Labor Organization has for a generation been the symbol in the international field of the aims and purposes of this organization; and

Whereas, the democratic nations and the free governments of occupied nations have determined to maintain the International Labor Organization intact; and,

Whereas, the International Labor Organization is the only international organization upon which labor, employers, and governments are represented, and consequently the only institution in a position to protect and advance the standards of labor on an international basis at the end of present hostilities; and,

Whereas, the International Labor Organization is to hold a conference in the city of New York in October 1941, at which representatives of workers, employers, and governments of the democratic nations and their free governments will be represented; therefore be it

Resolved, That (1) the International Association of Governmental Labor Officials welcomes the holding of the conference of the International Labor Organization in the United States; and (2) that the International Association of Governmental Labor Officials authorizes its president and its executive board to appoint a delegation to attend the forthcoming conference of the International Labor Organization.

Labor Standards in Relation to National Defense

2. Whereas, the national defense program has created many problems in the fullest utilization of the working men and women in the defense program; and

Whereas, their help and cooperation are essential to the successful carrying out of the defense program and are also essential to the preservation of the democratic way of life and to the bringing about of better economic and social conditions; and

Whereas, existing labor standards with regard to wages, hours, and working conditions, and the rights and responsibilities of labor are being questioned too often without having any real relation to the defense program, and contravention to the full principle of our whole defense program; and

Whereas, it has always been the position of this Association that labor standards are necessary not only for efficient production, but also for the welfare of the worker and our Nation; now therefore be it

Resolved, That labor standards with regard to wages, hours, working conditions, collective bargaining and the other matters that vitally affect our defense program, and the continuation and extension of the benefits of the democratic way of life be vigorously enforced, where labor standards now exist, and where such standards are absent or nonexistent, that labor standards be established and extended.

The Prevention of Accidents and Occupational Diseases

3. Whereas, the Federal Department of Labor has set up an organization of voluntary experts on safety to assist defense industries in the prevention of accidents and occupational diseases, and

Whereas, such organization functions independently of State departments responsible for industrial safety and sanitation resulting in duplication of efforts and lack of coordination, and

Whereas, funds have been made available to the Federal Department of Labor to permit the employment of full-time assistants in this field; now therefore be it

Resolved, That the Secretary of Labor be requested to provide for closer cooperation of the organization for the conservation of manpower by making reports of such organization available to State departments in charge of industrial safety and sanitation; and be it further

Resolved, That since funds have been made available to the Federal Department of Labor, that some allocation of funds or personnel be made to assist State departments rather than to set up separate and independent agencies.

Employment of Youth

4. In this critical period of increased production and expanding employment opportunity, the International Association of Governmental Labor Officials emphasizes the vital importance of maintaining protective measures which insure the education, training, and the safety, health and general welfare of young workers, and recommends that every effort be made to:

(1) Maintain existing protective legislation.

(2) Extend such protection to occupations or fields of employment now not adequately covered, such as commercialized agriculture and street trades, and

(3) Develop more effective regulation of employment of minors in occupations particularly hazardous to health and safety.

The association, recognizing the importance of safeguarding not only the condition of employment but also the opportunity of employment for youth in desirable and legal occupations, further urges the extension of guidance and specialized placement services for young persons through public employment services.

Industrial Home Work

5. Whereas the International Association of Governmental Labor Officials has repeatedly expressed the opinion that the practice of industrial home work makes

impossible the enforcement of labor standards pertaining to fair wages, reasonable working hours, and child labor; and

Whereas the Administrator of the Wage and Hour Division has issued a wage order for the jewelry industry which includes the prohibition of industrial home work and has given consideration to the prohibition of home work in the women's apparel industry: Therefore be it

Resolved, That the International Association of Governmental Labor Officials express to the Administrator of the Wage and Hour Division its strong approval of his action and urge that the Wage and Hour Division continue to give consideration to the prohibition of home work in any industry in which the problem is important.

Machinery Safety Requirements

6. Whereas the safety and health of workers necessitates constant consideration of safety and health standards adjusted to changing methods of production and the introduction of new materials into industry; and

Whereas the increased tempo of production resulting from the defense program has brought with it the rapid expansion of industry, necessitating new processes and new machinery whose effect upon the physical health and safety of workers cannot be foretold, as well as the use of obsolete and hazardous machines and the rapid introduction of new and untrained workers, working under inadequate supervision; and

Whereas these conditions create a greater need than ever before for the setting of safety standards and procedures: Now, therefore, be it

Resolved, That the International Association of Governmental Labor Officials urge the creation and establishment within the United States Department of Labor of a permanent unit empowered:

(1) To recommend a unified procedure for the control and elimination of occupational hazards; to recommend uniform codes for the elimination of such hazards.

(2) To recommend uniform methods and procedures for the elimination of industrial accidents.

(3) To collect and make available for Federal and State agencies information relating to these subjects.

(4) To function as a central agency to promote cooperation between Federal and State organizations in securing uniform standard methods, practices, and codes.

Apprenticeship Training

7. Whereas it is a well-recognized fact that there is now and will continue to be a need for skilled mechanics; and

Whereas skilled journeymen can best be produced by training on the job in accordance with a definite plan of apprenticeship training; and

Whereas the responsibility for apprenticeship training rests primarily upon industry: Therefore be it

Resolved, That the Office of Production Management or other proper governmental agency give consideration to the possibility of including a provision for the training of apprentices in contracts for defense goods in situations which lend themselves to such training.

General

8. *Resolved*, That this convention extend its most sincere thanks to the Honorable Forrest C. Donnell, Governor of the State of Missouri; the Honorable William Dee Becker, mayor of the city of St. Louis; Commissioner Orville S. Traylor, and Miss Marjorie Riepma of the Missouri Department of Labor, for the excellent hospitality accorded to the delegates during our stay in St. Louis and the things they have done to make the convention a success; and

Resolved, That this convention extend its thanks to the Missouri League of Women Voters and the St. Louis Convention Bureau, to Morris Landau, director, and Mrs. Mary Lou Maginn and Miss Helen Kelsey for their generous and courteous assistance in promoting and publicizing the convention and assisting the delegates; and

Resolved, That we extend our thanks to Mr. A. C. Tucker and other members of the staff of the Chase Hotel who have contributed to our pleasure and convenience while guests in this city.

DISCUSSION

[Resolution No. 3 as originally presented and the discussion thereon follow:]

Resolution No. 3 as originally presented

Whereas, The Federal Department of Labor has set up an organization of voluntary experts on safety to assist defense industries in the prevention of accidents and occupational diseases; and

Whereas, Such organization functions independently of State safety and sanitation departments resulting in duplication of efforts and lack of coordination; and

Whereas, It is probable that funds will be made available to the Federal Department of Labor to permit the employment of full-time assistants in this field; now therefore be it

Resolved, That the Secretary of Labor be requested to provide for closer cooperation of the organization for the conservation of manpower with State safety and sanitation departments by making reports of such organization available to State departments, and by some means of closer cooperation; and be it further

Resolved, That if funds are made available to the Federal Department of Labor, that some allocation of funds or personnel be made to assist State departments rather than to set up separate and independent agencies.

Miss MILLER. In speaking of that closer cooperation I understood the resolution to mean that the national committee would be reporting to the State safety and sanitation departments. I should be interested in hearing what that means.

Mr. WRABETZ. There are certain experts now in various States, and these experts are assigned to various industries having defense contracts. These experts go into the plants, and I think they try to encourage the organization of safety committees, and so on. Upon invitation they also make inspections to determine whether or not something might be done in the way of guarding, etc. It seems to me that the reports of those inspections and those visits should be made available to the States, so that there would not be any carrying on of activities that might cross, and it also seems to me that if they would work together, they would accomplish more.

Miss MILLER. Then it is to the State departments of labor rather than to safety and sanitation departments that the reports would be made?

Mr. WRABETZ. Yes; that is, the department primarily interested in advice. It would be the safety and sanitation department under the industrial commission in Wisconsin. I suppose there might be some States where the inspection force is not under the commissioner of labor. I think that is true, and therefore those reports and that cooperation ought to be with the department that has to do with safety and sanitation.

Miss MILLER. Would it be proper for the resolutions committee to amend that to read "to department responsible for safety inspection"?

Mr. WRABETZ. Somebody suggested that the word "industrial" be inserted ahead of the word "safety."

Miss MILLER. If it is satisfactory to you, then we understand that that means the department responsible for factory inspection. I think we should leave it to the committee.

Mr. POHLHAUS. It strikes me that there are quite a few "ifs" in the resolution—if money will be appropriated, then so and so will be

done. I might add another if. If this committee or this group of experts continues to expand, there is a possibility that they may usurp the power of the States and the State departments.

There is quite a bit of dissatisfaction on the part of some of our larger business interests at having a Government man come in today and a State man come in tomorrow to make practically the same kind of inspection, and there has been some resentment shown to some of our inspectors when they come in. They say, "Another one? Why so and so just left here."

I am not particularly finding fault with this, but I think if that resolution could read so that we ask the Government to set up a fund and allocate certain parts of that to the States and then permit these experts to work with the State department, so that the State department is in contact with the people in its own State, we might hold some of the things in our State departments that we would like to hold.

Mr. PATRON. The last paragraph reads at present: "If funds are made available to the Federal Department of Labor, that some allocation of funds or personnel be made to assist State departments." I take it that a change in the wording to read, "Be it further resolved, That funds should be made available to the Federal Department of Labor, etc.," would suit Mr. Pohlhaus.

Mr. POHLHAUS. I should like to make it a positive rather than a negative resolution.

Mr. WILCOX. The movement to which this resolution refers is not, in the ordinary sense, something that has reference to Federal activities. It is true that one of the bureaus of the Department of Labor did get behind this movement and drive it along, but as to the recruiting of safety engineers from firms that have developed safety programs and sending them around on invitation to the smaller firms or the firms which do not have safety programs, in order that in this time of emergency there be a pooling of safety information, it was another division of the Department and not the Bureau of Labor Statistics that was responsible for that. So perhaps it comes with more grace from a different part of the Department of Labor from the one starting it to put in this word of explanation.

The suggestion that Mr. Pohlhaus has made would imply that the program is one of the type where Congress would appropriate money; that Government employees under civil service would be on the pay roll. The basic program to which this resolution has reference is a far cry from anything of that kind, and I should think that it would be much better if an entirely separate resolution were proposed.

Mr. DURKIN. I might throw some light on this, too. I believe we are a little bit too late. The Department already has the money—\$185,000 I understand—and most of it has been spent; at least people are on the pay roll. In the State of Illinois there is a man on the Federal pay roll, paid out of that \$185,000 fund. Now that is the condition.

It is not a case where the Department has not received the money. We have a man on the Federal pay roll, and I believe we might find that people are engaged and on the pay roll in other States, if we

looked into it. This man is calling a meeting in Illinois at Springfield, where those dollar-a-year people and myself, who happen to be on the State pay roll, will get together and go over ways and means of assisting him in carrying out his duties. They already have the money and I am saying they are on the way to spending it.

Miss MILLER. There are two people here from the Division of Labor Standards. I think we ought to be able to get from them the information they have as to the status quo before we go any further.

Mr. TONE. I spend so much time in the field that when I return to Washington there are bound to be many changes, as well as new undertakings. When the defense program came about, Mr. Zimmer, the Director of the Division of Labor Standards, wanted to make sure that concerns receiving contracts would be in a position adequately to protect the lives and health of their employees. In some States labor departments are not equipped properly to enforce this function. Mr. Zimmer got together with the safety engineers of the country and divided the country into regions, with regional directors heading up the safety men of these regions. These men, as you know, serve for a dollar a year and expenses—in fact were contributing their services to the United States Department of Labor in order to insure safety in the districts they were to represent. Mr. Blake, of the Division of Labor Standards, is here and undoubtedly knows more about this than I do. Do I understand that this resolution is for the purpose of directing those in charge?

Mr. DURKIN. This gentleman I was speaking of was brought into my office by one of the dollar-a-year men and introduced to me as a regular employee on the regular pay roll. I believe Mr. Blake can probably tell us a little about it.

Mr. BLAKE. The country was organized into eight regions and a representative of industry—in the Illinois area it is Harry Gilbert of the Pullman works—was selected to act as regional director of that area. It was his job to get the necessary State chairmen to work under him and contact industries and safety men in various States, and to get as many as possible to volunteer a half day, a day, or a week of their time per month to carry their knowledge of safety to the plants that had defense contracts but did not have safety personnel and might need that knowledge.

In order to enable them to have their expenses paid by the Federal Government, they were put on as dollar-a-year men—sworn in as dollar-a-year employees of the Division of Labor Standards. We have altogether about 475 such special agents. It developed, as all volunteer work of that sort does, that it did not get done very well. A lot was done, but these men were busy, and the volunteer effort did not enable them to do all the work that they were supposed to do.

Then Congress appropriated \$2,000,000 as of July 1 of this year to get full-time men to work under the regional directors and continue the promotion of the work. They are not making an inspection service of it, but if, when they go into a plant, the management wants them to go through the plant and give information on how to prevent accidents, they do it. As to the question of definite reports, Washington makes no attempt to control that. If Harry Gilbert found it useful to have his men report to him on conditions they found and he would do so, we would not attempt to interfere.

No reports come back to Washington. It was specifically stated in orders from Washington that no information about the plants themselves—monthly or weekly reports—were to be made. To what extent these men are making reports to their district chairmen I do not know. Some of them want them; and we worked up in the office, at the request of some of the regional directors, a list of the things we would look for in determining good safety performances in an establishment, and sent that out. How they use it, I do not know.

That is the picture as it stands today. Each of these regions is organized with a regional director and an advisory committee on which is a representative of labor, industry, and the State administration in each State; they are supposed to determine the policy and supervise the work in that State. For instance, in Illinois Mr. Durkin is on the advisory committee.

Mr. DURKIN. They put me on it a long time ago.

Mr. BLAKE. That is the general pattern—a regional director and an advisory committee composed of representatives of labor, industry, and the State organization.

Miss MILLER. I might ask information on one point. Others present might like this information, also. Do I understand that these men who are members of the staff of the United States Department of Labor go into plants and advise them as to what safeguards should be on machines, safe exits, safety in fire protection, lighting, etc., and make recommendations?

Mr. BLAKE. If asked to. In other words, the idea is that it is a consulting service on accident prevention. The way the thing is done, a letter goes out to each contractor to whom a contract is granted stating that this service is available if he wants it, and in due course the State representative or agent will get in touch with him by phone or otherwise. If he wants the service, it is there. There is supposed to be a definite cooperation there between the commissioner of labor and the agent; he is supposed to know about it and give his approval. I am surprised that you people do not know about this.

This service should be wholly supplementary to the State inspection services and should not in any way duplicate or cross it. The idea was supposed to have worked cooperatively with the labor administrative agencies. I made a trip through the South to show what the plan was, and in Virginia, North and South Carolina, Georgia, Alabama, Texas, and Florida I made regular routine calls. Mr. Morton knows about that.

In each case I would contact the proper administrative officers and tell them the story, and usually call up the labor heads, see them, and explain things to them to secure their cooperation. That is the way the thing was initiated. I have had little part in the work recently, but I am surprised that you people do not know all about it, because you are supposed to.

Mr. DURKIN. I might say some more on this subject. After this was originated I was requested to serve on the advisory committee, and I agreed, but on next Tuesday there will be the first meeting of that advisory committee that I have been invited to or known anything about. I think it has been going on for about a year. People are out in the field. I am afraid that people in Washington do not know what has

taken place within the year, because no reports are submitted to them. We have someone in the field going in to advise employers as to what they should do in the way of safety.

I feel, and I believe I am correct, that the person who is going to advise—this full-time person in Illinois, or it may be a region that covers more than Illinois; I do not know if there is one for every State or one for every two or three States—should make a study of the safety laws of the State of Illinois, or if he has more than one State, of the different States, so that he can really advise the employer as to what is the right thing to do.

We may run into situations where in issuing orders to employers to comply with our laws we find that this other man has been in ahead of us, telling the employer that this is what he should do, and all of it contrary to our orders. We now find the health departments doing this same thing in industrial hygiene. I think that is a very loose way of doing business.

I thought when Federal funds were used that there would be civil-service employees; that they would be given tests to determine their fitness and after they did that, they would be acquainted with the laws of the different States in which they were working—what the safety laws are, and what recommendations they should make. Now they have someone reporting to some dollar-a-year man, and the dollar-a-year man does not make any report to the Department. That is the way it is being run.

I believe that the Federal Department should call us together every year for cooperation between the States and the Federal Department. I believe that should work both ways. I am ready and willing to cooperate, and if they are doing a good job I am not going to try to take their personnel away from them. I am willing to help, because I think it is our job in the State to make it safe for the people who are employed in our State.

They do not have to give us money; we are willing to cooperate, because we want those leads. We want to find out where things are bad, but we do not want to have some man in our State reporting to a dollar-a-year man, even though he is the greatest expert you can find in the United States. He still has his job to do, and he is not going to give a great deal of supervision, as the person who is steadily employed can. I believe that it is high time that this loose administration is stopped.

Mr. WRABETZ. There is no such thing as an advisory committee in Wisconsin. Our commission has never been invited to attend any meeting or been a member of any committee. We have learned about the situation from some of the experts who were appointed and came and asked our advice as to whether they should accept the position, and we advised them to do so. I know there are reports—we have to have copies of those reports because, after all, we do not have staff enough to cover the State as it should be covered, and, if we are shown leads as to where something needs to be done, it will be helpful to us. If some full-time person is going to report in our State, then that full-time person should know our regulations and our policy and should work under us, and so I say that if a person is assigned to Wisconsin, that person should work and operate under the Industrial Com-

mission of Wisconsin. I think that the resolution would take care of that situation.

Miss MILLER. Mr. Wrabetz, I understand this resolution to mean that funds available to the Department of Labor for work in this field, if they are to be expended for full-time personnel, be for personnel that is responsible to the State agency where that person is operating?

Mr. WRABETZ. Right.

Mr. MORTON. I should like to state Virginia's experiences on this. I have been at all the meetings we have had in the State on this subject. We have to depend entirely on volunteer services of the engineers in the manufacturing organizations, and we cannot allow them to check up on their competitors in business. We have no authority sometimes and are not allowed to go into those plants that have Federal orders. We had one case in Virginia where at least one of the companies in the State refused to let the men go in. I think, as this service is conducted, it is simply an annoyance to the manufacturers.

The chairman of the committee in Virginia is William M. Myers, and he has had lots of trouble and complaints because he does not feel he gets cooperation from the Federal agencies. He does not feel that he has any authority at all. I think, the way it is being conducted, the manufacturers and everybody concerned would be better off if this Federal service was abolished.

One great trouble we found with it in Virginia is that it does not extend its usefulness even to the building projects, where it is so much needed and where there is a real danger to workmen. Around the shipbuilding plants, we have about 20 building projects and at the last meeting of our safety committee, Mr. Myers and myself were directed to address a letter to the Secretary of Labor and ask that the building projects in connection with the defense program be included in this safety work. She wrote back she thought it a good idea and would take it up. So far as I know, nothing has been done to include the building projects, and that is where the danger lies.

Mr. WRABETZ. I agree 100 percent with Mr. Morton and Mr. Durkin, but the thing is here and if it is to continue, then it seems to me we ought to have some control or have it done in cooperation with us.

Mr. MORTON. I believe we have a real opportunity.

Mr. POHLHAHS. Probably, Mr. Wrabetz, I do not understand the resolution, and I feel vindicated to some extent because there was a great deal of misunderstanding all around. At least, it brought some discussion on the subject. It is my understanding that this resolution will direct those forces in the proper channels. Is that the intent of the resolution?

Mr. WRABETZ. It is intended to bring about cooperation between this organization, so that it may operate in connection with and in cooperation with the State agencies, and if full-time persons are put on, they shall work as a part of the State department, rather than separately.

Mr. POHLHAHS. I do not object to that.

Mr. TONE. I believe this should be explained thoroughly. We are in a real emergency. There are thousands of men and women being taken into industry throughout our country, and a great many of our

States do not have adequate funds to take care of them so far as safety and health are concerned. There is, for example, a major industry on the outskirts of Denver which has just started production. I do not know how many inspectors the State of Colorado has, but the aim and object of this organization is the conservation of the manpower in defense industries in order to assist States such as Colorado, or any other State where they do not have the facilities and the trained personnel to safeguard the employees.

You must remember that the men and women entering industry are really "green" as regards the atmosphere of a shop, and it is obvious that we must be equipped to protect them in order to save eyes, arms, limbs, and life. When this emergency came about, it required expedient mobilization of safety men to render such a service.

Mr. DURKIN. I cannot let the gentleman get away with that. This reminds me of a condition, now creeping into the United States Department of Labor, which they have in Connecticut. In Connecticut they have an agency outside of the department of labor that is performing a labor function. That is Dr. Gray and his Industrial Hygiene Section of the Department of Health. I think that it is not necessary to put on all of those people to protect the interests and health and life and limb of the people; at least it has not worked out satisfactorily.

I believe that when those people were appointed the Department believed it was getting the cooperation of some of the finest safety engineers there were, but I think this mistake was made—it went back to the associations to get additional people, for the sum of a dollar a year, who had some knowledge of a particular industry, say the battery industry where there are conditions which bring about lead poisoning, or in the foundries where there is a silicosis danger. Conditions might be bad and they do not want the State labor departments to find out all of those things which might interfere with getting Government contracts.

The intent may have been fine but I believe, from my relationship with people who do not want the labor department to find out everything, that is probably what happened. The United States Department of Labor is receiving no reports as to the conditions of the plants. In fact these people have no right to go in, no right of entry. All they can do is just to try to go in and to sell their services to the employer, and if conditions are bad he does not have to let them in.

Mr. PATTON. I am puzzled to know how they are going to spend this \$185,000 on dollar-a-year men.

Mr. WRABETZ. They are putting full-time people on, a few have been put on already, but I do not think the money has been spent yet.

Mr. DURKIN. They are on the way to spending it. They pay some people \$3,800 a year and some more \$3,200.

Mr. PATTON. In New York State, where the department of labor has an efficient bureau of industrial hygiene, with an inspection force in the field, with factory inspection force and industrial hygiene force, physicians, and engineers who are completely familiar with every portion of the New York labor laws and industrial code, I do not quite see how one dollar-a-year man or even a \$3,800-a-year man is going to function.

Surely, if he comes into the State and makes recommendations and issues orders it will result in inevitable confusion. When the regular factory inspector or industrial hygiene inspector comes around, the employer will say, "The Government man told us to put in an exhaust pipe 6 inches in diameter, and you say it should be 4 or 8 inches." I confess I can only see that in the inspection of plants of any one State there should be one unified consistent authority to say what needs to be done and to issue and enforce orders.

I am still not clear in my mind, despite all the discussion we have had, just how the independent inspection agencies are going to function. I think it is true, as Mr. Morton pointed out, that manufacturers have the right to refuse admission to the independent inspectors, and even if they did let one come in and he issued orders, he could not enforce them. So if an independent inspector issues an order in New York State, and one of the factory inspectors or industrial-hygiene men comes along and issues an order of a different tenor, the manufacturer will be compelled to comply with the department order and let the other go.

Mr. MORTON. Just what is the resolution now?

Mr. PATTON. Your acting chairman of the resolutions committee has endeavored to make corrections in pencil which, so far as he can understand, have been made. The second paragraph which read, "Whereas such organization functions independently of State safety and sanitation departments," is to be changed to "independently of State departments responsible for industrial safety and sanitation." The third paragraph read originally, "It is probable that funds will be made available to the Federal Department of Labor," and is changed to "funds have been made available to the Federal Department of Labor to permit full-time assistants."

In the next paragraph "closer cooperation of the organization for the conservation of manpower with State safety and sanitation departments" is changed to read "closer cooperation of the organization for the conservation of manpower by making reports of such organization available to State departments in charge of industrial safety and sanitation." Then the last paragraph is changed from "*Resolved*, That if funds are made available," to read "*Resolved*, That since funds have been made available to the Federal Department of Labor, that some allocation of funds or personnel be made to assist State departments rather than to set up separate and independent agencies."

Mr. MORTON. I think if this body wants to use the finances we ought to know what is going on. There is nothing concrete or definite about that resolution—no evidence that it can produce good, and on the other hand evidence has been presented here that it is just confusing and duplicates what is already being done. I move that the resolution be laid on the table.

Mr. POHLHAUS. It strikes me that the resolution would be more or less condoning something that has been going on. Of course, far be it from me to attempt to tell the Government what it can or cannot do, but there are times when the Government may do something that I do not think is right and I do reserve the right to say that, so far as I personally am concerned, I do not think it right.

Now, in passing a resolution of this kind it appears to me that we more or less condone the action of this duplication of safety

inspection, and that is the thing that I, as an individual representing the State, object to. I do feel that the State must reserve certain prerogatives. It must reserve certain contacts with its people and must not be placed in a position by a Government agency that its representatives are incompetent to carry out the work allotted to them. It may not be the intent of the Government agency to do that, but oftentimes the action of the Government agency is indicative of just such conditions—that the State agency is not competent to do the job, and that is the thing that I, as a State agent, am anxious to protect and guard so long as I am one of those State agents.

I think each State agent must at this particular time take into deep consideration the fact that the Government as a purchaser has some prerogative; that it needs no law to enforce certain regulations. As a purchaser I have the right to put certain restrictions around my purchase. The Government has that right and it does not have to ask me, a State person, whether it can or cannot. I want to make that clear and I do not want anybody to think I presume that we can stop it. We cannot. I do not want to, but I do think when those things come up we should express our thought rather than just let them go by and be a good fellow. I will not do that and I am sure the rest do not want to.

What we want, if possible, is to have it impressed upon the Government agencies responsible for these various functions, that where a State department is functioning there should be cooperation between the Government agency and that department whereby the dignity of that department can be maintained with the people of the particular State. That is my position in the matter, and I want to make myself perfectly clear on it.

Mr. WRABETZ. I do not believe that this resolution condones anything. It calls attention to the fact that there is a lack of cooperation between the Federal Department and the State departments, and asks for that cooperation. It seems to me that is the one thing we should do.

Mr. POHLHAUS. I have no objection if that is what the resolution will do, but the chairman just stated he did not clearly understand it and Mr. Durkin and some others did not, so if they all understand it to mean that, it's O. K. with me.

Mr. DURKIN. It is not that I do not understand the resolution, but I do not understand the procedure they are working under and the method by which it has been done. I should like to get some information. By what right or authority is the United States Department able to set up this inspection service? Under the Walsh-Healey Act, I am waiting for someone to say it, we make inspections for the Department.

Miss MILLER. I think it has been explained this is not intended to be an inspection.

Mr. DURKIN. They suggest they will go in there and advise the employer as to what to do in order to safeguard his employees; as to what kind of safety devices he shall have; what kind of protection shall be given for prevention of occupational diseases. They give this service if the employer asks for it, and probably the man who gives it does not know anything about the laws of the State that he is working in, and he is probably doing something contrary to an order which is now in the hands of the employer asking him to do certain things or he will be taken to court.

Mr. BLAKE. I think, Mr. Durkin, you are mistaken there. I know the code and law in Illinois; I have worked with your department. I cannot conceive of any man who knows accident-prevention and occupational-disease-prevention methods making recommendations counter to any law or code that is sound. In other words, your codes do not interfere. Take any of them. Certainly there is not a word in any State code contrary to good accident prevention.

If I should go into your State, and I should, of course, only upon invitation, and go into a plant and give advice on a condition I saw there, I would depend upon my knowledge of accident prevention, and rest assured that I would not be giving advice contrary to your code. Isn't that sound?

Miss MILLER. I take issue with that. As a matter of fact, I should like to supplement what Dr. Patton said, and say that it is the consistent and long-established policy in the New York State department to prohibit one group of inspectors and investigators from even giving advice in the field of authority of another group. No minimum-wage inspector can interpret the workmen's compensation law.

We have found that this is wise on the basis of every confusing experience from a contrary practice. There are enough technicalities involved in codes, as in wage orders, so that if the best intentioned and generally informed person from another branch of the department comes in, we find that the person charged with original authority may have to change that advice, and I therefore, if I may further transgress on my right as chairman, would strenuously and directly protest to the Federal Government any contrary practice. And I do not think that is the case because our inspection division has been actively working as a member of the advisory committee in the State. But if we found that advice as to safety codes was being given to employers in the State of New York—if it appeared to be directing them as to how to build ventilating systems or guards or exits—I would protest at the confusion that I think we all agree might result from such a practice.

[Mr. Morton made a motion that the matter be laid on the table. After some discussion it was voted not to lay it on the table.]

Mr. McCAIN. I made a motion to amend the resolution by striking out all but the first "Whereas" clause and inserting "We believe this will cause a duplication of inspections, conflict, and confusion, and therefore we recommend in the interest of unity between the States and the Federal Government that this service should be abolished."

Mr. WRABETZ. I am not quite sure that I am in accord with the policy of the whole idea, because after all the Department of Labor had very good motives when it started this work. Unfortunately, it has not worked, but it seems to me if we request cooperation and they give it, some good can come out of it. It would require an act of Congress to abolish this activity, and I am not so sure we want to do that exactly. It seems to me if we can get their complete cooperation, copies of those reports, get them to work with us, we ought to welcome the assistance.

Mr. POHLHAUS. Speaking on this question I want to make clear beyond any question of doubt in the minds of those present, that it has not been my intention to stop inspection. I want to make that clear.

Mr. TONE. Before you take the vote I want to say this. Let us say 400 or 486 of these men, or whatever the number may be, have volun-

teered to do this work for a dollar a year. Since that time I learned the Department is going to receive an appropriation of \$185,000. For a year's time these men from industry have been rendering cooperation—doing everything possible through the industries of this country to give impetus to safety; that is, in plants that have Government contracts. They have endeavored and are preventing the loss of life and limb, along with preventing occupational diseases.

Is this organization going to say the Government has no right to do that—that we are not subject to its policy and that we will recommend that the Department of Labor immediately do away with and abolish this method of voluntary assistance in safety? I have been a union man for 35 years, and when we are seeking cooperation from the employers, we should not antagonize them. Have they done any harm? If not, we should so word this as to secure their cooperation, and if any wrong has occurred, let us right it.

Mr. DURKIN. I believe that we have to look at this in another light. We are going to get all the assistance we can, but I hardly think it is the right of the United States Department of Labor to come in and cast reflections upon our service—pick out people it thinks can do the job better than we are doing it, because the very thing those people are asked to do in a cooperative way we are supposed to do under the laws of our State, and there is a question as to whether or not those people are doing a good job.

One of the experts in Illinois was a safety man in a plant where the State had issued 28 orders in order to protect the workers of his own establishment against the possibility of accidents and also to clean up the place to prevent occupational diseases. He had gone out and tried to advise others how to clean up their houses. I wonder if he did it on that high standard he maintained in his own plant? We do not know when it is done because no records of any recommendations that he made are available. We do not know whether or not these experts are doing it—making recommendations that would be a violation of our own laws. I believe in cooperation, and I believe that we should have been considered and consulted when this was being put into effect. We were not consulted.

Mr. PATTON. I want to read the resolution again so at least we will know where we stand.

Whereas, the Federal Department of Labor has set up an organization of voluntary experts for safety to assist defense industries in the prevention of accidents and occupational diseases, and

Whereas, such organization functions independently of State departments responsible for industrial safety and sanitation, resulting in duplication of efforts and lack of coordination, and

Whereas, funds have been made available to the Federal Department of Labor to permit the employment of full-time assistants in this field; now therefore be it

Resolved, That the Secretary of Labor be requested to provide for closer cooperation of this organization for the conservation of manpower by making reports of such organization available to State departments in charge of industrial safety and sanitation; and be it further

Resolved, That since funds have been made available to the Federal Department of Labor, that some allocation of funds or personnel be made available to assist State departments rather than to set up separate and independent agencies.

That would satisfy Mr. Durkin. But, I wonder if it would satisfy him to say "Secretary of Labor be requested to provide that these

full-time assistants in this field work under the supervision of the inspectors of the State departments.”

Mr. MORTON. In Virginia they came to me as commissioner of labor and asked me to take over as chairman of the committee. I recommended another man to serve as chairman, and I agreed to serve on the committee.

Mr. TONE. Did you accept a position on it?

Mr. MORTON. Yes; I am on the advisory committee in Virginia, and meet with them every time, but as I said, they have no authority and only duplicated the work State labor department inspectors have to do. I am not in favor of the motion to abolish it. I do not think we ought to take any action.

Mr. DURKIN. I rise to a point of information. Does this resolution as it is now written just require turning over to us copies of the reports?

Mr. PATTON. I will read that again. “Resolved, that the Secretary of Labor be requested to provide for closer cooperation of the organization for the conservation of manpower by making reports of such organization available to State departments in charge of industrial safety and sanitation.” Yes; it provides that reports be made to the State departments.

Mr. DURKIN. Do you think it goes far enough?

Mr. PATTON. It originally read “And by some means of closer cooperation.” Then the last paragraph reads, “Since funds have been made available to the Federal Department of Labor, that some allocation of funds or personnel be made to assist State departments rather than to set up separate and independent agencies.”

Miss MILLER. The answer to your point of information, Mr. Durkin, is that the resolution provides for more than information. It provides for some allocation of funds or personnel to the State departments.

Mr. DURKIN. I believe we should know whether they are enforcing the State laws and that the people they send to us are competent.

Mr. MORTON. If we are going to pass this resolution, I do not think it is inclusive enough. In its present effect it has to do only with those manufacturers who have Government contracts. In Virginia there are about 40,000 people working in the shipyards and there are 28 building projects around there providing housing for those people. My objection is that this safety committee set up by the Federal Government does not include those building projects.

I move that we amend the resolution to include the building projects that have to do with defense. I think that is most important. If we are going to have this inspection, I think inspectors ought to be permitted to inspect the building projects. The contractors are in a big hurry to build them and there are many dangers involved when they are building so rapidly. I think these inspectors should be allowed to inspect the building projects that have to do with the defense program, as well as the direct contracts for Government work.

Miss MILLER. I should like to ask the original introducer of this resolution whether, in his opinion, it is possible, for the purpose of this resolution, to include an amendment which would extend the whole scope of this existing organization as this proposed amendment would.

Mr. WRABETZ. I think it ought to be extended to the whole field in which these special experts are devoting their attention and, if they are devoting time to the building projects, O. K. I thought they were limiting their activities, however, to the manufacturers.

Mr. BLAKE. I think that is right. The last I knew, at least, the opinion was that building jobs do not come under the meaning of the term "contracts." I heard it discussed about 2 months ago, and that is the last word I had on it.

Miss MILLER. That is my understanding, that this money is appropriated for defense contracts and the functions of the committee deal with them, so I think Mr. Morton's amendment is out of order.

Mr. MORTON. Mr. Blake was present when the committee discussed this problem in the Jefferson Hotel at Richmond and heard the president of the Richmond Building Trades Council make a plea, pointing out the real danger was in the building around these projects. The result was that Colonel Myers and myself were appointed to draft a letter to Madam Perkins urging that these be included. She answered the letter and promised she would take this under consideration. That is where the danger is, and I think we ought to go on record asking it be done.

Miss MILLER. I think it ought to be a separate resolution; but I think there is a technical legal ruling as to what is a defense contract.

Mr. BLAKE. Following that meeting that Commissioner Morton spoke of, I asked that the matter be taken up and it was, and the opinion of the solicitor of the Department of Labor was that construction for building cannot be considered defense construction. I assume the Secretary decided to do nothing about it, and the War Department is going to undertake to do something about it in future contracts by including requirements for safety in contracts for construction.

[The convention voted to amend the resolution as read by Mr. Patton.]

Report and Recommendations of the Auditing Committee

The auditing committee examined the books and found them in fine shape. We also found a nice healthy balance there, and we move that the secretary's report be accepted. In addition to that we wish to recommend that at least \$2,000 of the \$3,193 be used for the purchase of savings bonds, leaving a balance of somewhere around \$1,190 plus whatever income may come in during the year. When we recommended a larger amount, Mr. Lubin said he thought the time might come when we would have to spend some money and by leaving around \$1,200 surplus we would be leaving enough. We would also be following out a policy that we are advocating to our constituents, to buy savings bonds. We leave that as a recommendation.

DISCUSSION

[A motion was made that the report of the auditing committee be adopted. A motion was also made that the secretary's report be accepted, and it was so voted.]

Miss MILLER. The recommendation of the auditing committee is that \$2,000 of the \$3,193 that constitutes the balance shall be invested in savings bonds. In asking your consideration I frankly do not know

whether there is any constitutional provision as to the way those funds are to be handled.

Mr. POHLHAUS. There is some thought, and I advance the thought, as to whether an incorporated body of this type is eligible to purchase that amount of savings bonds. I know some time ago, when an association I belong to contemplated purchasing about \$5,000 worth of bonds, we were informed that we could not buy that amount.

Mr. PATTON. You can buy only so much a month.

Mr. POHLHAUS. I do not know how that will work out. Just make that recommendation, leaving enough flexibility for the secretary-treasurer to use his judgment, and adopt it with that understanding.

Mr. WRABETZ. Does anyone know what the appropriation is?

Mr. POHLHAUS. It was the intent of the committee, I think, that it be left to the discretion of the executive board. We recommended that to the executive board and this body can empower the executive board to do so, if so desired. In other words, we want to leave that to the discretion of the board. Take a vote giving the board the authority if so desired.

Miss SWETT. What does the appropriation add up to?

Miss MILLER. \$950. The idea is that the board is to be empowered, if it so desires, to invest up to \$2,000 in bonds. It is a vote.

Report of the Nominating Committee

The nominating committee submits to you the following names of officers for the ensuing year:

President.—Voyta Wrabetz, of Wisconsin.

First vice president.—C. H. Gram, of Oregon.

Second vice president.—Morgan R. Mooney, of Connecticut.

Third vice president.—L. D. Currie, of Nova Scotia.

Fourth vice president.—Forrest H. Shuford, of North Carolina.

Fifth vice president.—Nellie Kennedy, of Kansas.

Secretary-treasurer.—Isador Lubin, Washington, D. C.

This report is unanimous and signed by all of the committee.

[The report was adopted.]

[On motion of Mr. Davie it was voted that the name of the outgoing president, Frieda S. Miller, be added to the list of honorary members.]

[Chicago was chosen by vote as the place of the next convention.]

Appendixes

Appendix A.—Organization of International Association of Governmental Labor Officials

Officers, 1941-42

President.—Voyta Wrabetz, of Wisconsin.
First vice president.—C. H. Gram, of Oregon.
Second vice president.—Morgan R. Mooney, of Connecticut.
Third vice president.—L. D. Currie, of Nova Scotia.
Fourth vice president.—Forrest H. Shuford of North Carolina.
Fifth vice president.—Nellie Kennedy, of Kansas.
Secretary-treasurer.—Isador Lubin, of Washington, D. C.

Honorary Life Members

George P. Hambrecht, Wisconsin.	H. M. Stanley, Georgia.
Frank E. Wood, Louisiana.	A. L. Ulrich, Iowa.
Linna Bresette, Illinois.	Dr. Andrew F. McBride, Minnesota.
Dr. C. B. Connelley, Pennsylvania.	Louise E. Schutz, Minnesota.
John H. Hall, Jr., Virginia.	Maj. A. L. Fletcher, North Carolina.
Herman Witter, Ohio.	Adam Bell, British Columbia.
John S. B. Davie, New Hampshire.	P. Rivera Martinez, Puerto Rico.
R. H. Lansburgh, Pennsylvania.	Frieda S. Miller, New York.
Alice McFarland, Kansas.	

Constitution

Adopted at Chicago, Ill., May 20, 1924; amended August 15, 1925, June 3, 1927, May 24, 1928, May 23, 1930, September 15, 1933, September 29, 1934, September 16, 1937.

ARTICLE I

SECTION 1. Name.—This organization shall be known as the International Association of Governmental Labor Officials.

ARTICLE II

SECTION 1. Objects.—To encourage the cooperation of all branches of Federal, State, and Provincial Governments who are charged with the administration of laws and regulations for the protection of women and children, and the safety and welfare of all workers in industry; to maintain and promote the best possible standards of law enforcement and administrative method; to act as a medium for the interchange of information for and by the members of the association in all matters pertaining to the general welfare of men, women, and young workers in industry; to aid in securing the best possible education for minors which will enable them to adequately meet the constantly changing industrial and social changes; to promote the enactment of legislation that conforms to and deals with the ever-recurring changes that take place in industry, and in rendering more harmonious relations in industry between employers and employees, to assist in providing greater and better safeguards to life and limb of industrial workers, and to cooperate with other agencies in making the best and safest use of property devoted to industrial purposes; to secure by means of educational methods a greater degree of interstate and interprovincial uniformity in the enforcement of labor laws and regulations; to assist in the establishment of standards of industrial safety that will give adequate protection to workers; to encourage Federal, State, and Provincial labor departments to cooperate in compiling and disseminating statistics dealing

with employment, unemployment, earnings, hours of labor, and other matters of interest to industrial workers and of importance to the welfare of women and children; to collaborate and cooperate with associations of employers and associations of employees in order that all of these matters may be given the most adequate consideration; and to promote national prosperity and international good will by correlating as far as possible the activities of the members of this association.

ARTICLE III

SECTION 1. *Membership.*—The active membership of this association shall consist of—

(a) The United States Department of Labor and subdivisions thereof, United States Bureau of Mines, and the Department of Labor of the Dominion of Canada.

(b) State and Provincial departments of labor and other State and Provincial organizations administering laws pertaining to labor.

(c) Federal, State, or Provincial employment services.

SEC. 2. *Honorary members.*—Any person who has rendered service while connected with any Federal, State, and Provincial department of labor, and the American representative of the International Labor Office, may be elected to honorary membership by a unanimous vote of the executive board.

SEC. 3. *Associate memberships.*—Any individual, organization, or corporation interested in and working along the lines of the object of this association may become an associate member of this association by the unanimous vote of the executive board.

ARTICLE IV

SECTION 1. *Officers.*—The officers of this association shall be a president, a first, second, third, fourth, and fifth vice president, and a secretary-treasurer. The executive board shall consist of these officers, together with the outgoing president, who shall serve as an ex officio member of the board for 1 year.

SEC. 2. *Election of officers.*—Such officers shall be elected from the members at the regular annual business meeting of the association by a majority ballot and shall hold office for 1 year, or until their successors are elected and qualified.

SEC. 3. The officers shall be elected from representatives of the active membership of the association.

ARTICLE V

SECTION 1. *Duties of the officers.*—The president shall preside at all meetings of the association and the executive board, preserve order during its deliberations, appoint all committees, and sign all records, vouchers, or other documents in connection with the work of the association. He shall fill all vacancies caused by death, resignation, or otherwise.

SEC. 2. The vice presidents, in order named, shall perform the duties of the president in his absence.

SEC. 3. The secretary-treasurer shall have charge of all books, papers, records and other documents of the association; shall receive and have charge of all dues and other moneys; shall keep a full and complete record of all receipts and disbursements; shall keep the minutes of all meetings of the association and the executive board; shall conduct all correspondence pertaining to the office; shall compile statistics and other data as may be required for the use of the members of the association; and shall perform such other duties as may be directed by the convention or the executive board. The secretary-treasurer shall present a detailed written report of receipts and expenditures to the convention. The secretary-treasurer shall be bonded for the sum of \$500, the fee for such bond to be paid by the association. The secretary-treasurer shall publish the proceedings of the convention as promptly as possible, the issue to consist of such numbers of copies as the executive board may direct. The secretary-treasurer shall receive such salary as the executive board may decide, but not less than \$300 per year.

SEC. 4. The business of the association between conventions shall be conducted by the executive board, and all questions coming before the board shall be decided by a majority vote, except that of the election of honorary members, which shall be by unanimous vote.

ARTICLE VI

SECTION 1. Finances.—With the exception of those organizations included under (a) of section 1 of article III each active member shall pay for the year ending June 30, 1936, and thereafter annual dues of \$25, except that where the organization has no funds for the purpose, and an individual officer or member of the staff wishes to pay dues for the organization, the fee shall be \$10 per annum for active membership of the organization in such cases.

The executive board may order an assessment levied upon affiliated departments not to exceed 1 year's dues.

Sec. 2. The annual dues of associate members shall be \$10.

ARTICLE VII

SECTION 1. Who entitled to vote.—All active members shall be entitled to vote on all questions coming before the meeting of the association as hereinafter provided.

Sec. 2. In electing officers of the association, State departments of labor represented by several delegates shall only be entitled to one vote. The delegates from such departments must select one person from their representatives to cast the vote of the group.

The various bureaus of the United States Department of Labor and the Department of Labor of Canada may each be entitled to one vote.

The rule for electing officers shall apply to the vote for selecting the convention city.

ARTICLE VIII

SECTION 1. Meetings.—The association shall meet at least once annually at such time and place as the executive board may decide unless otherwise ordered by the convention.

ARTICLE IX

SECTION 1. Program.—The program committee shall consist of the president, the secretary-treasurer, and the head of the department of the State or Province within which the convention is to be held, and they shall prepare and publish the convention programs of the association as far in advance of the meeting as possible.

Sec. 2. The committee on program shall set aside at least one session of the convention as a business session, at which session the regular order of business, and election of officers, shall be taken up, and no other business shall be considered at that session until the "regular order" has been completed.

ARTICLE X

SECTION 1. Rules of order.—The deliberations of the convention shall be governed by "Cushing's Manual."

ARTICLE XI

SECTION 1. Amendments.—Amendments to the constitution must be filed with the secretary-treasurer in triplicate and referred to the committee on constitution and bylaws. A two-thirds vote of all delegates shall be required to adopt any amendment.

ARTICLE XII

SECTION 1. Order of business.—

1. Roll call of members by States and Provinces.

2. Appointment of committees:

(a) Committee of five on officers' reports.

(b) Committee of five on resolutions.

(c) Committee of three on constitution and bylaws.

(d) Special committees.

3. Reports of officers.

4. Reports of States and Provinces.

5. Reports of committees.

6. Unfinished business.

7. New business.

8. Election of officers.

9. Adjournment.

Development of the International Association of Governmental Labor Officials¹

Association of Chiefs and Officials of Bureaus of Labor

No.	Date	Convention held at—	President	Secretary-treasurer
1	September 1883	Columbus, Ohio	H. A. Newman	Henry Luskey.
2	June 1884	St. Louis, Mo.	do	Do.
3	June 1885	Boston, Mass.	Carroll D. Wright	John S. Lord.
4	June 1886	Trenton, N. J.	do	E. R. Hutchins.
5	June 1887	Madison, Wis.	do	Do.
6	May 1888	Indianapolis, Ind.	do	Do.
7	June 1889	Hartford, Conn.	do	Do.
8	1890 ²	Des Moines, Iowa	do	Do.
9	May 1891	Philadelphia, Pa.	do	Frank H. Betton.
8	May 1892	Denver, Colo.	Charles F. Peck	Do.
9	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.

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	Do.
			Andrew F. McBride.....	} Do.
16	June 1929.....	Toronto, Canada.....	Andrew F. McBride ³	
17	May 1930.....	Louisville, Ky.....	Maud Swett.....	Do.
18	May 1931.....	Boston, Mass.....	John H. H. Ballantyne ⁴	Do.
			W. A. Rooksbery.....	} Maud Swett.
19	September 1933 ⁵	Chicago, Ill.....	E. Leroy Sweetser ⁶	
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.
26	September 1940.....	New York, N. Y.....	Adam Bell.....	Do.
27	September 1941.....	St. Louis, Mo.....	Frieda S. Miller.....	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 December 1931; Mr. Patton served from December 1931 to September 1933.

Appendix B.—Persons Attending the Twenty-seventh Convention of the International Association of Governmental Labor Officials

<i>Alabama</i>	<i>Iowa</i>
Montgomery: William H. Ivey	Des Moines: Charles W. Harness Mrs. Cora Wray
<i>Arkansas</i>	<i>Kansas</i>
Little Rock: W. J. McCain D. C. Shumpert	Topeka: Nellie Kennedy
<i>Connecticut</i>	<i>Kentucky</i>
Hartford: Morgan R. Mooney	Louisville: R. N. Gimmel
<i>Delaware</i>	<i>Maryland</i>
Wilmington: James M. Reese.	Baltimore: John M. Pohlhaus
<i>District of Columbia</i>	<i>Minnesota</i>
Washington: Mary Anderson Roland P. Blake Phyllis Bramlet C. R. Dooley Merle Fainsod Frank Fenton Arthur Flemming James F. King Richard A. Lester Isador Lubin Beatrice McConnell Marian L. Mel Samuel E. Neel Barbara J. Page William F. Patterson Ralph T. Seward Charles F. Sharkey J. R. Steelman Louise Stitt Sidney W. Wilcox Helen Wood David Ziskind	St. Paul: Alfred P. Blair
<i>Florida</i>	<i>Missouri</i>
Tallahassee: Walter E. Rountree Mrs. Walter E. Rountree Boyce A. Williams	Crystal City: Gus A. Aven V. A. Carron George Fenwick Mr. Marrer Festus: Joe E. Karl R. S. Reiser Jefferson City: Lee Ball C. O. Kette Marjorie Riepma O. S. Traylor Kansas City: Pete Dubose Walter W. King A. B. Lundgren St. Louis: Stanley Adler O. L. Allman M. J. Appelman Shirley Askensay Edward P. Boehnlein Dorcas Bristow May Browdy C. T. Cardwell Helen Chenot W. O. Cobb F. A. Cohrt R. E. Conrad Dr. J. E. Cook Fannie Cook Mr. Cunningham J. P. Davey R. B. Deschner Mary B. Dinneen Tom Elliott Cecelle Fi Alfred Freed
<i>Illinois</i>	
Alton: Tom Butler	
Chicago: Martin P. Durkin Joseph T. Faust Arthur W. Sullivan	
East St. Louis: Carl Stout D. V. Topper	
Urbana: Robert L. Gordon	
Western Springs: C. H. McClure	
Wood River: A. S. Gilles	

Missouri—Continued

St. Louis—Continued.

Tom Gainly
 John F. Galvin
 Thomas L. Gaukel
 J. K. Gerdel
 Robert Ghtallman
 Evelyn Gross
 W. Hochwald
 Bernice Houghtlin
 Ann Jordan
 J. M. Kennedy
 Mrs. Edwin Kerber
 Betty Lachterman
 Frank J. Lahey
 Claudie Lide
 Mrs. Virgil Lobe
 Doris McConnell
 R. B. McDonald
 Mr. McDonough
 Anne Meyer
 L. Marecek
 Zelda Margoelin
 Augusta Margulis
 D. M. Mitchell
 David H. Nicholson
 Orden C. Oechsli
 Edgar W. O'Harow
 Robert Ormond
 Ruth Patterson
 H. R. Ramel
 S. T. Ramey
 V. P. Ring
 Alex M. Robson
 Olinda M. Roettger
 George Rohlfing
 Mary M. Ryan
 Mary E. Ryder
 Luther M. Slinkard
 William D. Small
 Harold T. Smutz
 Robert Tomsen
 Elianor Uhri
 Lottie Walsh
 Ruth Weiler
 Mrs. Marian Weir
 C. L. Wetzal
 William F. White
 Edith Willick

Missouri—Continued

St. Louis—Continued.

Marie Woodlock
 A. Earl Wyatt
 Arnold Zempel

New Hampshire

Concord: John S. B. Davie

New Mexico

Santa Fe: Vincent J. Jaeger

New York

New York City:

Lucille Buchanan
 Kenneth A. McIntyre
 Frieda S. Miller
 Kate Papert
 E. B. Patton
 Mrs. E. B. Patton

North Carolina

Raleigh: Forrest H. Shuford

North Dakota

Bismarck: Math Dahl

Pennsylvania

Harrisburg:

Mary Rice Morrow
 Lewis G. Hines

Puerto Rico

San Juan: William D. Lopez

Virginia

Richmond: Thomas B. Morton

Wisconsin

Madison:

Clara M. Hoskins
 C. L. Miler
 Voyta Wrabetz

Milwaukee: Maude Swett