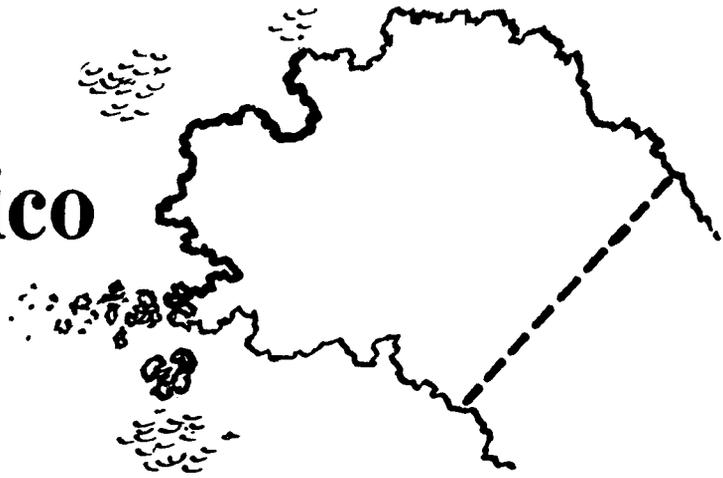


The Status of Labor in— Puerto Rico Alaska Hawaii



Reprint from the *Monthly Labor Review*
December 1955



Bulletin No. 1191

UNITED STATES DEPARTMENT OF LABOR

James P. Mitchell, *Secretary*

BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*

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ALASKA
HAWAII**

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Contents

	Page
A prefatory note.....	VI
Contributors to the special section.....	VIII
Puerto Rico	
The labor force and level of living.....	1
Population and labor force.....	1
Industrial development.....	3
Improvement in economic well-being.....	5
Tables:	
1. Industrial distribution of employed persons in Puerto Rico, April 1940, 1950, and 1954.....	3
2. Employment and unemployment in Puerto Rico, April 1950 to October 1954.....	4
Charts:	
1. Relationship between net migration from Puerto Rico to United States, and mainland unemployment, 1945-55.....	5
2. Distribution of wage earner's family income, Puerto Rico, 1941 and 1953.....	6
Migration to the mainland.....	8
Farm labor migration.....	8
City migrants.....	9
Dispersion of the migrants.....	10
The Commonwealth migration program.....	10
Labor unions and labor relations.....	13
Union organization and membership.....	13
Union structure and collective agreements.....	14
Arbitration and conciliation.....	15
Labor disputes.....	15
Future course.....	16
Labor laws and their enforcement.....	17
Minimum wages.....	17
Hours of work.....	17
Workmen's compensation.....	18
Vacations, sick leave, and severance pay.....	18
Collective bargaining.....	19
Employment of women and children.....	19
Other labor laws.....	20
Enforcement of labor legislation.....	20
Wage structure and minimum wages.....	22
Wages by industry.....	22
Occupational wages.....	25
Minimum wage legislation.....	25
Tables:	
1. Number and average daily wages of wage and salary workers in agricultural industries, Puerto Rico, 1945-46 and 1953-54.....	23
2. Number and average gross hourly earnings of production workers in manufacturing industries, Puerto Rico, April 1946 and April 1955.....	23
3. Minimum wage rates in Puerto Rico under the Fair Labor Standards Act, as amended.....	24
4. Minimum wage rates in Puerto Rico under the Commonwealth Minimum Wage Act.....	25
5. Number and straight-time average hourly wage rates of workers in selected nonprocessing occupations in manufacturing industries, by major industry groups, Puerto Rico, October 1953.....	26
Alaska	
The economy and the labor force.....	29
Physical characteristics.....	29
Economic characteristics.....	29
Population.....	31
Labor force and employment.....	33

Alaska—Continued

	Page
Tables:	
1. Relative differences in costs of goods, rents, and services in selected Alaskan cities and Seattle.....	30
2. Federal obligations in Alaska, fiscal years 1948-54.....	31
3. Alaska's income from production and other activities, by region.....	32
4. Alaskan civilian population.....	34
5. Distribution of Alaska's population, by military status, race, and place of residence, by regions, 1950.....	34
6. Average number of workers and wages in covered employment in Alaska, 1940-54.....	36
7. Seasonal variation in covered employment in Alaska, selected years.....	36
Charts:	
1. Alaska's population, total and military, monthly average, 1940-54.....	33
2. Percentage distribution of average monthly employment in Alaska, by industry division, 1940, 1943, and 1954.....	35
The U. S. Government as an employer.....	37
Classified and wage-board employees.....	37
Employee attitudes.....	37
Territorial pay inequalities.....	38
Working rules.....	39
Problems of recruiting.....	40
Table:	
Paid civilian employees in executive branch of Federal Government in Alaska, by agency, compensation authority, and residence, June 30, 1954.....	38
Wages and working conditions.....	42
History of wage developments.....	42
Industry wage levels.....	43
Underlying factors.....	43
Typical wage scales.....	44
Alaska-stateside wage differentials.....	46
Hours of work.....	46
Working conditions.....	47
Tables:	
1. Average weekly earnings in employment covered by the Employment Security Act of Alaska, selected industries, 1940 and 1954.....	43
2. Wage and salary scales for selected occupations, by industry category, Anchorage, Fairbanks, and Ketchikan, May 1955.....	45
Labor law and its administration.....	49
Equal rights and child labor.....	49
Wages and hours.....	50
Worker security.....	50
Territorial employees.....	52
Development of Alaska Department of Labor.....	52
Federal labor laws.....	53
The character of industrial relations.....	55
Private industry.....	55
Federal Government.....	57
The Taft-Hartley Act.....	58
Territorial problems.....	59
Hawaii	
Economic forces and growth prospects.....	63
Determining factors in the economy.....	63
Underlying instabilities.....	67
Postwar growth.....	67
Possibilities for long-range growth.....	68
Absorption of the growing labor force.....	68
Summary of underlying trends.....	68
Charts:	
1. How Hawaii earns a living, sources of income, 1954.....	64
2. Long-term trends in Hawaii's economy.....	65
3. Civilian and military payrolls and Armed Forces expenditures, Hawaii, 1939-54.....	66

Hawaii—Continued

	Page
Characteristics of the labor force.....	70
Age and sex composition.....	70
Racial composition.....	71
Labor-force participation rates.....	71
Employment-unemployment trends.....	71
Seasonal factors.....	72
Occupational and industrial distribution.....	73
Tables:	
1. Population and labor force, and labor-force distribution by sex, Territory of Hawaii, percent changes, 1910-50.....	70
2. Percentage distribution of the labor force, by age and sex, Territory of Hawaii, 1940 and 1950.....	70
3. Racial composition of the population and labor force, and labor-force participation rates, by race, Territory of Hawaii, 1940 and 1950.....	71
4. Percentage distribution of the population by labor-force status and sex, Territory of Hawaii and the United States, 1920-50.....	71
5. Civilian labor force: Average number of persons employed and unemployed, Territory of Hawaii, 1945-54.....	72
6. Occupational distribution of the employed labor force, Territory of Hawaii, 1940 and 1950.....	72
7. Industrial distribution of the employed labor force, Territory of Hawaii, 1940 and 1950.....	74
8. Government employment, total and Federal, as a percent of total employed civilian labor force, United States and Territory of Hawaii, 1948-54.....	74
Chart: Total employment, and civilian private and Federal Government employment, Hawaii, 1939-54.....	73
Working conditions and workers' wages.....	76
Sugar industry.....	76
Pineapple industry.....	79
Building and construction.....	79
Longshore industry.....	79
Clerical workers.....	80
Summary.....	80
Tables:	
1. Hourly job rates established under Davis-Bacon Act and by General Contractors Association and median rates for all industries, Territory of Hawaii.....	79
2. Salaries of selected clerical jobs in the Territory of Hawaii, 1954.....	80
Chart: Average annual earnings per full-time civilian employee, by major industry group or division, Hawaii, 1939 and 1954.....	77
Labor legislation and enforcement.....	81
Wage and hour law.....	81
Child labor law.....	82
Wage claim law.....	83
Commercial employment agency law.....	83
Emigrant Agent Act.....	83
Public Works Act.....	84
Workmen's Compensation Act.....	84
Labor relations: pattern and outlook.....	85
Development of the labor movement.....	85
Labor relations in the sugar industry.....	87
Trade union membership.....	88
NLRB representation proceedings.....	89
Other indicators of union growth.....	89
Issues affecting industrial stability.....	90
Outlook for labor-management relations.....	92
Tables:	
1. Number of National Labor Relations Board representation elections held, and number in which unions were certified, Hawaii, 1938-54.....	89
2. Results of representation elections conducted by the National Labor Relations Board in Hawaii, 1948-54.....	89
3. Number of contracts in force and strike activity, Hawaii, 1940-54.....	89
Chart: Trade union membership in Hawaii, 1935-53.....	88
Bibliography on labor conditions, labor problems, labor economics.....	94

Labor in Puerto Rico, Alaska, and Hawaii . . .

OF THE MANY REASONS for producing this special issue of the Monthly Labor Review on the status of labor in Puerto Rico, Alaska, and Hawaii, the most compelling is that no other compilation of this type exists. Indeed, as the bibliography of related material so painstakingly unearthed by the Department of the Interior Library reveals, very little has been published in the way of comprehensive studies of labor in any one of the three areas embraced by the present inquiry.

But beyond this obvious justification is the interesting and challenging example, to a world beset with colonial problems, of the manner in which the United States has handled (not always without error) the progressive growth toward self-government of these three. That the United States has avoided colonialism is due, perhaps in some small measure, to our national origin in revolt against colonial status. One stern test of this national policy is the well-being of workers in the Territories and the chances for improving their lot. The 15 articles are designed to present facts from which the reader can judge the present situation as well as the prospects for working people.

The general pattern followed for each (one is pressed for a single expressive term applicable to all three, bearing in mind that Puerto Rico has Commonwealth status) is a discussion of the economy, labor force, and level of living; the existence and enforcement of labor law; the wage structure and working conditions; and the manner in which industrial relations are practiced.

While each of the three has its distinguishing characteristics (after all, their geographic relationship is a triangle with legs upwards of 6,000 miles long), there are some which they hold in common. All were acquired by the United States late in the 19th century. All enjoy a large degree of self-government and share common United States citizenship. Each was economically primitive at the time of acquisition, with a native population and a very sizable percentage of nonarable land. Lacking basic raw materials, none is self-sustaining. The policies and expenditures of the United

A Prefatory Note

States Government have had decisive effects on their economies. With an impartiality fine enough to satisfy their most enthusiastic advocates, we can proclaim them all to be vacation delights. Despite fast air travel, they remain remote and isolated from the States. Puerto Rico and Hawaii are islands. Alaska and Hawaii are sparsely populated. Since independence was granted the Philippines, they are our largest territories.

Similarity in terms of labor, however, does not extend beyond the practice of free trade unionism and collective bargaining. The island Commonwealth of Puerto Rico is an overpopulated nation striving to create an industrial expansion, to raise living standards, to improve its work-force skills, and at the same time to protect its workers from exploitation. The Territory of Alaska is an Arctic and sub-Arctic region, underpopulated and underdeveloped. Much of its industrial enterprise is absentee owned and its stable unionism operated from the States. Government workers constitute a large fraction of the work force. Wages and prices are high, and there is considerable seasonal importation of workers, especially in the construction field. The tropical Hawaiian Islands have moved rapidly from the primitive to the modern. Their cosmopolitan work force is concentrated in a highly specialized agriculture. National defense expenditures, tourist trade, and transportation activity are a boon to Territorial income. Unemployment, in fact, tends to vary with fluctuations in local Federal expenditures. Industrial relations have not matured and considerable strife has accompanied collective bargaining.

Our aims and our means, however, preclude our being encyclopedic, even within the confines of the labor field. And one of the revealing facts of this compedium is the paucity of facts concerning many items relating to the economics of labor. Some data, as routine and familiar in the States as the daily mail delivery, simply do not exist in Alaska, Hawaii, or Puerto Rico. The authors, chosen for their knowledge and integrity, have drawn on what is available, but at times they have had to improvise or to do without.—L R. K.

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All the authors of the articles in the special section of the Monthly Labor Review on Labor in Puerto Rico, Alaska, and Hawaii are either working on the scene as experts or have been closely associated with one of the areas in a professional capacity. Our sincere thanks go to them for their faithful and fruitful efforts. What they have written represents their own views on the many problems discussed, and not necessarily those of the Bureau or the Department of Labor.

Special acknowledgment is due the Office of Territories of the Department of the Interior, and especially to Edwin M. Fitch of that Office, for cooperation and good counsel in planning and reviewing much of the material.

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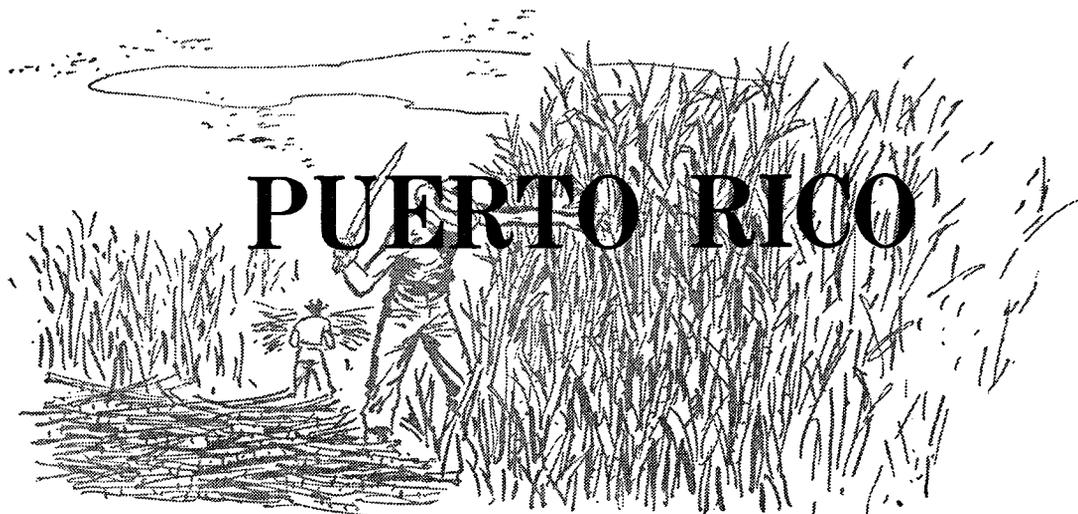
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PUERTO RICO

The Labor Force and Level of Living

SAMUEL WEISS AND A. J. JAFFE

UNTIL RECENT YEARS, Puerto Rico was a typically underdeveloped area, not too different from many of the present-day, underdeveloped areas in need of assistance. The economy of the island was largely dependent upon sugarcane, which was raised for export. Only small amounts of additional crops, such as coffee and tobacco, were raised. What little manufacturing there was consisted primarily of handwork, of which only needlework products were of any real significance. Since most of the good agricultural land was used to grow sugarcane, a large proportion of the food consumed by the population had to be imported.

The lack of fertile soil (only about half of the land is arable) and the very high population density (over 630 persons per square mile) made agriculture an extremely unsatisfactory base for the Puerto Rican economy. Under these conditions, the people were quite poor, with all of the accompanying characteristics of poverty including unemployment, illiteracy, high death rate, poor housing, and so on.

In the mid-1930's, the Puerto Rican Government gave serious consideration to the question of how to advance the island's economic well-being. Certain important steps were taken at that time, including a great expansion of the hydroelectric system, the establishment of a cement factory, expansion of the road system, and the adoption of various financial measures designed to aid economic development.

It was not until 1940, however, when the Popular Democratic Party came into office (under the leadership of Luis Muñoz Marín, the present Governor), that a real program of economic development got under way. World War II both aided and hindered the program. Projects of direct concern to the United States war effort were

fostered; others were neglected. After the war, the Government renewed its broader efforts to advance the island's economy.

Since 1940, great improvements have been made in practically every socioeconomic field. The Government's programs of health education and application of modern public health methods, together with general economic improvement, resulted in a decline in the death rate from 18.4 per thousand in 1940 to 7.7 per thousand in 1954. At the same time, life expectancy rose from 46 years in 1940 to 61 years in 1954—an increase of 1 year annually during those 15 years.

Enrollment in educational institutions in Puerto Rico increased from less than 300,000 in 1940 to almost 600,000 in 1954. During this same period, Government expenditures for education increased from \$7 million to \$38 million annually.

Much improvement has been made in housing through large-scale slum clearance and public housing programs. Electric power facilities have been greatly expanded: Between 1940 and 1952, electric power production rose from 174 million to 735 million kilowatt-hours. Transportation, communications, water supply, and sewerage have also been continually improved and expanded.

Population and Labor Force

Effect of Population Changes. Between 1940 and 1954, changes in the size of the labor force generally tended to parallel the changes in the size of the population of labor-force age, that is, the civilian population 14 years of age and over, excluding inmates of institutions. As the following figures show, in April 1940, the labor force constituted 52.0 percent of the population of labor-force age; in April 1950, 55.6 percent; and in April 1955, 48.6 percent.

	Population of labor-force age	Labor force
April 1940.....	1,150,000	598,000
April 1950.....	1,293,000	719,000
April 1954.....	1,275,000	631,000
April 1955.....	1,327,000	644,000

The labor-force and population changes were not exactly parallel because of outmigration and withdrawals to the military.¹ All of the persons who entered the military and the majority of the outmigrants were men. Since normally many more men than women are in the labor force, these withdrawals during the 1950's resulted in a

¹ See article on p. 8.

reduction in the size of the labor force simultaneously with a slight increase in the adult population.

The number of civilians 14 years of age and over in Puerto Rico increased by 143,000 persons between April 1940 and April 1950. During this decade, there was a net migration to the mainland of about 154,000 persons, most of whom were of labor-force age; this is about 13 percent of the population of labor-force age in 1940. Hence, the total natural growth of the adult population was almost 300,000 for the decade, or about 2½ percent per year.

Between April 1950 and April 1954, the population of labor-force age decreased from 1,293,000 to an estimated 1,275,000. The net migration to the mainland of persons 14 years of age and older numbered about 160,000, or about 12 percent of the number living in Puerto Rico in 1950; this is an unusually large loss.² Also, about 36,000 men withdrew from the civilian population to enter the military service. Hence, during these 4 years the natural growth of the adult population amounted to 178,000 or over 3 percent per year.

The Birthrate. Compared to the continental United States, Puerto Rico has a high rate of growth in its population of labor-force age, resulting from the high birthrate of past decades. Prior to 1940, the death rate was also very high by modern standards (18.4 per thousand in 1940), but during the 1940's it fell rapidly. In 1950, it was still fairly high, about 15 per thousand; but by 1954, it had dropped to 7.7 per thousand, which is not very different from the death rate on the mainland. The accelerated reduction in the death rate during the 1950's, compared with the preceding decade, contributed to the increased rate of natural growth of population of labor-force age since 1950.

During the last decade, the birthrate has not decreased enough to alter materially the future natural increase in the civilian population of labor-force age. In the period 1939-41, the net reproduction rate is estimated to have been about 184; 10 years later, in 1949-51, about 224.³ In 1953 and 1954, the net reproduction rate may have

² See also *Demographic and Labor Force Characteristics in Puerto Rican Population of New York City*, New York, Bureau of Applied Social Research, Columbia University, 1954 (pp. 3-29).

³ Generally speaking, a rate of 100 implies that birth and death rates are about equal, that is, during a generation there would be no increase in the size of the population. A rate of 220 means that a stable population would increase by about 120 percent during one generation, providing birth and death rates at all ages remain unchanged.

been about 220. The rate of 220 indicates that the population in Puerto Rico could more than double during the next 25 to 30 years. Whether it will cannot be predicted, since future changes in birth and death rates are certain to occur.

Nevertheless, even if the birthrate should decrease greatly in the future and reach the level of that in the continental United States (net reproduction rate of 156 in 1952), it will be many years before such decreases affect the amount of natural growth in the population of labor-force age. This is so because 14 years must elapse between the time of birth and the time that a person becomes of working-force age. Currently, births exceed deaths by about 65,000 per year. Fourteen years from now, the survivors will still number close to 60,000 per year, in the absence of outmigration.

Economic Need for Migration. The combined effects of previous high fertility rates and a smaller number of outmigrants became apparent in the year April 1954 through March 1955. The natural growth of the civilian population of labor-force age amounted to about 52,000 in this year (that is, the number of persons becoming 14 years of age minus deaths among all civilians over 14). Simultaneously, the recession in the continental United States greatly curtailed the net outmigration to an estimated 16,000 civilians 14 years of age and over as compared with 36,000 in the year ending March 1954. Also, curtailment in the size of the Armed Forces resulted in a return of about 16,000 more men to civilian life than were inducted. The net outmigration was canceled by the excess of discharges from the Armed Forces. The civilian population of labor-force age grew by the amount of natural increase, about 52,000, to an estimated 1,327,000 as of April 1, 1955. This is a growth of about 4 percent in 1 year. By comparison, the population of labor-force age in the continental United States grew by about 1 percent during this same year.

In 1 year then, as a result of the curtailment of migration, population growth in Puerto Rico more than made up for the loss between 1950 and 1954. On April 1, 1955, the population of labor-force age was about 34,000 greater than on April 1, 1950. Clearly, if outmigration should continue to be curtailed, the potential growth of the labor force would be of such magnitude as to increase greatly the difficulties of providing enough additional

jobs; indeed, continued large-scale outmigration is a necessary condition for further economic development.

Industrial Development

Government Encouragement. The core of the Commonwealth's efforts to improve the economic condition of the island has been the program "Operation Bootstrap" designed to increase industrialization. The Puerto Rican Government has recognized that increasing productivity through industrial expansion is an important factor in advancing the Puerto Rican economy—with its high population density, lack of natural resources, chronic unemployment, and relatively low standard of living.

To aid such industrialization, the Commonwealth has offered various inducements to encourage new industries to locate on the island. These incentives include tax exemption, industrial services, provision of factory buildings, and other forms of assistance. Between the end of World War II and April 1954, as a result, 287 new manufacturing plants commenced operation. In April 1954, they employed about 23,000 persons, or one-third of all employees in manufacturing.

In general, these Government-sponsored plants are much larger than other Puerto Rican factories; they average 80 employees per plant, almost 3 times the average work force of other factories. For the most part, they use modern machinery and produce goods identical with those manufactured on the mainland. These include apparel, electronics products, electric razors, radio parts, and pharmaceuticals. Since Puerto Rico is part of the United States, there is of course no tariff on Puerto Rican manufactured goods shipped to the mainland.

Puerto Rico's industrial development program has brought about a diversification of the manufacturing structure in a relatively brief period. For example, in April 1946, 6 out of every 10 employees in manufacturing were in the food and tobacco industries, but in April 1954, only 4 out of 10 were so employed.⁴ The Government's efforts to diversify industry is also evident in the fact that in April 1954 only 7 percent of the em-

ployees in Government-sponsored plants were engaged in food and tobacco manufactures.

In the long run, the most important aspect of the Commonwealth's efforts to speed economic development may be triggering the action of the industrialization program. As new and relatively good jobs are created through Government sponsorship of new plants, they tend to have a multiplier effect. Demand increases for consumer goods, housing, and so on. If this process continues for some time, large-scale economic development will take place.

The Changing Employment Distribution. In April 1954, 36 percent of all employed persons in Puerto Rico were engaged in agriculture, compared with 37 percent in April 1950 and 45 percent in April 1940 (table 1). The great majority of these workers were in the sugarcane fields. During the off-season, a larger proportion of agricultural workers were engaged in other crops, such as coffee and tobacco.

Among nonagricultural industries in April 1954, commerce (wholesale and retail trade) employed the greatest number of workers, with about 85,000, or 15 percent of the employed. Manufacturing, excluding home needlework, followed closely, with about 72,000 employees. The third largest group consisted of the various service industries, which employed 63,000 persons.

The most outstanding change from earlier periods is the increased employment in the better paying and more productive industries and, con-

TABLE 1.—*Industrial distribution of employed persons in Puerto Rico, April 1940, 1950, and 1954*

Industry division	Number (in thousands)			Percentage distribution		
	April 1954	April 1950	April 1940	April 1954	April 1950	April 1940
Total employed.....	559	638	508	100	100	100
Agriculture.....	200	235	230	36	37	45
Nonagriculture.....	359	403	278	64	63	55
Construction.....	27	24	16	5	4	3
Manufacturing.....	97	125	101	17	20	20
Home needlework.....	25	61	45	4	10	9
All other.....	72	64	56	13	10	11
Trade, wholesale and retail.....	85	92	54	15	14	11
Transportation, communication, public utilities.....	33	32	20	6	5	3
Services.....	63	78	164	11	12	13
Government ¹	48	47	118	9	7	4
All other.....	6	5	4	1	1	1

¹ Partially estimated.

² Includes public school and college teachers.

Source: 1940 data from Puerto Rico Population, U. S. Census of Population, Bull. No. 2, table 14; 1950 and 1954 data from reports of the Puerto Rico Department of Labor, Bureau of Labor Statistics.

⁴ Data obtained from publications of the Puerto Rico Department of Labor, Bureau of Labor Statistics.

versely, the decreased employment in the relatively poorer paying industries. The better paying jobs are found in construction, manufacturing (excluding home needlework), and transportation, communication, and public utilities. Government employment—which includes schoolteachers, firemen, policemen, doctors, nurses, and other public health workers, as well as administrators—also belongs to the group of better paying pursuits. Altogether, such employment increased by an estimated 13,000 between 1950 and 1954.

The poorer paying and less productive jobs are found in agriculture, home needlework, commerce (especially retail trade, which includes pushcart and other peddlers), and the service occupations (especially domestic service). Employment, including unpaid family workers, in these industries decreased 93,000 between 1950 and 1954. The most significant decrease was in the home-needlework industry, in which employment declined from 61,000 to 25,000, or from 10 percent of all employed persons to 4 percent.

Since the number of unemployed decreased during this period, although the proportion of the unemployed to total labor force remained the same, it appears that these individuals were not deprived of jobs which they wanted. More probably, they took jobs in the better paying industries, or migrated to the continental United States, or entered the Armed Forces. In addition, a few women and older men may have withdrawn from the labor force.

Changes in Unemployment. In April 1940, the unemployment rate for men was about 16.2 percent. By April 1950, it had fallen to 10.4 percent, and by April 1954, to 9.0 percent. Several factors—including the Commonwealth's fostering of economic development, full or reasonably full employment on the mainland since the end of World War II, and extensive outmigration—combined to reduce the unemployment rate among men in Puerto Rico.

Among women, the unemployment rate seems to have remained about the same during the 1950's, fluctuating between about 10 and 14 percent, with no discernible trend.⁵ Almost all workingwomen are engaged in nonagricultural employment.

⁵ These figures exclude women engaged in home needlework, for whom it is difficult to measure unemployment. Comparable data for 1940 are not available.

Large seasonal fluctuations in unemployment are still occasioned by the growing of sugarcane. Between February and May or June, the cane is cut and employment is at its highest levels. During these months, the unemployment rate in agriculture may fall to 5 percent or so. In the off season for sugarcane, unemployment in agriculture may rise to as high as 20 percent. In nonagricultural employment, on the other hand, there is comparatively little seasonal change, and the unemployment rate varies only from about 10 to 14 percent.

Despite the decreases in unemployment which have occurred, Puerto Rico still suffers from chronic unemployment averaging about 15 percent of the labor force (table 2). This is one of the most important problems in the Commonwealth. During recent years, the pressure of population has been lessened by large-scale migration to the mainland, which reached a high of 69,000 in 1953, and dropped to an estimated 22,000 in 1954. As chart 1 shows, net outmigration has fluctuated inversely with levels of unemployment on the mainland.

If large-scale outmigration as experienced during 1953, for example, should not occur again in the future, unemployment will probably reach even higher levels than at present because of the potentially large growth in the population of labor-force age, and consequently, in the labor force. The economy at present has difficulty in providing

TABLE 2.—*Employment and unemployment in Puerto Rico, April 1950 to October 1954*

[In thousands]

Date	Labor force	Employment	Unemployment	Employment in manufacturing (excluding home needlework)
1950: April.....	719	638	82	64
July.....	710	615	96	52
October.....	710	594	116	56
1951: January.....	717	574	142	53
April.....	716	631	84	62
July.....	705	594	111	54
October.....	681	563	117	59
1952: January.....	669	541	129	56
April.....	662	586	76	59
July.....	662	572	90	65
October.....	641	535	106	63
1953: January.....	643	520	123	59
April.....	637	573	64	64
July.....	624	547	77	63
October.....	630	531	100	67
1954: January.....	639	522	117	65
April.....	631	559	72	72
July.....	626	536	90	66
October.....	628	519	109	67
1955: January.....	648	525	124	60
April.....	644	578	67	71

NOTE.—Because of rounding, employment and unemployment figures do not necessarily equal the labor force.

Source: Reports of the Puerto Rico Department of Labor, Bureau of Labor Statistics.

enough additional relatively well-paying jobs for those now underemployed⁶ or unemployed. Natural growth, unless offset by outmigration, will require providing between 2 and 4 percent additional new jobs each year for the growing labor force.

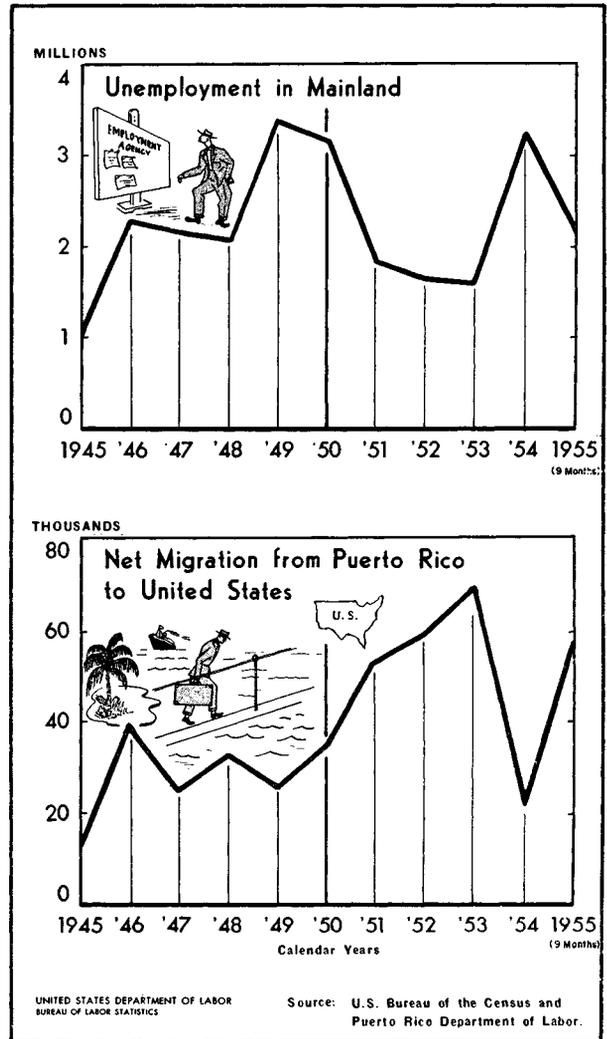
Improvement in Economic Well-Being

Operation Bootstrap, aided by the large-scale outmigration since World War II, has resulted in remarkable economic gains for the residents of Puerto Rico. The outmigration offset the natural population growth; therefore, the economic gains during these years were not dissipated among an ever-growing population. Instead, they were divided among about the same number of people each year, so that, on the average, each person improved his level of living.

As a result, the incomes of both individuals and families increased over the last decade and a half at a far more rapid rate than prices, enabling them to buy more goods and services and to satisfy a greater variety of material wants. All major sectors of the economy—wage earners, farmers, and businessmen—shared in these economic advances. Puerto Rico's average per capita income is now greater than the average in most Latin American countries, although it still falls far short of per capita income in even the low-income States on the mainland.

Increased Family Income. The average income of wage earners' families in Puerto Rico rose from \$360 in 1941, to \$1,081 in 1952, and to \$1,180 in 1953.⁷ Not all of the increased income, of course, could be translated into increased purchasing power in the market place. Because of an 80.3-percent rise in the cost of living between 1941 and 1953, the average wage earner's family would have had to increase its money income from \$360 to \$649 merely to break even in terms of purchasing power. The difference between this break-even point and the actual 1953 average of \$1,180 repre-

Chart 1. Relationship Between Net Migration from Puerto Rico to United States, and Mainland Unemployment, 1945-55



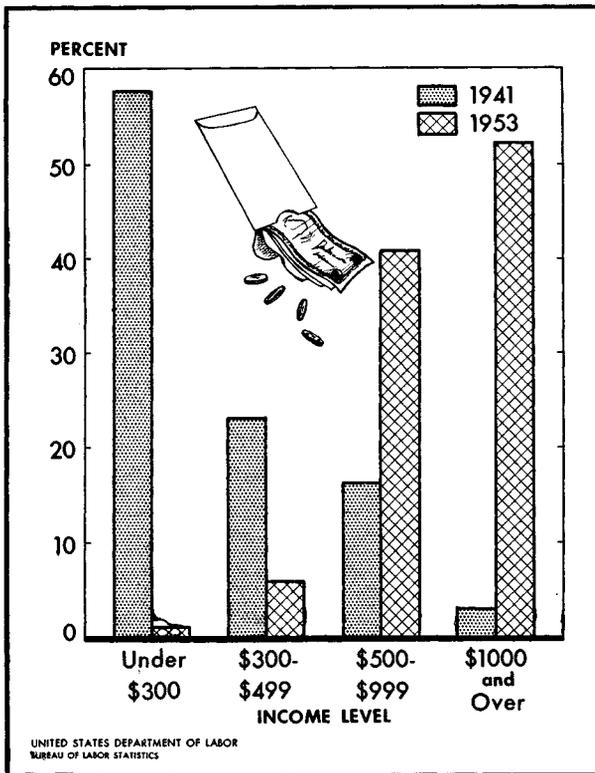
sents the improvements in real income. This increase amounted to 82 percent over the 12-year period. On an annual basis, the increase in real income amounted to slightly over 5 percent per year. Starting with any given year, this rate of increase would raise income by 50 percent in 8 years and would double it in approximately 14 years—a remarkably rapid rate of progress.

Over the 12 years from 1941 to 1953, the proportion of wage earners' families receiving an annual income of \$1,000 or more rose from 2.9 to 52.2 percent and those having an income below \$500 declined from 80.9 to 6.9 percent (chart 2).

⁶ See Concept and Measurement of Underemployment, Monthly Labor Review, March 1955 (p. 283).

⁷ Includes money income and other money receipts which are not considered regular income, such as inheritances, as well as the value of food produced for family use. 1941 data are from Incomes and Expenditures of Wage Earners in Puerto Rico, Puerto Rico Department of Labor with cooperation of U. S. Department of Labor, Bull. 1, May 1, 1947; data for 1952 and 1953 are from income and expenditure surveys by the Puerto Rico Department of Labor, Bureau of Labor Statistics.

Chart 2. Distribution of Wage Earner's Family Income, Puerto Rico, 1941 and 1953¹



¹ Data include money income plus the value of food produced for family use. In addition, data for 1941 include, but those for 1953 exclude, money receipts not considered regular income, such as inheritances. See text footnote 7 for source of data

Family Expenditure Patterns. The increased income of wage earners' families in Puerto Rico resulted in a shift in their expenditure patterns. In 1952,⁸ wage earners' families spent relatively less of their income for food and relatively more for clothing and household furnishings than in 1941, as shown below:

	Percentage distribution of expenditures in—	
	1941	1952
All expenditures.....	100.0	100.0
Food ¹	58.0	51.5
Housing.....	10.2	9.3
Housefurnishings.....	2.4	5.9
Clothing.....	8.3	13.0
Medical care.....	5.1	2.2
Other.....	16.0	18.1

¹ Includes alcoholic beverages.

Source: See footnote 7.

Although the proportion of income spent for food declined, the increase in income was sufficient to enable wage earners' families to buy more and better food and still have enough money left over to buy more of other goods. Expenditures for medical care decreased from 5.1 to 2.2 percent, a result of the Commonwealth's increasing medical and health facilities in the years since World War II ended. Also, the average wage earner's family in 1952 brought 2.7 times the amount of clothing and 4.2 times as much furniture as it did in 1941. These kinds of changes in expenditure patterns clearly reflect an improved standard of living.

Increased Per Capita Income. All major elements of the Puerto Rican community have made substantial gains in recent years. According to data compiled by the Puerto Rico Planning Board, per capita income increased from \$233 in 1943-44 to \$431 in 1953-54. During this 10-year period, the cost of living rose by 37.7 percent, resulting in an increase of about 34 percent in real income, or 3.1 percent annually, compared with an increase of 85 percent in money income.

These figures suggest that the income of wage earners' families (with an increase of slightly over 5 percent per year in real income between 1941 and 1953) has been increasing at a slightly more rapid rate than per capita income for the island as a whole. However, between 1943-44 and 1953-54, there was no significant change in the distributive shares of total income payments. Neither wages nor profits rose at the expense of the other. Compensation to employees changed from 61.6 to 62.6 percent of total income; the share represented by net profits of business rose from 30.9 to 32.6 percent; net interest decreased from 1.9 to 0.8 percent; and rental income decreased from 5.6 to 4.0 percent.⁹

From 1939 to 1949, Puerto Rico's rate of growth in per capita income was greater than any other Western Hemisphere country for which comparable data are available. As measured in constant prices, the per capita income of Puerto Rico rose

⁸ 1953 expenditure data are not yet available.

⁹ 1943-44 figures are from the 1951-52 Statistical Yearbook of Puerto Rico, Puerto Rico Planning Board, Bureau of Economic Statistics; 1953-54 from Net Income and Gross Product, 1950-54 (also published by the Planning Board) and unpublished Planning Board data.

by 67 percent during this 10-year period, as compared with 23 percent in Cuba, 37 percent in the continental United States, 48 percent in Canada, and 52 percent in Mexico.¹⁰

Comparison With Latin American Countries. Great as Puerto Rico's recent economic improvements have been, the average income and standard of living on the island are still considerably lower than those on the mainland. In 1952, Mississippi's per capita income of \$826—lower than that of any other State—was still about twice as large as Puerto Rico's per capita income.

However, in comparison with Latin American countries, Puerto Rico fares quite well. In 1952, Puerto Rico's per capita gross national product (which is always greater than the average of income payments to individuals) amounted to \$469. This was greater than in any Latin American country except Argentina. (See accompanying tabulation.)

¹⁰ Statistics of National Income and Expenditure, United Nations, New York City, Statistical Papers, Series H, No. 7, March 1955, table 2.

	<i>Per capita gross national product (in 1952 prices)</i>		<i>Per capita gross national product (in 1952 prices)</i>
Argentina.....	\$688	Dominican Republic	\$189
Puerto Rico.....	469	Guatemala.....	182
Venezuela.....	457	Nicaragua.....	168
Cuba.....	454	El Salvador.....	167
Panama.....	382	Paraguay.....	166
Uruguay.....	382	Honduras.....	134
Chile.....	335	Peru.....	118
Brazil.....	278	Bolivia.....	109
Colombia.....	231	Ecuador.....	93
Costa Rica.....	203	Haiti.....	62
Mexico.....	199		

Source: Report on Economic Situation in Latin America, Foreign Operations Administration, Office of Research, Statistics and Reports, August 1954, table 1 (p. 89).

* * * * *

Puerto Rico has come a long way in ameliorating the poverty found among its people in earlier years. It still has a long way to go before its standard of living can compare with that on the mainland. But the direction and the magnitude of its rate of economic growth are encouraging. Continued advance at its recent rapid rate, if it can be sustained, points toward a dynamic, fruitful, and prosperous future.

“The Commonwealth of Puerto Rico is unique in American political history. It has been called ‘a new kind of state.’ The Commonwealth is not a colony, nor a dominion as that term is understood in the British Commonwealth, nor a separate, independent nation. Nor is it a ‘commonwealth’ in the sense that the Philippines once was, nor a member state of the Union, nor an ‘incorporated territory’ as most of the States of the Union once were. It has practically the same autonomy in local affairs as a State of the Union; the Federal Government has in Puerto Rico the same authority as in a State of the Union, but Puerto Rico does not contribute except very limitedly to the U. S. Treasury and it does not have voting representation in Congress. The overwhelming majority of Puerto Ricans feels that the Commonwealth is admirably suited to their needs at the present time, but they are wont to rest assured also that, having been established under an agreement with Congress, its federal relations may also be altered by agreement with Congress.”

Puerto Rico, a handbook published by the Office of the Commonwealth of Puerto Rico, Washington (p. 21).

Migration to the Mainland

CLARENCE SENIOR

THE AIRPLANE has, in effect, drawn the island occupied by the Commonwealth of Puerto Rico close to the continental United States. The Commonwealth's labor force has now become part of the labor force of the mainland. Puerto Ricans continue to move to and from their homeland as job opportunities expand and contract, just as do millions of their fellow American citizens.

High employment encouraged almost 16 million persons to move their homes across State boundaries in the period between April 1950 and April 1953, including 148,000 Puerto Ricans who moved from the island to the continent in this period.

The Puerto Rican migratory flow is extremely sensitive to business conditions. In the major depression years of 1907-08, 1920-21, and in the decade of the 1930's, more Puerto Ricans returned to the island than moved away. The 1948-49 reduction in jobs resulted in a 22-percent drop in migration from the island; economic conditions in late 1953 and 1954 caused an over-the-year drop in migration to the continent of 68.8 percent. Increased demand for labor began to reflect itself in an upturn in Puerto Rican migration during the third quarter of 1955; present indications are that the migration flow for the entire year will probably be 30 percent more than for 1954.

The Puerto Rican migration is small compared either with the immigration waves of the past from other countries to the United States, or with the migration from one labor market to another within the United States in recent years. The migratory flow to the continent from Puerto Rico averaged about 4,000 a year from 1908 to 1945. "Full employment" following World War II, plus a dra-

matic increase in the use of airplanes, helped increase the migratory flow sharply. The net movement in the postwar years has been as follows:

	<i>Number of migrants</i>		<i>Number of migrants</i>
1946.....	39,900	1951.....	52,900
1947.....	24,600	1952.....	59,100
1948.....	32,800	1953.....	69,100
1949.....	25,700	1954.....	21,500
1950.....	34,700		

Two streams of migration flow from the island; they differ significantly in origin, destination, and length of stay. One flows out in the spring and back in the fall; the other flows out and remains permanently. One is fairly highly organized; the other, spontaneous. The first consists of farm-workers; the second of city people.

Farm Labor Migration

The Puerto Rican sugarcane season lasts from late fall to late spring; thus workers are available when needed on the farms of the continent. Most of them go to the United States under a work agreement formulated and enforced by Puerto Rico's labor authorities and return at the end of the continental farm season. They are placed in areas of agricultural labor shortages in cooperation with the Federal-State Farm Placement Service. The Puerto Rican Department of Labor, through the work agreement which must be signed by farm operators, strives to protect the workers from abuses which have sometimes characterized labor relations in agriculture.¹

The work agreement provides that the local prevailing rate of wages shall be paid, and that the worker shall be guaranteed 160 hours of work or wages per month and acceptable housing, rent free. It requires the employer to provide workmen's compensation for the migrant, despite the omission of farm labor from most State compensation laws. It also requires the employer to post a performance bond and to open his books to the agents of the Commonwealth's Department of Labor. The Department's Migration Division, with offices in New York and Chicago, investigates complaints, secures enforcement, and helps both

¹ See *Migratory Labor in American Agriculture*, Report of the President's Commission on Migratory Labor (Superintendent of Documents, Washington, 1951), a summary of which appeared in the *Monthly Labor Review*, June 1951 (p. 691).

employers and workers to solve their problems.² A former chairman of the United States Senate Subcommittee on Agricultural Labor has praised the program³ as unique in the field and tending to improve labor standards.

The farm-labor stream increased each year from the start of the program in 1947, until some 15,000 were covered by the work agreement in 1953. During the 1954 crop season, the number fell by about one-third. In 1955, there was a slight rise. Several thousand other workers, during their first season or two, established their own work relations with employers and now return each summer under their own arrangements.

One obstacle to the program is the private labor contractor who tries to recruit Puerto Rican workers for mainland employers who will not pay prevailing wages or assume the responsibilities required by the work agreement. Eight such agents were jailed in 1954 for illegal recruiting of workers for transportation to the continental United States without having obtained United States Employment Service clearance and having established this to the satisfaction of the Puerto Rico Employment Service.

Continued high levels of employment on the mainland undoubtedly will lead to another upswing in the use of Puerto Rican farmworkers, who provide a highly satisfactory answer to the problems of seasonal farm labor. Most of those who come to the continent have worked in the sugarcane fields during the winter months. Swinging a machete to cut the heavy stalks of cane in the tropical sun is hard, grueling work. "Stoop" labor tasks on continental farms are usually less exacting. The Puerto Rican worker is widely accepted as making an outstanding contribution throughout the Middle Atlantic and New England States, where he is best known. Increasingly he is becoming a part of the East Coast migratory farm-labor stream.⁴

City Migrants

The migrants from the cities of the island to the cities of the mainland,⁵ are seeking a new environment in which to settle. These migrants in the decade 1945-54 numbered 380,000. They settle in urban service, trade, and industrial centers;⁶ about 75-80 percent now live in New York. The 1950 census showed 246,300 first- and second-generation Puerto Ricans there. The Health and Welfare Council of New York City estimated that on April 1, 1952, the figure was 321,000. The number in 1954 was somewhere between 450,000 and 500,000. The two major areas of first settlement and heaviest concentration are East Harlem and the Morrisania area of the Bronx. Manhattan, with 12 important nuclei, contains about 50 percent of the city's total; the Bronx, with 2 chief areas in addition to Morrisania, has around 30 percent; and Brooklyn, with a much more widely dispersed Puerto Rican population, has about 18 percent.

Those Puerto Ricans who have been in New York City longer and who have climbed the occupational ladder have moved to the less crowded areas of the city. They were found by the 1950 census enumerators in all but 1 of the city's 352 health areas.⁷ Puerto Ricans and their children are also found throughout the suburbs of Westchester, Nassau, and Suffolk Counties in New York and all along the west bank of the Hudson.

² Usually, any sizable group of Puerto Rican farmworkers contains a sprinkling of bilingual persons who help introduce the others to new work methods, etc. Their efforts are supplemented by the Migration Division staff, which also furnishes sample menus so that Puerto Rican style food may occasionally be served if the employer furnishes meals.

³ For description of the program, see *Migratory Labor*, Hearings before the Subcommittee on Labor and Labor-Management Relations (82d Cong., 2d sess.), Part I, 1952 (pp. 793-811); see also, P. A. Pagan de Colón, *Farm Labor Program in Puerto Rico* (in *Employment Security Review*, U. S. Department of Labor, Bureau of Employment Security, March 1952, pp. 23-26); and *How To Hire Agricultural Workers From Puerto Rico*, New York office of Puerto Rico Department of Labor, 1955.

⁴ See *Florida Study and Puerto Rican Farm Workers in the Middle Atlantic States* published by the U. S. Department of Labor, Bureau of Employment Security, in May 1954 and November 1954, respectively.

⁵ For characteristics of Puerto Ricans in 2 major "core areas" in New York City in 1948, see C. Wright Mills, Clarence Senior, and Rose Kohn Goldsen, *The Puerto Rican Journey*, New York, Harper & Brothers, 1950. See also *Puerto Ricans in Philadelphia*, Philadelphia, Institute for Research in Human Relations, April 1954. Data on labor market participation, occupational trends, health, housing, education, and so forth, are contained in *Puerto Rican Population of New York City*, New York, Columbia University, Bureau of Applied Social Research, 1954.

⁶ The 5 major types of industry in which Puerto Ricans in the United States are found are: needle trades; radio, television, and other light assembly and manufacturing; food processing; hotel and restaurant services; and building trades. A majority of the workers are in manual occupations, principally as operatives. About 18 percent of the men and 12 percent of the women are in white-collar occupations.

⁷ For a comparison of New York City and non-New York Puerto Ricans, first- and second-generation, see *Puerto Ricans in the Continental United States*, U. S. Department of Commerce, 1950 Census of Population, Special Report P-E No. 3 D, 1953.

Dispersion of the Migrants

Outside of New York, migrants from Puerto Rico are found in such industrial areas as Bridgeport, Newark, Jersey City, Passaic, Paterson, Dover, Trenton, Camden, Philadelphia, Allentown, Bethlehem, Pittsburgh, Erie, Troy, Rochester, Schenectady, Buffalo, Youngstown (Ohio), Cleveland, Lorain, Ashtabula, Detroit, Gary, Chicago, Aurora (Ill.), Elgin, Joliet, Waukegan, Savanna (Ill.), Milwaukee, and in cities in Utah, Arizona, and California. The second largest grouping of Puerto Rican communities is found in and around Chicago. The tendency toward dispersion is encouraged and facilitated by the Commonwealth.

The Puerto Rican-born population of areas outside New York City increased at a rate more rapid than that of the metropolis from 1940 to 1953. Between 1940 and 1950, the increase was 442 percent outside the city and 306 percent within; the absolute increase outside New York was only around 150,000.

Dispersion began even before the United States took over the island in 1898, so that by the 1910 census, Puerto Ricans were found living in 39 States. Ten years later, they were living in 45 States; by 1930, in all 48 States. Then, in the 15 years which followed, the depression and transportation difficulties during World War II slowed down both the number migrating and their spread to new communities.⁸ After the war, migration picked up again and by 1950, 200 or more Puerto Ricans were living in each of 26 States, whereas in 1940 that many were found in only 10 States.

Estimates by the Migration Division, Department of Labor, show that the dispersion process continued to gather momentum until the fall of 1953. The Puerto Rican-born population increased between 1950 and early 1953 by 83.8 percent outside of New York City, compared with an increase of only 48.8 percent within that city.

The 1953-54 contraction in employment opportunities was a devastating blow to many of the recently established Puerto Rican communities throughout the industrialized areas of the continent. The Puerto Rican was among the last to be hired, and, therefore, among the first to be fired. One prosperous midwestern Puerto Rican community of around 3,000 shrank to about 900 in approximately 6 months. Most of the re-

mainder returned to former homes in Puerto Rico where relatives, friends, and a more familiar environment would help to tide them over their period of unemployment. (The 1954 increases in interstate unemployment insurance claims in southern States by workers who returned home after losing their jobs in northern States point up one of numerous parallels between the reactions of Puerto Ricans and those of other internal migrants in the United States.)

The Commonwealth Migration Program

The Commonwealth of Puerto Rico, as a matter of public policy, usually neither encourages nor discourages migration. It realizes that until the island's economic development has reached a point where it can offer job opportunities and economic security to its workers, ambitious citizens, who can, will search elsewhere. Therefore, the Government strives to help those who decide to leave to adjust more quickly in their new home community. On the other hand, whenever increasing numbers of Puerto Ricans lose their jobs in the States, as they did in the late summer of 1953, prospective migrants are urged to be certain they have jobs before going to the continent.

The Commonwealth's program of education and orientation of the migrant in his new home is administered by its Department of Labor. The chief agencies engaged in this program are the Puerto Rico Employment Service, which is affiliated with the United States Employment Service, and the Migration Division, which has a national field force, as well as the offices in Chicago and New York City already mentioned.

A migrant's education and orientation begin before he leaves home. The spontaneous nature of most of the migration requires a varied approach. Movies, newsreels, the radio, newspaper stories, leaflets and pamphlets, and personal interviews in the eight local offices of the Puerto Rico Employment Service—all are used to describe situations likely to be encountered in the continental United States and suggest ways to meet them.

The migrants encounter few problems uniquely characteristic of the Puerto Ricans as such; they cope with the same difficulties found by other

⁸ Clarence Senior, *Patterns of Puerto Rican Dispersion in the Continental United States* (*in Social Problems*, Brooklyn, N. Y., October 1954, pp. 93-99).

working-class groups, both past and present, who move in search of better economic opportunities, particularly if they also have differences in language, color, dress, or customs.

Language presents the greatest single difficulty for the Puerto Rican; this was also the case for most of the 40 million immigrants who came to our country in the past. Since knowledge of the English language is the most important single key to success in a migrant's new home, its use is encouraged by the Government in many ways. The Puerto Rico Department of Education, for example, has greatly increased its English classes for adults during the last few years. In these classes, materials pertinent to life on the continent are utilized.

The one-tenth of the Puerto Rican migrants who are nonwhites have their problems compounded by color prejudices, and many in the white majority suffer by extension of this attitude.

Difficulties of adjustment to a metropolitan environment parallel to a considerable degree those of the Kentucky "hillbilly" described so well by Warren Thompson. The family disintegration under the clash of cultures differs in no essential from the same process among immigrant families known to social workers for generations and set forth movingly in Oscar Handlin's Pulitzer prize-winning history, *The Uprooted*.⁹

A 64-page guide to New York City, in Spanish, has helped thousands to find their way more easily, not only on the city's subways but through its vast network of civic, social, labor, religious, and legal institutions. Adaptations of the guide have been issued through cooperation of the Migration Division and local committees in several cities.

The Migration Division's employment sections in New York and Chicago supplement the public employment services. Continental employment interviewers, who usually cannot speak or understand Spanish, welcome the assistance of the Division's offices. Orientation is given the Spanish-speaking migrant on many subjects, including Federal and State minimum-wage and maximum-hours regulations, fair employment

practices, unemployment insurance, and so forth. As one example, the Puerto Rican horror of "going on relief" is so strong and widespread that a great deal of time and energy is spent during slack employment periods on explaining that unemployment insurance is *not* relief and overcoming the resistance of the worker who has lost his job to registering for his insurance. The New York City Commissioner of Welfare has repeatedly stated that 94 or 95 out of every 100 New York-Puerto Ricans are self-supporting and that those Puerto Ricans who are forced onto relief get off the rolls quickly.

The Division maintains social workers to help the Puerto Ricans use effectively the agencies which can best serve their particular needs in problems of housing, health, conflicts with police, vocational rehabilitation, child care, juvenile delinquency, mental health, transportation, wage claims, burials, and family relationships. The social workers also provide information on the legal and customary responsibilities of landlords and tenants, and the right of citizens to fair treatment as well as the means of securing it in their new communities.

Local offices of the State employment services have been most helpful in interpreting the newcomers to the community, in addition to their original efforts in job placement under non-exploitative conditions. They have sometimes served as the focal point for the organization of an interagency committee which helps to speed up the adjustment process of these new entrants to the local labor market.¹⁰ This process is always one of mutual interaction if it is to accomplish its purpose of orienting the newcomer and turning a stranger into a neighbor. There has to be understanding, cooperation, and accommodation on the part of both the migrant and the resident population if full economic, social, and political participation is to be achieved. The Migration Division works with both migrants and local community leadership in all the fields mentioned above in whatever ways the situation indicates.

Community organizations and educational specialists add their efforts in aiding the migrant, the employers, and community institutions. Translations of educational material are made for public and private agencies; e. g., safety manuals for a foundry, suggested programs for parent-teachers' associations, exhortations to attend

⁹ Published by Little, Brown & Co., Boston, 1952. See also Clarence Senior, *Migrants, People—Not Problems* (in Transactions of the 50th anniversary meeting of the National Tuberculosis Association, New York, pp. 371-375); Donald R. Taft and Richard Robbins, *International Migrations*, New York, Ronald Press, 1955; and Warren Thompson, *Population Problems*, New York, McGraw-Hill Publishing Co., 1953 (pp. 303-313).

¹⁰ See *In-Migration of Puerto Rican Workers*, Milwaukee, Wisconsin State Employment Service, 1952.

English and vocational classes in evening schools, educational material for unions, and instructions on how to vote. The Migration Division's own program of education and orientation for the migrant and his family enters only those fields where community facilities do not yet exist. Members of the established community are reached through speeches, conferences, movies, exhibits, pamphlets, leaflets, radio, newspapers, and magazines in efforts to build up an understanding of the migrant, his background, his motivations, and his contributions to the area's economy.

The myths which always grow up about newcomers in a community are investigated by the Division and corrections of misstatements are furnished to interested individuals and groups. There are still many sources of friction, however,

particularly since 10 years of depression plus 5 years of war left many communities without needed educational and recreational facilities, and a shortage of housing. These frictions can and are being overcome in one community after another, as local institutions combat people's tendencies "to hate foreigners." They seek to work with the newcomers as fellow citizens, who are experiencing in their lifetime what most of our ancestors underwent in their search for a place where they could contribute their share to the common welfare. The Puerto Rican newcomer himself, inspired by the attention which his Commonwealth is attracting through "Operation Bootstrap,"¹¹ is organizing for self-help and cooperation with his neighbors.

¹¹ For discussion, see p. 3.

"The needlework industry in Puerto Rico had its inception in the 16th century. Needlework occupied a prominent place among the crafts introduced into the island in the early days of colonization. Due to its adaptability to home work and its potentialities as a medium of self-expression and as a means of adornment for women, embroidered apparel and decorative articles became very much in evidence in better homes throughout the island. Needlework became increasingly popular as a pastime. This tendency, encouraged by the custom prohibiting the frequent appearance of women in public, increased during the 300 years before Puerto Rico came under American influence. Thus needlework became an art among women of well-to-do families who had received instructions in music, art, and literature, and who had a great amount of leisure time in which to become skillful. In turn, the servants of these women learned to do the finest types of needlework."

Puerto Rico: The Needlework Industry, U. S. Department of Labor, Wage and Hour Division, 1940 (p. 1).

Labor Unions and Labor Relations

FERNANDO SIERRA-BERDECÍA

PUERTO RICANS firmly and unqualifiedly believe that collective bargaining offers the best known solution to the disputes of free labor and private enterprise. This belief is so deep-seated that it became a cardinal point in the constitution adopted by the Puerto Rican people and approved by the United States Congress in July 1952. Article II, section 17, of the constitution declares:

Persons employed by private businesses, enterprises, and individual employers and by agencies or instrumentalities of the government operating as private businesses or enterprises, shall have the right to organize and to bargain collectively with their employers through representatives of their own free choosing in order to promote their welfare.

In addition, the Puerto Rican Constitution further guarantees to labor the exercise of those rights necessary to, and inherent in, free collective bargaining. Thus, section 18 of the constitution states:

In order to assure their right to organize and to bargain collectively, persons employed by private businesses, enterprises, and individual employers and by agencies or instrumentalities of the government operating as private businesses or enterprises, in their direct relations with their own employers shall have the right to strike, to picket, and to engage in other legal concerted activities.

Nothing herein contained shall impair the authority of the Legislative Assembly to enact laws to deal with grave emergencies that clearly imperil the public health or safety or essential public services.

Adhering to this general principle, the Puerto Rican Legislature has enacted a great variety of social and labor legislation.¹ Some of this legislation parallels laws which exist in various States; other legislation is unique and was designed to meet the special problems both of the community and of the dominance of agriculture in the economy.

Moreover, the Commonwealth of Puerto Rico is subject to a number of Federal laws governing labor. The National Labor Relations (Taft-Hartley) Act is one of these. Under recent decisions, the National Labor Relations Board has asserted jurisdiction in Puerto Rico on the same basis as in the 48 States. Formerly, the Board had asserted jurisdiction over all enterprises in Puerto Rico as in the District of Columbia.

Since agricultural workers were excluded from the application of the Wagner Act and its successor, the (Taft-Hartley Act), large numbers of Puerto Rican workers were denied protection of the law. As a remedy, the Puerto Rican Legislature in 1945 enacted the Puerto Rico Labor Relations Act which specifically covers agricultural employees, as well as employees of government corporations. The Puerto Rican act, generally speaking, is comparable to the Federal law; it not only contains provisions to prevent commission of specified unfair labor practices, but also machinery for resolving representation disputes among labor unions. Moreover, it makes provision for enforcing arbitration awards and collective bargaining contracts.

The Puerto Rican Labor Relations Board, which is responsible for enforcing the Labor Relations Act, is often confronted with the perplexing problem of determining the appropriate unit for collective bargaining purposes. The ramifications of this problem in the field of seasonal agriculture comprise a novel field of decision for which no precedents are to be found in Federal activity.

Union Organization and Membership

The disposition for labor organization among Puerto Rican workers is historical and dates back even before the American occupation of Puerto Rico in 1898. The Samuel Gompers of the Puerto Rican labor movement was Santiago Iglesias, who in 1896 began labor organization and education on the island. For this "agitation," he was arrested on several occasions; at the moment of American occupation of the island in 1898, Iglesias was serving one of his several jail sentences. He escaped and joined forces with General Brooke, the American general who led the march on San Juan in the Spanish American War. Following the overthrow of the Spanish regime, Iglesias took

¹ See article on p. 17.

an increasingly active part in both the labor movement and the political life of Puerto Rico. He founded the first workers' organization, the Free Federation of Workers of Puerto Rico, and was designated as general organizer by the American Federation of Labor. His labor group became the AFL State organization in Puerto Rico.

Around 1940, the General Confederation of Workers of Puerto Rico (GGT) was organized and in 1949 became affiliated with the Congress of Industrial Organizations.

In addition to these two affiliated organizations, there are at present many independent labor groups which, for the most part, are organized only on a local basis. One exception is the independent International Longshoremen's Association (ILA), which also represents other groups of workers. This local was one of the groups in the original ILA when it was affiliated with the AFL in the United States. At the time of the expulsion of the ILA from the AFL and the creation of a new AFL union, later designated as the International Brotherhood of Longshoremen, a similar split took place in Puerto Rico, so that both an AFL longshoremen's affiliate and an ILA local exist on the island. The AFL Longshoremen won the most recent election conducted by the NLRB, on January 26, 1954, to establish representation rights on the Puerto Rico docks.

Predominant among the independent labor organizations on the island are: Unión Obreros Unidos de Loíza; Unión de Trabajadores Agrícolas e Industriales de Yabucoa; Unión de Trabajadores Agrícolas de Barceloneta; Unión de Trabajadores Metalúrgicos de Ponce; Unión de Trabajadores de Factoria y Ferrocarril de Fajardo; Unión de Trabajadores del Transporte de Puerto Rico y Ramas Anexas; Unión Obreros Unidos de Ferrovías; Unidad General de Trabajadores de Puerto Rico (UGT); Confederación General de Trabajadores de Puerto Rico (Auténtica); Federación Libre de los Trabajadores de Puerto Rico (FLT); and Organización Obrera Insular de Puerto Rico (OOI). The existence of the numerous independent labor groups mentioned above is the result, in part, of local organization and of splitting off from existing labor groups. Unfortunately, this division in the house of labor has not made for labor stability. This fractionalization and the accompanying changes of allegiance are characteristic of a youthful labor movement.

The structure of the labor organizations in Puerto Rico does not reveal the predilection of the rank and file for organization. The workers are more highly responsive to the appeals of organized labor than similar workers on the mainland. It is estimated that over half of the maintenance and production workers in Puerto Rico and three-fourths of the 150,000 wage and salary workers in agriculture are organized and covered by collective bargaining agreements.²

The smaller proportion of organized workers in industry is due to the fact that the island's industrialization program³ is fairly recent. For many years, agriculture was the almost exclusive source of employment. Accordingly, in Puerto Rico, the earliest endeavors to organize took place in that area and, as these organizational campaigns were largely successful, acceptance of the principles of trade unionism spread among the agricultural workers.

Further, the interest of Puerto Rican workers in organization is found in the high percentage of workers who vote in the elections conducted by the NLRB: according to the most recent figures, 73 percent of the workers participate in the elections. In 95 percent of the cases, a collective bargaining agent is selected.

Union Structure and Collective Agreements

Structurally, the Puerto Rican labor unions are somewhat loosely organized. The relatively elaborate internal structure, of continental trade unions is not to be found in the trade unions of the Commonwealth. Their bylaws and constitutions tend to be simple, covering only the most obvious matters. This loosely knit organization is perhaps most graphically demonstrated by the fact that until recently the Puerto Rican trade union movement was largely financed on a volunteer, or "pass the hat," basis. Assessment of regular dues was the exception, rather than the general rule. This lack of assured financial support, of course, meant curtailed activity—reflected in voluntary as contrasted with professional trade union officialdom—and a lack of stability which such an informal arrangement engenders. Since 1946, when a March 21 act (No. 168) permitted

² 14 international unions with headquarters in the United States claimed 53,000 members in Puerto Rico in 1954. See Directory of National and International Labor Unions in the United States, 1955 (BLS Bull. 1185).

³ See article on p. 1.

dues checkoff, the trend has been toward regular dues; today, dues are collected in many instances by virtue of checkoff provisions in union contracts. It is to be hoped that this is a symptom of growing up and of a greater stability in the labor organizations.

The collective bargaining agreements in Puerto Rico are likewise of a less complex nature than those on the continent. This is to be expected in the light of the less-experienced trade union officialdom, and to a certain degree, of the absence of the highly technical and complicated problems which more advanced trade unionism and collective bargaining bring about. Both the AFL and CIO have, from time to time, loaned skilled personnel to their affiliates on the island, who have introduced many of the more standard collective bargaining provisions. Provisions for union security, dues checkoff, and arbitration are to be found today in most Puerto Rican labor contracts. In addition, the Labor Relations Institute of the University of Puerto Rico has attempted to instruct both labor and management representatives not only in collective bargaining procedures, but in expressing accurately the substance of a labor agreement, once reached.

Associations of employers in Puerto Rico date back to 1909. The Association of Sugar Producers of Puerto Rico did not represent its members in collective bargaining until 1934, when the first islandwide contract in the sugarcane industry was negotiated with the AFL Free Federation of Workers.

Arbitration and Conciliation

The status of voluntary arbitration in Puerto Rico is of considerable importance. The firm establishment of the principle of collective bargaining and the interest of the Puerto Rican Government in promoting it result from the conviction that in collective bargaining is to be found the quickest and happiest solution to industrial disputes. Of course, collective bargaining alone is not sufficient in all cases. Education, voluntary arbitration, and mediation are all equally important facets of the same problem. Accordingly, the Puerto Rican Legislature established a

conciliation and arbitration service⁴ within the Department of Labor. Its services are supplied only if voluntarily requested by the parties to a dispute, although many contracts provide specifically for their use before resort to a strike.

The use of the services offered, the growing awareness of how collective bargaining works, and the increasing number of labor agreements are evidence that Puerto Rico's approach to the problem of labor-management accommodation is correct. The conciliation and arbitration service handled 611 cases in the fiscal year ending June 30, 1954. Of these, 132 were submitted to voluntary arbitration upon request of both parties. None of the arbitration awards required enforcement by the Supreme Court of Puerto Rico. Only 49 of the 611 cases reached the strike stage. This experience strongly indicates that organized labor and industry have confidence both in the processes of collective bargaining and the benefits of conciliation and mediation.

Labor Disputes

As in the United States, economic issues are the most frequent cause of labor disputes in Puerto Rico, but they have also arisen over lack of recognition, union security, refusal to bargain, contract duration, the checkoff, and other issues. The solution of disputes involving any one of these issues brings greater understanding and increasing knowledge of industrial relations in a community. This is later reflected in the collective bargaining agreements negotiated.

Labor relations on the waterfront are of great importance to Puerto Rico. The island depends primarily upon maritime transportation for all exports and imports, valued at \$347 million and \$532 million, respectively, in the year 1954. In a sense, a waterfront strike can be more crippling to the island's activities and economy than a naval blockade, for no ship is loaded or unloaded during a strike. Moreover, Puerto Rico is affected not only by waterfront strikes on the island docks, but by those in the States.

The dispute between the AFL Longshoremen and the ILA (Ind.) had repercussions in Puerto Rico, requiring a representation election. But, since in Puerto Rico the AFL affiliate had the upper hand, it gained control in the island long before the ILA (Ind.) was certified as bargaining

⁴ A mediation and conciliation service was established in 1942, and an arbitration section added in 1947. Since 1952, the service has been designated as the Mediation, Conciliation, and Arbitration Bureau.

agent in New York. For this reason, bargaining with the shipping concerns in Puerto Rico (all representing continental shipping firms) began in early 1954, well ahead of the New York negotiations. It was evident that any agreement reached in Puerto Rico on wages would affect future negotiations in New York.

The strike which began June 25, 1954, on Puerto Rican docks had disastrous effects on the island's economy. The issues involved were wage increases and changes in working conditions, and a demand by the shipping concerns that they be free to mechanize their operations, especially with bulk sugar shipments. The union's first demand for an increase of 25 cents an hour was rejected. Bargaining continued for more than a month with no settlement in sight. Both Federal and Commonwealth conciliators participated in the discussions. No special procedures to deal with this situation could be invoked by the Commonwealth since labor relations on the island's waterfront are regulated by the Taft-Hartley Act. The only recourse remaining was to expropriate the waterfront facilities after the Legislature decreed a state of emergency. As the Taft-Hartley Act does not cover government or political subdivisions, the Commonwealth Government could then directly intervene.

An act authorizing expropriation of all dock facilities was signed by the Governor on July 25. Among other things, this emergency act, effective through January 31, 1955, provided that the Government could negotiate a collective bargaining agreement with the union for the duration of the emergency.

On July 28, the expropriation took place and the dockhands returned to work. Bargaining

between the union and the shipping companies continued until September 3, when collective bargaining agreements were signed. The settlement provided for a 10-cent wage increase retroactive to January 1, 1954, and another 10-cent increase to take effect in 1955. The bulk shipments issue was postponed, to be negotiated later, if and when such shipments actually begin and to be arbitrated if necessary. On September 8, all dock facilities were returned to their owners. The Governor has appointed a commission to study means of solving waterfront disputes without recourse to crippling strikes.

Future Course

Through education, attempts will continue, as in the past, to inculcate on the island the knowledge and "know-how" of the best practices of free collective bargaining. Firmer contracts, more clearly expressed, will give rise to greater stability in the trade union movement and educational resources will continue to be devoted to this end. Similarly, more formal organization of the trade unions themselves will certainly promote this general objective, toward which both the Department of Labor and the University of Puerto Rico are rendering aid.

Above all, the concept in Puerto Rico of a free trade union movement carries with it the connotation of freedom from interference by either employers or government. To be truly effective, the growth must be internal and unrestricted. To those critics who are intolerant of the time necessary to learn these lessons, we can only say—"does anyone know any better solution for the problem of free men living in a free society?"

"Puerto Rico is in fact the biggest per capita customer of the United States in the whole world! We are now buying U. S. goods at a half-billion dollars annually."

Operation Bootstrap—The Industrial Revolution of Puerto Rico, speech by Teodoro Moscoso, Administrator, Economic Development Administration, Commonwealth of Puerto Rico. (*In Vital Speeches of the Day*, New York, August 15, 1955, p. 1429.)

Labor Laws and Their Enforcement

JOAQUÍN GALLART-MENDÍA

PUERTO RICO has today a body of laws of very broad social scope for the protection of workers. These laws compare advantageously with statutes in force in many of the 48 States of the Union, Alaska, and Hawaii. They apply equally to men and women. Progress by Puerto Rico in labor legislation during the last half century has been remarkable. During the last decade, the Government's principal emphasis has been on raising the economic status of the workers and improving their living and working conditions. This has been expressed in a program of positive action extending to all fields of human endeavor.

This article summarizes only those labor laws in force in the Commonwealth of Puerto Rico¹ which are of chief importance to the life and general welfare of the working class of Puerto Rico.

Minimum Wages

The creation of the Minimum Wage Board by a 1941 act² marked the beginning of a new era in labor legislation of immediate and positive benefit to the working people. This act aims primarily to protect workers so that, within the requirements of competitive enterprise, their living standards will be maintained at a fair level in proportion to general economic conditions.

Pursuant to this act, which supplemented and improved an earlier minimum wage law of 1919,³ 22 mandatory decrees fixing minimum wages and other working conditions in various industries, businesses, and occupations have been issued.⁴

Previously, only two laws had fixed minimum wages in Puerto Rico. The act of 1919 established a minimum weekly wage of \$6 for women and

minor females employed in industrial, commercial, or public-service occupations; and a 1923 act⁵ fixed a minimum salary of \$1 per day for laborers or mechanics in public works built by the Government, either through contract or by force account.

Hours of Work

Since August 7, 1935, the legal workday in Puerto Rico has been limited to 8 hours.⁶ Any employer operating a business for profit and hiring a worker in any occupation for more than 9 hours in any natural day would have to pay for the ninth hour worked at double rates and would be guilty of a misdemeanor if the worker had been engaged beyond the ninth hour. Prior to 1935, the only workers having a legal workday of 8 hours were laborers and mechanics employed by the Government on public works.⁷

Considering the 1935 act (No. 49) not as a wage law but rather as a penal act, the Supreme Court of Puerto Rico, in *Cardona v. District Court*,⁸ stated that, except where prevented through collective bargaining agreements, starvation wages could legally be paid in Puerto Rico under that statute. Under the *Cardona* case, an employee could work 12 hours per day for a long period, but if his employer could prove that his agreed rate of pay was such that the amount he received in-

¹ On July 25, 1952, pursuant to a compact entered into with the United States, Puerto Rico approved its own constitution and became known as the Commonwealth of Puerto Rico.

² Act No. 8 of April 5, 1941, amended by Act No. 48 of June 10, 1948.

³ Act No. 45 of June 9, 1919. In 1920, the Supreme Court of Puerto Rico upheld the constitutionality of this act, but later annulled it, following the doctrine in the case of *Adkins v. Children's Hospital of the District of Columbia*, 261 U. S. 525, 67 L. Ed. 785 (Apr. 9, 1923). In 1940, after the famous case of *West Coast Hotel Co. v. Parrish*, 300 U. S. 379, 81 L. Ed. 703 (Mar. 29, 1937), the Puerto Rico court restored the constitutional validity of this first statute fixing a minimum salary for the benefit of women workers.

⁴ Also in force in Puerto Rico are 33 Federal wage orders approved by the Wage and Hour Administrator of the U. S. Department of Labor, under the Fair Labor Standards Act of June 25, 1938. These wage orders apply to 108 industrial divisions, 13 of which, including some major industrial divisions, are now paying a minimum of 75 cents per hour. (See also p. 1370 of this issue.) Many of the workers covered by Federal wage orders are at the same time covered by local mandatory decrees; in such cases, those legal provisions which are more beneficial to the employees apply.

⁵ Act No. 11 of June 30, 1923.

⁶ Act No. 49 of August 7, 1935.

⁷ Section 2 of the Organic Act (Jones Act of Mar. 2, 1917).

⁸ 62 P. R. R. 59 (May 18, 1943). The provision contained in Act No. 49 for double pay for the 9th hour was regarded, not as a wage provision, but as a method of insuring compliance with the provision limiting hours of work. This act had been passed during a period when the doctrine was controlling that a State could not enact a minimum wage law. The constitutionality of Act No. 49 had been upheld on the ground that the Legislature had desired to improve the health of employees and relieve unemployment.

cluded the extra hours and double pay, he would collect no additional pay. But the mandatory decrees of the Minimum Wage Board—beginning in 1943—constantly limited the legal workday to 8 hours and imposed payment of extra time for work exceeding that limit, thus somewhat alleviating the adverse effects of the *Cardona* decision. In 1948, the legal import of that decision was enacted into law⁹ and the act of 1935 (No. 49) was repealed. This 1948 act not only limits the workday in Puerto Rico to 8 hours, but defines what is meant by extra hours and imposes payment of double time for work done in excess of that limit, except in the case of industries engaged in interstate commerce which are required to pay only at the rate of time and a half the regular wage for work in excess of 8 hours per day or 40 hours per week. Thus, instead of making it a crime to hire employees beyond 9 hours a day, payment of double time is assessed for all hours in excess of 8 worked out of 24 consecutive hours. Since July 25, 1952, the workday has been limited to 8 hours by constitutional provision.¹⁰

Workmen's Compensation

Puerto Rican workers in commercial, industrial, and agricultural pursuits are protected by the Workmen's Accident Compensation Act.¹¹ In contrast, most State workmen's compensation acts do not cover farm workers. The Puerto Rico act applies to all employers of three or more workers, irrespective of wage levels. Every workman or employee who suffers injury or occupational disease is entitled to medical attendance and hospital services. Workmen's compensation is payable to the injured workmen in case of permanent-total disability and for temporary- or permanent-partial disability. In case of death, the survivors are entitled to a benefit of as much as \$4,000 if they were either wholly or partially dependent on the deceased. Compensation or a death benefit amounting to \$500 or less is paid in full at one time. When more than \$500 is payable, the State Insurance Fund must require the employee (or beneficiary) to apply all or part of the sum to purchase a homestead, acquire a gainful business, or make some other investment that may be profitable.

The Puerto Rico law has been interpreted as a dependency rather than an inheritance act. More-

over, it expressly includes among the surviving beneficiaries the woman who at the time of a worker's death and during the last 3 years before had honorably lived with the workman in a public state of concubinage as husband and wife.

In contracts authorized under Act No. 89 of May 9, 1947, by the Secretary of Labor of Puerto Rico on behalf of laborers who annually to go to the United States to work in agriculture, the contracting employers are required to protect the Puerto Rican workers against labor accidents in the same manner in which laborers working in industrial activities in those States are protected.

The Workmen's Accident Compensation Act makes the State the exclusive insurer of the employers in case of industrial accidents, and, as a result, a rehabilitation program has been developed with remarkable results. Since 1946, the State Insurance Fund has operated at San Juan a Physical Medicine and Rehabilitation Clinic for treatment of injured workmen; another is being developed at Ponce. In 1952, a School of Physical and Occupational Therapy was founded to prepare qualified physiotherapists and occupational therapists and to extend the services of the San Juan Clinic. Students are trained in all physical medicine techniques so that rehabilitation may start from the very earliest moment, thus sparing the worker suffering and economic loss which cannot be recompensed in money.

Vacations, Sick Leave, and Severance Pay

Puerto Rico has no general law granting vacations or sick leave to employees in commercial, industrial, or agricultural pursuits; however, the Minimum Wage Board of Puerto Rico, as a general practice, includes in all its mandatory decrees provision for granting vacations and sick leave with full pay to employees covered by such decrees. Only 6¹² of the 22 decrees now in force contain no such provisions. Employees in industries and businesses covered by decrees granting benefits are usually entitled annually to 15 days' vacation and, in addition, 15 days' sick leave. The constitutional validity of granting vacations

⁹ Act No. 379 of May 15, 1948.

¹⁰ Under section 16 of Puerto Rico's constitution.

¹¹ Act No. 45 of April 18, 1935.

¹² Decrees No. 1 (leaf tobacco industry); No. 3 (sugar industry); No. 5 (soft drinks industry); No. 11 (construction industry); No. 17 (pineapple industry); and No. 19 (coffee industry).

was sustained by the Supreme Court of Puerto Rico.¹³ In case the employee should quit or be discharged, he is entitled to collect for all unused vacation time accumulated to date.

Puerto Rican workers are also entitled by law¹⁴ to 1 month's severance pay if laid off without just cause. This statute has proved a firm barrier against employer attempts to get rid of employees through arbitrary or capricious means. The law, however, is not applicable to work of a seasonable or limited duration; and the courts are responsible for determining whether the dismissal was just or unjust.

Collective Bargaining

The right of workers to organize and to select freely representatives of their own choosing, and to negotiate collectively with their employers as to wages and other conditions of employment is guaranteed by law in Puerto Rico.¹⁵ The law recognizes that labor-management disputes involve the interest of the public, the employee, and the employer, and it is the Government's policy to protect and promote each of these interests with due regard to the situation and to the rights of all parties. Collective bargaining contracts are declared to be affected by the public interest, so that employer-employee negotiations under the law are conducted with the principal objective of maintaining industrial peace. The right to strike is a corollary of collective bargaining and has been given constitutional recognition.¹⁶

In the Commonwealth, since May 1942,¹⁷ an employer may be guilty of a misdemeanor if he performs any act of discrimination against his employees, because they have organized, or taken part in activities of a labor union, or demanded that a collective labor agreement be made, or

participated in a strike or in a claim for better wages and working conditions, or are affiliated with a given political party.

Employment of Women and Children

Puerto Rico's labor legislation applies equally to men and women, but there are in addition two major statutes applicable only to women. A 1919 law¹⁸ prohibits the employment of women in commercial, industrial, or agricultural activities between 10 p. m. and 6 a. m., with the exception of women working in the packing and canning or fruit and vegetable refrigeration industries, women in the textile industry, and those under 18 years of age employed as telephone or telegraph operators, artists, nurses, or homeworkers. This law provides for the payment of double time after 8 hours of work and payment of 3 times the regular rate for all work in excess of 12 hours during any period of 24 consecutive hours.

Unlike the American Territories, the Commonwealth of Puerto Rico has a maternity welfare law.¹⁹ This law applies to women working in offices, commercial and industrial establishments, and public-service enterprises. It entitles prospective mothers who are employed to a rest which shall include 4 weeks before and 4 weeks after childbirth, with half pay. During the period of rest the employer shall be bound, notwithstanding any stipulation to the contrary, to keep the position open for the working mother. The Supreme Court of Puerto Rico upheld the constitutionality of this act in the case of *Ponce Candy Industries v. District Court*.²⁰

Child labor is regulated under a law prohibiting gainful employment during public-school hours of minors who are between 14 and 18 years of age.²¹ This law also provides that no minor aged 14 and over but less than 18 shall be employed at gainful work for more than 6 consecutive days in any week, or for more than 40 hours in any 1 week, or for more than 8 hours in any 1 day. A number of hazardous occupations are specified in which the employment of minors under 16 or under 18 years of age is strictly prohibited.

This law was amended to protect minors peddling newspapers.²² Under its terms, (1) no child under 15 years shall engage in selling, delivering, or distributing newspapers or other publicity material in districts or places declared by

¹³ *American Railroad Co. v. Minimum Wage Board*, 68 P. R. R. 736 (May 24, 1948).

¹⁴ Act No. 50 of April 20, 1949.

¹⁵ Act No. 130 of May 8, 1945, creating the Puerto Rico Labor Relations Board, amended by Act No. 6 of March 7, 1946.

¹⁶ Section 18 of the Commonwealth Constitution declares that "in order to assure their right to organize and to bargain collectively, persons employed by private businesses, enterprises, and individual employers and by agencies or instrumentalities of the government operating as private businesses or enterprises, in their direct relations with their own employers shall have the right to strike, to picket, and to engage in other legal concerted activities."

¹⁷ According to Act No. 114 of May 7, 1942.

¹⁸ Act No. 73 of June 21, 1919, amended.

¹⁹ Act No. 3 of March 13, 1942.

²⁰ 69 P. R. R. 387 (December 7, 1948).

²¹ Act No. 230 of May 12, 1942.

²² Act No. 90 of June 24, 1954.

the Secretary of Labor to be dangerous to life and safety; (2) newspaper enterprises or editing concerns which employ minors over 15 years for such work in places deemed dangerous shall establish stands or select sites in mutual agreement with the Secretary of Labor and with the authorization of the proper Commonwealth and municipal authorities; and (3) minors between 12 and 18 years shall not be employed in peddling newspapers or other publicity materials after 11 p. m. or before 5 a. m.

Other Labor Laws

Other laws of interest to the working people include those which (1) provide for a day of rest after 6 days of consecutive work in businesses not covered by the "Closing Act";²³ (2) prohibit issuance of injunctions in labor disputes;²⁴ (3) create a public employment service affiliated with the Employment Service of the United States;²⁵ (4) make unemployment compensation payable to workers in the sugar industry during the season following the cutting and grinding of each cane crop;²⁶ and (5) establish a mutual benefit plan for chauffeurs (defined in the law as persons operating motor vehicles for pay),²⁷ whereby both the chauffeur and his employer contribute to a common fund to be used to purchase an \$1,800 life insurance policy and to pay substantial benefits in case of illness or disability.

Enforcement of Labor Legislation

The Puerto Rico Department of Labor is responsible for enforcement of all labor legislation in the Commonwealth. The Department attempts to keep employers and workers currently advised concerning the various legal provisions in which they may be interested. Before a mandatory decree of the Minimum Wage Board is put into effect, the Bureau of Labor Standards holds general informational meetings of the employers and employees affected, to avoid involuntary violations and to obtain voluntary compliance by employers. The Bureau of Legal Affairs of the Department answers all inquiries made by labor unions, employer organizations, individual employers, or laborers as to the coverage, interpretation, and applicability of the various laws.

Violations of labor statutes are determined either through investigations conducted by the Department on its own initiative or following complaints filed by workers. The Department, following established policy, always attempts to reach a friendly arrangement in those cases in which it has intervened. At such times, administrative hearings are held and the parties involved are given the opportunity to make their respective allegations and to offer evidence. Whenever employers and employees fail to reach an agreement through proper administrative channels, the case is submitted to the Bureau of Legal Affairs, which institutes the proper judicial proceedings; however, this action is taken only when the employer, for any reason, refuses to comply with the Department of Labor's determination. To compel immediate enforcement of the law in extraordinary situations, the Secretary of Labor may resort to injunction proceedings; or he may institute special proceedings to force employers to produce the evidence needed in cases under investigation;²⁸ or through complaints based on a special proceeding established by law, he may claim the payment of wages or any other benefits provided for employees in any mandatory decree; and whenever the circumstances warrant, he may even file criminal indictments for labor law violations.²⁹ The Department's attorneys act as special prosecutors in criminal cases and as defenders in civil actions.

Probably the most effective weapon available to Puerto Rican workers in claiming payment of wages due, whether for regular or extra hours, vacations, or any other pecuniary benefit, is the provision contained both in the Minimum Wage Act and in the Hours Act (No. 379 of May 15, 1948) that employers must pay damages in an amount equal to that awarded the employees by the court. Experience has demonstrated that the workers' right to action against employers

²³ Act No. 239 of April 9, 1946.

²⁴ Act No. 50 of August 4, 1947.

²⁵ Act No. 12 of December 20, 1950.

²⁶ Act No. 356 of May 15, 1948.

²⁷ Act No. 428 of May 15, 1950.

²⁸ This authority was upheld in *Sierra v. Cuevas*, 72 P. R. R. 167 (Feb. 13, 1951).

²⁹ Act No. 8 of April 5, 1941 (the Minimum Wage Act), amended by Act No. 48 of June 10, 1948, empowers the Secretary of Labor to sue, on his own initiative or at the request of one or more laborers concerned, for any amount of money due as wages. Act No. 428 of May 15, 1950, creating the social security system for chauffeurs, grants him the same powers.

under these two laws has been highly effective in securing settlement of many claims because employers prefer to pay the original claim, and thus in most cases, avoid court litigation, rather than to risk paying the penalty in the event of an adverse judgment. These damages operate like a penalty against an employer for unduly withholding wages due to the employees³⁰ and may only be waived with the Secretary of Labor's approval.³¹ The employer may not plead good faith as a defense to escape the penalty.³²

The judicial or extrajudicial settlements in these claims cases, in order to have legal validity, must first be approved by the Secretary of Labor, as provided by the Hours Act. This, of course, affords better protection for those workers whose claims are taken to court through independent attorneys. In no case involving a court claim are the employees or workers made to pay attorneys' fees, because this obligation has been specifically imposed on the employers by law.³³

The Secretary of Labor may also appear in court in wage-claim cases, in representation and for the benefit of all such laborers as he may see fit. This has been the constant practice; in 1 specific case a total of 927 laborers were represented by him. In this respect, the legislation of Puerto Rico does not contain the limitation imposed on the appli-

cation of section 16 of the Fair Labor Standards Act by section 5 of the Portal-to-Portal Act as regards collective proceedings, which provides that no employee shall be a party plaintiff to any such action unless he gives his consent in writing and his consent is filed in the court in which such action is brought. The Supreme Court of Puerto Rico has decided that employees in wage claim cases need not appear personally in court if they are represented by attorneys. Furthermore, that court has upheld the Secretary of Labor's action continuing a court proceeding on behalf of a worker who, when testifying in the inferior court, stated that his employer owed nothing to him and that he had never authorized the Secretary of Labor to include him as a claimant in the case. In disposing of this case, the Supreme Court stated, in part, as follows:

. . . It is true that Montalvo was produced as a witness for the defendant and testified that the employer does not owe him anything and that he had not authorized the Commissioner of Labor to include him as a plaintiff in the instant case. But cases still arise, including apparently this case, where employees are not aware of their rights. The Commissioner was following the mandate of the Legislature laid down in Subsection 25 of Act No. 8, as amended, in pressing this action in favor of Montalvo to whom the defendant owed money according to his own records. Under these circumstances the defendant cannot take refuge in the ignorance of Montalvo as to his rights or his failure specifically to authorize his joinder as a plaintiff.³⁴

The Secretary of Labor of Puerto Rico has, with good reason, declared that "to the workers of Puerto Rico, the Department of Labor and its offices in the island represent their Government in action."

³⁰ *Overnight Motor Transportation Co. v. Missel* 316 U. S. 562. (June 8, 1949), p. 15; *Tulier v. Land Authority of Puerto Rico*, 70 P. R. R. 249 (July 13, 1949).

³¹ Section 13 of Act 379 of May 15, 1948.

³² In cases arising under the Fair Labor Standards Act, subsequent to approval of the Portal-to-Portal Act (May 14, 1947), the defense of good faith may be raised by an employer.

³³ Act No. 402 of May 12, 1950.

³⁴ *Commissioner of Labor v. Roman*, 73 P. R. R. 294 (April 3, 1952); see also p. 297.

"According to Dr. Coll y Toste 'sugar cane was taken to Hispaniola in 1506, whence it was brought to Porto Rico in 1515.' In 1548 the first sugar plantation was established near the Bayamon River. 'Until then nothing but molasses was manufactured from the cane. Coffee was brought from Guadeloupe to Porto Rico in 1763. Tobacco was indigenous and much prized by the native Indians, but the Spanish Government fought its use; two Papal bulls excommunicated those who used it, and a Spanish royal cedula in 1608 prohibited definitely the cultivation of tobacco in Porto Rico. In 1634, however, tobacco was again grown, and also cacao.' "

Bulletin of the Department of Labor, Vol. 6, 1901 (p. 383): Labor Conditions in Porto Rico.

Wage Structure and Minimum Wages

FRANK ZORRILLA

WAGES in the Commonwealth of Puerto Rico stand midway between those of an underdeveloped, low-wage agricultural economy and those of a high-wage, high-productivity, industrialized economy. This wage structure places Puerto Rico in a somewhat difficult position, for it cannot compete with the underdeveloped areas on the basis of low wages nor with the industrialized areas on the basis of productivity.

In April 1955, workers engaged in manufacturing averaged 57.6 cents an hour. In 1953-54, average earnings in important industries were: sugarcane, \$3.37 per day; retail trade, 37 cents an hour; manufacturing (production workers), 47.9 cents; and construction, 55.2 cents. The Puerto Rico Minimum Wage Board has set minimum wages starting at 20 cents an hour in needlework trades producing for the Puerto Rican market and rising to \$1.10 for a specific occupation in construction. Minimum wages set by the U. S. Department of Labor for workers engaged in interstate commerce range from 22.5 cents in some needlework and textile products to 75 cents in various industries.

Wages by Industry

Agriculture. Agriculture, which is the center of economic activity on the island, provides around 36 percent of the total employment. The cultivation of sugarcane, with an average yearly employment of 64,500 (131,000 in the peak season), is the most important agricultural industry.

Sugarcane workers received an average of \$3.37 per day in 1953-54, compared with \$2.03 in 1945-

46 (table 1). In terms of mainland standards this is low, but due to the lack of mechanization, a ton of cane harvested in Puerto Rico requires 1.70 man-days; it needs only 0.38 man-day in Hawaii, and 0.76 in Louisiana.¹

Coffee ranks second to sugar in terms of employment and area of cultivation. In 1945-46, the workers in this industry received an average daily wage of \$1.05, while in 1953-54 they received \$1.69. The minimum daily wage of \$1.75 paid in the fall of 1955 is an increase of 67 percent over 1945-46. Coffee is harvested in high, sloping lands where mechanization is hardly possible. Thus, almost 15 man-days are needed to produce 100 pounds of coffee valued during the last 3 years at around \$54 on the farm. Moreover, an acre of land yields an average of only 150 pounds of coffee.

The daily wage rose substantially more between 1945-46 and 1953-54 in other agricultural industries than in coffee; for example, from \$1.59 to \$2.39 in pineapple and citrus fruits, \$1.63 to \$2.47 in dairy farms, and \$1.39 to \$2.21 in other farms. The percentage increase, however, was higher in coffee.

Manufacturing. Production worker employment in manufacturing industries has risen steadily since 1939—from 31,000 to 60,000 in April 1955. Their gross average hourly earnings² rose from 35.7 cents in April 1946 to 57.6 cents in April 1955, a rise of 61.3 percent (table 2).

The greatest gains in hourly earnings between April 1946 and April 1955 occurred in transportation equipment; metal products, except machinery; textile-mill products; and machinery (foundries).

¹ Statements of Fernando Sierra-Berdecea, then Commissioner of Labor, and Candido Oliveras, Chairman of the Minimum Wage Board, before the subcommittees of the Committee on Education and Labor and the Committee on Ways and Means of the U. S. House of Representatives (81st Cong., 1st sess.) on Extension of a Minimum Wage of 75 Cents Per Hour and Social Security Bill (H. R. 6000) to Puerto Rico, appendix A (p. 77). For data in the testimony by Mr. Oliveras, see also U. S. House of Representatives, Investigation of Minimum Wages and Education in Puerto Rico and the Virgin Islands, Hearings before a Special Investigating Subcommittee of the Committee on Education and Labor (81st Cong., 1st sess.), at San Juan, November 21, 1949 (p. 113).

² Gross hourly earnings are computed by dividing the total payroll of production workers by the total man-hours worked. As the average weekly hours amounted to 32.9 in April 1955, it may be assumed that the gross hourly earnings did not differ greatly from straight-time hourly earnings.

TABLE 1.—Number and average daily wages of wage and salary workers in agricultural industries, Puerto Rico, 1945-46 and 1953-54

Industry	Average number of workers, 1953-54	Average daily wage	
		1945-46	1953-54
Sugarcane.....	64,500	\$2.03	\$3.37
Coffee.....	16,000	1.05	1.69
Dairy farms.....	15,000	1.63	2.47
Pineapple and citrus fruits.....	11,800	1.59	2.39
Other farms.....	18,800	1.39	2.21

¹ Estimated by the Division of Research and Statistics of the Puerto Rico Minimum Wage Board.

Source: Department of Labor, Bureau of Labor Statistics, and Annual Reports of the State Insurance Fund of Puerto Rico, 1945-46 and 1953-54.

Trade. Trade in Puerto Rico is characterized by many small stores, a large number of them operated by the owners and their families. Wholesale establishments engaged in interstate commerce, obviously the larger and more prosperous, are subject to a minimum wage of 65 cents per hour, set under the Fair Labor Standards Act (table 3). The remaining establishments are bound by a 50-cent hourly minimum wage determined under the Puerto Rican minimum wage act (table 4).

² Figures from the Division of Research and Statistics of Puerto Rico's Minimum Wage Board.

³ Annual Reports of the State Insurance Fund of Puerto Rico, 1945-46 and 1953-54.

In retail trade the average wage in 1953 was around 37 cents per hour, while in 1943 it was only 21 cents.³ Effective August 1955, the Commonwealth's Minimum Wage Board revised the wage decree applicable to retail trade, establishing weekly minimum rates which vary according to different zones established in the decree. Under the revised decree, wages paid in retail trade in the fall of 1955 are expected to average approximately 46 cents an hour, more than double the wages in 1943.

Construction. Approximately 34,000 workers were employed on the average in the construction industry in 1954-55. In 1954-55, their hourly wage averaged 57 cents, compared with 35.9 cents in 1945-46.⁴

The Puerto Rico Minimum Wage Board has set minimum hourly rates for the construction industry ranging from 32 cents to \$1.10, depending on the occupation. Whenever the work is related to interstate commerce, the lowest minimum permitted under the Fair Labor Standards Act is 50 cents. The Puerto Rican wage order was being revised in September 1955. The rates in the proposed mandatory decree range from 50 cents to \$1.40 per hour.

TABLE 2.—Number and average gross hourly earnings of production workers in manufacturing industries, Puerto Rico, April 1946 and April 1955

Industry	April 1946		April 1955		Percent increase in earnings, 1946-55
	Number of workers	Average gross hourly earnings (in cents)	Number of workers	Average gross hourly earnings (in cents)	
All industries.....	49,600	35.7	60,100	57.6	61.3
Food and kindred products.....	21,500	40.8	17,500	72.7	78.2
Tobacco manufactures.....	8,900	30.1	5,200	35.7	18.6
Textile-mill products.....	1,500	29.0	3,400	52.4	80.7
Apparel and related products.....	10,200	26.6	16,100	45.1	69.5
Lumber and wood products (except furniture).....	500	53.5	272	58.0	73.1
Furniture and fixtures.....	1,500	29.3	2,400	47.9	63.5
Paper and allied products.....	200	47.1	400	74.3	57.7
Printing, publishing, and allied industries.....	900	43.1	900	70.8	64.3
Chemical and allied products; products of petroleum and coal; and rubber products.....	1,000	46.2	1,200	68.0	47.2
Leather and leather products.....	200	29.5	1,900	47.6	61.4
Stone, clay, and glass products.....	1,300	47.6	2,600	71.5	50.2
Metal products, except machinery.....	200	31.9	1,000	63.8	100.0
Machinery (foundries).....	600	46.2	800	83.0	79.7
Electrical machinery.....	(1)	(1)	1,600	57.7	(1)
Transportation equipment.....	100	38.8	200	89.1	129.6
Instruments and related products.....	(1)	(1)	1,000	61.3	(1)
Miscellaneous manufacturing industries.....	1,000	47.5	3,600	57.5	21.1

¹ Data not available.

Source: Puerto Rico Department of Labor, Bureau of Labor Statistics,

Employment, Hours, and Earnings in Manufacturing Industries in Puerto Rico, 1955.

TABLE 3.—Minimum wage rates in Puerto Rico under the Fair Labor Standards Act, as amended

Industry and division	Hourly minimum wage rates (in cents)	Effective date	Industry and division	Hourly minimum wage rates (in cents)	Effective date
Alcoholic beverage and industrial alcohol:			Needlework and fabricated textile products—Con.		
Malt beverage division	75	Oct. 6, 1955	Children's and dolls' wear division:		
General division	75	Oct. 6, 1955	Hand-sewing operations	35	June 6, 1955
Artificial flower	43	Nov. 6, 1950	Other operations	40	June 6, 1955
Banking, insurance, and finance	75	July 13, 1953	Corde and bonnaz embroidery and corde hand-bag division	51	July 25, 1955
Button, buckle, and jewelry:			Cotton underwear and infants underwear division:		
Button and buckle (other than pearl, leather, or fabric) and bead division	48	June 8, 1953	Hand-sewing operations	22½	June 6, 1955
Costume jewelry general division	36	Jan. 4, 1954	Other operations	40	June 6, 1955
Costume jewelry hair ornament division	50	Jan. 4, 1954	Crochet beading, bullion embroidery, machine embroidered lace, insignia, and chevron division	47½	June 6, 1955
Leather and fabric button and buckle division	63	Dec. 6, 1954	Crocheted hats and infants' bootie division:		
Metal expansion watch band division	60	June 8, 1953	Hand-sewing operations	35	June 6, 1955
Pearl button and buckle division	54	Sept. 14, 1953	Other operations	45	June 6, 1955
Precious jewelry division	55	June 8, 1953	Crocheted slipper division	45	June 6, 1955
Rosary and native jewelry division	33	June 8, 1953	Dungarees, slacks, and related products division	47½	June 6, 1955
Cement	75	July 13, 1953	Fabric glove division:		
Chemical, petroleum, and related products industries:			Hand-sewing operations	22½	June 6, 1955
Fertilizer division	75	July 14, 1952	Machine operations and any operations known to the industry as cutting, laying off, sizing, banding, and boxing	57½	June 6, 1955
Hormones, antibiotics, and related products division	75	July 14, 1952	Other operations	40	June 6, 1955
General division	51	July 14, 1952	Handkerchief and square scarf division:		
Clay and clay products:			Hand-sewing operations	22½	June 6, 1955
Semivitreous and vitreous china food utensils division	40	June 25, 1951	Other operations	40	June 6, 1955
Structural clay and miscellaneous clay products division	40	Jan. 1, 1951	Hat body division	57½	June 6, 1955
Communications, utilities, and miscellaneous transportation industries:			Infant's wear division:		
Airline division	75	May 5, 1952	Hand-sewing operations	25	June 6, 1955
Cable and radiotelephone division	75	May 5, 1952	Other operations	40	June 6, 1955
Gas utility division	75	Oct. 20, 1955	Knit glove division	40	June 6, 1955
Radio broadcasting division	65	Oct. 20, 1955	Leather glove division:		
Telephone division	75	Oct. 20, 1955	Hand-sewing operations	30	June 6, 1955
Telephone broadcasting division	75	Oct. 20, 1955	Machine operations and any operations known to the industry as cutting, laying off, sizing, banding, and boxing	57½	June 6, 1955
Tourist bureau and ticket agency division	75	May 5, 1952	Other operations	40	June 6, 1955
Miscellaneous division	75	May 5, 1952	Silk, rayon, and nylon underwear division:		
Construction, business service, motion picture, and miscellaneous industries:			Hand-sewing operations	26	Oct. 6, 1955
Business service and miscellaneous industries division	65	Aug. 11, 1952	Other operations	48	Oct. 6, 1955
Construction division	50	Aug. 11, 1952	Suits, coats, skirts, fur garments, and related products division	55	Oct. 6, 1955
Motion pictures division	55	Aug. 11, 1952	Sweater and bathing suit division	50	June 6, 1955
Corsets, brassieres, and allied garments	55	Nov. 8, 1954	Miscellaneous apparel products division	47½	Oct. 6, 1955
Decorations and party favors	30	Aug. 13, 1951	General division:		
Electrical, instrument, and related manufacturing industries:			Hand-embroidery operations	35	Oct. 6, 1955
Lens and thermometer division	60	Sept. 12, 1955	Other operations	45	Oct. 6, 1955
Resistance-type household appliance division	65	Sept. 12, 1955	Paper, paper products, printing, publishing, and related industries:		
General division	70	Sept. 12, 1955	Daily newspaper division	60	Dec. 10, 1951
Food and related products:			Paper bag division	45	Dec. 10, 1951
Citron brining division	40	Oct. 20, 1955	Paperboard division	40	Dec. 10, 1951
General division	45	Oct. 20, 1955	Paper box division	55	Dec. 10, 1951
Handicraft products	26	Apr. 16, 1951	General division	40	Dec. 10, 1951
Hooked rug:			Plastic products:		
Hand-hooked rug division	33	July 21, 1952	Sprayer and vaporizer division	75	July 25, 1955
Machine-hooked rug division	40	July 21, 1952	Wall tile, dinnerware, and phonograph records division	60	July 25, 1955
Hosiery	50	May 3, 1954	General division	53	July 25, 1955
Jewel cutting and polishing:			Railroad, railway express, and property motor transport:		
Gem stone division	50	Nov. 19, 1951	Railroad division	33	May 4, 1953
Industrial jewel division	42½	Jan. 28, 1952	Railway express and property motor transport division	60	May 4, 1953
Leather, leather goods, and related products:			Rubber, straw, hair, and related products:		
Hide curing division	65	Sept. 14, 1953	Rubber products division	60	Oct. 13, 1952
Leather tanning and processing division	40	Sept. 14, 1953	Straw, hair, and related products division	37	July 20, 1953
Small leather goods, baseball, and softball division	32	Sept. 14, 1953	Shipping	75	July 24, 1950
General division	40	Sept. 14, 1953	Shoe manufacturing and allied industries	40	Jan. 4, 1954
Lumber and wood products:			Stone, glass, and related products:		
Furniture, woodenware, and miscellaneous wood products division	38	Aug. 11, 1952	Concrete pipe division	60	Mar. 30, 1953
Lumber and millwork division	42	Aug. 11, 1952	Glass and glass products division	60	Mar. 30, 1953
Men's and boys' clothing and related products:			Glass decorating division	42	Mar. 30, 1953
Hat and cap division	55	Mar. 14, 1955	Hot asphaltic plant mix division	75	Mar. 30, 1953
Necktie division	55	Mar. 14, 1955	Mica division	42	Mar. 30, 1953
Suits, coats, and jackets division	55	Mar. 14, 1955	General division	50	Mar. 30, 1953
General division	47½	Mar. 14, 1955	Sugar manufacturing	75	Mar. 2, 1953
Metal, machinery, transportation equipment, and allied industries:			Textile and textile products:		
Drydock division	75	Nov. 30, 1953	Cotton ginning and compressing division	40	Aug. 23, 1954
Fabricated wire products, steel spring, and slide fastener division	65	June 27, 1955	Hard fiber products division	37½	Aug. 23, 1954
General division	75	June 27, 1955	Mattress and pillow division	75	Aug. 23, 1954
Needlework and fabricated textile products:			General division	42½	Aug. 23, 1954
Art linen and needlepoint division:			Tobacco:		
Hand-sewing operations	22½	June 6, 1955	Puerto Rican cigar filler tobacco processing division	35	Nov. 28, 1955
Other operations	40	June 6, 1955	General division	50	Oct. 20, 1955
Blouse, dress, and neckwear division:			Wholesaling, warehousing, and other distribution	65	Aug. 27, 1951
Hand-sewing operations	35	June 6, 1955			
Other operations	45	June 6, 1955			

Source: U. S. Department of Labor, Wage and Hour and Public Contracts Divisions.

TABLE 4.—*Minimum wage rates in Puerto Rico under the Commonwealth Minimum Wage Act*

Mandatory decree number ¹	Industry	Effective date	Hourly minimum (or range of minimum) wage rates (in cents)
1	Leaf tobacco.....	Mar. 1943.....	25.0
3	Sugarcane growing.....	Apr. 1943.....	17.5-40.6
	Sugar manufacturing:	do.....	
	Raw sugar.....		33.0-46.3
	Refined sugar.....		33.0-46.3
4	Hospitals.....	July 1951.....	31.0-60.0
5	Soft drinks.....	Mar. 1944.....	25.0-30.0
6	Restaurants.....	Jan. 1955.....	25.0-33.0
7	Theaters.....	Nov. 1953.....	35.0-70.0
8	Retail trade.....	Aug. 1955.....	27.1-43.4
9	Bread, bakery products, and crackers.....	July 1945.....	28.0-82.5
11	Construction.....	July 1946.....	32.0-110.0
12	Transportation.....	Feb. 1948.....	25.0-50.0
13	Laundries.....	June 1948.....	25.0-40.0
14	Furniture and wood products.....	Sept. 1948.....	25.0-60.0
15	Stone quarries.....	Nov. 1948.....	35.0-100.0
16	Wholesale trade.....	Oct. 1949.....	50.0
17	Pineapple:		
	Agriculture.....	Sept. 1950.....	21.0-50.0
	Canning.....	do.....	30.0
18	Dairy:		
	Agricultural phase.....	Jan. 1951.....	20.0-50.0
	Industrial phase.....	do.....	30.0-35.0
19	Coffee growing.....	Dec. 1954.....	21.9
20	Commercial printing, newspapers, and periodicals.....	Nov. 1951.....	35.0-60.0
21	Needlework.....	Jan. 1953.....	20.0-25.0
22	Hotels.....	Sept. 1952.....	24.0-40.0
23	Ice cream and ices.....	Feb. 1953.....	30.0-50.0
24	Beer.....	Aug. 1954.....	70.0

¹ The Supreme Court of Puerto Rico annulled decrees numbered 2 and 10 fixing minimum wages retroactively for sugarcane and dairy industry workers.

² Minimum when sugar is priced at \$3.74 per hundred pounds. For each cent above that price, the daily wage is increased $\frac{3}{8}$ of a cent. The price of sugar was around \$6 a hundred pounds early in November 1955.

Source: Puerto Rico Minimum Wage Board.

Occupational Wages

In October 1953, production workers in manufacturing industries had gross hourly earnings of 47.9 cents; office workers in the same industries averaged 79.3 cents; repair and maintenance workers averaged 84.1 cents; and those in custodial work, 52.0 cents.⁵

In manufacturing, the best paid occupations, exclusive of processing, were: electrician (\$1.06); mechanic (\$0.99); secretary (\$0.96); plumber (\$0.85); carpenter (\$0.82); typist (\$0.80); storekeeper (\$0.80); payroll clerk (\$0.76); and clerk, general office (\$0.75). The lowest paid occupations were truckdriver helper (\$0.45); porter (\$0.46); gateman (\$0.59); watchman (\$0.59); and oiler (\$0.60). (See table 5.)

The average for all skilled workers (e. g., electricians, carpenters, and mechanics) was around 96 cents per hour, while their assistants averaged 70 cents per hour. Nonskilled workers, such as

may be found in custodial work, had an average wage rate of 52 cents per hour, 44 cents less than the rate of the skilled workers and 18 cents less than that received by semiskilled workers.

Interindustry Comparisons. A comparison of the earnings in those occupations important in terms of employment and common to all industries may illustrate to some extent the wage interrelationships in manufacturing (table 5). "Utility" workers, representing the most important non-processing occupation numerically, receive the highest wage in the food and kindred products industry (71 cents) and the lowest in tobacco manufactures (34 cents). Most of the workers in food and kindred products are found in the production of sugar, a high-paying industry which has a Federal minimum wage of 75 cents per hour. Average wages for utility workers in the other industries ranged from 36 to 60 cents per hour.

For clerical work, the next most important non-processing occupation, the average earnings were 75 cents per hour. The highest wages were paid in the chemicals and food industries and the lowest in the apparel and related products.

The manufacturing industries in Puerto Rico paying the highest wages are: transportation equipment and machinery; food and kindred products; stone, clay, and glass; and chemicals and allied products. Tobacco products is the lowest paying industry. (See tables 2 and 5.)

Minimum Wage Legislation

Puerto Rico has had its own minimum-wage law since 1941.⁶ The act empowers the Minimum Wage Board to set minimum wages and other working conditions in the different industries in Puerto Rico. The act excludes only domestic service and Government employment; however, industries operated by Government agencies are included. In 15 years, the Board has issued 22 mandatory decrees covering around 296,000 employees at peak employment and increasing their income by about \$23 million.

The Fair Labor Standards Act (covering all industries engaged in interstate commerce or in the production of goods for interstate commerce) was made applicable to Puerto Rico when passed, in 1938. Originally, this law applied to Puerto

⁵ Puerto Rico Department of Labor, Bureau of Labor Statistics.

⁶ See also p. 17.

Rico the same minimum wage established for the continental United States, but in 1940 Congress decided that it was not economically feasible to set the same flat minimum wage for Puerto Rico as for industries on the mainland. Because of the economic difficulties under which the industries of Puerto Rico operate, Congress amended the Fair Labor Standards Act to provide for a flexible arrangement for Puerto Rico. The Secretary of Labor of the United States appoints special industry committees which periodically review industry wage rates in Puerto Rico, looking toward the goal of the statutory minimum applicable in the United States.

Each industry committee is a tripartite body representing employers, workers, and the public, in equal numbers, and includes members from both the mainland and the Commonwealth. The 1955 amendments to the act provide that the committee shall recommend minimum wages for the industries under consideration and the Secretary of Labor of the United States shall publish the recommended wage orders in the Federal Register. These rates become final and binding on all employers in the industry within 15 days after publication.

Seventeen special industry committees have been convened since 1940; 33 wage orders cover approximately 100 industrial divisions.

The minimum wage rates fixed by the Wage and Hour Division of the U. S. Department of Labor and by the Puerto Rico Minimum Wage Board, for the different industries covered, are presented in tables 4 and 5.

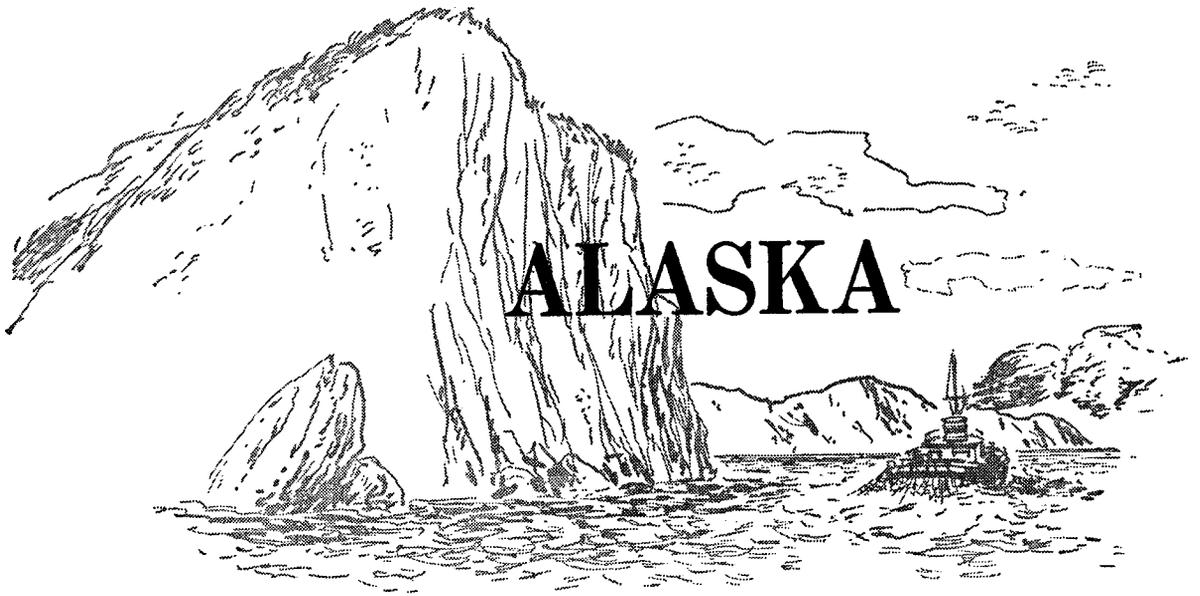
Both the Minimum Wage Board and the U. S. Department of Labor set the highest minimum wage that the industry can reasonably pay without creating substantial unemployment and without giving competitive advantages either to industries in Puerto Rico or to similar ones operating in the United States. Both the Minimum Wage Board of Puerto Rico and the Wage and Hour Division aim to revise their decrees and wage orders periodically, taking into consideration the ability of the industry to pay wages, the needs of the workers, and the possible competition that may exist between Puerto Rico industries and their mainland counterparts. Annual review of wage orders is now required of the Wage and Hour Division by act of the 84th Congress in 1955. Around 10 of the 22 Puerto Rican decrees have been, or are being, revised.

TABLE 5.—Number and straight-time average hourly wage rates of workers in selected nonprocessing occupations in manufacturing industries, by major industry groups, Puerto Rico, October 1953

Industry	Straight-time average hourly earnings									
	Utility worker	Clerk, general office	Mechanic	Porter	Watchman	Truck-driver	Assistant mechanic	Carpenter	Secretary	Truck-driver helper
Number of workers.....	2,191	817	627	567	428	413	376	271	247	224
All industries.....	\$0.643	\$0.747	\$0.992	\$0.461	\$0.592	\$0.627	\$0.716	\$0.818	\$0.960	\$0.450
Food and kindred products.....	.711 (1)	.867 (2)	1.008 (5)	.533 (4)	.683 (2)	.620 (6)	.774 (2)	.853 (3)	.984 (5)	.449 (4)
Tobacco manufactures.....	.344 (11)	.682 (7)	.811 (10)	.314 (11)	.404 (10)	.384 (11)	.570 (5)	.676 (11)	.717 (10)	.328 (9)
Textile-mill products.....	.421 (7)	.572 (10)	1.157 (3)	.378 (9)	.437 (8)	.518 (10)	.551 (8)	.830 (4)	.639 (11)	.365 (8)
Apparel and related products...	.382 (8)	.559 (11)	.903 (8)	.367 (10)	.419 (9)	.607 (9)	.447 (11)	.695 (10)	.808 (9)	.300 (10)
Lumber and furniture.....	.357 (10)	.670 (9)	1.205 (2)	.391 (8)	.466 (5)	.616 (8)	.559 (6)	.713 (9)	.915 (8)	.374 (7)
Paper and allied products; and printing, publishing, and allied industries.....	.540 (5)	.799 (3)	1.306 (1)	.572 (2)	.552 (3)	.620 (7)	.744 (3)	.733 (8)	1.056 (2)	.650 (1)
Chemicals and allied products; products of petroleum and coal; and rubber products....	.592 (3)	.901 (1)	.863 (9)	.566 (3)	.538 (4)	.668 (3)	.555 (7)	.778 (6)	.980 (6)	.426 (5)
Leather and leather products...	.363 (9)	.677 (8)	.950 (7)	.393 (7)	.394 (11)	.708 (2)	.510 (9)	.796 (5)	.972 (7)	-----
Stone, clay, and glass products.	.598 (2)	.718 (6)	1.059 (6)	.411 (6)	.461 (7)	.786 (1)	.779 (1)	.898 (1)	.990 (4)	.380 (6)
Fabricated metal products; machinery; electrical machinery, equipment and supplies; and transportation equipment.....	.456 (6)	.791 (4)	.778 (11)	.497 (5)	.720 (1)	.632 (5)	.487 (10)	.756 (7)	1.137 (1)	.620 (2)
Instruments and related products; and miscellaneous manufacturing industries.....	.561 (4)	.784 (5)	1.145 (4)	.647 (1)	.462 (6)	.633 (4)	.609 (4)	.857 (2)	1.040 (3)	.489 (3)

Source: See Rates per Hour, Hours Worked, and Weekly Wage in Inter-industrial Occupations in Manufacturing Industries, Puerto Rico, October 1953. Puerto Rico Department of Labor, Bureau of Labor Statistics.

NOTE.—The numbers in parentheses indicate the rank of wage rates in each industry in relation to the hourly rates paid in other industries, from the highest to the lowest paying industry.



The Economy and the Labor Force

GEORGE W. ROGERS

ALASKA'S ECONOMY, its population, and its labor force are all products of its geography. An Arctic and sub-Arctic region, it is a big territory composed of several distinct regions, relatively remote from each other. Its economy is highly seasonal, depending primarily upon the production of raw and semiprocessed materials and upon Federal spending, much of which is related to Alaska's strategic defense location. The population is sparse and fluctuates sharply, as does the labor force, in response to seasonal factors and the course of Federal spending.

Physical Characteristics

Alaska is big. This is the most obvious generalization which can be made about the Territory. Its total area of 586,400 square miles is equal to nearly one-fifth the total area of the 48 States. Because of its size, Alaska cannot be treated realistically as a single region but must be considered as several distinctive regions, each with differing physical, climatological, and natural resources features. The most common geographical division is six regions: Southeastern, South Central, and Southwestern Alaska; the Yukon Plateau (or the Interior); the Seward Peninsula; and the Arctic Slope.

Alaska can also be characterized as a remote and relatively isolated area. Anchorage, the largest city, is 1,450 miles from Seattle and 2,500 miles from Minneapolis by direct airline; 2,633 miles from Great Falls, Mont., by road; and 1,800 miles from Seattle by ship and railroad. Alaska's various sections are remote one from another; in its extreme extent, it approximates the east-west, north-south spread of the continental

United States and there are four time zones within its boundaries. Its coastline is longer than that of the entire continental United States.

Despite the well-deserved debunking of Alaska as nothing more than a land of ice and snow, it is predominantly an Arctic and sub-Arctic region. About 80 percent of its total area is north of latitude 60° N. Permanently frozen ground (permafrost) underlies about 60 percent of the total area. The summer season, or the time between killing frosts, is abnormally short, varying from 165 days at Ketchikan to only 17 days at Barrow, with the season over its largest land area (the Yukon Basin) ranging from 54 to 90 days.

Economic Characteristics

Alaska is an economically underdeveloped area, which is important primarily as a source of raw and semiprocessed materials and as a strategic military outpost. The economic base is narrow, highly seasonal, and regionally varied.

Despite the fact that it is physically a part of the North American continent, Alaska is economically an island and its trade and communications with the continental United States are those of an overseas area. Its one land transportation link with the continental United States is the long and difficult route to Great Falls, Mont., much of it through the relatively uninhabited wildernesses of Canada. The main streams of commerce and migration are by sea and air.

Prices. Seasonality and remoteness combine to explain the first economic fact brought home to any newcomer to Alaska: the costs of doing business and of living in the Territory are very high. In recent years, there have been important reductions in price levels because of population increases, stimulation of competition, and improvement in distribution and transportation, but Alaska must still be characterized as a high-cost region. Reliable data on prices are very skimpy, but for consumer prices at least the Bureau of Labor Statistics of the United States Department of Labor collected data and published indexes for selected Alaskan cities for March 1945 and February and December 1951, which document the impressions of the traveler, businessman, and worker in the Territory. (See table 1.)

TABLE 1.—Relative differences in costs of goods, rents, and services in selected Alaskan cities and Seattle
[Costs in Seattle=100]

City and date	All items	Foods	Apparel	Housing ¹	Other
<i>March 1945</i>					
Juneau.....	115	130	113	107	107
Anchorage.....	141	153	131	160	124
Fairbanks.....	148	164	137	157	132
<i>February 1951</i>					
Anchorage.....	140	137	119	213	125
Fairbanks.....	147	147	125	217	130
<i>December 1951</i>					
Ketchikan.....	122	129	111	129	116

¹ 1945 figures represent average rental for 4- and 5-room dwellings meeting certain standards, plus fuel, utilities, and housefurnishings; 1951 figures, rent for 2- and 3-room dwellings meeting certain standards, plus fuel, utilities, and housefurnishings.

Source: Relative Differences in the Cost of Equivalent Goods, Rents, and Services in Three Alaska Cities and Seattle, March 1945, Bureau of Labor Statistics, U. S. Department of Labor, May 20, 1946. Relative Differences in the Cost of Consumption Goods, Rents, and Services in Two Alaska Cities and in Seattle, Wash., February 1951, U. S. Department of Labor, April 26, 1951. Relative Differences in the Cost of Consumption Goods, Rents, and Services in Ketchikan, Alaska, and Seattle, Wash., December 1951, U. S. Department of Labor, February 28, 1952.

Trade With the United States. Its physical characteristics have also fostered Alaska's economic dependence upon the United States. The statistics of trade between Alaska and the continental United States strikingly reveal Alaska as a source of raw and semiprocessed materials and its lack of self-sufficiency and dependence upon the outside for its consumer and capital goods. The dependent relationship was marked in the imbalance of trade from 1868 to 1940, inclusive—from Alaska to the United States, \$2.3 billion; and from the United States to Alaska, \$1.2 billion. With the United States entry into World War II, the "balance of trade" shifted; from 1941 through 1947 (the latest year for which data are available), Alaska's exports to the States, averaging \$78.7 million a year, nearly matched the \$80.5 million average value of its imports.¹

Nonresident Interests. Another earmark of Alaska's lack of self-sufficiency is the nonresident ownership of much of its economic activity. Extreme seasonality, remoteness, and high costs favor the use of seasonally imported labor and extractive activity over processing, while discouraging the accumulation of local supplies of labor, capital, and management talent. The Bristol Bay fisheries are an example of an industry which is almost wholly owned and operated by interests outside the region. Cannery and fishing

supplies are shipped in from the Puget Sound area. According to a recent study, "of a total of about 6,000 men presently employed in the fishing industry in the Bristol Bay area, 4,000 are brought in from the United States; 1,000 are recruited from other parts of the Territory; and only 1,000 are provided locally."²

The degree to which values produced and incomes generated with Alaska are divided between resident and nonresident interests is difficult to document. Although the harvest of the rich fur-seal resources on the Pribilof Islands is probably not a typical activity, it has been analyzed in these terms. It is carried out under Federal supervision and management, but the operation is administered from the Seattle office of the Fish and Wildlife Service rather than from the Alaska office of the Service. The raw furs are transported to St. Louis for final processing and sale, and the Government's share of the proceeds is deposited in the United States Treasury at Washington.

During 1951, the raw-fur value of the United States' share of the pelts and the value of byproducts came to \$2,702,959 (total value, including the share of fur processors and auctioneers in the States, was, of course, greater). This amount represents the value generated *within* the Territory by the harvesting and preliminary preparation of the pelts on the Pribilof Islands. The total benefit to the Territory, in the form of wages and salaries paid to resident workers and medical care and educational facilities provided these workers and their families by the Federal Government, was estimated at only \$200,000 for the year 1951.³ Thus, the region directly benefited from or retained only slightly more than 7 percent of the value produced there.

Federal Spending. It is not surprising, given the geographical position of the Territory, that military construction and other Federal spending are the major factors in determining the level of economic activity and the population growth in Alaska today. For the 13 years 1940-52, Federal

¹ Compiled from various issues of the Monthly Summary of Foreign Commerce of the United States, U. S. Department of Commerce, Bureau of the Census.

² Southwestern Alaska, Interior Report No. 5, Alaska District, Corps of Engineers, U. S. Army, January 20, 1954 (p. 35).

³ John L. Buckley, *Wildlife in the Economy of Alaska*, University of Alaska Press, February 1955 (p. 21).

defense construction expenditures for Alaskan projects have averaged \$114.3 million per year.⁴

In addition to direct military construction, there has been substantial defense-justified Federal civilian construction in the postwar period, particularly rehabilitation of the Alaska Railroad, expansion and improvement of road and airfield systems, and financing community facilities. For the fiscal years 1948-54, Federal obligations for all purposes in Alaska averaged \$413.2 million a year, the Department of Defense accounting for \$270.4 million of the total. (See table 2.)

Beginning in 1941, Federal spending had a number of important direct economic effects. The "balance of trade" with the United States shifted almost overnight from one in which the value of imports was little more than half the value of exports to one in which exports and imports were roughly equal, as already indicated. Alaska's construction industry catapulted from a minor economic activity to the leading industry. The new jobs generated by military construction and the servicing of a sizable military garrison contributed to a spectacular rise in Alaska's population. (See chart 1.)

Federal spending had even more indirect economic effects. The expansion of Alaskan markets created by population and business growth made possible the more efficient and economic distribution and transportation of goods. Military necessity stimulated greater expansion and improvements in Alaska's communication and transportation systems than could have been accomplished otherwise.

Structure of the Economy. The nature and structure of the Alaskan economy cannot be described in terms of "gross Territorial product," but only in terms of the "basic economy"—that dynamic portion of the economy which primarily determines the level of total income and employment. Discounting the construction industry, which is derived largely from Federal expenditures, Alaska's economic base is extremely narrow, resting primarily upon fishing, and to a much smaller degree upon mining; the fur trade, the forest products industry, tourist expenditures, and agriculture combined account for less than 10 percent of the total. (See table 3.) All are highly seasonal

⁴ Biennial Report, 1951-53, Alaska Development Board.

TABLE 2.—Federal obligations in Alaska, fiscal years 1948-54

[In millions of dollars]

Fiscal year	Total	Department of Defense	Other Federal agencies ¹
1948.....	\$200.5	\$103.9	\$96.6
1949.....	251.6	135.3	116.3
1950.....	137.2	1.9	135.3
1951.....	607.5	455.9	151.7
1952.....	414.9	266.0	148.9
1953 ²	679.5	512.9	166.6
1954 ²	600.9	416.9	184.0
Total.....	2,892.2	1,892.7	999.4
Annual average.....	413.2	270.4	142.8

¹ Excludes \$86,500,000 in FHA mortgage insurance on housing developments.

² Estimated.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

Source: Prepared by the Federal Bureau of the Budget at the request of Governor's Office, February 1954.

activities, mining and the fur trade are highly unstable cyclically, and the last three are relatively undeveloped.

The Alaskan economy is not an integrated one; rather, it is a collection of far-flung and relatively isolated centers of varied economic activity tied together in rather tenuous fashion at the political and public administration levels by definition more than anything else. Therefore, data are presented in table 3, not only for the "total" basic economy, but for three economic regions selected to illustrate the economic sectionalism:

1. Southeastern Alaska, separated from the rest of the country by Canadian territory and the impenetrable barrier of the great Malaspina Glacier and the towering St. Elias Range.

2. Central and Interior Alaska, roughly the area south of the Brooks Range and east of longitude 151° W. With the exception of Kodiak Island, the centers of development and population are laced together with a well-developed road system, and the economic unity of the region is furthered by the fact that the principal defense establishments are located there.

3. Northern and Western Alaska, the remainder of the Territory.

Population

Like its economy, the composition and nature of Alaska's population have marked sectional differences. Moreover, the population is sparse, predominantly urban, unstable, and highly seasonal.

The 1950 census enumeration of a population of 128,643 in Alaska, including 20,407 military personnel, represents only 0.225 person per square

mile of land area as compared with the United States average of 50.7 persons per square mile. Nearly half of the Alaskan people live in towns and cities with populations of 1,000 or more, 26.6 percent in places with 2,500 or more.

Although the total native population has remained relatively stable, the total white population has been subject to drastic ebbs and flows of migration. In 1867, there were probably 500 white persons in Alaska. According to data from the Census of Population for Alaska, thereafter the white population first increased rapidly to 1900 (30,493) following the gold stampedes, rose again to 1910 (36,400), then declined to 1920 (27,883), changed little to 1929 (28,640), again increased substantially to 1939 (39,170) following the revival of gold mining, and rose sharply to 1950 (92,808) as a result of the military construction program. In 1939, the white population represented only 54 percent of the total popula-

tion, but by 1950 it accounted for 72 percent. The number of males per female—one index of the relative stability of a population—from 1920 to 1950 ranged from 1.03 to 1.08 among the native population, and from 2.82 to 1.86 among white inhabitants.

In discussing Alaska's population, the month as well as the year must be specified, so great is the seasonal variation. The peak population ranged from 15 to nearly 32 percent above the low point in the years 1950-54 (table 4).

Data from the 1950 census for the three economic regions specified previously illustrate the wide sectional differences in the composition of Alaska's population (table 5). They underline the necessity for going beyond data for the Territory as a whole whenever possible. Similarly, comparisons of population figures for 1950 and 1939 indicated marked regional differences. The total population rose by more than 77 percent; in the South-

TABLE 3.—Alaska's income from production and other activities, by region¹
[Annual average, 1948-53]

Economic activity	Total		Economic regions					
			Southeastern Alaska		Central and Interior Alaska		Northern and Western Alaska	
	Amount (thousands of dollars)	Percent						
Total basic economy.....	\$201,268	100.0	\$55,394	100.0	\$109,987	100.0	\$35,887	100.0
Natural resources products.....	130,632	65.0	46,494	84.0	55,846	50.7	28,292	78.9
Fish and wildlife products.....	102,582	51.0	42,284	76.4	37,178	33.7	23,120	64.5
Commercial fisheries ²	89,857	44.7	40,307	72.8	31,984	29.0	17,566	49.0
Furs ³	4,675	2.3	842	1.5	594	.5	3,239	9.0
Other tangible wildlife values ⁴	8,050	4.0	1,135	2.1	4,600	4.2	2,315	6.5
Mineral products ⁵	20,236	10.1	61	.1	15,067	13.7	5,108	14.2
Forest products ⁶	5,575	2.8	3,789	6.8	1,761	1.6	25	.1
Agricultural products ⁷	2,239	1.1	360	.7	1,840	1.7	39	.1
Tourist expenditures ⁸	6,336	3.1	3,900	7.0	2,341	2.1	95	.2
Construction ⁹	64,300	31.9	5,000	9.0	51,800	47.2	7,500	20.9

¹ For definition of regions, see accompanying text (p. 31).

² Wholesale value, from annual statistical digests of the U. S. Fish and Wildlife Service, entitled "Alaska Fisheries and Fur Seal Industries."

³ Raw value. "Land furs" from Fish and Wildlife Service game and fur district records; "Pribilof fur seal," net proceeds transferred to General Fund reported in Combined Statement of Receipts, Expenditures and Balances of the U. S. Government, U. S. Treasury Department.

⁴ Estimated largely from data in Wildlife in the Economy of Alaska (see text footnote 3); also includes expenditures by nonresident sportsmen for fiscal year 1952 and minimum food value of take by resident hunters and native peoples, value of reindeer and ivory (computed from annual reports of the U. S. Fish and Wildlife Service and Alaska Native Service estimates of amount of wildlife products consumed and value of products).

⁵ Includes value of sand, gravel, and building stone. Total from Bureau of Mines annual area reports entitled "Mineral Production in Alaska"; regional breakdown prepared by Territorial Department of Mines.

⁶ Value f. o. b. mill. Estimated on basis of U. S. Forest Service reports of physical volume of lumber produced, cited in Alaska Development Board's Biennial Report, 1951-53 (p. 39); Bureau of Land Management reports on timber cut on public domain lands and average mill price of lumber (cited in annual reports of the Governor of Alaska); free use timber valued arbitrarily at \$10 per M bd.-ft.

⁷ Includes estimated value of home consumption. Total and regional values from 1950 U. S. Census of Agriculture, Vol. 1, pt. 34-1, and Alaska

Agricultural Experiment Station, Palmer, Alaska, and annual reports of Governor of Alaska.

⁸ Estimated on basis of average annual "touristy revenue" for 1951-53 (A Recreation program for Alaska, National Park Service, 1955, pp. 27-29); regional breakdown from data in Analysis of Alaska Travel With Special Reference to Tourists, by W. J. Stanton, U. S. National Park Service, 1953.

⁹ Total from Employment Security Commission annual reports to the Governor of Alaska; regional breakdown on basis of location and total value of projects (from materials in Construction Contracts Awarded in Alaska, 1947-52, Seattle First National Bank, Oct. 14, 1953; Value of Building Permits in Alaska, 1949-53, Alaska Development Board; and miscellaneous news items). This is not a particularly satisfactory basis for the allocation of wages, as the ratio of labor costs to total costs varies greatly by type of construction.

NOTE.—The transaction level for which valuation is shown corresponds roughly to the amount of processing and market preparation done in the Territory. For example, the value of raw furs is used because virtually all processing is done outside Alaska. Data are not shown for manufacturing as a category because value added to raw materials is negligible except for commercial fisheries and forest products. For construction, wages paid is used because most equipment, supplies, and materials were purchased outside Alaska; where Alaskan products were purchased, their value is already counted (in forest, mineral, or agricultural products).

eastern region, the increase was less than 12 percent and, in the Northern and Western region, nearly 22 percent, but the number of people in Central and Interior Alaska more than tripled.

Labor Force and Employment

The rapid increase in the size of Alaska's labor force during the past 15 years has been accompanied by drastic changes in its industrial composition. Government and industries primarily dependent upon Federal spending have become

the principal employers, but labor-force activity is still extremely seasonal.

Any analysis of Alaska's labor force is hampered by a dearth of statistical material on all but that portion of the labor force covered by the unemployment insurance (UI) program. Census data are available only decennially—October 1, 1939, and April 1, 1950, being the dates of the two most recent censuses. Moreover, the abnormally high seasonality of Alaska's economy makes these dates unrepresentative; in fact, they are not even comparable.

Chart 1. Alaska's Population, Total and Military, Monthly Average, 1940-54

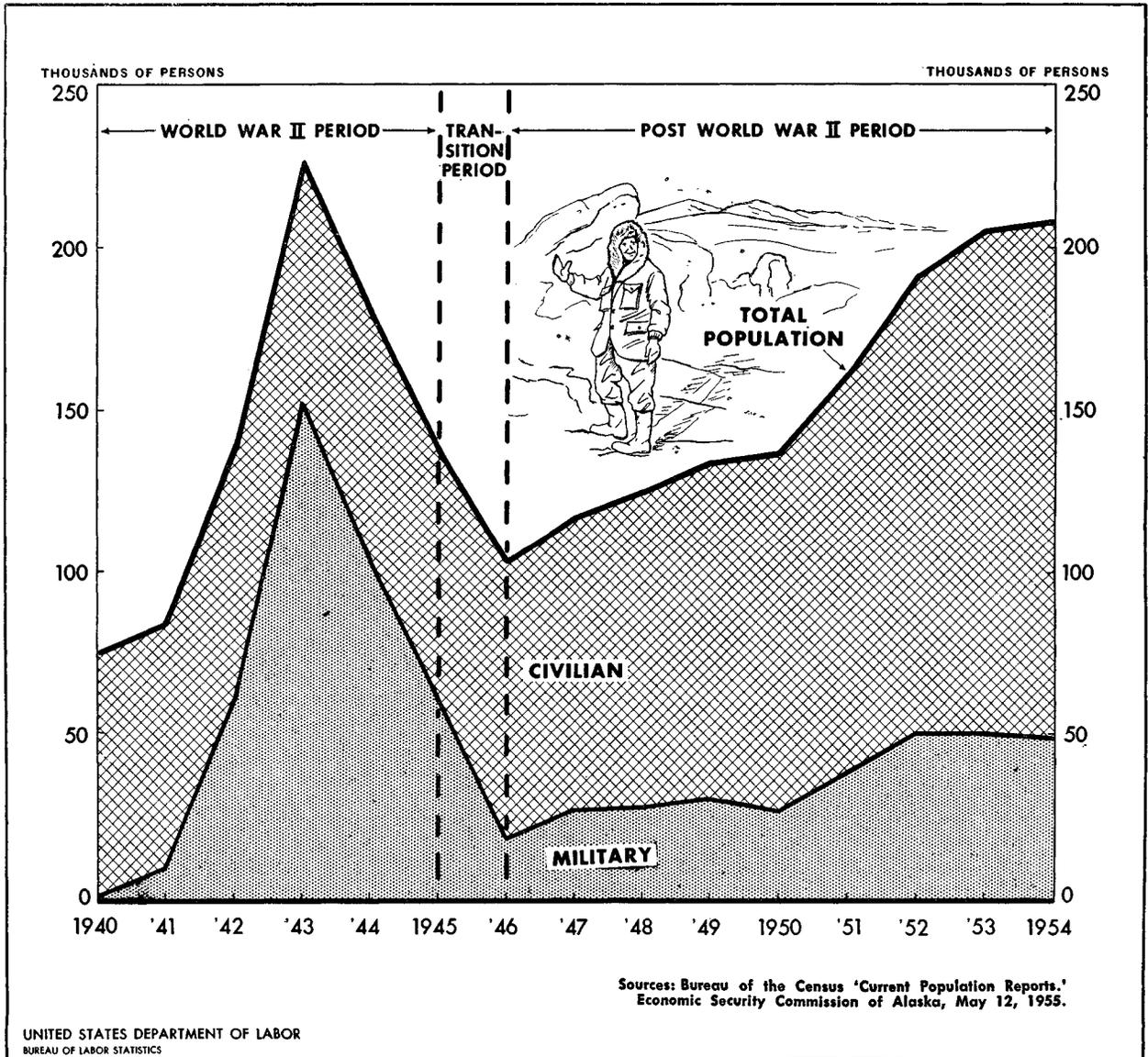


TABLE 4.—*Alaskan civilian population*

Year	Low (January ¹)	Peak (August 1)	Average ¹
1950	101,000	123,900	111,000
1951	112,000	140,900	123,000
1952	123,200	162,500	141,000
1953	142,000	174,300	155,000
1954	151,900	174,400	159,000

¹ 12-month moving average, computed by the Bureau of the Census.

Source: Estimate of Alaska Population, Jan. 1, 1950–July 1, 1953. Released cooperatively by Office of the Governor, Alaska Development Board, and Bureau of Vital Statistics, Juneau, Aug. 1, 1954; and Estimate of Alaska Population, July 1, 1953, to June 30, 1954, Report No. 3, released by Alaska Resource Development Board, in cooperation with Office of the Governor, Bureau of Vital Statistics, Alaska Department of Health, Juneau (undated).

Therefore, this article relies principally upon statistics for the portion of the labor force "covered" by the UI program as an index of trends and characteristics of the total labor force. In April 1950, covered employment represented about 48 percent of total civilian employment reported in the census of April 1, 1950. The remainder was composed almost entirely of Government and self-employed workers (including some fishermen).

The principal group of workers not covered by the unemployment insurance program during the years 1940–54 were government employees. During the peak month of 1952, there were 14,436 civilian government employees in Alaska, 11,852 being Federal civilian employees, and the total civilian government employees' payroll for that month amounted to \$6,257,700. For the low month, government civilian employment totaled 12,046 and the payroll \$5,208,200.⁵

Covered employment in 1952, with a peak of 49,995 and a low of 19,707, averaged 32,901, and total wages paid averaged \$17,132,000 per month.⁶ Thus, both in terms of numbers and earnings, government workers represent an important segment of the total labor force.

The period 1940–54 was one of generally rising employment and wages. Total wages paid to workers in covered employment increased more than 750 percent, in contrast to the 150-percent rise in the number of workers. (See table 6.) Thus, average annual earnings for these workers rose by 240 percent—from about \$1,850 to nearly \$6,300. This striking increase reflects not only the fact that Alaska has been, in general, a labor shortage area, but also such economic and physical characteristics as the seasonality of employment, the difficulty of inducing labor to move to a far northern country, the high cost of living, and the difficulties and cost of maintaining ties with relatives in the States. (For a discussion of average weekly earnings, see p. 1389 of this issue.)

But all Alaskans are not highly paid and well off. Census data show that in 1949 the median income for all persons 14 years of age and over who earned any income was \$2,072 and that, for nonwhite Alaskans, who made up about a quarter of the total, the median was only \$784. By contrast,

⁵ W. A. Lund, A Study of Employment in Federal, Territorial, and Municipal Agencies in Alaska, Calendar Year 1952, Juneau, Employment Security Commission.

⁶ Employment Statistics, Reports and Analysis Section, Employment Security Commission of Alaska, May 12, 1955.

TABLE 5.—*Distribution of Alaska's population, by military status, race, and place of residence, by regions,¹ 1950*

Population category	Total		Economic regions					
			Southeastern Alaska		Central and Interior Alaska		Northern and Western Alaska	
	Number of persons	Percent of total	Number of persons	Percent of total	Number of persons	Percent of total	Number of persons	Percent of total
Total	128,643	100.0	28,203	100.0	71,389	100.0	29,051	100.0
<i>Military status</i>								
Military	20,407	15.9	660	2.3	16,236	22.7	3,511	12.1
Civilian	108,236	84.1	27,543	97.7	55,153	77.3	25,540	87.9
<i>Race</i>								
White	92,783	72.1	19,655	69.7	64,095	89.7	9,033	31.1
Indigenous (natives)	33,884	26.4	7,929	28.1	6,085	8.5	19,870	68.4
Other	1,976	1.5	619	2.2	1,209	1.8	148	.5
<i>Place of residence²</i>								
Civilian population residing in:								
Places of 1,000 or more	50,910	47.0	18,130	65.8	30,980	56.1	1,800	7.1
Places of less than 1,000	57,326	53.0	9,413	34.2	24,173	43.9	23,740	92.9

¹ For definition, see text, p. 31.

² Elimination of military in places of 1,000 or more estimated in some cases.

³ Includes all places in the immediate environs of the city of Fairbanks.

Source: U. S. Census of Population: 1950, Vol. 1, and Bureau of the Census worksheets on general characteristics of 1950 population by recording districts.

total earnings of workers covered by the UI program averaged \$4,633 in the same year.

The wide income differences were due in part to the inclusion of military personnel in the census data, but more significantly they reflected the limited degree to which native Alaskans (who make up most of the "nonwhite" category) had been brought into the regular labor force. No data are available on average income by region, but the effect of the regional distribution of economic activity has been apparent in recent years.

A substantial group of Alaskans were receiving such low incomes that the President of the United States, in the winter of both 1953 and 1954, declared the regions in which they resided as major disaster areas.⁷ At the same time, a substantial group of Alaskan workers employed in construction, Government, and secondary industries were

⁷ On October 30, 1953, and again on November 10, 1954, President Eisenhower notified the Governor of Alaska that, under the authority of Public Law 875 (81st Cong.), he had declared that a major disaster existed in those areas of Alaska which were adversely affected by fishing failures (most of coastal Alaska from Bristol Bay to Ketchikan).

Chart 2. Percentage Distribution of Average Monthly Employment in Alaska, by Industry Division, 1940, 1943, and 1954

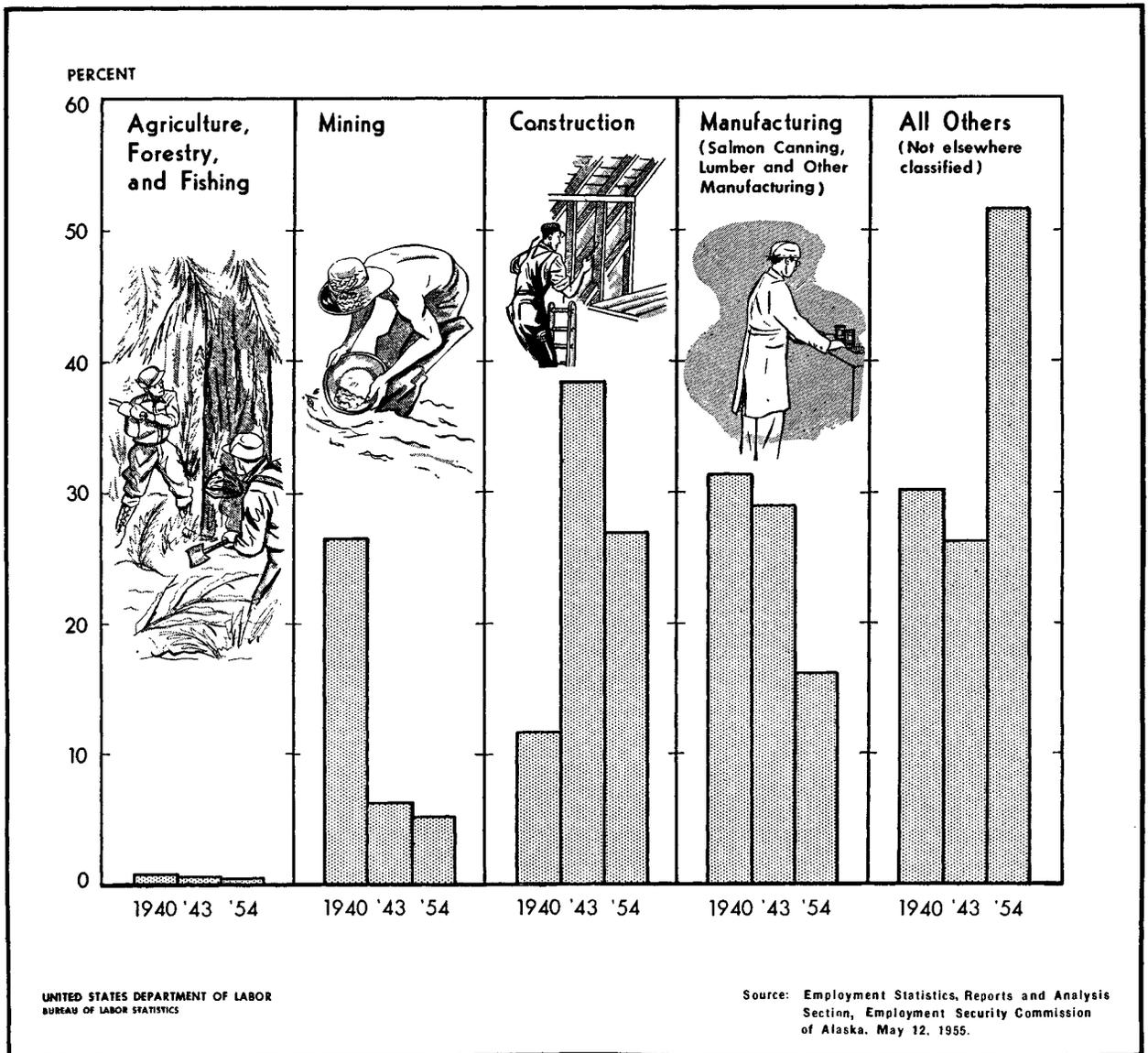


TABLE 6.—Average number of workers and wages in covered employment in Alaska, 1940–54

Year	Number of workers (monthly average)	Total wages (thousands of dollars)
1940.....	10,916	\$20,160
1941.....	16,566	36,792
1942.....	20,540	51,384
1943.....	15,833	49,124
1944.....	18,169	77,177
1945 ¹	13,780	47,728
1946.....	15,408	46,373
1947.....	24,784	99,646
1948.....	23,479	102,964
1949.....	23,089	106,990
1950.....	25,208	120,676
1951.....	32,755	186,579
1952.....	32,901	205,588
1953.....	30,681	192,569
1954.....	27,331	171,774

¹ Coverage was extended, effective July 1, 1945, from employers of 8 or more to employers of 1 or more.

Source: Employment Statistics, Reports and Analysis Section, Employment Security Commission of Alaska, May 12, 1955.

receiving relatively high incomes. Moreover, the Territorial and Federal Governments for many years have operated extensive public welfare programs in certain areas to keep the low-income families alive.

The seasonality of economic activity is illustrated very clearly in data for covered employment (table 7), although in recent years the variation between extremes has tended to be relatively smaller.

The industrial composition of Alaska's labor force has changed considerably during the past 15 years with the shift in the composition of Alaska's basic economy (which decreased the importance of fishing, mining, the fur trade, and the forestry and lumbering industries as construction and other activities depending upon Federal Government spending increased). The proportion of covered employment accounted for by the construction industry rose from about 11 percent in 1940 to over 38 percent in 1943, at the peak of the war

TABLE 7.—Seasonal variation in covered employment in Alaska, selected years

Year	Monthly average employment	Low			High		
		Month	Employment		Month	Employment	
			Number of workers	As percent of monthly average		Number of workers	As percent of monthly average
1940.....	10,916	January	5,870	53.8	July.....	17,716	162.3
1950.....	25,208	...do....	14,579	57.8	August..	38,153	151.4
1951.....	32,755	...do....	18,199	55.6	...do....	49,538	151.2
1952.....	32,901	...do....	19,707	59.9	July.....	49,995	152.0
1953.....	30,681	...do....	20,411	66.5	...do....	45,302	147.7
1954.....	27,331	...do....	19,692	72.1	August..	38,959	142.5

NOTE.—In 1945, coverage was extended from employers of 8 or more workers to employers of 1 or more.

Source: Employment Statistics, Reports and Analysis Section, Employment Security Commission of Alaska, May 12, 1955.

effort, and was 27 percent in 1954. Mining employment, on the other hand, decreased from 26 percent of covered employment in 1940 to about 6 percent in 1954, and salmon canning from approximately 27 percent in 1940 to 9 percent in 1954. (See chart 2.)

Alaskan employment is still in a stage of transition—possibly to greater future stability. A recent authoritative forecast predicted that by 1962, although average employment in construction will drop by about 4,400 from 1954 levels, the anticipated establishment of 6 new forest products facilities in southeastern Alaska will generate almost 9,200 new jobs.⁸ Employment in forest products mills is expected to rise by about 1,100; in logging, by 2,030; and in various supporting industries, by 6,030:

⁸ Projections of Economic Activity in Alaska for the Period 1954–63, Bureau of Employment Security, Washington, D. C. Full text published in Senate Journal, Extraordinary Session of the Twenty-second Legislature of the Territory of Alaska, Juneau, April 4, 1955 (pp. 11–18).

“Alaska was purchased from Russia for \$7,000,000 in 1867 and the first year after purchase produced almost enough revenue from fur to pay the original purchase price.”

Laurence Stephenson, Organizing Federal Employees on the Alaska Railroad (*in* American Federationist, June 1931, pp. 718–719).

The U. S. Government As an Employer

JOSEPH T. FLAKNE

THE United States Government dominates the employment situation in Alaska to an unusual degree. According to a U. S. Civil Service Commission tabulation, there were over 15,000 Federal employees in the Territory as of June 30, 1954; they were estimated to constitute somewhat less than one-quarter of the total working force.¹ However, a large proportion of other workers are dependent upon Federal expenditures for their jobs.

The Departments of Defense, Interior, and Commerce, in that order, are the three largest Federal employers in the Territory. Together they accounted for 13,751, or 91.3 percent, of all Federal employees in Alaska in mid-1954. (See accompanying table.) Most of the Defense Department's 6,700 civilian employees worked for the Army and Air Corps in the Anchorage and Fairbanks areas. The majority of Department of the Interior workers were employed by the Alaska Railroad and the Alaska Road Commission. The 1,600 employees of the Department of Commerce performed their duties for the most part in connection with the work of the Civil Aeronautics Administration.

Classified and Wage-Board Employees

Classified employees, whose hours and conditions of work are largely fixed by Federal statute, numbered 6,896 on June 30, 1954. A nearly equal number of wage-board employees, while generally covered by Federal statutes governing sick and annual leave, accident compensation, retirement, and unemployment compensation, had their wages fixed by administrative action of the agency concerned rather than by Federal pay acts. In

addition, about 700 employees, although exempt from classification, were paid wages roughly corresponding to the classified pay scale and about 600 were paid under provisions of the Postal Pay Act.

Wage-board employees generally are in "blue collar" occupations requiring varying degrees of mechanical and manual skill, whereas classified employees typically work in clerical, professional, and executive occupations. Because a much larger number of Federal agencies in Alaska employ white-collar workers than wage-board employees, those agencies tend to dominate the Federal employment picture. Since World War II and until August 1, 1955, both groups in Alaska were exempt from the selection procedures of the competitive service; they could not achieve civil-service status by reason of employment in Alaska. Beginning in August, Government agencies in Alaska began a program of converting positions to the competitive civil service, and most Federal jobs have already been converted.

The large number of wage-board employees in June 1954—6,829—indicates the extent to which the Federal Government is carrying on industrial-type operations in the Territory. Defense had nearly 3,600 wage-board employees, mostly engaged in the maintenance, repair, and servicing of huge military installations. Interior employed about 1,800 wage-board workers to run the Alaska Railroad and used many such employees in road-building and road-maintenance occupations to operate the Alaska Road Commission. The Department of Commerce uses wage-board workers in operating and maintaining federally controlled airport installations and airways.

Employee Attitudes

As is the case with any large-scale employer, "Uncle Sam," in his role as employer in Alaska, appears to Federal workers in many different guises. To some, he is a good employer, offering a high degree of job security, paying high wages, establishing reasonable scheduled hours, and providing generous fringe benefits. To some, he seems to ignore the standard of equal pay for equal work, to be perhaps too much addicted to

¹ The Alaska Territorial Employment Service estimated that in June 1952 there were 60,500 employed workers in the Anchorage, Fairbanks, Juneau, Ketchikan, and Petersburg areas of whom 12,800 were Government workers, including municipal employees. Private employment has decreased since 1952, but Federal employment apparently has not.

Paid civilian employees in executive branch of Federal Government in Alaska, by agency, compensation authority, and residence, June 30, 1954

Agency	Total	Under Classification Act				Under wage board			Other Federal employees
		Total	Residents of Territory		Total	Residents of Territory			
			Number	Per cent		Number	Per cent		
Total.....	15,057	6,896	1,500	21.8	6,829	3,070	45.0	1,322	
Defense.....	6,749	3,183	68	2.1	3,566	58	1.6	602	
Interior.....	5,393	2,108	1,043	49.5	2,683	2,555	95.2	602	
Commerce.....	1,609	1,123	168	15.0	486	370	76.1	626	
Post Office.....	626	.....	.....	.....	.....	.....	.....	626
Agriculture.....	216	125	30	24.0	65	59	90.8	26	
Justice.....	154	144	94	65.3	.....	.....	.....	10
Treasury.....	128	79	48	60.8	29	28	96.6	20	
Health, Education, and Welfare.....	79	39	.....	.....	.....	.....	.....	40
Veterans Administration.....	47	44	28	63.6	.....	.....	.....	3
Housing and Home Finance Agency.....	16	16	15	93.8	.....	.....	.....	.....
Federal Communications Commission.....	9	9	.....	.....	.....	.....	.....	.....
Labor.....	8	8	2	25.0	.....	.....	.....	.....
Selective Service.....	8	3	3	100.0	.....	.....	.....	5
Civil Aeronautics Board.....	8	8	.....	.....	.....	.....	.....	.....
Other.....	7	7	1	14.3	.....	.....	.....	.....

Source: Computed from data issued by U. S. Civil Service Commission, November 1954.

red tape and personnel manuals, and to be inclined to place too much emphasis on his rights as the representative of sovereignty. To others, he appears indifferent to the more intangible aspects of employer-employee relationships.

Many of the problems of Alaskan Federal workers also exist in the States. However, they appear in Alaska in aggravated form because it is so far away from Washington, because Alaska in many ways is different, and because opinions in Washington vary as to what these differences are.

Federal employee criticism of Uncle Sam's personnel practices in Alaska rarely extend to fringe benefits. With the exception of medical care, such benefits equal or exceed the standards generally prevailing in private industry. Moreover, the Alaska Railroad is one of the few Federal operations anywhere with a comprehensive medical care program.

Territorial Pay Inequalities

Differences in wage standards as between classified and wage-board employees constitute one of the Federal Government's most difficult personnel problems in Alaska, particularly in the area northwest of the Panhandle. Classified employee salaries are determined by adding to the base pay

rates set by Congress a differential to compensate for the higher cost of living. Currently, the differential, which is determined by the Civil Service Commission, is the maximum permitted by law—25 percent. The differential is not used in computing the overtime rate or in determining retirement benefits. Since a 1953 ruling of the Internal Revenue Service, the classified cost-of-living differential may be excluded from gross income for income tax purposes.

On the other hand, the typical method of setting wage-board pay rates relates them to the higher wage levels prevailing in the Territory, although different Federal agencies use different methods of determining such relationships.² In only one Federal operation, the Alaska Railroad, are wage rates initially determined by collective bargaining.³ In all other Federal agencies, wage-board pay rates are set by administrative action, mostly through agency-designated wage boards.

If the price of consumer goods in Alaska were no more than 25 percent above the price of consumer goods in the United States, no serious conflicts between wage-board and classified pay rates would arise. In the Panhandle cities and towns from Ketchikan to Juneau, studies published in 1951 indicate that the cost of living was no more than 25 percent greater than in the Pacific Northwest. Decidedly higher living costs, however, were found in the huge area of Alaska north and west of the Panhandle which Alaskans call the Westward.⁴

In February 1951, the Bureau of Labor Statistics of the U. S. Department of Labor found that consumer prices were on the average 40 percent higher in Anchorage than in Seattle, and in Fairbanks, 47 percent higher.⁵ There is evidence, however, that this percentage differential has declined somewhat since 1951. For example, because a surplus of housing currently exists in Anchorage and Fairbanks compared with the

² The Alaska Railroad, for example, bases wage-board determinations on prevailing wages in the States plus an allowance for the higher level of consumer prices in Alaska.

³ Union organization on the Alaska Railroad is described in the article on Alaskan industrial relations on p. 57.

⁴ From both an economic and a military standpoint, the heart of the Westward is the rail-belt area from the southern ports of Seward and Whittier to the northern terminus of the Alaska Railroad at Fairbanks, just a hundred miles short of the Arctic Circle. It includes 2 of Alaska's largest and fastest growing cities, Anchorage and Fairbanks.

⁵ U. S. Department of Labor press release of April 26, 1951. See also table 1, p. 30.

1951 shortage, rents, although they are still very high, have risen less in the rail-belt area since 1951 than they have in large stateside cities, and for the least desirable units have actually decreased. Furthermore, food prices are lower now than they were in 1951. Largely because of the influence of construction wage rates in Alaska, however, stabilized or declining living costs have had little effect upon prevailing wages.

On the Alaska Railroad, clerical as well as blue-collar workers are wage-board employees and their wages are not limited to rates set by Congress plus the 25-percent differential as are those of classified Federal employees. In rank-and-file clerical occupations, railroad workers' wages are \$75 to \$100 per month more than in the classified service in Alaska.⁶

This disparity in wage rates inevitably produces attempts by Federal agencies in Alaska to increase classified service privileges of one sort or another in an attempt to narrow the differences from wage-board and private industry wage rates. Charges of overgrading in the classified service are common. Housing and subsistence are often subsidized. Recently the General Accounting Office has taken informal exception to the per diem practices of Department of the Interior agencies in the Territory on the ground that per diem payments were being used in an attempt to increase the remuneration of classified employees. Various attempts to obtain congressional sanction for an increase in the cost-of-living allowance for classified employees have thus far proved unsuccessful.⁷

In spite of the availability of personnel manuals dealing with wage-board procedures, many Federal agencies in Alaska do not operate on a basis of common understanding of how wage-board determinations should be made. A study made by the Department of the Interior in Alaska in 1953 showed that unreasonable variations in wage-

board pay rates for the same occupation existed between agencies of the Department. Similar variations can be found between departments. For example, the Army and Air Force rates for skilled occupations, set under a rather rigid statistical method of determining prevailing wages,⁸ are among the highest wage-board rates in the Territory.

The Civil Service Commission is aware of these wage-rate discrepancies—which exist not only in Alaska, but elsewhere in the Federal service—and is currently considering the feasibility of legislation to eliminate them by centralizing wage-board determinations in Washington. Such centralization would have the added advantage of eliminating duplicate wage surveys by the various agencies. Some of the objections that have been made to this plan are that (1) it would require all Federal agencies in Alaska and elsewhere to use a wage formula resembling that used by the Army-Air Force, on the assumption that it would fit every wage-board situation; (2) it would impede collective bargaining in the isolated Federal agencies where it exists for wage-board employees; (3) it would make it more difficult to secure a prompt determination of wage-board rates; and (4) it would dilute agency responsibility for wage-board pay rates and therefore reduce the degree of agency control over total operating costs in Federal industrial-type activity.

Undoubtedly, something should be done to secure greater uniformity in wage-board, pay-rate determination procedures. Possibly some of the remedy consists in placing carefully trained persons in charge of wage administration, and in requiring a common philosophy of wage-rate determination rather than completely uniform pay rates in the same area and for the same occupation.

Working Rules

In the more intangible fields of working conditions, such as the handling of grievances, promotion and demotion, layoff and recall, and disciplinary discharge, Federal employees in Alaska as well as elsewhere fare less well than workers in the larger establishments in private industry.

Civil service procedures affecting grievances do not provide for such prompt disposition of grievances as do those of large segments of private

⁶ These comparisons are based on an unpublished Alaska Railroad study, *Wage Rates and Wage Policies of the Alaska Railroad, 1948-1955*, by E. M. Fitch, Paul Shelmerdine, and Harry Jones, Anchorage, 1955.

⁷ The Civil Service Commission, in cooperation with other Federal agencies, began in late 1955 to conduct surveys of living costs, environmental conditions, and prevailing salaries in United States Territories. The surveys are designed to provide factual information for use in determining appropriate allowances and differentials for Federal employees under the provisions of Executive Order No. 10,000, as well as in developing policies in relation to legislative proposals. The areas surveyed included Juneau, Fairbanks, and Anchorage. (Source: Statistical Reporter, October 1955, U. S. Bureau of the Budget, Division of Statistical Standards.)

⁸ The Army-Air Force methods of wage determination were described in the *Monthly Labor Review*, March 1954 (pp. 253-254).

industry. In industry, labor agreements usually provide for prompt consideration of individual grievances by the first line of management and a succession of appeals to top officials with relatively short time limits for each appeal. In the Federal Government, a more complicated procedure for grievances is spelled out in personnel manuals. Many employees fail to use it, however, either because they are unaware of the rules or because of a conviction that the prosecution of a grievance through Government channels at times can be a frustrating experience. Furthermore, in the case of the numerous employees who are veterans, Government appeal procedures permit final resort to the centralized authority of the Civil Service Commission.

Considering the size of the Federal Government, a quick decision is impossible under these circumstances, particularly if the case is appealed. The illustrations which follow relate to Alaska but are by no means unique. One Federal agency in Alaska discharged an employee for cause, and more than a year later was still fighting to maintain its decision before the Civil Service Commission. The discharge was sustained, but the employee was kept in a state of uncertainty for many months. In another instance, a discharge ruling of an Alaskan agency was eventually reversed. However, by the time final action of the appeal was taken, the employee had accumulated a bill for retroactive pay for more than \$5,000. If the Government, under existing statutes, could select and follow the most expeditious grievance procedures of private industry, Federal procedures might be tremendously improved.

The Alaska Railroad is the only Federal agency in Alaska that has spelled out grievance procedure, discharge machinery, and seniority, promotion, layoff, and recall rules in agreements signed with union representatives of employees. These rules follow the practices of unionized private industry. They have been found so desirable that Alaska Railroad employees, with the concurrence of officials, have strongly opposed proposals to convert the Railroad's personnel operations to conventional civil service procedures.

Problems of Recruiting

Alaskan labor shortages during World War II and immediately thereafter necessitated an unusual amount of attention to problems of recruiting. Postwar military construction would have been impossible without the use of thousands of construction workers brought up from the States for the May–October season. In the first part of the postwar period, private employers customarily provided transportation to and from Alaska. Similarly, Federal agencies filled permanent positions in Alaska with stateside recruits under contract for limited periods, with transportation paid to Alaska and a guarantee of return transportation upon satisfactory completion of contract.

During the last 10 years, the labor market situation in Alaska has undergone a revolutionary change. In some areas, particularly that served by the Alaska Railroad, the labor pool has become so large that some private employers and some Federal agencies now do almost all of their recruiting in the Territory. Even seasonal "outside" workers generally pay their own transportation to and from Alaska and get their jobs in Alaska rather than in the States. With the immigration of workers in the spring, unemployment rather than a labor shortage has been characteristic of Alaska in the past 2 or 3 years, just as it was, on a smaller scale, prior to World War II. As of the end of April 1955, two-thirds of the 3,000 unemployed persons in Anchorage and approximately three-quarters of the 1,875 unemployed in Fairbanks were men. In the early months of 1955, the Territory's unemployment compensation fund became practically insolvent.⁹

Neither private industry nor Government employing agencies have completely adjusted themselves to this change in the Alaskan labor market. While it is true that the great majority of new Federal employees in Alaska are now recruited in the Territory, notions of labor shortage have persisted in the Washington headquarters of some Federal agencies in spite of the substantial Alaskan labor pool. It is also true, of course, that

⁹ For discussion, see p. 51.

shortages of particular types of workers, e. g., engineers, do prevail in certain areas.

To the extent that this situation has emphasized stateside recruiting to a greater degree than necessary, it has aggravated problems of discrimination between local and stateside workers. A Federal employee recruited stateside can accumulate 45 days of annual leave but, if recruited locally, can accumulate only 30 days. A stateside recruit can return to the States every 2 years for a vacation, with travel time not counted against annual leave. A local recruit in Federal employment has no such privilege.¹⁰ Legislation is pending in Congress which will add to the

privileges of stateside recruits but not to those of local hires by providing that the stateside recruit who takes his vacation every 2 years may be paid by the Government for his cost of transportation.¹¹ In spite of such dual treatment, it should be emphasized that thousands of Federal employees in Alaska regard themselves not as temporary dwellers in an alien land but as permanent residents of one of the most vigorous, interesting, and beautiful areas of the Nation.

¹⁰ Annual and Sick Leave Act of 1951, as amended (65 Stat. 679-683).

¹¹ H. R. 3820 (84th Cong.), introduced February 8, 1955; referred to the House Committee on Post Office and Civil Service.

“On July 15, 1897, the steamer *Excelsior* entered her dock at San Francisco with a party of miners returning home from the Yukon River. The dispatches which went to the country through the press that evening and the following morning announced that a large amount of gold dust, variously stated at from \$500,000 to \$750,000, had been brought down on the *Excelsior*, and gave the details of the discovery and partial development the previous fall and winter of rich placer gold diggings on tributaries of the Klondike, a small river flowing into the Yukon from the eastward at a point in Northwest Territory not far from the boundary line between American and British territory. The news created some excitement among the miners of the West, but attracted no great attention in the East. On July 17, the steamer *Portland* landed at Seattle with some 60 miners from the Klondike and bringing gold dust to the value of \$800,000. This news was so skillfully handled by enterprising newspapers that within a week thousands of men, many of whom had never taken hold of pick or shovel with serious intentions in their lives, were making preparations to go to the new gold fields, and by August 1 the most dramatic, if not the most extensive, exodus since that of 1849 was well under way. . . . While it was evident that the mass of matter on the subject appearing in the daily press contained much that was exaggerated and untrue, yet it was recognized that truth also pervaded the stories that were told, for the amount of gold brought by the miners from the Yukon indicated beyond doubt that a strike of extraordinary character had been made.”

Bulletin of the U. S. Department of Labor, No. 16, May 1898 (pp. 298-299): The Alaskan Gold Fields and the Opportunities They Offer for Capital and Labor.

Wages and Working Conditions

H. L. CLARK

WHILE wages and working conditions in Alaska have received wide publicity, they are not regarded as unusual by longtime residents of the Territory. After all, most of Alaska's labor force was attracted to the Territory by the higher wages, and expected, in most instances, to find working conditions more severe than in the fairly stable economies in which they formerly worked.

History of Wage Developments

Because of the early prominence of mining in Alaska, wage scales were established and working conditions were improved early in the history of that industry. What was perhaps the first miner's wage scale was established during the height of the 1898 gold rush. Based on the seasonality of the work and the working conditions, it was admittedly an arbitrary one—" \$5 a day, the food is fine, and the gold is coarse." ¹ Because of an extreme manpower shortage at the time, this rate did not hold for long.

The salmon canning industry—which had its beginning at Klawock in 1879, almost 20 years before the major gold rush—had its own "rule-of-thumb" wage rates even before the mining industry. Cannery wages were, and still are, basically the same as in the Pacific Northwest of the States. With the growth of the industry and fishing fleets, federally imposed fishing restrictions for conservation purposes shortened the "workyear" for both the cannery workers and the fishermen. The more concentrated cannery season and longer and harder workdays, however, have not changed the total pay for the season very much. Cannery operators, in order to assure themselves of a stable labor force, have continued to transport the nu-

cleus of their crew to and from the States, sporadically hiring local help as needed. Dissatisfaction of the local workers with this arrangement led in time to a "seasonal guaranty" for them—in essence, a guaranteed minimum seasonal wage. Typical wage guaranties in 1955 were, in the southeastern section, \$394 for women and \$561 for men for 2 months' work.

Wages in the fishing industry in Alaska always have been characterized by an entrepreneur status of the individual fisherman. In the early days, fishing seasons were long, the number of fishermen and fishing boats few, and, most important of all, there seemed to be an inexhaustible supply of fish. However, since 1936 the salmon catch has almost continuously dropped. This decrease, coupled with an increase in the number of boats and fishermen, has meant a decline in the individual fisherman's share of the overall profits made on his boat.

Construction wages in Alaska originally paralleled those in the States. After an attempt to follow prevailing Alaskan wage standards, principally in the mining industry, they became translations of stateside rates in light of the higher living cost in Alaska. (Yet the construction trade was the first to recognize the "prevailing" wage when an act was passed in 1931 requiring contractors on public projects to pay the prevailing rate as determined by the Board of Road Commissioners.) Wage rates paid by seasonal employers and those paid by employers who maintain steady crews throughout the year have differed widely. The difference is most noticeable in wages paid by Government agencies which hire on a wage-board basis and those paid by private contractors. Until 1952, many Federal agencies based construction wage rates on wages paid by private contractors on defense projects; since then, their rates have been closer to the lower level of wages paid by permanent industries in Alaska. Consequently, the differential between Federal rates and the private construction industry's rates has substantially increased. This has aggravated a dilemma which is inherent to the situation where both seasonal and year-round workers are involved in wage-board hiring. As stateside recruiting has tapered off in the construction industry, because

¹ The reference to gold being "coarse" meant that it was nugget size and a little pillerage was not unexpected.

of the growing permanent labor force in Alaska and the reduced demand for labor as a result of the completion of most major defense installations, wage scales have been determined more in the light of the Territory's higher living costs and to a great extent by the working conditions.

The lumber industry in the Territory has only recently attained prominence. In the past, wage scales in that industry, like those in most other Alaskan industries, were gaged by the "prevailing" rate, influenced by the mining industry in the early days, and recently by the seasonal construction rates. Starting with military and defense construction in Alaska, the demand for forest products brought into existence many more wood manufacturing plants. Employment in this industry has become less and less seasonal in nature and wage rates nearly parallel those of the lumber industry in the Pacific Northwest.

Wage rates in longshoring have risen during the boom periods created by the gold rush, later by World War II, and more recently by the buildup of defense installations, all of which caused serious shortages of workers for this industry. Currently, their wage rates are among the highest in the Territory.

Wages in other industries show a varied pattern. The differences result from the slow growth of manufacturing, compared with the rapid growth of trade due to the influx of myriads of workers during the construction boom period.

Wages in Government employment, which has remained high in relation to the total labor force, are determined differently for Federal and Territorial workers in Alaska. Federal employees in the classified service are hired at the standard civil service rates prevailing in the States, plus a 25 percent cost-of-living allowance, which is now exempt from Federal income tax. On the other hand, Territorial employees work under various standards and wage rates are not as uniform as in Federal employment. All Territorial agencies participating in Federal grants-in-aid operate under a standard merit system plan under which wage rates are patterned somewhat after those of the Federal Government. In some areas, a cost-of-living differential is paid but is not exempt from Federal income tax. For those reasons, a very considerable disparity between Federal and Territorial take-home wages for similar work exists.

TABLE 1.—Average weekly earnings in employment covered by the Employment Security Act of Alaska, selected industries, 1940 and 1954

Industry classification	1940		1954	
	Average weekly earnings	Industry rank	Average weekly earnings	Industry rank
All covered industries.....	\$35.51	-----	\$120.94	-----
Agriculture, forestry, fishing.....	29.45	8	103.87	8
Mining.....	34.38	5	126.78	5
Contract construction.....	45.04	---	170.60	---
Building contractors.....	39.35	3	161.14	3
General contractors.....	48.90	1	182.19	1
Special-trade contractors.....	38.02	4	176.29	2
Manufacturing.....	29.59	---	105.23	---
Salmon canning.....	28.93	9	94.75	11
Lumber.....	31.26	6	117.88	6
Other manufacturing.....	29.59	7	126.97	4
Transportation, communication, and other utilities.....	17.31	12	103.10	9
Wholesale and retail trade.....	23.84	11	96.93	10
Finance, insurance, and real estate.....	48.02	2	104.91	7
Service.....	26.22	10	86.67	12

Source: Employment Statistics, Table B, compiled by the Reports and Analysis Section, Alaska Employment Security Commission, Juneau, May 12, 1955.

Industry Wage Levels

The average weekly wage of workers covered by the Alaska Employment Security Act² increased threefold between 1940 and 1954. However, while the general average was just over \$35 in 1940, individual industry averages ranged from only \$17.31 a week in transportation, communications, and utilities to \$48.90 per week in general construction. (See table 1.) By 1954, the average had risen to nearly \$121, and, among industries, earnings ranged from \$86.67 in the service group to \$182.19 in general construction. Thus, the construction trades ranked at the top in both years. The agriculture, forestry, and fishing and the mining groups, and the lumber industry also maintained their relative positions. The most outstanding change in ranking occurred in finance, insurance, and real estate, which dropped from 2d to 7th place.

Underlying Factors

Stateside wage standards are the greatest influence on Alaskan wage rates. These standards, built up over the years in the various occupation and industry groups, have been established in many instances by stateside union wage contracts, which are the prototypes for Alaska. Moreover,

² For extent of covered employment, see p. 36.

most Alaskan employers and their workers came from the States. Recognition of higher living costs in Alaska as compared with the States also has been an important factor in the determination of wage rates. Transportation cost, costs resulting from spoilage of food and other materials, and shortages of housing and living facilities, supplies, and equipment have been reflected in Alaskan wage rates. The payment of two-way transportation in the fishing, mining, construction, and Government groups has influenced greatly the wage rates in those industries. Furthermore, the high seasonality of work in such industries as fishing, salmon canning and processing, construction, lighterage, and whaling always has been a strong influence.

The Territory's labor shortages during World War II, even for the most unskilled workers, were another factor which pushed wages upward substantially. High construction wage rates, occasioned by a "cost-plus" military construction boom, have made wages in construction and its supporting industries so attractive that the permanent labor force in Alaska has grown faster than in almost any other area. The rate of growth in the Territory's labor pool has created severe unemployment problems for Alaska during the winter months.

Regional differences among particular occupations and industry groups have meant lower scales in Southeast Alaska than in the Westward (the area north and west of the Panhandle). They are brought about by the lower cost of living in the southeastern section and the absence of the boom atmosphere still prevailing in the Westward section.

The seasonality of many activities also has an important effect on wages in Alaska. For example, scales for year-round road maintenance jobs are lower than those for highly seasonal construction work, and maintenance forces have increased as roads have been completed. Improved engineering techniques in construction now permit more year-round work in that industry.

The effect of Territorial labor laws on wages and hours³ cannot be overlooked. The 8-hour day, established in public works and in underground mines in 1913, in reality was a combination health-safety provision, but at the same time it resulted in a wage differential for the mining industry. The

1931 Legislature passed a law requiring contractors on public works to pay the "prevailing" wage rate as determined by the Board of Road Commissioners. The first wage and hour law, passed in 1939, also had some effect on Alaska's wage rates. This law applied only to women and set a minimum of \$18 for a 48-hour week and a 45-cent minimum hourly rate for part-time work. The wage and hour law now in effect in the Territory was passed in 1955 and applies to both men and women. With some exceptions, it sets a minimum hourly rate of \$1.25.

Typical Wage Scales

Alaskan wage rates for a given occupation vary greatly from industry to industry and from area to area. Within a particular area, wage rates for an occupation are uniform only when workers employed in different industries are members of the same union. The rates for different occupations within an industry in each area also encompass a wide range. (See table 2.) Such factors as geographic location and the nature of the work also affect the level of wages in particular industries.

As in the case of average earnings, construction wage rates universally set the pace. For example, in the Ketchikan area in the southeast, mechanics receive \$3.72 an hour in construction; from \$2.50 to \$3 in trade and services; from \$2.30 to \$2.70 in Government; and \$2.75 in lumbering and logging. In Anchorage, on the other hand, where cement finishers in private industry all belong to the same union, they receive a minimum of \$3.67 in both construction and the trade and service groups. However, it is not the basic hourly rates that attract stateside workers to the construction industry in Alaska so much as the overtime and holiday rates. Time-and-one-half and double-time rates are often the usual rates, because of the long days and 7-day weeks necessitated by the concentrated work seasons. Heavy-duty-truck drivers on construction jobs in the Anchorage area, for example, have an hourly rate of \$3.59, but they typically earn a "normal" year's wages in a few months. The earnings of these and other highly unionized skilled workers are usually above the average.

³ For a more comprehensive description of the provisions of these laws, see p. 49.

The construction industry also provides illustrations of the variation in wage rates among areas. The earnings of construction engineers in Anchorage and Fairbanks—where most of them work—range from \$800 to \$1,000 and from \$700 to \$900 a month, respectively.

Mining is an example of the wage variation among occupations within an industry. In the Fairbanks area, among professional and clerical workers, for instance, salaries range from \$335 a month for clerk-typists to \$550 for mining engineers. Rates for other mining employees be-

TABLE 2.—Wage and salary scales for selected occupations, by industry category, Anchorage, Fairbanks, and Ketchikan, May 1955

[In dollars]

Occupation	Anchorage			Fairbanks				Ketchikan				
	Construction	Government	Trade and service	Construction	Government	Placer mining	Trade and service	Construction	Fisheries	Government	Lumber products	Trade and service
<i>Professional and clerical</i>												
[Salary scales on a monthly basis unless otherwise indicated]												
Accountant.....	750-900	527-733	500-750	700-800	400-450		400-750					
Bookkeeper.....	450-600	356-480	350-500	425-500	355-438		315-500					
Clerk-typist.....	350-400	305	300-350	300-400	307	335	315-375					
Draftsman.....				3.00 hr.	437							
Engineer.....	800-1,000	527-733	650-900	700-900	527-645	550						
Salesclerk:												
Clothing.....		1.44 hr.	2.45-2.80 hr.									
General.....					1.66 hr.		1.50-1.75 hr.					
Grocery.....			2.45-2.80 hr.		2.34 hr.		1.50-1.75 hr.					
Secretary.....	400-500	356	350-450									
Stenographer or clerk-stenographer.....	400-450	330	325-400	350-450	307-350	335	325-450					
Teacher, primary and secondary school.....		4, 550-6, 185 yr.	5, 430-7, 200 yr.		5, 550-6, 200 yr.							
Technician, laboratory and/or X-ray.....		356	400		330		300					
<i>Service</i>												
[Wage scales on an hourly basis unless otherwise indicated]												
Baker.....	2.95		23.00 shift	2.70		1.92	27.50 shift					
Butcher.....	2.70		3.00	2.70			450-500 mo.					
Cook, camp.....	2.95	2.58-2.84	23.00 shift	2.75	2.58-284	1.92						
Dishwasher.....	2.15		14.00 shift	2.15		1.58	14.00 shift					
Janitor and/or bull cook.....	2.15	2.78	400-500 mo.	1.80		1.58	2.00	2.025			1.65	1.50-1.75
Kitchen helper.....				2.15		1.58	17.00 shift					
Waiter and/or waitress.....	2.25	1.46	12.00 shift	2.25		1.58	12.00 shift					
<i>Trades and labor</i>												
[Wage scales on an hourly basis unless otherwise indicated]												
Brickmason.....	4.39		4.39									
Bulldozer operator.....	3.74	2.95	3.54-3.74									
Carpenter.....	3.69	2.84	3.00-3.69	3.69	2.84	2.54	3.69	3.525		2.96-3.15		3.525
Cement finisher.....	3.67-3.92		3.67	3.60	2.78		3.60					
Chokersetters.....								3.095			2.35-2.75	
Crane-shovel operator.....	4.09-4.39	2.95	4.09-4.39									
Electrician.....	4.35	3.02	4.35	4.25	3.02	2.54	4.25	4.20		3.11		4.20
Fallers and buckers.....										2.75		3.50
Hooktenders.....											3.00-3.50	
Ironworkers, structural.....	4.035			3.84			3.84					
Machinist.....		3.14	3.50					3.72		2.30-2.70		2.75 2.50-3.00
Mechanic.....												
Mechanic, heavy duty.....	3.79	3.02	3.39-3.79	3.79	3.14	2.54						
Mechanic, maintenance.....		3.02	500-600 mo.									
Painter.....	3.73	2.78	3.00-3.73	3.83	2.78		3.83	3.525		2.86		3.525
Plumber.....	4.25	2.95	4.25	4.35	2.95	2.54	4.35	3.75		3.11		3.50
Sheetmetal worker.....	4.10	3.02	4.10	4.10	3.02		4.10	3.95		3.11		3.95
Truckdriver, light.....	3.39		2.75-3.22									
Truckdriver, heavy.....	3.59	2.66	2.98-3.52					3.245-3.43		2.15-2.70	2.50-2.75	2.45
Welder.....	3.79-3.84	3.02	3.79-3.84	3.93	3.02	2.54	3.00	3.72		3.06		3.06
Laborer.....	3.255-3.29	2.22	3.25-3.29					3.095	2.475	1.85-2.45		2.00-2.50

¹ 1954 rates.

² Rate for cannery laborers is \$1.72 an hour.

Source: Data compiled by the Alaska Employment Security Commission, 1955.

gin at \$1.58 an hour for such workers as kitchen helpers and janitors and reach \$2.54 an hour for skilled workers.

Lumbering and logging is mainly concentrated in southeastern Alaska, and the wage rates reflect the somewhat lower cost of living that prevails there, as compared with Westward Alaska. The longer work season, steadier employment, etc., also affect the rates in this industry.

In longshoring, although the hourly rates are high to compensate for the sporadic nature of the work, earnings on a weekly, monthly, or annual basis compare with the lower classifications in the other industries. The longshore union agreements provide different wage scales for various types of work. The straight-time rate for the Juneau dock, for instance, is \$3.14 an hour for handling non-penalty cargo and \$3.24 for handling penalty cargo.⁴ The straight-time rate is in force only between 8 a. m. and 5 p. m., Monday to Friday, and then for only the first 6 hours of work each day. Because most cargo is handled at times other than those stipulated, the overtime rates of \$4.70 an hour for nonpenalty cargo and \$4.85 for hazardous cargo are most typical.

Women in Alaska, in general, receive the same pay as men when they perform identical duties. The pay differs between sexes in some occupations because the work is not equal—owing to extra requirements (heavy work, extreme working conditions, odd hours, etc.). A typical difference is for retail clerks in the Ketchikan area, where men receive \$1.95 to \$2.10 an hour and women from \$1.35 to \$1.70, because men are expected to do heavier lifting and the more tiring storage tasks.

Alaska-Stateside Wage Differentials

There are pronounced differences between Alaskan and stateside wage rates for both skilled and unskilled workers. Construction carpenters, for instance, got from \$3.52½ to \$3.69 an hour in Alaska in May 1955 (table 2), compared with the average union wage scale in the United States of \$3.01 on July 1, 1955, and a range from \$2.18 to \$3.55 among the 85 cities surveyed by the U. S. Department of Labor's Bureau of Labor Statistics.⁵ Even greater differences are found in the wage scales for construction laborers, who earned \$3.09 in Ketchikan and \$3.29 in Anchorage, compared

with the United States average union scale of \$2.04. The differences in wage scales between Alaska and principal cities in the States are somewhat smaller for office occupations, especially those with labor shortages, such as stenographers. For example, general stenographers in San Francisco-Oakland averaged \$65 a week in January 1955—the highest average among 17 labor-market areas surveyed by the BLS.⁶ In Anchorage, where stenographers' monthly rates are about as high as any place in the Territory, the range is from around \$300 to \$450; the average of \$325 is toward the lower side of the range, because stenographers, in general, do not remain more than a year or so with an employer and consequently do not receive large wage increments.

Wage differentials between Alaska and the States are largest in occupations in defense and heavy construction. They are attributable to the urgency of the work in Alaska, the shorter work season, the more difficult working conditions, the higher cost of living, and the fact that many construction workers maintain 2 residences, 1 for their family in the States and 1 for themselves in Alaska. The differentials are smallest in some of the skilled crafts, in trade and the service industries, and in office occupations that are not so much affected by the defense construction activity.

Hours of Work

The chance to double income, by working long hours, was a greater attraction for the thousands of workers who came during the various booms than was the actual base wage. The working of long hours in construction has virtually mocked the concept of the 40-hour week. During World War II and postwar years, the very nature of construction work in Alaska necessitated long overtime hours in the short working season, as already indicated. The decline in average hours worked in construction, caused in part by the growth in the labor supply in the last 2 years and the virtual elimination of emergency completion deadlines, has been due also in part to the increasing competi-

⁴ Penalty cargo includes cold-storage products such as meat and produce, cement, and materials such as creosote, the handling of which involves extra hazards.

⁵ See press release USDL-1225, July 27, 1955.

⁶ See Monthly Labor Review, October 1955 (p. 1119).

tion among contractors and the desires of unions to spread the work among all of their qualified members.

In 1955, the Legislature passed a wage and hour act requiring time and one-half pay after 8 hours in 1 day and 40 in 1 week. Since construction and other seasonal industries already were adhering pretty much to this pattern, its influence will be mostly felt in the services, trade, and other supporting industries.

In the light of earnings of workers (table 1), the number of hours worked must have been greater than the typical 40 for stateside industries. In the metal mining industries in the States, hours average slightly over 40 a week. In Alaska, they range from a low of about 27 during the winter to a maximum of about 52 during the summer. The U. S. Department of Labor's figures for private building construction do not show a seasonal range for average hours worked, but the average of 36.2 for 1954 falls far short of the 40 to 59 hours weekly—an average of 51.2—for Alaska. It is quite common during the summer construction season in Alaska for the week to be made up of six 9-hour days and in some instances, as high as seven 12- or 16-hour days.

The United States average for workers in the lumber and wood products (excluding furniture) industry was 40.6 hours in 1954. This compares with a range of 36.2 to 42.1 in Alaska, with an average of about the same as for the States as a whole. The production of lumber and wood products in Alaska is, of course, very much like that in the States and is not subject to the violent seasonal peaks and pressures that characterize the defense construction industry. Most of the trade and service industries and the Government agencies work steadily, with overtime only at particular times of the year. Workers in these categories average around 40 hours weekly, the same as their counterparts in the States.

Working Conditions

Climate, an influencing factor in Alaskan wage rates, also affects working conditions in the Territory. While the winters in the Westward and interior parts of the country are severe enough to close down much outdoor activity, the southeastern section is not hampered by frigid weather as much as are the States of New York, Montana, Illinois,

the Dakotas, and others. Unfortunately, most important construction work has been in the Westward section of Alaska. In the outlying areas where major advance attack-warning networks have been constructed, the severity of the winter climate cannot be overemphasized as a major factor in both obtaining workers and setting wage scales.

Tied somewhat to climatic conditions in Alaska is another factor that strongly affects wage rates and working conditions, the seasonality of the work, which results in a high rate of offseason unemployment. A large part of the Alaskan work force is made up of people in industries subject to closedowns during the winter months. In addition, employment in the important fishing and fish processing industries is seasonal because the fishing runs have fallen off steadily in recent years, bringing curtailment of the season, as already indicated. Over the years, the unemployment compensation law has operated to the advantage of these industries by providing the workers with unemployment benefits that are, in a way, an "offseason" wage. However, the average weekly benefit never has offset enough of the earnings loss to sustain the worker and his family at a reasonable level. For example, the maximum benefit is currently \$45 a week for the worker plus \$5 for each dependent child (up to 5 children), whereas the average earnings in covered employment were nearly \$121 a week in 1954.

Because of the heavy drains on the unemployment compensation fund caused by seasonal unemployment, workers with only a short attachment to the Alaska labor force are not now eligible for unemployment benefits.⁷

One of the mining industry's largest selling points to attract workers has been the camps provided by the major mining operations. By providing the best in food and adequate shelter, at low cost, the mining industry has added substantially to the take-home earnings of its workers. For somewhat the same reason, work on a year-round basis on the military installations frequently attracts workers. The on-the-base housing facili-

⁷ At the present time, about \$650,000 of the Alaska unemployment trust fund is frozen pending a decision, in connection with *The Fidalgo Island Packing Co. v. Phillips et al.*, as to whether seasonal cannery claimants will receive benefits based on claims filed outside the seasonal dates established by a former director of the Alaska Employment Security Commission. Effective July 1955, the Alaska Employment Security Law no longer provides for seasonal regulations, but changes in the provisions dealing with base-year wages will make many seasonal workers ineligible for benefits.

ties provided for the worker (and sometimes for his family) plus the advantage of purchasing at base post exchanges, make the lower wage rates seem more attractive.

The fringe benefits available to many Alaskan workers are similar to those granted in the States. For example, most union wage agreements in Alaska carry provisions for paid vacations of from 1 to 2 weeks, depending on length of service. Annual and sick leave provisions apply for most Government workers, and Federal workers recruited in the States receive more liberal annual leave than those who work in the States.

A substantial majority of Alaskan workers are covered by the unemployment compensation law.⁸ Currently, benefits up to \$45 a week are provided; if the worker has 5 dependent children, he may receive as much as \$70, as indicated previously. These benefits are the highest available to unemployed workers in any State.

Compensation for wage loss by injured workers has proved to be a fringe benefit in Alaska, where

working conditions are hazardous. The 10,000 to 12,000 commercial fishermen in Alaska constitute a large segment of the working force, and although they are subject to exceptional occupational hazards, they are not covered by workmen's compensation. Provision has been made to take care of disabled fishermen, however, through a special fund financed by the allocation of 30 percent of the commercial fishing license fees.

Other fringe benefits in the form of welfare funds, company-sponsored pooled-buying arrangements, credit unions, etc., are provided by both private and Government employing units. Paid transportation to and from Alaska, while not correctly classified as a fringe benefit, is nonetheless considered as such by the workers involved; nonresident employees in Government and private industries are often granted such benefits.

⁸ Prior to the extension of coverage to Federal employees in January 1955, about half of Alaska's employed workers were covered.

Entry for August 24, 1897, from diary of government agent investigating conditions during Alaskan gold rush: ". . . Applied at half a dozen . . . tents for a cup of coffee, but was refused, although . . . payment was tendered. A man with a pile of grub 6 feet high . . . declined to part with enough of it, even for pay, to enable a fellow-traveler to reach his own outfit a few miles farther on. . . . Reached the foot of Long Lake, 3 miles from Lindeman . . . Quite a number of tents here. Applied at 1 for a cup of coffee, and received a hearty invitation from the 3 occupants . . . to join them in the meal they were preparing. An attempted apology for the intrusion met with the unanimous assurance . . . that none was necessary, as they had themselves but 10 minutes before taken possession of the tent, which they had found unoccupied. After a sumptuous dinner of baking-powder biscuits, bacon, beans, and coffee, a letter was written to the owner of the tent, thanking him for his hospitality . . . Arrived at Lake Lindeman at 7 o'clock. The camp . . . contains about 50 tents and a temporary population of 200. . . . Situation somewhat discouraging; no blankets, no food—nothing but wet clothes and a bad cold. Made the acquaintance of two brothers from Juneau, and on statement of circumstances was invited to share their tent, given a change of clothing and half a teacupful of Hudson Bay rum, and put to bed. Opinion of the people on the trail improving."

Bulletin of the U. S. Department of Labor, No. 16, May 1898 (pp. 305-306): The Alaskan Gold Fields and the Opportunities They Offer for Capital and Labor.

Labor Law and Its Administration

L. E. EVANS

ALASKA'S LEGISLATURE first met on March 3, 1913, the day before the United States Department of Labor achieved Cabinet status. The 1913 session was made up largely of men who had entered the Territory during the gold-rush days of 1898 and 1899. They were miners experienced in establishing ad hoc governments as they set up camps on the heels of each new gold strike.

The laws enacted by these pioneer legislators compared favorably with labor legislation existing in the States at the time. The first territorial Legislature extended the voting franchise to women; established the 8-hour day on public works and in underground mines; prohibited employers from requiring their employees to patronize company stores or boardinghouses; declared employment in underground mines hazardous and created the position of mine inspector (variously titled since then) with broad authority to enforce safety rules; passed a miners' lien law; prohibited the use of deception, misrepresentation, false advertising, false pretenses, and unlawful force in recruitment of employees; passed an employers' liability act, the forerunner of workmen's compensation, and a measure for the mediation and arbitration of labor disputes.

The chairmen of the labor committees of Alaska's first Legislature were Senator Henry Roden of Fairbanks and Representative Tom Gaffney of Nome. They deserve full credit for the labor laws passed at the first session. To date, 22 regular and 3 extraordinary sessions of Alaska's Legislature have met; the topical discussion of Alaskan labor laws and their administration which follows is based on the actions of those sessions.

Equal Rights and Child Labor

Equal Rights. The first enactment of the 1913 Legislature gave Alaska's women the right to vote. Equal rights for women received further impetus as a result of a 1922 referendum in which women were asked whether they wanted to serve on juries; the 1923 Legislature established eligibility for jury duty regardless of sex; 10 years later, Alaskan women were given the right to hold public office.

An equal-pay law for Alaskan women was passed in 1949. Administered by the Commissioner of Labor, this law allowed the affected employee or the Commissioner to sue for back wages; the Commissioner was authorized to refer cases to the Attorney General for prosecution.

The first antidiscrimination law of the Territory was passed in 1945 and applied only to restaurants, theaters, hotels, and other such public places.

A Fair Employment Practices Act was passed in Alaska in 1953. Administered by the Territorial Department of Labor, this law declared that the opportunity to obtain employment without discrimination because of race, religion, color, or national origin was a civil right. It prohibited discrimination not only by employers but also by employees, labor organizations, and employment agencies.

Child Labor. In four different sessions of the Territorial Legislature, child-labor laws have been enacted or amended. The 1915 Legislature prohibited the employment of boys less than 16 years of age underground in mines and prohibited any person under age 18 from being employed as a hoisting engineer. In 1939, the employment of girls under 16 was prohibited.

The 1949 Legislature passed a general child-labor law with a minimum age of 16 in most occupations, 18 in hazardous occupations, and 21 in the business of serving or selling liquor. Part-time work during the school year was restricted to a maximum of 23 hours a week, and the hours of work for minors under 18 years of age were limited to 8 in 1 day and 40 in 1 week. This law was amended in 1951 to permit children over 16 to work more hours under certain conditions.

Wages and Hours

The enactments of the first Territorial Legislature indicated its awareness of the need for regulations as to wages and hours. However, its legislation in that field and that of succeeding sessions was restricted, until 1955, to laws applicable only to an industry, an age group, or a sex.

Minimum Wage and Overtime. Alaska's first wage-and-hour law was passed in 1939 and applied only to women. It set: A minimum age of 16 for employment; a minimum wage for women over 18 years of age of \$18 for a 48-hour workweek or, for part-time work, of 45 cents an hour; and maximum penalties of a \$250 fine or 6 months' imprisonment for violation. Discrimination against a complaining employee was prohibited. The Attorney General was charged with enforcement of the act, but in 1941, enforcement was transferred to the newly created Alaska Department of Labor.

The Legislature passed a wage-and-hour bill applying to both men and women in 1955. The minimum wage was set at \$1.25 an hour. Time and a half was required for work performed after 8 hours in 1 day and 40 in 1 week. There were numerous exemptions from the overtime requirements and a more limited number of exemptions from the minimum-wage provisions.

Public Works and the 8-Hour Day. An 8-hour day in mining and public works was established in the Territory as early as 1913. Yet, despite pressures for a general 8-hour-day law in 1915 and a 1916 referendum¹ favoring the passage of such a law, workers generally did not receive such protections until the wage-and-hour law just described was passed in 1955.

The rights of workers in public works received further protection in 1931 by the passage of an act which required contractors to pay prevailing wage rates as determined by the Board of Road Commissioners. Contractors were required to submit monthly reports to the Board showing the number of men employed and the wages paid. The Attorney General was authorized to enforce the act when so instructed by the Board of Road Commissioners. In 1953, the Legislature required contractors engaged in public works for the Territory

of Alaska to furnish performance and payment bonds. Provision was made for persons furnishing labor or material to sue on the payment bond; suits were to be brought by the Territory in the name of the claimant.

Liens. Lien laws to protect laborers, mechanics, and suppliers of material were about the only labor laws to predate the enactment of a lien law to protect miners by the first legislature. Almost every session since has amended or expanded this type of legislation. In 1933, an omnibus bill to amend, supplement, and codify all the lien laws of the Territory was found necessary. Now architects, engineers, and workers in the service industries are covered by lien laws.

Wage Collection. Although Alaska had a constantly expanding system of lien laws, failure or refusal to pay wages was not recognized as a public offense until 1923, when an act was passed requiring that (1) wages be paid at least once a month, not more than 15 days after the last day of the month in which they were earned; (2) an employee be paid "without delay," upon completing his services or being discharged; and (3) employers establish regular payday and post notices to that effect. The employee who was forced to sue for his wages could be awarded the full amount due and an attorney's fee of not less than \$10 nor more than \$50, as well as \$25 as damages.

Wage collection laws have been amended from time to time. In 1945, the Alaskan Commissioner of Labor was authorized to sue for back wages without cost to the employee in meritorious cases. Succeeding Legislatures have broadened the Commissioner's authority and closed loopholes in wage-collection laws.

Worker Security

Unemployment Insurance. A special session of Alaska's Legislature was called in 1937 to enable the Territory to participate in the Federal Social Security Act, which had been enacted in 1935. A

¹ The vote favored the proposal by 6 to 1 and, as a result, a general 8-hour law was passed in 1917. It prohibited overtime work and declared violation of the act a misdemeanor. This law was subsequently declared unconstitutional.

Territorial Unemployment Compensation Act was passed, a 3-man commission was set up to administer its provisions, contributions from employers of 8 or more workers in covered industries were provided, and benefit payments were to start on January 1, 1939. The maximum benefit was \$15 a week; there was a 2-week waiting period. The original act also defined a seasonal industry and seasonal employees, for purposes of determining eligibility for benefits.

Alaska's unemployment compensation law was amended at every succeeding session of the Legislature; even its name was changed (in 1949)—to the Employment Security Law. Benefits were increased, their duration was extended, and numerous technical changes were made. In 1945, coverage was extended to employers of 1 or more workers. In 1947, a system of experience-rating credits for employers was enacted. Dependents' allowances were inaugurated in 1949.

The seasonality and experience-rating provisions of Alaska's employment security laws have caused more controversy than all its other labor legislation combined.

By 1955, a crisis had been reached in Alaska's employment security program. Two lawsuits had taken or tied up over \$1½ million of the funds originally intended for benefits.² Experience-rating credits earned over the years resulted in employers' paying into the fund approximately \$5½ million less than they would have if there had been no experience-rating provision. A heavy unemployment load in 1954 had drained another \$5 million. The employment security fund was exhausted while the 1955 legislature was in session and benefit payments were suspended.

The Legislature met this fiscal emergency by (1) increasing the taxable wage from \$3,000 to \$3,600 a year, effective January 1, 1955; (2) assessing a tax on employees of one-half of 1 percent on wages earned up to \$3,600 during the calendar years

1955 and 1956; and (3) authorizing a loan of \$2 million from the Territory's general fund for the purpose of paying unemployment insurance benefits, pending the passage of Federal legislation which would permit Alaska to borrow money from the Federal unemployment trust fund.³

Workmen's Compensation. The 1913 Legislature passed an employer's liability act. This law was followed in 1917 by a Workmen's Compensation Act for mine employees, which established a schedule of benefits but permitted either the employer or the employee to waive coverage. Benefits for temporary disability were set at 50 percent of wages. In 1923, Alaska's workmen's compensation was expanded to cover all private employers of five or more workers and the benefit schedule was increased; and, in 1946, Territorial Government employees were covered.

Improvements have been made from time to time. Responsibility for carrying out provisions of the act rested with the employer and the injured workman with recourse to the courts until 1946, when the Alaska Industrial Board was created. This Board was composed of the Commissioner of Labor as Chairman and Executive Officer, the Insurance Commissioner, and the Attorney General. Its duties as the administrative arm of the Territorial Department of Labor in workmen's compensation matters were spelled out.

Disabled Fishermen. The problem of care for the self-employed person who receives an occupational injury is closely related to workmen's compensation. Alaska's self-employed commercial fishermen constitute a large body of working people subject to numerous occupational hazards. Because they cannot fall back on workmen's compensation when disaster strikes, the disabled fishermen's fund was established to meet this need in 1951. Its moneys are obtained from 30 percent of the receipts from commercial fishermen's licenses. The fund is administered by a board composed of the Commissioner of Labor as Chairman and Executive Officer, the Commissioner of Health, the Commissioner of Taxation, and four people from the fishing industry who are appointed by the Governor with the approval of the Legislature.

² The decision in *The New England Fish Co. v. Vaara, et al.*, required the Commission to change the basis for its computation to determine whether there was a surplus in the trust fund. On the changed basis, there was a surplus and the Commission had to distribute experience-rating credits to employers. In connection with *The Fidalgo Island Packing Co. v. Phillips, et al.*, about \$650,000 of the fund were frozen pending a decision as to whether certain seasonal employees were eligible for benefits.

³ Following the approval of Public Law 56 (84th Cong.) on June 1, 1955, \$3 million from the Federal fund was advanced to Alaska.

Territorial Employees

One test of the attitude of any State toward its labor laws may be found in the treatment of its own employees. A review of Alaska legislation relating to employment by the Territory and its political subdivisions shows that Alaska's Legislature follows the custom of the times, is sensitive to changes in economic conditions, and makes a sincere effort to treat its approximately 1,200 employees fairly.

Territorial offices are now on a 5-day week. Annual leave is provided at 30 days a year and may be accumulated up to 60 days. Sick leave is authorized at 1¼ days per month, cumulative to a maximum of 30 days.

The depression in the 1930's affected Alaska government employees. The salaries of all Territorial officials and employees were reduced by 10 percent in 1933. In 1935, an employee was prohibited from accepting outside employment if he earned \$200 a month or more. No person could be hired by the Territory or a political subdivision if his or her spouse earned \$200 a month or more. By 1943, the manpower shortage was acute, and the antinepotism laws of 1935 were repealed. As a result of the rising cost of living and increasing competition for labor, the first of a long series of salary increases started in 1945.

An example of how the Territory treats its employees may be found in the teaching profession. In 1929, the minimum salary for teachers in the First Division (Juneau area) was \$1,800; in the Third Division (Anchorage area), \$1,980; and in the Second and Fourth Divisions (Nome and Fairbanks, respectively), \$2,100. Differentials established to account for cost-of-living variations in different geographical areas of the Territory, still continues as shown by the 1953 scale for teachers: First Division, \$4,200 to \$5,600; third Division, \$4,540 to \$5,940; and Second and Fourth Divisions, \$4,800 to \$6,200. Furthermore, the Territory has had a teachers' retirement system since 1929, which is still in effect; and, in 1935, the Legislature passed an act providing that teachers cannot be required to state political or religious affiliations.

Two major protections were extended to Territorial employees in the postwar period. In 1946,

Territorial employees were covered under the Workmen's Compensation Act, as already indicated. The 1949 Legislature passed a public employees retirement act. Although this was repealed in 1951, provision was made for continuing payments to those already retired. To replace the retirement act, arrangements were made for covering all Territorial employees under the old age and survivors insurance provisions of the Social Security Act.

Development of Alaska Department of Labor

Most labor laws in Alaska initially applied to the mining industry and then were broadened to cover employees in other fields. The general practice of Alaska Legislatures was to give the responsibility for handling problems involving the health and safety of employees in any industry to one official, titled at different times as Mine Inspector, and later as Commissioner of Mines, ex officio Commissioner of Labor, and ex officio Commissioner of Transportation. The Legislature customarily left problems involving payment of wages, including workmen's compensation benefits, to private negotiations between employer and employee and to the courts. In some cases, wage problems were referred to the Attorney General for action.

The 1913 Legislature established the position of Mine Inspector to provide for the health and safety of mineworkers. It gave him broad authority to require the correction of unsafe or unsanitary conditions; to close down an unsafe mine until corrections had been made; and to prosecute employers who refused to make corrections. Furthermore, he was given strict instructions to investigate the cause of each fatal and serious accident immediately upon receiving notice of it.

For many years, the Territorial Mine Inspector was the labor law administrator of Alaska. His duties were constantly expanded. In 1919, the Legislature recognized the dual nature of his job and gave him the added title of ex officio Labor Commissioner. Since his duties in connection with mine employees related primarily to health and safety, his added job of Labor Commissioner gave him the same responsibilities over all the industries of Alaska. Although he was given the

extra work, he was not given any increase in salary, appropriation, or personnel to take care of the new duties. This arrangement continued until 1941.

The 1923 Legislature appropriated \$4,000 to enable the ex officio Labor Commissioner to compile statistics on all industries in Alaska, showing the nature and severity of all industrial accidents in Alaska, the wage loss to employees and to employers, the amounts of compensation paid, and the cost of industrial insurance. The 1927 Legislature made sweeping changes in the Territory's workmen's compensation laws on the basis of this report.

An integrated Department of Labor was finally established in Alaska in 1941. The first Commissioner was appointed by the Governor and confirmed by the Legislature to serve until January 1, 1943. A Commissioner of Labor was to be elected at the general election in 1942 and every 4 years thereafter. The purpose of the office was to further, promote, and develop the welfare of the wage earners of the Territory of Alaska, to improve their working conditions, and to advance their opportunities for profitable employment.

In addition to the duties usually imposed upon the Department of Labor, the Legislature ordered that: "It shall be the duty of the Commissioner of Labor to aid and assist resident workers in Alaska to obtain, safeguard, and protect their rightful preference to be employed in industries in this Territory."

At present, the Territorial Department of Labor is charged with administration of the laws on wage collection, wages and hours, child labor, safety measures, equal pay, and fair employment practices, and the regulation of private employment agencies. The Commissioner of Labor, as indicated, is Chairman and Executive Officer of both the Alaska Industrial Board which administers workmen's compensation and the board which administers benefits for sick and disabled fishermen under the Disabled Fishermen's Fund. The Commissioner is also charged with the responsibility of mediation⁴ of labor disputes.

⁴ For discussion, see p. 58.

Federal Labor Laws

Most Federal labor laws apply in Alaska in the same manner and to the same extent that they do in the States. Occasionally, agency policy or the fact of Alaska's great distances and small population have lead to a difference in the method of administration.

Labor-Management Relations. The National Labor Relations Act confers upon the National Labor Relations Board jurisdiction over all industries in Alaska, but the NLRB recently announced that the same jurisdictional standards would apply in the Territories as in the States.⁴ None of the agency's personnel have been stationed in the Territory, but agents have been sent in as necessary to conduct representation elections and hearings on unfair labor practice charges.

The arbitration and mediation machinery set up under Federal law similarly has operated in Alaska with stateside personnel in most cases. During World War II, the Federal Mediation and Conciliation Service stationed one person in the Territory during the summer months when labor disputes were most likely to occur and to have the greatest economic impact. This practice has been discontinued. Now, mediators from the Federal Service stationed in the States are available on request of the parties. Similarly, under the Railway Labor Act, representatives of the National Mediation Board have come in from the States on those rare occasions when they were needed to help resolve labor-management disputes of the White Pass and Yukon Railroad, Alaska's one privately owned rail common carrier.

Representatives of the U. S. Department of Labor's Bureau of Apprenticeship and Veterans Employment Service are currently stationed in the Territory to administer the Federal law under their respective jurisdictions; the representative of the Bureau of Veterans Reemployment Rights handles its Alaskan functions from Seattle. The Deputy Commissioner of Compensation in Seattle handles workmen's compensation cases under the Longshoremen and Harbor Workers' Act and the Defense Base Compensation Act and cases involving Federal employees are administered from Washington, D. C.

Wages and Hours. Although the Fair Labor Standards Act passed in 1938 applies in Alaska the same as it does in the States, no compliance investigations were made in the Territory prior to 1941, and the Territorial Commissioner of Mines, ex officio Commissioner of Labor, served as a source of information and distributed literature concerning the act. In that year, a group of investigators from the Wage and Hour and Public Contracts Divisions of the U. S. Department of Labor, came to Alaska in the summer, made as many investigations as possible, and returned to the States in the fall. In 1943, the first paid representative of the U. S. Department of Labor in Alaska was appointed to represent the entire Department; his staff consisted of a secretary and an investigator until December 1946, when the Department of Labor's representa-

tion in the Territory was reduced to the Territorial Representative, who resigned in October 1947. By that time a Veterans Employment Representative had been employed; he remained the only representative of the Department until May of 1948. At the present time, two resident investigators of the Wage and Hour and Public Contracts Divisions work full time.

In Government construction, the prevailing wage law (Davis-Bacon Act), the Anti-Kickback Act (Copeland Act), and the 8-hour laws apply in Alaska as they do in the States. The contracting agency is initially responsible for the enforcement of these laws. In the last few years, several investigations have been made at the request of contracting agencies by U. S. Department of Labor personnel under the supervision of the Office of the Solicitor of Labor.

“On the evening of March 29, 1867, [Edward D.] Stoeckl [the Russian minister to the United States] called at [Secretary] Seward's home with the welcome news that the Czar had given his consent to the transaction [the sale of Alaska to the United States], and suggested that the treaty be concluded the next day. The eager Seward pushed away the whist table:

“‘Why wait till tomorrow, Mr. Stoeckl? Let us make the treaty tonight!’

“‘But your Department is closed. You have no clerks, and my secretaries are scattered about the town.’

“‘Never mind that,’ responded Seward. ‘If you can muster your legation together, before midnight you will find me awaiting you at the Department, which will be open and ready for business.’

“So, at 4 o'clock on the morning of March 30, 1867, the treaty was put into final form and signed.”

Thomas A. Bailey, *A Diplomatic History of the American People*, 3d ed., New York; F. S. Crofts & Co., 1947 (pp. 398-399).

The Character of Industrial Relations

EDWIN M. FITCH

INDUSTRIAL RELATIONS in Alaska have developed under the divergent influences of both private and Government employment. In private industry, aside from some service industries, trade unionism is the rule rather than the exception and generally has followed the basic pattern observed in the States. Working conditions, working rules, and pay rates are usually determined by collective bargaining, and unions have used strike threats as a means of supporting their demands.

In contrast, Government employees, in Alaska as in the States, are predominantly nonunion. The Alaska Railroad is the only exception to this generalization among Federal agencies in the Territory. (An attempt to organize the wage-board employees of the Alaska Road Commission was unsuccessful.) Government trade unions have for the most part limited their activity to lobbying for favorable employee legislation.¹

Private Industry

The principal Alaskan industries from the viewpoint of industrial relations are: (1) construction (predominately for Federal agencies); (2) fishing and fish products, of which salmon is by far the most important; (3) lumbering (sawmills and logging); (4) service trades; (5) mining; (6) pulp; and (7) transportation. In spite of the importance of Federal agencies in Alaska, private employment is 4 to 5 times as large as Government employment.

Construction. In terms of payroll, most of the construction in recent years in Alaska has been for the military. The amount of such construction is still substantial, although it has passed its

peak. The centers of defense construction are Anchorage and Fairbanks, the 2 major cities in Alaska and the 2 largest cities along the line of the Alaska Railroad.

Prime contractors have formed the Alaska Chapter of the Associated General Contractors of America. In addition, subcontractors covering plumbing, electrical work, painting, etc., who are not included among the AGC employers, have sometimes organized their own trade groups.

The construction trades generally are among the most strongly organized in Alaska.

The Alaska Chapter of the AGC conducts negotiations on wages and working rules with two principal groups of unions in the construction trades:

1. The basic trades (except carpenters), which include the operating engineers, teamsters, laborers, cement masons, ironworkers, lathers, plasterers, and bricklayers. The American Federation of Labor unions representing these crafts usually band together in their dealings with the general contractors.

2. The carpenters, who are represented by an association of local AFL unions called the Carpenters District Council of Alaska. An estimated one-half of the construction workers in the Territory are carpenters. In recent years, they have preferred not to form a "united front" with the other construction crafts but have conducted separate negotiations with AGC representatives.

Employees who work for subcontractors are organized in a group of unions which do not deal with the general contractors but directly with their immediate employers. These unions include the electrical workers, plumbers and steamfitters, painters, sheet-metal workers, asbestos workers, and related crafts.

Negotiations between general contractors and the basic trades are usually conducted in Seattle, Wash., although occasionally they have been transferred to Anchorage. Because the Alaska locals are perhaps too young to have developed strong local leaders, they are usually content to allow national and international union officials to conduct their negotiations for them.

The carpenters, on the other hand, have tended to break away from Seattle control and are a more militant and less disciplined group. Generally, the carpenter negotiations have tended to be more difficult than those with other basic crafts, partly

¹ According to the 1955 Directory of National and International Unions (BLS Bull. 1185), 43 international unions reported a combined membership of 16,000 in Alaska.

because local leaders are less experienced and partly because Alaska carpenter union officials apparently prefer to run the risk of less expert local negotiations rather than accept control from Seattle.

Unions representing the subtrades, usually conduct their negotiations with local subcontractors but have on occasion negotiated with employer associations such as the Association of Electrical Contractors. Although the subcontractors employ a much smaller number of construction workers than the prime contractors, completed negotiations between subcontractors and their employees' unions frequently have set the pace for subsequent prime-contractor negotiations. Attempts by contractor employers to secure a united front in labor negotiations have thus far been no more successful than attempts to institute a united front on the part of the basic trades and carpenters local unions.

Except for an unorganized strike by some of the carpenter locals in 1953, no major construction strikes have occurred since 1950. In 1951, the Department of the Interior took the lead in the attempt to overcome the acrimony that had developed through disputes and strikes in prior years. While the Department had no operating responsibilities in the field of labor except for its own employees, it sponsored, in cooperation with the Department of Labor, the Federal Mediation and Conciliation Service, the Department of Defense, and other interested Federal agencies, a series of meetings between union and contractor representatives in Anchorage designed to establish a more peaceful basis for settling disputes.

While the influence of this somewhat dramatic gesture can hardly be appraised, relations in the Territory's construction industry have been more peaceful since that time. The usual run of jurisdictional disputes have been settled for the most part without resort to strikes. The Alaskan construction industry in this respect has a better record in recent years than do many defense installations in the States.

Fishing and Fish Products. In dollar value, the salmon industry is by far the most important of the Alaskan fisheries. It extends from Bristol Bay through the Aleutian Islands, Cook Inlet, and down into southeastern Alaska. The salmon industry each year signs nearly 30 different contracts with 17 unions. The principal union

groups with which the industry deals are the Alaska Fishermen's Union and the nonresident Cannery Workers Union, representing resident workers; both of these are affiliated with the Congress of Industrial Organizations. It also deals on a nonresident basis with the AFL Machinists.

Problems resulting from Seattle control have had even more important effects on cannery workers than on construction workers. The salmon industry is, in fact, the only large industry in Alaska which, in spite of the rapid growth of the Territory's labor pool, regularly transports hundreds of workers from Pacific coast ports to cannery sites in the Territory.

Practically all of the negotiations with unions representing the nonresident workers take place in Seattle. Collective bargaining with resident workers is usually conducted within the area where they are employed. While serious disputes have arisen in the industry, no major work stoppage has occurred since the Bristol Bay strike of 1951.

Another industry closely related to the salmon industry and other fishing operations is the cold storage industry in southeastern Alaska which processes fish of all kinds for freezing and operates cold storage warehouses in the Panhandle fishery ports. The cold storage workers are mainly represented by the independent International Longshoremen's union. Serious disputes in this industry usually have been settled with relatively minor work stoppages.

Lumbering. Small logging and lumbering operations are found in the forestry areas of both western and southeastern Alaska. The only large operations are in the southeast, principally in the vicinity of Juneau and Ketchikan. Sawmill employees are represented by the Lumber and Sawmill Workers, a branch of the AFL Carpenters, and the loggers by the International Woodworkers of America (CIO).

Service Trades. In the service trades unions are strong among the culinary crafts and retail clerks in Alaska's three largest cities, Fairbanks, Anchorage, and Juneau. In spite of organizing drives no serious work stoppages have occurred in recent years among Alaska service trade employees, except one which lasted for several weeks in Juneau in the fall of 1954.

Mining. In value of output, the most important mining areas in Alaska are the Fairbanks gold-mining region and the Healy River and Matanuska coal mines along the Alaska Railroad. The major gold-mining operator in the Fairbanks region is the United States Smelting, Refining & Mining Co., which, about 30 years ago, bought up most of the gold claims around Fairbanks. The only gold operations in the Territory that have become unionized are those of the company in the Fairbanks area. The Alaska Juneau hard-rock mine operated under union agreements prior to its closing in 1942.

The employees of this company organized under the auspices of the International Union of Mine, Mill & Smelter Workers (a CIO affiliate prior to 1950 when it was expelled on charges of Communist domination), in 1940, but in 1947 severed relations because some officers of the international failed to file non-Communist affidavits under the Taft-Hartley Act. In 1949, the International Brotherhood of Electrical Workers (AFL) granted the company's mine employees an industrial charter under which they are now operating.

Pulp. The building of a \$50-million pulp mill in Ketchikan marked the first large-scale utilization of Alaska's enormous pulp resources. Although employed in an infant industry, the loggers have been organized by the International Woodworkers of America (CIO). Employees in the pulp mill itself are represented by the AFL Pulp and Sulphite Workers. This industrial union local is now being challenged by AFL craft unions in representation election petitions filed under the provisions of the Taft-Hartley Act.

Transportation. The largest transportation operation in the Territory is the Alaska Railroad which is not operated by private industry; its industrial relations program is discussed later in this article. In privately owned transportation, the extent of unionization varies. Employees of the White Pass and Yukon Railway are generally represented by the railroad brotherhoods. Over-the-road trucking in Alaska is strongly unionized, with drivers and mechanics represented by the AFL

Teamsters. Several not very successful attempts have been made to organize employees of the local transit industry in Anchorage and Fairbanks. The employees of the certificated air carriers are well organized; the same union arrangements that exist in both domestic and foreign airline operations have been transferred to Alaska.

Federal Government

The Alaska Railroad, which is operated by the U. S. Department of the Interior, has made a unique contribution to the history of labor relations in the Territory by operating under labor agreements negotiated with trade unions representing its employees. This history of collective bargaining began in the 1920's, when the railroad signed an agreement with one of the railroad operating brotherhoods covering the hours, wages, and working conditions of its train- and engine-service employees. Since that time, the practice of collective bargaining has grown until, at the present time, labor agreements signed by the representatives of nine trade unions cover wages and working rules for almost all the employees below the intermediate supervisory and official ranks. These are the standard railroad labor organizations, with the exception of the American Federation of Government Employees, which represents clerks, maintenance-of-way workers, and bridge and building employees.

Agencies of the Department of the Interior are not required under statute to bargain collectively with representatives of their employees. The Secretary of the Interior, however, in 1948, issued a statement of labor policy for the Department's ungraded employees which permits the management of Interior agencies to negotiate agreements with union representatives of their ungraded employees, but with the condition that labor agreements must have the Secretary's approval before they become effective.²

The Alaska Railroad in 1947 had already issued a statement of labor policy setting forth labor relations standards subsequently adopted by the Secretary for all Interior agencies. As trade union relationships for the railroad had begun in the 1920's, these statements in fact only formalized methods of dealing with employees which the management of the railroad had been following substantially for a great many years.

² Policy Memorandum Covering General Labor Relations Policy for Ungraded Employees of the Department of the Interior, January 16, 1948 (Office of the Secretary of the Interior).

The Alaska Railroad has had the usual run of labor disputes involving changes in wage rates and working rules as well as grievances arising out of the interpretation of working rules. For such grievances, adjustment board procedure has been set up for train- and engine-service employees. Under the procedure an award is made by a neutral party, and is binding unless it is disapproved by the Secretary.

Disputes arising out of changes in wage rates or agreements are referred to the Secretary of the Interior if they cannot be resolved on the property. Submission of a dispute to the Secretary is, in fact, a pressure tactic which represents a kind of substitute for the right to strike—not granted to Federal employees, of course. In form, this situation is not entirely fair to the unions, as the Secretary is ultimately responsible for the management of the railroad. In substance, it has sometimes been true in the past that trade union demands have been more effective when presented to the Secretary than when presented to the general manager of the railroad. The unions also have resorted to congressional lobbying on issues which they have been unable to resolve in collective bargaining.

The provisions in the labor agreements of the Alaska Railroad have been taken largely from those in effect on private stateside carriers, which has often resulted in conflict with those Federal personnel rules which are authorized but not required by statute. The railroad has fought a slowly retreating battle in matters of this sort, but thus far has managed to avoid conforming to many personnel management conventions in vogue in most other Federal agencies.

The Taft-Hartley Act

Since the Taft-Hartley Act applies to the Territory of Alaska, it has produced the usual run of cases concerning representation, and charges of unfair employer and union practices. An unusually large number of the unfair practice cases have alleged violation of the Taft-Hartley prohibition of the closed shop.

NLRB Jurisdiction. Under the Taft-Hartley Act, the National Labor Relations Board has plenary jurisdiction over enterprises in United States Territories. However, in recent years, the Board

has tended not to exercise jurisdiction over certain Territorial enterprises which are engaged in interstate commerce, on the basis of the small volume of their operations. Currently, the NLRB is following the policy, laid down in a 1955 case involving a Puerto Rico concern,³ that the same standards of jurisdiction apply in the Territories as in the several States.

Representation Cases. The number of representation cases in Alaska during recent years has not been large. More than half have involved initial organizing efforts rather than competing unions. In a few cases, a contesting union has won representation rights over an existing union and, in a few others, the majority of employees voted against union representation. The NLRB held that Alaskan fishermen were independent contractors, whether company fishermen or not, and therefore not considered employees under the Taft-Hartley Act.⁴

Unfair Practices. Employer actions which the unions have attacked through the unfair labor practice provisions of the Taft-Hartley Act include refusal to bargain, discouraging or interfering with union membership, and the circulation of anti-union petitions. Employers have used the procedures of the Taft-Hartley Act against the secondary boycott, union attempts to compel discrimination against an employee, and picketing.

Many unfair practice cases in Alaska have involved attempts by unions or by unions and employers jointly to enforce the closed shop. Most of the unions involved were in the construction field. Where the evidence has supported the charges, the National Labor Relations Board has consistently enforced the act's prohibitions against restricting the hiring to union members. In several instances, employers have been ordered to hire and give back pay to workers who were refused jobs because they were not union members; in some cases, either the union alone or the union and the company jointly have been ordered to make good this back pay. In some closed-shop cases, the NLRB has ordered the exclusion of the illegal closed-shop clause from future agreements.

³ *Conrado Forestier, d. b. a. Cantera Prosidencia* (111 NLRB 141, Mar. 4, 1955).

⁴ *Alaska Salmon Industry, Inc.* (110 NLRB 145, Nov. 17, 1954).

Territorial Problems

Labor relations problems in Alaska have in many respects resembled those in the States. Some labor problems have arisen, however, out of the somewhat unique economic situation of the Territory. Foremost among these has been the problem of determining what constitutes a fair and reasonable wage. While Alaska has made striking economic progress in the past 10 years, it still exhibits the kinds of economic instability characteristic of a pioneer area. The economics of prices and wages is in many respects related to the newness of the country and its distance from stateside markets.

Construction Wage Levels. The size of the construction industry has, of course, had a tremendous influence on economic conditions in the Territory. Wage rates have been agreed to at levels exceeding construction wages in the Pacific Northwest by \$1 to \$1.25 and more per hour. High contractor wage rates, in conjunction with what has amounted to a guarantee of premium overtime for the relatively short construction season, have produced earnings which have made it difficult for year-round employers to negotiate wages which they regarded as reasonably related to Alaskan price levels and Alaskan productivity. Undoubtedly construction wages have played an important part in increasing the spread between stateside and Alaskan wages.

A subsidiary wage problem has resulted from union attempts, successful in many instances, to require contractors in southeastern Alaska to pay the wage rates in effect in the Anchorage-Fairbanks area. Yet, the cost of living in Anchorage and Fairbanks is from 10 to 15 percent higher than it is in most Panhandle cities.

The construction industry has avoided coming to grips with the twin problems of high wage rates and excessive overtime largely because the Federal Government has been its principal customer. As long as Uncle Sam pays the bill, and wage rates and overtime standards are reasonably uniform, contractors have a minimum of financial incentive to resist union pressures.

This situation is changing with the growth of a labor pool in Alaska and a decline in military con-

struction which has made bidding for Alaskan contracts more sharply competitive. The Territory is ceasing to be regarded as an overseas base to which workers must be lured by the promise of extravagant take-home pay. While the wage practices of more wasteful days have continued, there is at least a possibility that both unions and management will interpret the economic situation in a more reasonable light as the amount of military construction continues to decline. The transition to more normal wage-price relationships, in comparison with stateside enterprise, will obviously be difficult, but there is some indication that employers may get a more sympathetic attitude toward the problems of this transition than they now expect.

Seattle Control of Trade Unions. Alaskan trade unions, particularly in the construction industry, follow the policy of absentee control. The influence of Seattle in union matters has been justified on the ground of the desirability of relying upon the greater skill and experience of Seattle union officials. Furthermore, it seems to be true that labor relations have been more disturbed and disagreements more prolonged in the case of the carpenters, who have tried more than other construction workers to throw off Seattle control. Nevertheless, the desire for a more democratic control of Alaskan union activities is increasing and growing pains accompanying any shift from Seattle to local responsibility are inevitable. With some unions such as the International Longshoremen's and Warehousemen's Union (Ind.), the desire for local control has led locals to openly defy their national officers.

Seattle control of union affairs in the construction industry has been substantially weakened over the years. At one time, an Alaskan resident had to go to Seattle in order to be hired as a construction employee to work in the Territory. With the development of a large labor market within Alaska, the necessity for paying transportation for large groups of workers to and from the Territory has largely disappeared. With this growing labor market, the trend toward local autonomy will inevitably continue. Outside the construction industry, local union autonomy may sometimes be even greater in Alaska than in the

States merely by reason of the greater distances in space and time to national and regional union headquarters.

Other Problems. The tradition of excessive overtime, already referred to briefly, has created an industrial relations problem in Alaska. The short Alaska season and labor shortages in past years have produced a long-hours habit of thought which has been hard to break. For example, it was freely predicted that the 40-hour workweek experiment of the Alaska Railroad in 1949 would not work. Today, it would hardly occur to anyone in the rail-belt area that the pre-1949 hours' schedules should be resumed.

Moreover, Alaskan contractors are vulnerable to additional wage demands occasioned by their insistence on regular work schedules in excess of 40 hours per week for which they must pay premium overtime. The Alaska Road Commission pointed the way to a solution in 1953 by reducing work schedules for those it regards as construction-type workers. In the face of competitive necessities, the construction industry is slowly adopting shorter hours. Yet, strikes have been called in

Alaska over proposed reductions in hours of work. Also, some contractors still insist on the necessity of long hours in the face of heavy unemployment which has bankrupted Alaska's unemployment compensation fund.⁵ Part of this unemployment has actually been caused by high wage rates and excessive overtime which have induced more workers to come to Alaska at their own expense than the economy of the Territory could absorb.

The battle over unemployment compensation is itself a peculiar industrial relations problem, because it involves legislation rather than collective bargaining. In the 1955 session of the Territorial Legislature, unions and some contractor employers lined up against Alaskan employers generally in a successful attempt to keep unemployment benefits for seasonal construction employees, many of whom spend their winters in the States. A compromise resulted in reducing construction unemployment benefits somewhat but still allowing a disproportionate share of unemployment benefits to go to nonresident seasonal workers.

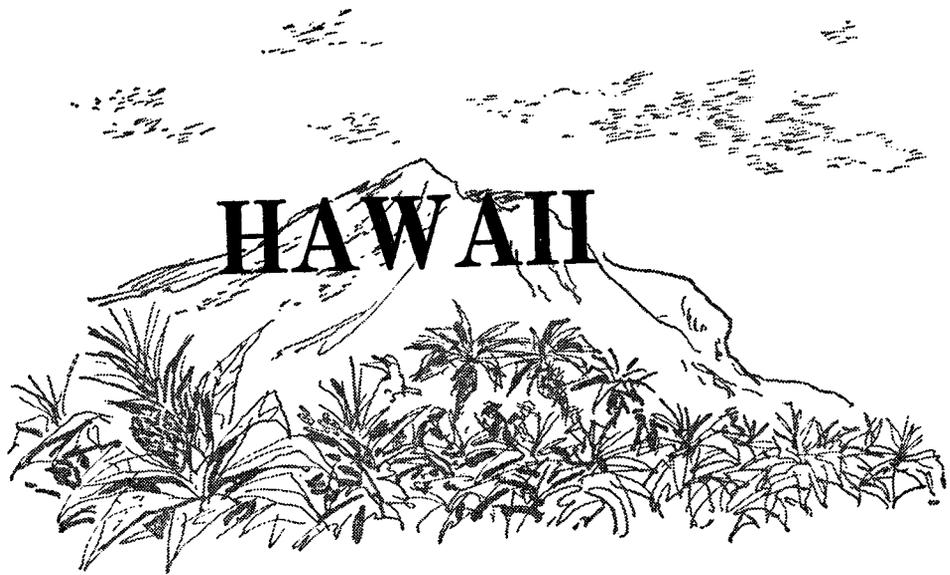
⁵ For discussion, see p. 51.

“Fundamentally, the American people appear to have accepted [eventually] Seward's treaty because it was demonstrated to them [through Seward's campaign of ‘education’] that Alaska was worth the money. Yankee love for a bargain and a highly developed speculative instinct were not to be denied. Bret Harte caught the spirit:

‘T’aint so very mean a trade
 When the land is all surveyed.
 There's a right smart chance for fur-chase
 All along this recent purchase,
 And, unless the stories fail,
 Every fish from cod to whale;
 Rocks too; mebbe quartz; let's see,—
 Seems I have heered such stories told:
 Eh!—why, bless us,—yes, it's gold!’

“Harte was right. There are few today who, on economic grounds at least, will accuse Seward of folly in having bought this princely domain for one and nineteen-twentieth cents an acre.”

Thomas A. Bailey, *A Diplomatic History of the American People*, 3d ed., New York, F. S. Crofts & Co., 1947 (p. 404).



Economic Forces and Growth Prospects

JAMES H. SHOEMAKER

NO ISLAND COMMUNITY has moved from a primitive to a modern status in so short a period as has Hawaii.¹ Primarily, this growth has centered around one basic change—the transformation of an isolated, self-sufficient economy to a mass-production, highly specialized agricultural economy closely tied to the rise in Hawaii's trade with the United States. With the continued expansion of air and surface transportation, these developments will accelerate. The Islands now generate \$300 million in "internal income" annually, in addition to approximately \$700 million of income derived each year from business with the mainland (chart 1). Thus, Hawaii is a billion-dollar-a-year economy. Significantly, over nine-tenths of the growth in production (principally in pineapples and sugar), employment, and income during the 177 years of Hawaii's history has occurred within the last 83 years. In this period since 1872, the labor force also grew rapidly, stimulated by the burgeoning Island economy and sharply increasing population through immigration and a favorable birth-death ratio.

Previously, from an estimated 300,000 in 1778 (when the Islands were discovered), population had declined continuously to an alltime low of 56,000 in 1872, including over 2,000 part-Hawaiians and 49,000 native Hawaiians. Thus the non-Hawaiian population numbered less than 6,000, with nearly half of this group being Oriental. By contrast, the racial composition of the half a million population in Hawaii in 1955 is estimated to be as follows: Japanese, 37.6 percent; Caucasian, 20.2 percent; Hawaiian and part-Hawaiian, 19.1 percent; Filipino, 12.4 percent; Chinese, 6.5 percent; and all others, 4.1 percent.

Determining Factors in the Economy

It is virtually a truism that a community's economy mirrors the conditions under which it develops. In Hawaii, too, before the beginning of World War II, the economy had successfully adapted to the framework of conditions which have determined its character—resources, location, population, and political and economic ties to the United States.

Resources. Because Hawaii lacks industrial minerals and fuels, its productive activities have been limited mainly to agricultural products. Sharp variations in topography, soil, and rainfall restrict intensive cultivation to less than one-tenth of the total land area. The cultivated area is enormously productive, however, because of a large supply of ground water for irrigation and year-round summer weather.

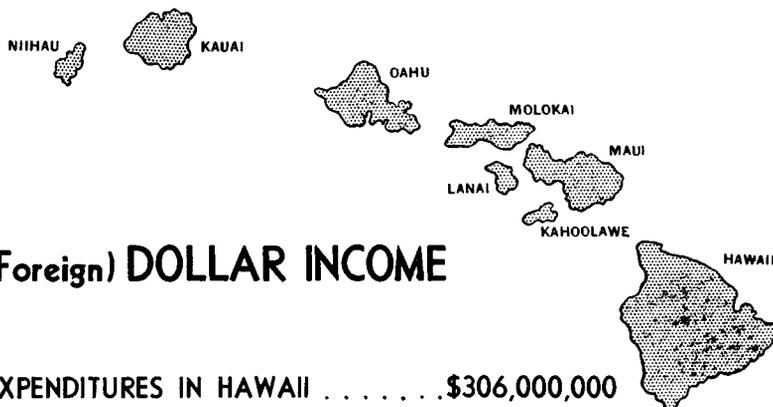
With such resource limitations, production in Hawaii has centered in the mass production of sugar and pineapples, the most profitable crops that have been developed. Sugar was the primary factor in creating the close trade relations with the United States that resulted in the annexation of Hawaii by the United States in 1900. It has continued to be Hawaii's largest commodity export (chart 2). The growth of the pineapple industry to a mass production level occurred later. The key to its expansion was the Ginaca machine, invented in 1913, to peel and core the fruit. Since then, Hawaii has continued to produce more canned pineapple than all other areas in the world combined.

Location. Hawaii's central position in the Pacific makes it an outpost of national defense, a tourist center, and a center for shipping and airlines. These activities provide a substantial part of the Islands' total income.

Defense activities did not become an important income source until the 1930's. Thereafter, they increased sharply until 1941, when they became the principal stimulus to Hawaii's economy. In the past 3 years, these activities have provided a

¹ For a comprehensive account of the historical development and characteristics of the island economy, see *The Economy of Hawaii in 1947* (with special reference to wages, working conditions, and industrial relations), BLS Bull. 926, 1948.

Chart 1. How Hawaii Earns a Living, Sources of Income, 1954



MAINLAND (and Foreign) DOLLAR INCOME



FEDERAL EXPENDITURES IN HAWAII \$306,000,000



SUGAR EXPORTS \$137,000,000



PINEAPPLE EXPORTS \$108,000,000



VISITOR EXPENDITURES IN HAWAII \$ 49,000,000

OTHER \$ 83,000,000

(Other Commodity Exports, Goods and Services to Mainland Businesses, Returns on Overseas Investments, Gifts, etc.)

INTERNAL INCOME (Goods and Services provided for local use only)



SERVICES \$241,000,000

(Public Utilities, Restaurants, Professional and Business Services, Amusements, etc.)



GOODS \$ 71,000,000 *

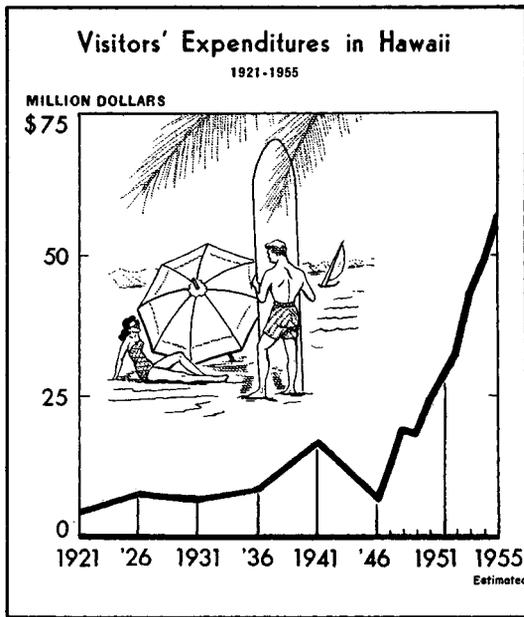
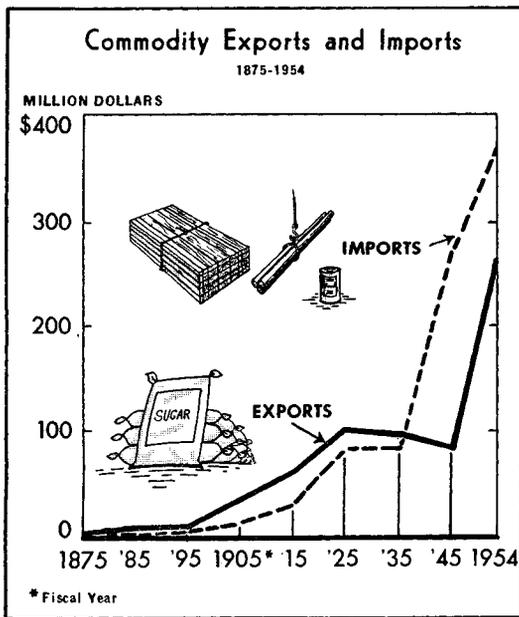
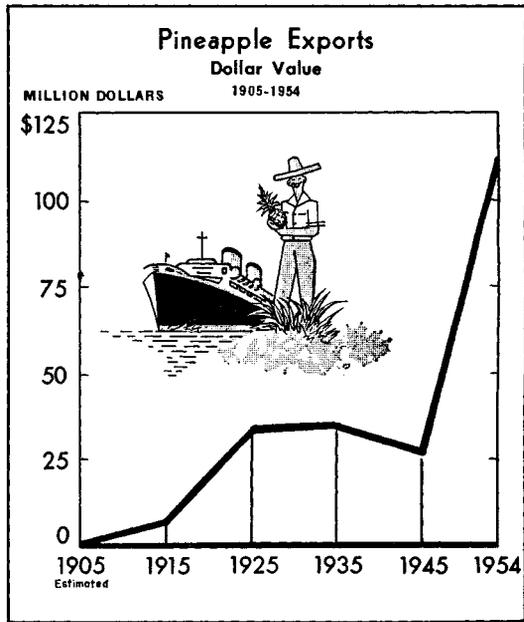
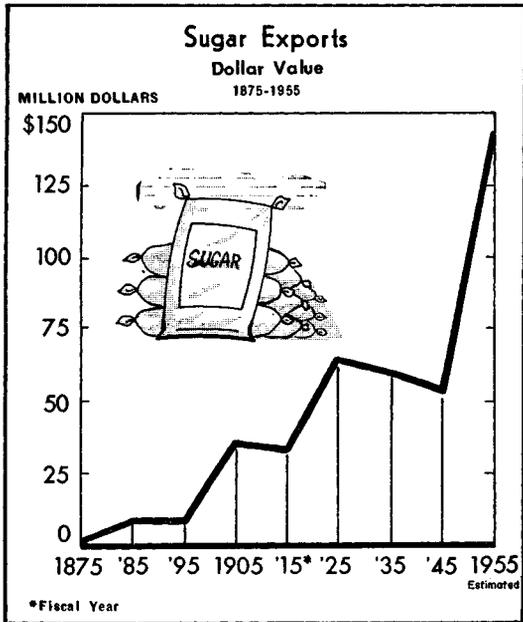
(Includes Food, Construction Materials, and Value created by Local Processing of Imported Materials, and Minor Local Products.)

UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

*\$43,000,000 locally produced food for local consumption, \$3,000,000 construction and other materials, and \$25,000,000 "value added by manufacture"—i. e., by the processing of imported raw materials.

Sources: *Sugar Exports*—Hawaiian Sugar Planters' Association. *Pineapple Exports*—Department of Business Research, Bank of Hawaii. *Visitor Expenditures*—Research Committee, Hawaii Visitors Bureau. *Remaining Items* (including Federal Expenditures, Other, Services, and Goods)—Department of Business Research, Bank of Hawaii.

Chart 2. Long-Term Trends in Hawaii's Economy



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Sources: *Sugar Exports*—Hawaiian Sugar Planters' Association. *Pineapple Exports*—(1) 1905-1945, U. S. Department of Commerce; (2) 1955, Department of Business Research, Bank of Hawaii. *Commodity Exports and Imports*—(1) 1875-1896, Hawaiian Customs records; (2) 1905-1945, U. S.

Department of Commerce; (3) 1955, Department of Business Research, Bank of Hawaii. *Visitors' Expenditures*—Research Committee, Hawaii Visitors Bureau.

predominant share—over a quarter of a billion dollars—of the area's total annual income.

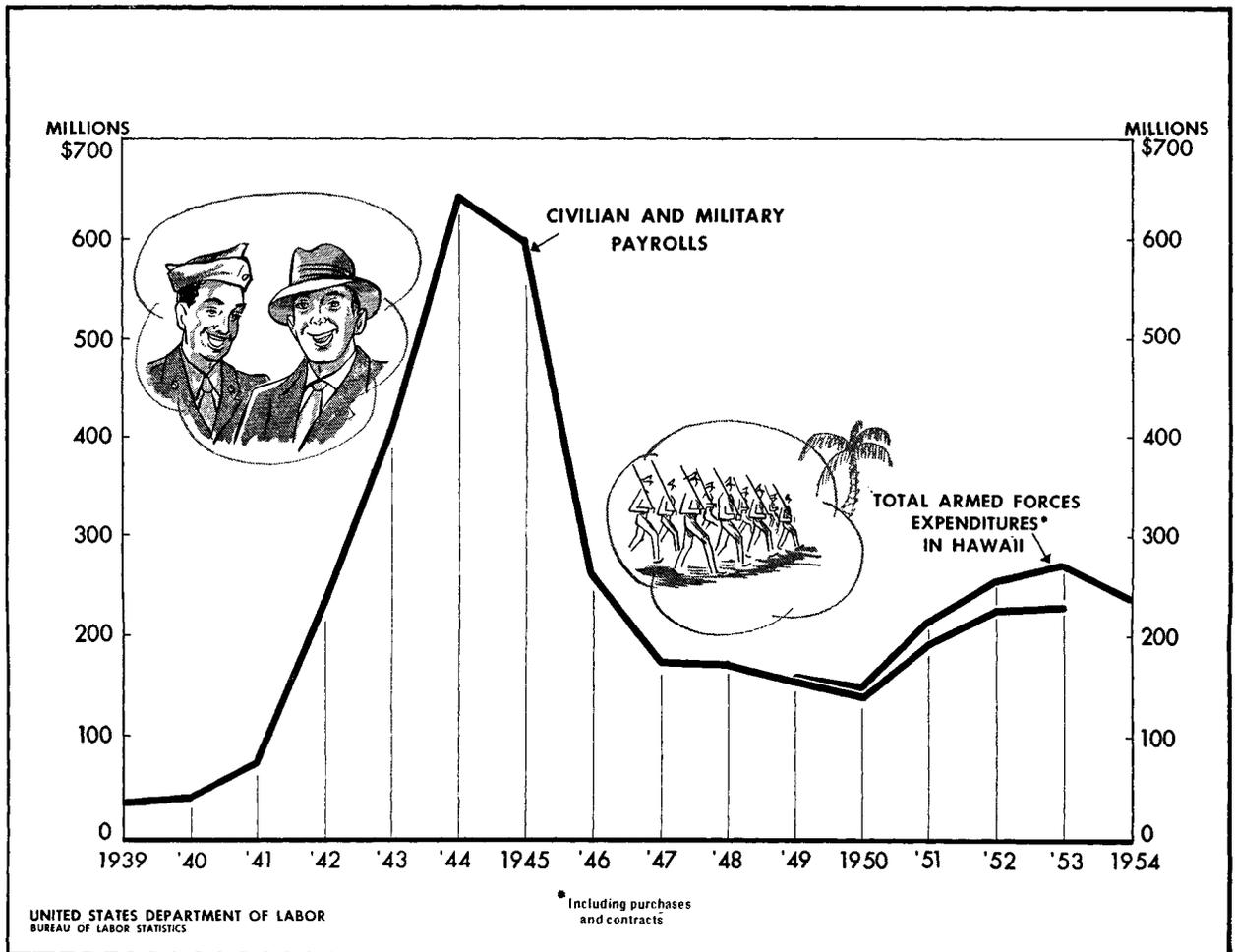
Tourist trade rose gradually throughout the 1920's and 1930's, was abruptly suspended during World War II, and expanded sharply after the war ended. Tourist expenditures in Hawaii, which amounted to only \$6 million in 1946, will probably exceed \$55 million in 1955, and are increasing. In addition, shipping and airlines presently account for approximately \$25 million of revenue annually in the Territory.

Population. No other area of the United States contains such a widely variant population of Oriental and Occidental racial groups working together to earn a living. The racial diversity, however, complicates the problem of achieving

effective economic policies in government, of formulating workable relations between labor and management, and of developing cooperation throughout the business community. Despite the picturing of Hawaii as an island paradise, racial tensions and antagonisms are clearly evident. Nevertheless, these racial groups bring to the Hawaiian economy a broad range of inherent abilities and contacts with other parts of the world, thus providing the basis for creating a rich and unique culture based on interracial cooperation.

Political and Economic Ties. The substantial contribution made by the United States to the growth and development of the Hawaiian economy—both as a market for Hawaiian products

Chart 3. Civilian and Military Payrolls and Armed Forces Expenditures, Hawaii, 1939-54



Sources: *Civilian and Military Payrolls*—(1) 1939-1952, *Income of Hawaii*, U. S. Department of Commerce, Office of Business Economics, 1953; (2) 1953, mimeographed supplement to *Income of Hawaii*, op. cit., issued in August

1954. *Total Armed Forces Expenditures*—Department of Business Research Bank of Hawaii.

and as a source of supply for Hawaiian industry—has made it possible for the Islands to achieve high per capita productivity and modern living standards. This integration is reflected in the following developments: the expansion of mainland markets for Island products; the growth of Island branches of mainland firms and the general expansion of mainland business activity in Hawaiian markets; the increasing mobility of labor and capital between Hawaii and the mainland; the rising level of mainland visitors to Hawaii; and the growth of the political importance of Hawaii and of working relations between the Territorial and Federal Governments.

Underlying Instabilities

Hawaii's economic position is vulnerable because of two underlying instabilities. Most important is its dependence on defense activity as a major income source. Although it seems certain that Hawaii will continue as a major outpost of national defense, fluctuations in the volume of defense activity affecting the Islands will require local economic readjustments. However, a sizable cutback in military expenditures, perhaps ranging from \$50 million to \$100 million in 1 year, would create a major economic problem. Two developments that affected defense activities in Hawaii in recent years illustrate the impact on the Island economy of major changes in military programs (chart 3).

From 1948 through 1950, as a result of continued cutbacks in defense employment and expenditures, Hawaii experienced the most severe period of unemployment in its history. By contrast, the decision in October 1954 to transfer the 25th Division from the Orient to Hawaii resulted in a sudden increase of \$36 million in annual defense expenditures in Hawaii.

An effective plan for mitigating the effects of substantial declines in defense activities would be readily available through a "standby program" providing for water conservation and irrigation projects. A comprehensive program of this type would create direct employment to counteract a sharp cutback in defense outlays and, when the projects were completed, would provide a permanently higher level of resources, production, and employment in agriculture.

The second unstable element in the Hawaiian economy grows out of the Islands' extreme dependence on shipping. Repeated interruptions to shipping, primarily due to labor-management disputes in Hawaii or on the mainland's West Coast, have had temporary but substantial disruptive effects on the economic life of the Territory. Continuity of shipping, assured by governmental or other action, is necessary to avoid a retarding effect on economic development.

Postwar Growth

These problems have not kept Hawaii from achieving a remarkable record of postwar economic expansion, more than proportionate to that for the United States as a whole. This record is reflected in an unprecedented rise in the number of modern, well-equipped homes, and the rapid spread in the ownership of motorcars—from 1 car for every 7 persons in the population to a ratio of 1 to 3. Comparable growth has occurred in the per capita use of telephones and electric appliances, and in the construction of schools, highways, docks, and airports. These advances have contributed to Hawaii's rising standard of living which today compares favorably with that in the United States.

The long-range economic outlook in Hawaii is expected to resume its upward trend which was interrupted by a mild recession during July 1953 to July 1954 from the peak business levels in the spring of 1953.

In 1954, there was a mild decline of \$6 million in the value of the export of sugar and pineapples; a sharp decline in the expenditures of the Armed Forces (from \$271 million to \$237 million); and a rise in the volume of tourist trade to \$49 million. Estimates of economic activities in 1955, however, indicate that they will equal or exceed 1953 levels. Armed Forces' expenditures in Hawaii have again increased substantially. Also, sugar and pineapple harvests are running at somewhat higher levels than in 1954 and tourist trade for 1955 is estimated at over \$55 million, an alltime high.

Paralleling the expansion of the business activities that are geared to "mainland dollars," there has been a growth of community facilities and production to serve local needs. Communication, surface and air transportation, electric power,

wholesale and retail distribution, and other services for Island residents have been modernized as rapidly as resources permit. Food crops and a limited amount of construction materials also have been produced for local use.

Possibilities for Long-Range Growth

Tourist trade is the most rapidly growing segment of the Hawaiian economy today. Should this expansion continue at its present rate, it is estimated that the income from tourist trade will exceed that for the sugar industry by 1965. In recognition of its expanding economic status, research studies have been undertaken to analyze the economic factors affecting the tourist trade and to propose methods for maintaining it at a high level.

New agricultural exports in the form of flowers and foliage (made possible by air freight), papaya, tropical fruit juice concentrates, coffee, and fresh pineapple are contributing to the growth in the dollar volume of minor exports of Hawaii. To effect this expansion, it is essential that new water conservation and irrigation projects be carried forward. This is being accomplished by the "Hawaii Irrigation Authority" established in 1953. In addition, byproducts from the wastes of the sugar and pineapple industries already have been developed and new ones are being studied.

Other developments on the Islands also augur well for an expanding economy. The processing of imported raw materials (to replace more costly finished imports) is a growing industry. The Standard Oil Co. of California is planning the construction of a \$30-million refinery. And expansion of farm products for sale in the Honolulu market provides still another opportunity for growth. (Hawaii still imports two-thirds of the dollar value of the food consumed locally.)

Absorption of the Growing Labor Force

The long-run expansion in Hawaii's population and labor force raises the significant question whether the rate of economic growth in the Islands is sufficient to meet the increasing pressures for jobs.

Hawaii's birthrate in 1954 was 33.7 per thousand (16,200 live births), or about 8 percent higher than the birthrate for the United States.

Currently 6,000 students graduate from high school each year. Present enrollment in the lower grades indicates that this figure will rise to well over 9,000 by 1965 (allowing for the normal number of "dropouts").

Only about 40 percent of the high school graduates become part of Hawaii's labor force upon graduation. Half of them go on for further training and education and the remaining tenth enter military service. Most of these latter two groups, however, enter the labor force after completing their training, or upon return from military service. In addition, a high percentage of married and unmarried women in Hawaii are employed; they account for nearly a third of total employment in the Islands.

Hawaii has an extraordinarily youthful population. The census of 1950 showed that half of the people in Hawaii were less than 25 years of age; today this figure is even lower. For the Nation as a whole, the average age is slightly over 30.

Based on these data it is estimated the Islands' labor force will increase approximately 50 percent by 1970. Whether the economy can absorb this growth depends principally on the future level of defense activity in Hawaii. Assuming no significant change from the present level, the possibilities for economic growth previously described provide an assurance that production, income, and employment can be increased to make room for the growing labor force. But this growth will require broad and aggressive community support to formulate and direct programs for the development of the Island economy.

Summary of Underlying Trends

Several primary trends are evident in the expanding integration of Hawaii into the mainland markets. These are: (1) urbanization, which increasingly centers the economic activity of each Island in its principal cities; (2) a gradual unification of all Islands into a metropolitan area based on interisland air service centering in Honolulu; (3) a continued growth of Hawaii as the central Pacific port for surface and air transportation; (4) a rise in the relative importance of tourist trade, stimulated by air transportation; (5) the increasing application of scientific methods and of mechanization, spreading from the basic plantation industries into all phases of production in the

Territory; (6) increasing per capita productivity, a rising level of wages and salaries, and a resultant rise in living standards, accompanied by a change from Oriental to American modes of living; (7) a marked increase in Island government employment and services, resulting in a rising level of taxation; (8) an expanding flow of high school and university graduates into business life, creating an increasingly urgent employment problem; and (9) a growing awareness of the necessity for programs designed to create new forms of production, employment, and income.

Despite this expansion, the growth of employment in Hawaii's basic industries has been out-

stripped by the growth in Hawaii's work force. If the Islands are to provide stability of employment for the labor force of the Territory, community support for programs of economic expansion are essential. This would create still another trend—a gradual widening of the economic base by the diversification of productive effort into the following activities: a continued expansion in tourist trade; the manufacturing of more goods and the provision of more services for local use; the development of new exports; the development of byproducts in the sugar and pineapple industries; and the processing of imported raw materials to take the place of costly finished products.

“The Territory of Hawaii has four counties: Hawaii, Honolulu, Kauai, and Maui. Hawaii County is coextensive with the Island of Hawaii, Honolulu County—the legal designation of which is ‘City and County of Honolulu’—consists of the Island of Oahu (as well as a number of very small, unpopulated islands). Kauai County includes the Islands of Kauai and Niihau. Maui County comprises the Islands of Maui, Lanai, Molokai, and Kahoolawe, which is uninhabited. (Also included with Maui County is the peninsular area of Molokai officially designated as ‘Kalawao County,’ which consists only of the Kalaupapa Leper Settlement.) . . .

“Populous Honolulu County, with less than 10 percent of the land area, receives over three-fourths of the Territory's total income. By contrast, Hawaii County—the ‘Big Island’—has three-fifths of the land area of the Territory and accounts for 10 percent of total income. While the distribution of population is the main factor, contributing appreciably to Honolulu County's high share of the total income is a per capita income ranging from one-third to one-half above that of the other three counties. The latter are predominantly rural, with plantation farming by far the principal source of employment.”

Charles F. Schwartz, Assistant Chief, National Income Division, Office of Business Economics: *Income of Hawaii, A Supplement to the Survey of Current Business*, U. S. Department of Commerce, Office of Business Economics, Washington, 1953.

Characteristics of the Labor Force

EDWIN C. PENDLETON

RAPID GROWTH has marked Hawaii's population and labor force during the past several decades. The expansion in the labor force is not likely to be reversed in the near future because of the increasing annual rate of entrants to the labor market, and, compared with the United States, the younger than average age composition of both the population and the labor force.

The labor-force growth has been characterized by the relative and absolute increase of women workers and the continued fairly high participation rates, particularly for women and for lower age groups. Moreover, there has been a rapid occupational and industrial shift away from agriculture, offset by increased employment in government, services, and trade. Since civilian employment in private industry exhibits long-time stability, the influence of Federal Government activity on employment and income is outstanding.

For the half century 1900 to 1950, the total population of Hawaii increased about three and a quarter times. Population declined only in the postwar years 1948 to 1952, mainly because of the outmigration of warworkers.

TABLE 1.—Population and labor force, and labor-force distribution by sex, Territory of Hawaii, percent changes, 1910-50

Year	Percent change from 10 years earlier		Percentage distribution of the labor force		
	Population	Labor force	Total	Men	Women
1920	33.4	(¹)	100.0	87.3	12.7
1930	43.9	38.1	100.0	88.5	11.5
1940	14.9	22.2	100.0	80.6	19.4
1950	18.1	10.5	100.0	75.5	24.5

¹ Not available.

Source: Bureau of the Census.

The labor force has also grown rapidly, almost doubling from 1920 to 1950. The rate of labor-force growth has been declining sharply, however; concomitantly a noticeable shift in the sex composition of the labor force has taken place (table 1).

Age and Sex Composition

The median age of the total population was 24.9 years in 1950 compared with 30.7 years for the United States. Furthermore, for the same census year, one-half of the population was under the age of 25 compared to 41.9 percent for the United States. An age distribution of the Hawaiian labor force points up the youthful character of the population (table 2).

TABLE 2.—Percentage distribution of the labor force, by age and sex, Territory of Hawaii, 1940 and 1950

Age group	1940			1950		
	Total	Men	Women	Total	Men	Women
All ages	100.0	100.0	100.0	100.0	100.0	100.0
14-24 years.....	29.7	28.0	37.2	23.1	20.9	30.5
25-34 years.....	30.0	31.2	25.1	29.8	29.6	30.3
35-44 years.....	19.8	19.7	19.9	23.6	24.8	19.9
45-54 years.....	11.9	11.7	12.5	14.7	15.3	13.0
55-64 years.....	6.4	6.9	4.4	6.8	7.4	5.2
65 years and over.....	2.1	2.4	.9	1.8	2.1	1.0

NOTE. Because of rounding, sums of individual items do not necessarily equal 100.

Source: Bureau of the Census.

For age groups through 44 years, the percentages of participation for the total labor force as well as for men and women generally are higher for Hawaii than for the United States. For example, in 1950, 50.5 percent of all men and 60.8 percent of all women in the Island labor force were in the 14 through 34 age group, while the corresponding percentages for the United States were 41.0 and 47.4.

The important implication to be drawn from the data on the youthful composition of the population and labor force is that as the large number of workers in younger age groups move into the middle-age groups, the younger age groups will not decrease significantly. This influence is based on the present school population; the number of school separations will more than double in the next 10 years. Approximately 37 percent of those graduated from high schools enter immediately into the labor force and, within 18 months, 45 percent of the graduates are in the labor force.

For this reason, pressure for jobs will continue, if not increase. Furthermore, the absolute and relative numbers of women in the labor force are not expected to decline. This conclusion is predicated on several factors, including the traditional seasonal employment of large numbers of women in the pineapple industry and the fact that many women seek employment to improve their economic status.

Racial Composition

The Territory's racially heterogeneous population is reflected in the composition of the labor force (table 3). However, because clear-cut definitions of "racial" classifications are not feasible (many people in Hawaii have two or more "racial" strains), analysis of labor force and population problems in terms of racial composition would be misleading and confusing. Also, the data presented below do not carry any implications as to the character of employment and unemployment as far as "race" is concerned.

TABLE 3.—*Racial composition of the population and labor force, and labor-force participation rates, by race, Territory of Hawaii, 1940 and 1950*

Race	Percentage distribution				Labor-force participation rate	
	Population, 14 years and over		Labor force, 14 years and over			
	1940	1950	1940	1950	1940	1950
All races.....	100.0	100.0	100.0	100.0	100.0	100.0
Hawaiian ¹	12.3	13.6	9.5	11.1	48.1	48.5
Caucasian.....	28.3	25.3	30.9	27.3	68.1	63.9
Chinese.....	7.0	6.7	6.0	6.3	53.9	56.0
Filipino.....	13.2	12.7	17.5	15.4	² 82.6	71.7
Japanese.....	35.8	37.6	33.2	36.2	58.0	56.9
Other ³	3.5	4.1	2.9	3.7	51.8	52.3

¹ Includes part-Hawaiians.

² This rate is high because most of the Filipinos were previously imported male plantation labor. In the 1940 population, 14 years old and older, there were 6 Filipino males for every Filipino female.

³ Korean, Negro, Puerto Rican, and other Polynesian.

NOTE. Because of rounding, sums of individual items do not necessarily equal 100.

Source: Bureau of the Census.

Labor-Force Participation Rates

For purposes of viewing the actual and potential labor force in terms of job opportunities, a useful trend measure is the labor-force participation rate, or the percent of the total population in the labor force. It is significant that the labor-force participation rate for Hawaii historically has been considerably higher than that for the United States (table 4).

In 1950, the labor-force participation rate for the United States was 53.4 percent compared with 59.2 for Hawaii. Since 1920, however, the rate for Hawaii has declined more rapidly than that for the United States; for Hawaii, the decline for men was 11.6 percentage points. By 1950, this rate for men was only 0.5 percentage points higher for Hawaii than for the United States. After 1930, the women's participation rate for Hawaii increased and in 1950 was 4.1 percentage points higher than that for the United States.

An analysis of labor-force participation rates by age groups (at 10-year age intervals) shows that, for groups up to 45 years, the rates for women in Hawaii are above corresponding age-group rates for the United States as a whole. There is no indication that this relationship is likely to be reversed.

With respect to employment and unemployment trends, the implication to be drawn from these data on Hawaiian labor force participation rates is that the Island economy must have, or create, proportionately more jobs than the mainland. This is an additional reason why the rate of economic growth in Hawaii is an important problem, particularly for the private sector of the economy.

Employment-Unemployment Trends

As a result of the impact of World War II, the proportions of the total Hawaiian labor force unemployed from 1940 through 1947 were substantially below those for the United States. For

TABLE 4.—*Percentage distribution of the population by labor-force status and sex, Territory of Hawaii and the United States, 1920-50*

Labor-force status and sex	Hawaii				United States			
	1920	1930	1940	1950	1920	1930	1940	1950
<i>Both sexes</i>								
Population, 14 years and over.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
In labor force.....	66.0	63.7	62.4	59.2	55.6	54.5	52.2	53.4
Not in labor force.....	34.0	36.3	37.6	40.8	44.4	45.5	47.8	46.6
<i>Male</i>								
Population, 14 years and over.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
In labor force.....	91.0	86.1	82.7	79.4	86.4	84.1	79.0	78.9
Not in labor force.....	9.0	13.9	17.3	20.6	13.6	15.9	21.0	21.1
<i>Female</i>								
Population, 14 years and over.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
In labor force.....	22.8	21.2	30.9	33.1	23.3	24.3	25.4	29.0
Not in labor force.....	77.2	78.8	69.1	66.9	76.7	75.7	74.6	71.0

Source: Bureau of the Census.

TABLE 5.—*Civilian labor force: Average number of persons employed and unemployed, Territory of Hawaii, 1945-54*

[In thousands]

Year	Total labor force	Employed labor force	Unemployed labor force	Unemployed as percent of total labor force
1945.....	230.8	229.3	1.5	0.65
1946.....	195.0	192.9	2.1	1.09
1947.....	196.3	193.3	3.0	1.50
1948.....	196.4	186.9	9.5	4.81
1949.....	199.0	177.6	21.4	10.77
1950.....	188.3	170.6	17.7	9.40
1951.....	192.5	184.2	8.3	4.31
1952.....	195.2	186.8	8.4	4.31
1953.....	196.0	186.4	9.5	4.87
1954.....	197.3	185.5	11.8	5.96

Source: Financing Unemployment Insurance in Hawaii, 1954, prepared for the Bureau of Employment Security, Territory of Hawaii, Department of Labor and Industrial Relations (unpublished manuscript).

Hawaii, they ranged from 0.65 to 4.45 percent compared with 1.2 to 14.6 percent for the United States. From 1948 through 1954, however, the unemployment rates for Hawaii were consistently above those for the United States and in recent years showed some tendency to stabilize between 4 and 6 percent (table 5). This trend poses a significant problem for Hawaii despite the substantial rise in the level of economic activity since prewar years.¹

The unfavorable unemployment situation arises from fundamental conditions peculiar to Hawaii. These are: (1) The inability of the economy to absorb the increasing numbers of youthful entrants into the labor force in addition to a general rise in the labor force; (2) significant industry changes—primarily the impact of mechanization in the sugar, pineapple, and construction industries, which has resulted in a substantial reduction in the labor force in those industries since 1939; (3) the erratic and unpredictable level of Federal Government employment, which has been a dynamic influence in Hawaii's economy; (4) some tendency toward a decline in emigration; and (5) the marked stability of the total civilian labor force in private industry.

The long-run implication of Hawaii's stable civilian labor force is that private industry has not been absorbing, and may not absorb its share of the expanding labor force. This development imposes a greater burden on the erratic Federal Government employment sector to which the Hawaiian economy became geared during World War II. (See chart.) However, recent increases in

Government expenditures, arising from continued international tensions, and expansion of the tourist industries and service trades are expected to help meet the employment demands of the growing labor force.

Seasonal Factors

Seasonal variation in employment is not now a significant problem in Hawaii. Its industrialized agriculture is considerably more stabilized than agriculture elsewhere in the Pacific area. Plantation operations have been so organized as to lessen considerably the seasonal labor-force variation that usually marks crop production. Seasonal requirements in pineapple canning are easily met because the canning season occurs during the summer months when students are available for temporary jobs. Because of drought and lack of anticipated market expansion, the pineapple industry was not able to employ the usual number of summer workers in 1954. These statements concerning the tendency toward seasonal labor-force stability are valid despite the considerable fluctuation in monthly employment figures for pineapple canning and pineapple plantations. The seasonal labor demands are not met by large supplies of migratory seasonal labor as in many mainland areas, but by local workers who are not part of the regular labor force.

TABLE 6.—*Occupational distribution of the employed labor force, Territory of Hawaii, 1940 and 1950*

Item	Percentage distribution	
	1940	1950
<i>Class of worker</i>		
Employed.....	100.0	100.0
Private wage and salary workers.....	73.8	66.2
Government workers.....	12.1	20.5
Self-employed workers.....	10.4	11.5
Unpaid family workers.....	3.7	1.8
<i>Major occupation group</i>		
Employed.....	100.0	100.0
Professional, technical and kindred workers.....	7.3	9.8
Farmers and farm managers.....	2.3	2.6
Managers, officials, and proprietors, except farm.....	7.3	8.3
Clerical and kindred workers.....	6.5	12.4
Sales workers.....	5.2	6.5
Craftsmen, foremen, and kindred workers.....	10.5	15.5
Operatives and kindred workers.....	12.1	15.0
Private household workers.....	5.2	2.0
Service workers, except private household.....	6.6	9.8
Farm laborers (unpaid family workers).....	1.8	1.0
Farm laborers, except unpaid, and farm foremen.....	24.2	9.0
Laborers, except farm and mine.....	10.4	7.5
Occupation not reported.....	.6	.6

Source: Bureau of the Census.

¹ Income of Hawaii, U. S. Department of Commerce, Office of Business Economics, 1953 (p. 9).

The construction industry, often quite seasonal on the mainland because of climatic conditions, fluctuates over longer than annual periods in Hawaii, and reflects private and Federal Government construction requirements.

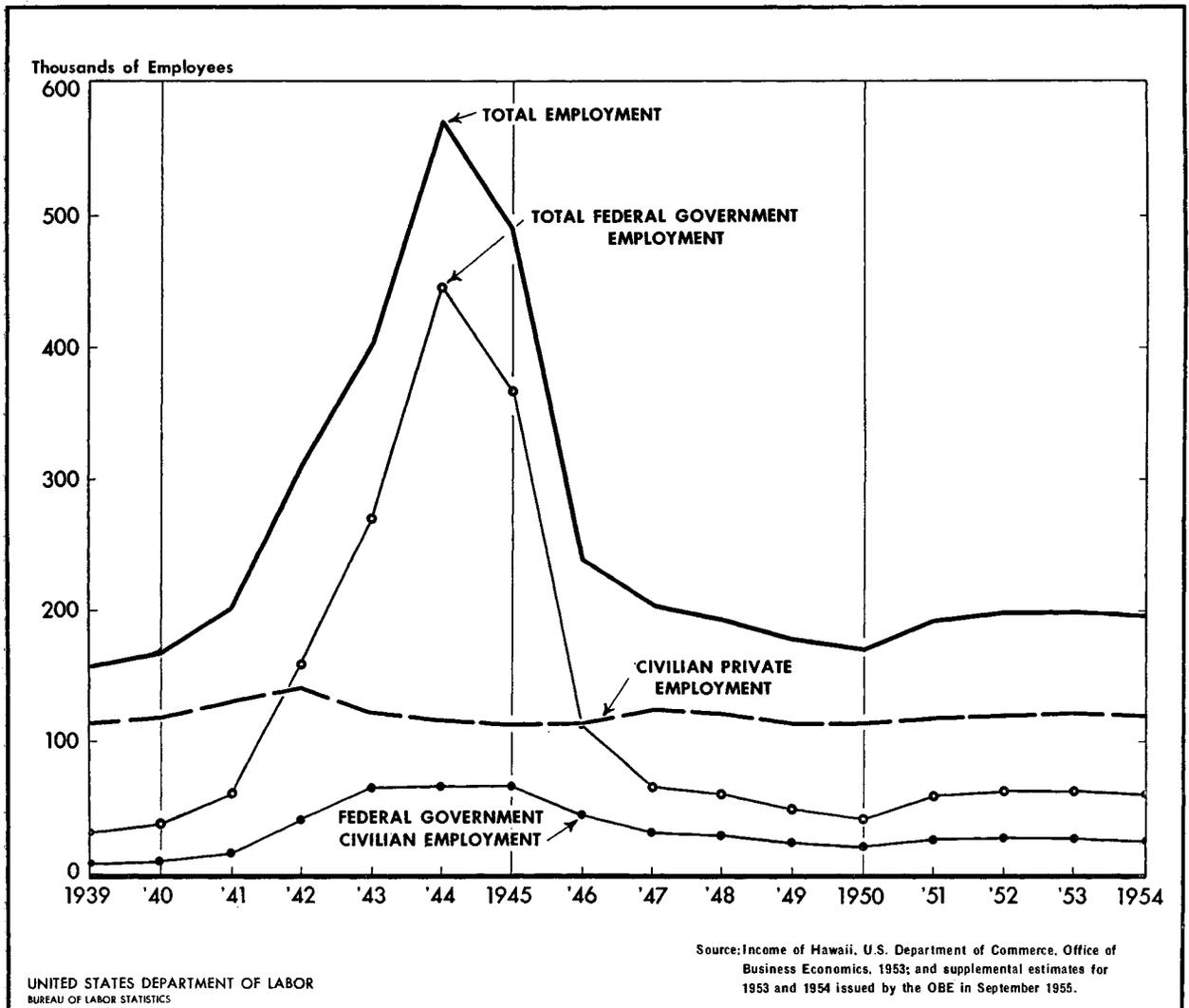
Occupational and Industrial Distribution

The major occupational and industrial shifts in Island employment are evident in census data for 1940 and 1950. (See tables 6 and 7.) These data show the following relative changes: (1) A decline

in private wage and salary workers and a rise in Government workers; (2) a very large drop in agricultural employment; and (3) a rise in employment in service industries and occupations. Employment in manufacturing, which accounts for a small proportion of Hawaii's total employment, is relatively stable. For example, in 1954, this industry group employed only about 2,000 more workers than it did in 1939.² In agriculture, employment dropped nearly 50 percent in

² Income of Hawaii, op. cit., see source reference to chart.

Total Employment, and Civilian Private and Federal Government Employment, Hawaii, 1939-54¹



¹ All figures expressed as average number of full-time equivalent employees. Full-time equivalent employment measures man-years of full-time employment of wage and salary earners and its equivalent in work performed by

part-time workers. Full-time employment is defined simply in terms of the number at hours which is customary at a particular time and place.

TABLE 7.—*Industrial distribution of the employed labor force, Territory of Hawaii, 1940 and 1950*

Major industry group	Percentage distribution	
	1940	1950
Total employed labor force.....	100.0	100.0
Agriculture, forestry, and fisheries.....	35.5	19.0
Mining.....	.2	.1
Construction.....	7.0	7.0
Manufacturing.....	10.0	12.7
Durable goods.....	1.6	3.4
Nondurable goods.....	8.4	9.3
Transportation, communication, and other public utilities.....	5.5	7.9
Wholesale and retail trade.....	14.2	18.9
Wholesale trade.....	1.7	3.3
Retail trade.....	12.5	15.6
Finance, insurance, and real estate.....	1.4	2.4
Business and repair services.....	1.9	2.5
Personal services.....	10.0	6.5
Private households.....	6.0	2.6
Personal services except private households.....	4.0	3.9
Entertainment and recreation.....	1.0	1.6
Professional and related services.....	7.4	10.0
Public administration.....	5.0	11.0
Postal service.....	.2	.4
Federal public administration.....	3.1	7.3
Territorial and local public administration.....	1.7	3.3
Industry not reported.....	.9	.6

NOTE. Because of rounding, sums of individual items do not necessarily equal 100.

Source: Bureau of the Census.

this period; those displaced from jobs in agriculture generally moved to urban areas to seek employment. Significantly, combined employment in trade, finance, transportation, utilities, and services increased 56 percent for the period from 1939 through 1954, which offset the displacement from agriculture.

From 1939 to 1954, the total civilian employment increase, for industry groups where employment increased, was nearly 52,000. Two industry segments accounted for approximately 61 percent of the total employment increase. Federal and local governments had the largest increase—slightly more than 22,000, and employment in retail trades and automobile services increased by about 9,700.

Federal Government employment has also accounted for a substantial proportion of total employment in Hawaii. For the years 1948 through 1954, the proportions ranged from 14.1 percent to 22.4 percent, although they tended to decline in recent years.

Federal employment as percent of total employment, Island of Oahu¹ (range for 12 months)

1948.....	20.7 to 22.4
1949.....	15.1 to 21.7
1950.....	14.1 to 16.8
1951.....	18.2 to 20.1
1952.....	18.1 to 19.4
1953.....	16.2 to 18.7
1954.....	15.4 to 16.6

¹ The data are shown for Oahu, because 98 percent of all Federal employment in Hawaii is on this island. For the Territory as a whole, Federal employment as a proportion of the total employed labor force has ranged from 11.3 to 12.3 percent monthly from September 1953 through May 1955, according to employment estimates of the Territorial Bureau of Employment Security.

Source: Bureau of Employment Security, Territory of Hawaii, Department of Labor and Industrial Relations.

These percentages applicable to Federal employment in Hawaii considerably exceed the United States figures for total Government employment (including local, State, and Federal workers) as a percent of the total employed civilian labor force. From 1948 to 1953, Government employment as a percent of the total employed civilian labor force in the United States ranged from 9.5 to 10.8. When State and local governments are excluded, the percentages for Government employment in the United States range from 3.1 to 3.9; thus, the

TABLE 8.—*Government employment, total and Federal, as a percent of total employed civilian labor force, United States and Territory of Hawaii, 1948-54*

Year	Total government employment (percent)		Federal Government employment (percent)	
	United States ¹	Hawaii ²	United States ¹	Hawaii ²
1948.....	9.5	27.0	3.1	³ 18.3
1949.....	9.9	25.6	3.2	15.8
1950.....	10.0	24.0	3.2	13.4
1951.....	10.4	26.7	3.7	16.6
1952.....	10.8	26.6	3.9	16.5
1953.....	10.7	26.0	3.7	15.8
1954.....	11.0	25.6	3.6	15.0

¹ Calculated from labor-force estimates, U. S. Department of Commerce, Bureau of the Census, Bull. P-57; and government employment statistics, U. S. Department of Labor, Bureau of Labor Statistics.

² Calculated from data in *Income of Hawaii*, and supplemental data, *op. cit.*, chart, source reference. Employment figures used are in average full-time equivalents. For an explanation of this measure, see chart, footnote 1.

³ These percentages are lower than those given above, which are based on monthly employment estimates for Oahu prepared by the Bureau of Employment Security, Territorial Department of Labor and Industrial Relations.

incidence of Federal employment in Hawaii since 1948 has been at least 4 times higher than in the United States (table 8).

According to the 1950 census, only 8 States showed Federal civilian employment as a percent of the employed civilian labor force exceeding 5 percent or more.³

The most volatile aspect of Federal employment in Hawaii concerns military construction and services which depend on the number of service

personnel stationed in Hawaii. Since the Federal Government in 1952 accounted for 31 percent of the total Territorial income and 36.3 percent of its total wage and salary disbursements, it is clear that the Federal Government's expenditures are crucial in problems of labor-force size and employment and unemployment potentials.

³ Arizona, 5.4 percent; California, 5.4 percent; Colorado, 5.1 percent; Nevada, 7.3 percent; New Mexico, 5.6 percent; Utah, 10.0 percent; Virginia, 5.7 percent; and Washington, 6.8 percent.

“That Hawaii should have been discovered at all by men whose only means of water transportation was the outrigger canoe and whose only device for reckoning a course was by observation of the naked eye on the sun and stars is a mystery which is likely to remain forever sealed. Whether they were driven from their native lands . . . by warfare or by violent storms or whether they sought new lands for an expanding population, the fact remains that they did discover Hawaii at a fairly early time [about 500 A. D.]. To judge by the meager data from legendary sources, the earliest settlers of Hawaii remained completely isolated for perhaps a thousand years—at least 30 generations. During the 11th and 12th centuries, Hawaii is believed to have come again within the range of Polynesian travel, and as a result of several important invasions from the south a new and aggressive people imposed their rule as well as much of their culture upon the indigenes. Several important additions to the floral and faunal resources of the region, including the breadfruit, were made during this period. In the course of the next 500 years, during which the Islands were again cut off from contact, the indigenous culture was gradually evolved.

“Not until Captain Cook's voyage in 1778 were the Islands really discovered in any sense which fundamentally affected their relations to the larger world around the Pacific. Following the publication of *Cook's Voyages* in 1784, the Islands for the first time secured a position on the charts and maps of explorers and navigators and within a few years Hawaii began to fulfill the very important function which Captain Cook had anticipated—serving as a supply and refreshment base for ships crossing the Pacific. . . . Hawaii was so located as to be among the last of the Pacific island groups to be discovered, but so strategic was its position that its settlement has been accomplished more rapidly than in the other oceanic islands.”

Andrew W. Lind, *An Island Community: Ecological Succession in Hawaii*, Chicago, University of Chicago Press, 1938 (pp. 6-7).

Working Conditions and Workers' Wages

THOMAS H. IGE

IMPROVED wages and working conditions in Hawaii today clearly reflect the great strides made in the Territory's economy, especially since 1941. From an isolated, underdeveloped economy paying a prevailing wage of "one dollar a day" for 10 hours' work, present-day Hawaii can match its labor standards with those of the continental United States.

World War II with its concentrated impact on Hawaii accentuated the economic transformation that had been taking place. By the end of the war, the Territory had become a highly unionized area; 10 years before, unions were unknown in the Islands outside of limited areas in Honolulu. In the transition, the basic agricultural industries were highly mechanized and industry generally was modernized. With existing international tensions in the Pacific area, the impact of Federal expenditures remains substantial and continues to reshape the Hawaiian economy today.

Per capita personal income in Hawaii increased from \$525 in 1939 to \$1,704 in 1954. Corresponding figures for the United States were \$556 and \$1,770. After allowance for increases in prices, taxes, and population, the real per capita disposable income in Hawaii in 1954 rose by two-thirds since 1939. Relatively, these gains were greater than for the United States in the same period.¹

The rise in income has been accompanied by marked shifts in the industrial structure of Hawaii. These changes are evident in the accompanying tabulation which shows average annual earnings per full-time civilian employee as a percent of all wages and salaries paid in Hawaii, by major industry category, in 1939 and 1954.

The Federal Government replaced agriculture as the leading source of wages and salaries paid in Hawaii. The decrease of 12.8 percentage points in the portion of the total payroll accounted for by agriculture was almost matched by the increase of 9.9 points for the Federal Government. However, agricultural workers made the largest relative gain in average annual earnings in this period. (See chart.)

Average hourly earnings in Hawaiian industry (excluding trade, construction, and services) increased almost 39 percent in the first half of 1954.² Similarly, average weekly earnings went up by 30 percent and average hours worked per week decreased by 6½ percent.

	Percent of all wages and salaries paid	
	1939	1954
All civilian industries ¹	100.0	100.0
Agriculture.....	26.4	13.6
Contract construction.....	4.1	6.0
Manufacturing.....	12.0	11.6
Wholesale and retail trade.....	15.8	16.9
Finance, insurance, and real estate.....	2.8	2.8
Transportation.....	5.0	5.1
Communication and public utilities.....	3.2	3.2
Services.....	9.4	9.5
Federal Government.....	9.2	19.1
Local government.....	12.2	12.1

¹ Data are not shown for mining, which had only 250 employees in 1939 and 210 in 1954.

NOTE.—Because of rounding, sums of individual items do not necessarily equal 100.

Source: Income in Hawaii, U. S. Department of Commerce, Office of Business Economics, 1953, table 3 (p. 19), and supplemental estimates for 1954 issued by the OBE in September 1955.

The general upward movement in the Islands' earnings and income varied by specific industry as a result of several factors, including the marked shift in the Hawaiian economic structure, as well as the extent of unionization and mechanization, and the nature of competition among industries.

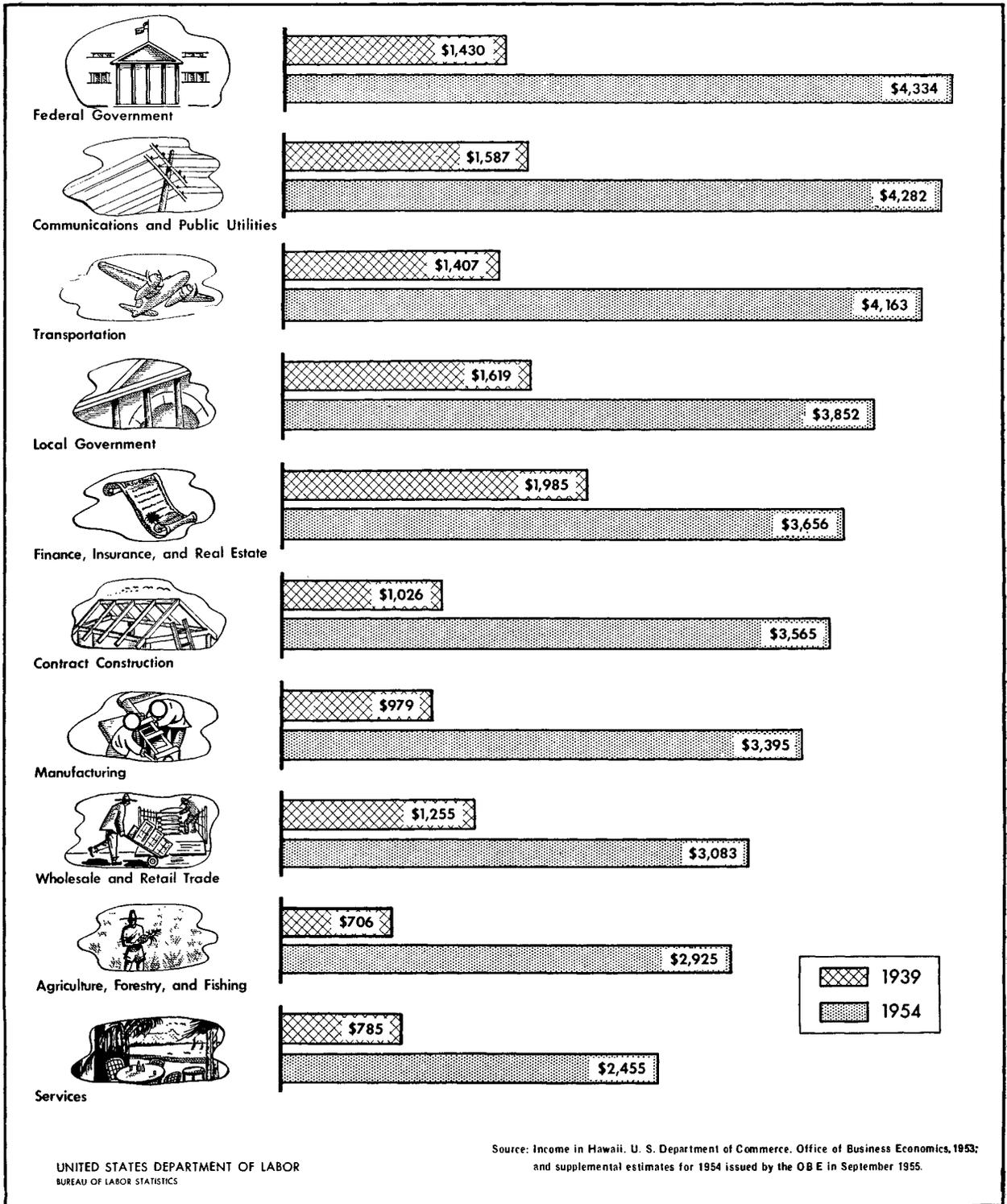
Sugar Industry

An industrywide job classification system in the sugar industry was first established in November 1946 under a contract with Local 142 of the International Longshoremen's and Warehouse-

¹ Income figures for Hawaii were taken from a comprehensive study, Income in Hawaii, U. S. Department of Commerce, Office of Business Economics, 1953. For the years 1953 and 1954, the per capita income for Hawaii was \$1,740 and \$1,704, respectively.

² Earnings and Hours in Hawaiian Industry, Hawaii Employers Council, March 1954.

Average Annual Earnings Per Full-Time Civilian Employee, by Major Industry Group or Division, Hawaii, 1939 and 1954



men's Union. With few exceptions, this basic wage structure eliminated wage differentials for comparable jobs among plantations on the various Islands. It also incorporated housing perquisites into base wage rates for the first time. The hourly rates agreed to in 1946, and corresponding rates for 1954, are listed below:

Labor grade	Hourly base rate ¹	
	1946	1954
1-----	0. 705	1. 06
2-----	. 74	1. 095
3-----	. 785	1. 145
4-----	. 83	1. 20
5-----	. 89	1. 26
6-----	. 96	1. 32
7-----	1. 045	1. 40
8-----	1. 14	1. 495
9-----	1. 25	1. 605
10-----	1. 38	1. 735

¹ Premium base rates are paid on 3 big plantations with the highest (on Waialua) being 8.5 cents more for labor grade 1. These premium rates taper off for higher labor grades with no differential at the top level. Four plantations on the island of Hawaii pay 7.5 cents per hour less than the industry-wide base rates, but provide a wage escalator tied to the price of raw sugar in the New York market.

Straight-time average hourly earnings in the sugar industry in 1954 were \$1.28 per hour; monthly data ranged from \$1.22 to \$1.35 per hour. In 1953, the corresponding range was \$1.23 to \$1.30.

Unlike agricultural employment on the mainland, the sugar industry in Hawaii has been de-seasonalized and employment, by and large, is on a year-round basis. Census data show that of all those who worked in the sugar industry in the sample year of 1949, about 83 percent worked from 50 to 52 weeks as compared with 73 percent in wholesale and retail trades; only 3.6 percent worked less than 26 weeks. The marked increase in basic wage rates (as shown in the tabulation), therefore, is reflected in annual earnings. Average annual earnings per full-time employee of sugar companies (both field and mill) rose from \$1,657 in 1946 to \$2,868 in 1952.

Twelve plantations out of a total of 26 are presently on a year-round, 40-hour workweek, with overtime after 8 hours per day and 40 hours per week. The others, with 2 exceptions, have a 40-hour workweek for 38 weeks; 1 plantation pays overtime after 40 hours for 32 weeks and the other for 26 weeks. Premium pay of 5 cents per hour is provided on all these plantations for work between 7 p. m. and 12 midnight, and 10 cents per hour for work between 12 midnight and 5 a. m.

Supplementary benefits are standardized under the industrywide agreement. Six paid holidays are provided and, in addition, time-and-one-half rates are paid for work on these holidays. The standard vacation provision is 1 week after 1 year's service and 2 weeks after 2 years with accumulation of 1 week permitted. Sick leave is provided at two-thirds pay for 12 days after 1 year's service and for 36 days after 5 or more years. A 3-day waiting period is stipulated before sick benefits begin. Benefits are also paid for the first 5 days in industrial accidents to offset the waiting period required under the Territorial workmen's compensation law. The 1955 Legislature cut the waiting period to 2 days.

Contributory medical and pension plans, also industrywide, under the agreement with the ILWU, provide liberal benefits. The medical plan calls for benefits for medical services, surgery, and all medicine given or prescribed by the company doctor, and includes consultants' or specialists' services if necessary. Minimum benefits under the pension plan are \$2 a month for each year of service with the company after the first year, with a maximum payment of \$75 per month exclusive of social security benefits.

With the rapid rise in labor costs, the sugar industry has intensified its mechanization program in order to maintain its competitive position. In addition, marginal land areas have been abandoned in favor of more intensive cultivation of the remaining arable areas. Although the number of full-time workers on sugar plantations decreased from 44,430 in 1939 to 21,415 in 1952, the physical volume of production has remained substantially unchanged. Thus, total wages and salaries paid in this period to workers in the industry more than doubled—from \$30 million to over \$61 million—and substantial improvement in working conditions were made.

The sugar industry has been almost completely unionized by the ILWU in the last decade. Unionization, however, has had a more pervasive effect on both the sugar and pineapple plantations than that indicated by the terms of the collective bargaining contracts in these industries. The pendulum has swung away from company paternalism that characterized these industries for the past 50 years and is beginning to swing from the middle ground toward one of union paternalism. Welfare benefits, provided in these contracts, are

administered largely by the union. Elaborate athletic programs previously conducted by the companies are now under union direction. In the 1955 ILWU Territorial convention, funds for setting up union centers for both business and social activities on all the major islands were approved; ventures into retail credit and discount buying for members are also under consideration.

Pineapple Industry

The 8 pineapple companies in Hawaii, with 11 plantations and 9 canneries, employed about 6,000 regular employees in 1954 and 22,000 during the peak of the harvest. Converted into its full-time equivalent, this employment amounted to over 11,000 workers. The number of regular employees has declined slightly since 1946.

Under an industrywide contract with ILWU Local 142, hourly base rates in this industry start at \$1.20 per hour for the lowest labor grade both in the plantations and in the canneries and range up to \$2.05. A 10-cent hourly differential (lower) is provided, however, for women workers in each labor grade. On the plantations, both the regular and seasonal work forces are about 95 percent men. Operations at the canneries, however, are more seasonal, and thus the large part-time work force is predominantly women. The regular work force, about 2,000, is composed primarily of men in the semiskilled and skilled groups. Thus, average hourly earnings for regularly employed men workers in the canneries are much higher than on the plantations which employ mainly unskilled labor.

During the last 10 years, the wage differentials that have existed among pineapple plantations on the Islands have been virtually eliminated and the differentials between earnings of cannery workers, who are mostly city residents, and the rural plantation workers, have been narrowed. In 1954, average hourly earnings of \$1.48 on the pineapple plantations compared with the \$1.28 average on the sugar plantations.

Supplementary wage practices in the pineapple industry are substantially similar to those previously described for the sugar industry. The fact that the ILWU Local 142 bargains for employees in both industries tends to standardize their work conditions. Because of the highly seasonal work requirements in the pineapple industry, however,

the regular 40-hour workweek is not applied during 14 weeks of the peak season. During this period, overtime is paid after 44 hours per week. Premium pay of 5 and 10 cents per hour is provided for second and third shifts, respectively, during the busy season.

Building and Construction

The construction industry, with approximately 9,000 workers and over 800 employing units, is almost completely nonunionized in Hawaii. The 213 members of the General Contractors Association who employ the bulk of these workers set the pattern of basic wage rates. These rates generally coincide with the minimums required under the Davis-Bacon Act as applied to thousands of workers on Federal projects in the Islands (table 1). For jobs or trades that cut across industry lines, however, the rates spread substantially.

TABLE 1.—Hourly job rates established under Davis-Bacon Act and by General Contractors Association and median rates for all industries, Territory of Hawaii

Selected job classifications	Job rates	All industries ¹ (median rates)
Carpenters.....	\$2.10	\$1.76
Electricians.....	2.45	1.82
Machinists.....	2.18	1.82
Painters, brush.....	1.85	1.71
Plumbers.....	2.45	1.71
Sheet-metal workers.....	2.40	1.925
Truckdrivers (5-10 tons).....	1.73	1.45
Welders.....	2.18	1.71
Highlift operators.....	1.68	1.38
Labor, common.....	1.35	1.15

¹ Pay Rates in Hawaii, Hawaii Employers Council, January 1955.

Longshore Industry

Hourly wage rates in the longshoring industry, one of the earliest to be organized in Hawaii, have advanced more than in other industries. The straight-time hourly rate of 70 cents in 1941 increased to \$1.30 by the end of 1946 and reached \$2.16 in June 1955. In 1941, the longshore hourly rate obtained by ILWU locals on the mainland's West Coast exceeded that in Hawaii by 30 cents an hour. The differential was reduced to 22 cents by the end of 1946 and to 11 cents in 1955. The differential has narrowed from about 40 percent in 1941 to 5 percent in 1955. Thus, the ILWU's long-sought-after wage equality with the West Coast longshore industry appears to have been almost achieved. The skill differentials for longshoremen, winch drivers, hatch tenders, leadermen,

gang foreman, and other jobs likewise closely approximate West Coast longshore standards.

Supplementary wage practices in the Hawaiian longshore industry, including penalty cargo differentials, call-in pay, overtime payments, shift differentials, and vacations with pay also have been keyed to practices prevailing in the ports of San Francisco, Los Angeles, and Seattle. Patterned after longshore industry practices throughout the United States, health, welfare, and pension plans have also been strongly emphasized in Hawaii in recent years. A comprehensive medical plan was established in 1952 on a contributory basis and subsequently underwritten by the New York Life Insurance Co. A noncontributory pension plan was also negotiated in the same year. The plan provides, among other things, a minimum monthly pension of \$75 (exclusive of social security benefits) at 65 after 25 years of credited service.

Clerical Workers

Compensation for clerical workers varies greatly from industry to industry and even within firms in the same industry. The dispersion around the median monthly salary for these workers is considerable for each job classification listed in table 2. The great bulk of these jobs are located within the city limits of Honolulu; unionization among white-collar workers is virtually nonexistent.

A 5-day workweek for officeworkers is the prevalent practice in Hawaii. Only 12 out of 118 firms in a recent survey³ had a regular workweek for officeworkers exceeding 40 hours. Overtime is generally paid after 40 hours of work. Paid holiday provisions appear to be more liberal for office workers in Hawaii than on the mainland, with 10, 11, and 12 holidays with pay frequently provided.

TABLE 2.—Salaries of selected clerical jobs in the Territory of Hawaii, 1954

Job classification	Median monthly salary	Middle 50 percent of range
Senior account clerk.....	\$370	\$315-\$438
Account clerk.....	250	210- 305
Order clerk.....	237	188- 284
Stock clerk.....	258	215- 294
Cashier.....	222	175- 265
Bookkeeping-machine operator.....	254	215- 298
Switchboard operator.....	265	234- 265
Secretary.....	322	285- 365
Stenographer.....	268	240- 300
Senior typist.....	240	203- 278
Senior clerk.....	325	272- 375

Source: Pay Rates in Hawaii, Hawaii Employers Council, January 1955.

Pension and medical plans cover most of the Territory's officeworkers.

Summary

Wages and working conditions in Hawaii today compare favorably with those in the United States. Although sugar and pineapple are the primary export industries in Hawaii, Federal Government employment is becoming increasingly important. Improved labor standards have led generally to increased labor costs and have spurred rapid mechanization in basic industries. Advancing technology has caused a shift of workers to distributive and service industries as well as to Government employment. The continued high level of Federal expenditures in the Islands has cushioned the impact of the employment transfers. Workers retained in the highly mechanized sugar and pineapple industries have shared in the increased productivity and made substantially greater gains proportionately than other workers in recent years. With closer economic ties to the continental United States, wages and working conditions in Hawaii will increasingly be patterned after prevailing practices on the mainland.

³ Pay Rates in Hawaii, Hawaii Employers Council, January 1955.

"A little over 20 years ago, in 1900, a young Harvard graduate interested in agriculture came to Hawaii. His name was James D. Dole, son of a well known Unitarian minister near Boston. He had the vision to see the possibilities in canning pineapple and organized a modest little company capitalized at \$20,000, with 12 acres of pineapple plantation. The first year's output was 1,893 cases."

Albert W. Palmer, *The Human Side of Hawaii—Race Problems in the Mid-Pacific*, Boston and Chicago, Pilgrim Press, 1924 (pp. 100-101).

Labor Legislation and Enforcement

ROBERT SROAT AND RUTH W. LOOMIS

HAWAII'S LABOR LAWS generally have been patterned after labor legislation in the continental United States. For example, the Hawaii wage and hour and child labor laws generally parallel the Fair Labor Standards Act; the Federal Davis-Bacon Act and 8-hour law provided the pattern for a combined "little Davis-Bacon Act." The Hawaiian laws were enacted only a few years later than their Federal counterparts despite the many factors which retarded their development.

Situated over 2,000 miles from the mainland, workers in the Islands were not affected significantly by the notable growth of union organization in the United States during the early 1900's. For the most part, the Island labor force was engaged in agriculture and related activities. It was composed of a heterogeneous mixture of races, principally Oriental, who had come from countries in which working conditions were primitive, hours were long, and wages were low. By contrast, working conditions in Hawaii were comparatively advanced, thus lessening the pressures for social legislation.

With the growth of communication and transportation facilities, however, Hawaii gradually was transformed from an isolated insular community to an integral part of the larger and more complex economy of the United States. Advertising Hawaii as a vacation resort brought not only the tourist trade but mainland unions. Additionally, a new labor force emerged; it was comprised of children of the immigrant workers, who were Americanized and citizens. Educated in American schools, the new workers became conscious of rights and equality. Various labor laws enacted by Congress were made applicable to Hawaii. Finally, agriculture became indus-

trialized and its workers were unionized. All of these developments provided the impetus to the enactment of a body of laws beneficial to labor by recent Territorial Legislatures. These laws are surveyed briefly in this article.

Wage and Hour Law

The wage-hour law sets a maximum 48-hour week for purposes of overtime compensation as well as a 75-cent hourly minimum wage for the island of Oahu and a 65-cent minimum for the other islands in the Hawaiian chain. When hours over 48 are worked in 1 week, compensation of one and one-half times the regular rate is required. Also, all split shifts must fall within 14 consecutive hours, except in an extraordinary emergency.

Specific exemptions exclude from the law's coverage employees having a guaranteed salary of \$350 or more per month; employers in agriculture with less than 20 workers in any 1 work-week;¹ or domestic employees in and about a private home. The law further excludes individuals employed by certain members of their family; those who are in bona fide executive, administrative, supervisory, or professional capacity; outside salesmen and outside collectors; and those employed in the fishing industry except in the canning of fish. It also exempts employees already subject to the Fair Labor Standards Act and such groups of workers as seamen, taxicab drivers, golf caddies, and students employed by a nonprofit school. All other employees, both men and women, minors or adults, are benefited equally under this law.

The original wage and hour law, which became effective April 1, 1942, provided a 5-cent hourly differential between the minimum rates applicable to Oahu and to the other Hawaiian Islands—25 cents and 20 cents, respectively. In 1945, a uniform minimum rate of 40 cents was established for all the Islands. Legislative action in 1953, however, reestablished an hourly differential—65 cents for Oahu and 55 cents for the other Islands. This differential was maintained when the 1955 Legislature increased the rates in these areas to 75 cents and 65 cents, respectively. Changes in

¹ Employers in industrialized agriculture (those employing 20 or more workers) were excluded until July 1, 1945, when they were made subject to the statute. At that time an estimated 28,000 island agricultural workers were covered under the law.

the minimum rates can only be made by the Legislature; the statute does not provide for increasing the minimum rates through administrative wage orders or wage board procedures.

The law is administered by the Wage and Hour Division within the Bureau of Labor Law Enforcement of the Department of Labor and Industrial Relations. In addition to the main staff of field inspectors located in the central office on Oahu, 1 inspector is located in each of the branch offices located on the 3 major islands—Hawaii, Maui, and Kauai. From the Maui office, itinerant services are provided to the islands of Molokai and Lanai.

Enforcement features of this law are of 3 types: (1) criminal penalties for willful violations (maximum \$500 fine or 90 days' imprisonment, or both); (2) injunction proceedings brought by the Director of Labor and Industrial Relations; and (3) suits for the recovery of unpaid wages and overtime pay which may be brought by the interested employees or by the Director in their behalf; in the latter instances, attorneys' fees or court costs are supplied to the employees without charge.

In the 13 years of enforcement of this law, from April 1, 1942, to April 1, 1955, \$534,900 in back wages were recovered by the Wage and Hour Division for distribution among 6,471 male and 6,634 female employees. Minimum-wage violations accounted for \$245,000 and overtime violations for \$289,900 of the amount recovered. During the early years of enforcement some type of violation was found in more than 40 percent of the inspected establishments with covered employees. However, violations have declined steadily since; only 10 percent were in violation during the last fiscal year.

Child Labor Law

The child labor law bars work for minors under age 16 if they are legally required to attend school, and under 14 whether or not school is in session, with a few exceptions. It requires all employers of minors under 18 years of age to secure an employment certificate issued by the Department of Labor and Industrial Relations, to retain the certificate during such employment, and to return it upon termination of employment.

The Department may refuse certification, or may revoke a previously issued certificate, if the work is deemed hazardous to life and health, contributes to delinquency, or if the certificate was improperly issued originally. No minor under 16 may work with power-driven machinery, after 6 o'clock in the evening, or in any occupation deemed hazardous. No specific hazardous occupation orders have been promulgated, and this aspect of the law is left to the discretion of the issuing officer.

Three types of employment are specifically exempted from the restricting provisions of the law: work in domestic service in a private home; work in connection with the sale and distribution of newspapers; and work done solely for a parent or guardian by a minor, if it is performed when the minor is not legally required to attend school.

Any willful violation of the law is a misdemeanor, punishable by a fine not to exceed \$1,000 or by imprisonment for not more than 6 months, or both.

The law permits children under 14 to be employed in the entertainment field under regulations prescribed by the Commission of Labor and Industrial Relations.² Thus, the Commission has adopted a theatrical employment regulation which governs the employment of all minors in gainful occupations such as dancers, singers, musicians, entertainers, or motion picture or theatrical performers. This regulation sets the hours for employment of minors under 16 in these activities, but forbids such employment on premises where liquor is served or sold.

Administrative policies prohibit the employment of minors under 16 in bowling alleys, and boys under 16 and girls under 18 in penny arcades and similar places of amusement.

The Department has issued a total of 156,903 child labor certificates from January 1, 1940, the effective date of the law, to June 30, 1954. In the fiscal year 1939-40, 3,951 certificates were issued. The number rose to a peak of 20,929 in fiscal 1945-46 under the impact of the war manpower shortage in the Territory, but declined to 5,746 in fiscal 1953-54. In the last 5 fiscal years, certificates have averaged 6,270 annually.

² A 5-man group within the Department of Labor and Industrial Relations. It sets major policies, formulates rules and regulations, and appoints the Director of the Department.

The Department has been designated by the U. S. Department of Labor as issuing authority for child-labor certificates for all industries in the Territory covered under the Fair Labor Standards Act. Most of the employed minors are in the canning industry, which is covered under the Federal law. No violations of this act have been reported in the Territory. Primarily, this record has been the result of good voluntary compliance but in the early period following the act's passage, rigid enforcement was an important element.

Wage Claim Law

The wage claim statute, effective January 1, 1940, authorized the Director of the Department of Labor and Industrial Relations to accept wage claims by employees in the amount of \$200 or less and to effect their settlement. A series of statutory amendments has raised this limitation to claims of \$500 or less, as of July 1, 1955.

Enforcement is accomplished largely through conference between the parties concerned, with a Department representative acting as mediator. If necessary, use is made of the legal staff of the Department and the courts. The Department has also invoked the mechanic's lien law in pertinent cases. A new law,³ not yet tested, is expected to prevent employers who are financially irresponsible or dishonest from being chronic violators of the wage claim law. It calls for the securing of judgment on unpaid claims and, if payment is not made within the following 30 days, the enjoinder of the employer from further business activity until the judgment is satisfied.

From the inception of the law on January 1, 1940, to July 1, 1954, the Department has accepted 3,624 claims amounting to about \$287,400 and has secured settlement in the amount of \$228,300, or 79.4 percent.

From 1941 to 1954, both the number and amount of claims accepted by the Department increased steadily. In fiscal 1940-41, 133 claims amounting to \$4,376 were accepted, compared with 372 claims totaling \$34,334 in fiscal 1953-54.

Commercial Employment Agency Law

Aside from licensing provisions, the principal feature of the act regulating commercial employ-

ment agencies is the restriction of maximum fees. When the law went into effect on January 1, 1940, it limited the maximum fee to 10 percent of the first month's wages. However, an amendment to the law, effective May 20, 1955, specifies that if the first month's wages are \$100 or less, the maximum fee permitted is 10 percent; if the monthly wages are \$100.01 to \$150, the maximum is 15 percent; and if they exceed \$150, the maximum is 20 percent.

At present, five private commercial employment agencies are in operation, usually as an adjunct to another business, since the hitherto low maximum fee and the free placement services available at the Territorial employment agency dictated marginal operation of these private agencies. What effect the new scale of maximum fees will have is not known, but it is believed that the majority of the job placements will be in the \$150 or more monthly wage category.

Emigrant Agent Act

In 1950, an agent recruited workers to work on the lettuce farms in Salinas, Calif. On some of the farms, the workers found that wages and working conditions differed greatly from those promised by the agent. This incident centered attention on the need to protect local workers from similar exploitation and, in 1951, the Emigrant Agent Act was enacted.

The statute defines an emigrant agent as any person "engaged in soliciting, inducing, procuring, or hiring workers to go beyond the limits of the Territory, for the purpose of seeking or accepting employment." Each agent is required to obtain a license which is issued only after he complies with detailed regulations intended to insure that each recruited worker is informed of the exact terms and conditions of the employment offered to him. To effectuate these regulations, each agent is required to file with the Director of the Department of Labor and Industrial Relations a bond of \$5,000 which stipulates that the agent will comply fully with the act's provisions and regulations. The bonding requirement is waived when the agent is recruiting workers only for employment in the performance of a contract with the United States or its States or Territories.

³ Act 26, effective July 1, 1955.

Minors are further protected by a provision in the law that requires guaranteed return transportation to the point of hire.

Nine licenses are presently outstanding, and compliance, by and large, has been good. The Department has been called upon infrequently to intercede against the agents.

Public Works Act

Act 133, a "little Davis-Bacon Act," became effective on August 14, 1955. Like its Federal counterpart, it sets prevailing rates, to be determined by the Director of the Department of Labor and Industrial Relations, for laborers and mechanics at the job site on all public construction contracts to which the Territory of Hawaii, the City and County of Honolulu, or any other county is a contracting agency. It also provides overtime compensation at one and one-half times the employee's basic hourly rate after 8 hours daily or after 40 hours weekly.

Enforcement of the act is the joint responsibility of the governmental contracting agency and the Department. Either agency may require payment of wages or overtime compensation found due to laborers or mechanics on contracts to which the law is applicable. To date, the Department has had no enforcement experience under the statute. Moreover, it has not yet fully determined the scope of the problem its enforcement will encompass.

Workmen's Compensation Act

Enacted in 1915, this law provides compulsory coverage for all employees engaged in gainful business or agriculture, regardless of the nature of their work. Compensation payment for industrial injuries is secured by policies obtained from private insurance carriers for 8,693 subject employers; an additional 80 employers subject to the law are authorized as self-insurers. Government workers are covered on the same basis as private employees. Since its constitutionality was upheld by the Hawaii Supreme Court 2½ years after its enactment,⁴ the law has been subject to numerous amendments, but its basic provisions have remained unchanged.

As a result of amendments effective July 1, 1955, benefits are among the most liberal in the

Nation. Weekly compensation is set at two-thirds of the employee's average weekly wages up to a maximum of \$50, with total compensation limited to \$20,000. Medical treatment is unlimited as to time and amount. A 2-day waiting period is required before compensation is paid for temporary-total disability, but if the disability continues for more than 7 days, compensation is paid from the first day. Should permanent-total disability continue after a worker has received the full \$20,000, he receives half of the weekly compensation from a special compensation fund maintained with payments of \$2,000 by the employer for each death case in which there are no dependents. Other expenditures from this fund are made for second injury payments, attendants' allowances for totally disabled workers, purchase of accident-prevention equipment and educational material for the teaching of safety, and rehabilitation of injured workers to the extent of \$1,000 for any one person.

Interpretations of the act by the Supreme Court have ranged widely over almost all its provisions.⁵ The latest decision of the Supreme Court on the subject of workmen's compensation deals with causal connection between conditions under which work is performed and a cerebral hemorrhage.⁶

Until 1940, administration of workmen's compensation was the responsibility of Industrial Accident Boards appointed by the Governor for each county. In that year, the Bureau of Workmen's Compensation was established within the newly created Department of Labor and Industrial Relations with responsibility for the administration of the law. The Industrial Accident Boards were given the sole function of reviewing awards on appeal.

⁴ *Anderson v. Hawaiian Dredging Co.*, 24 Haw. 97.

⁵ Accidents "arising out of" employment: *Honda v. Higa*, 33 Haw. 576; *Asaeda v. Haraguchi*, 37 Haw. 556.

Contracting out: *In re Gonzales*, 31 Haw. 672.

Damages: *Reinhardt v. County of Maui*, 23 Haw. 524.

Death benefits: *Morita v. Hawaiian Fertilizer Co.*, 27 Haw. 431.

Dependents: *In re Pioneer Mill Co.*, 31 Haw. 814; *Zarate v. Allen & Robinson*, 32 Haw. 118; *In re Lee Yit Kyau Pang*, 32 Haw. 699.

Furnishing of medical care as evidence of notice to employer: *Abdul v. American Factors*, 32 Haw. 503.

Independent contractor: *Tomondong v. Ikezaki*, 32 Haw. 373.

Wages: *In re Martin*, 33 Haw. 412; *Forrest v. Theo. H. Davies & Co.*, 37 Haw. 517.

⁶ Recognizing that some jurisdictions follow a rule that unusual strain or exertion must be established in such cases, the Hawaii court, although failing to find a causal connection in the matter before it, adopted the view that to constitute an "accident" within the meaning of the act, a claimant need only establish that either the cause of the injury was accidental in character or that the effect suffered by him was the unforeseen result of performance of his routine duties.

Labor Relations: Pattern and Outlook

HAROLD S. ROBERTS

THE EARLY HISTORY of labor organization in the Territory of Hawaii is similar to that of any community where the imported foreign worker sought the haven of a new country to improve the conditions under which he and his family lived. In Hawaii, the imported workers, who were recruited under the prevailing contract labor system, were predominantly of Oriental origin. The three major racial groups that came to Hawaii to work on the sugar plantations and help build the community were Chinese, Japanese, and Filipino. Although the definitive book on the historical development of the labor movement in Hawaii has yet to be written, comprehensive examinations of the development of labor organization are available.¹

Development of the Labor Movement

With the first reported commercial export of sugar from Hawaii in 1837 and the first strike at Koloa on the Island of Kauai in 1841 for a 25-cent-per-day wage, the impact of labor upon the Territory's economy was established. The passage of the Master and Servants Act of 1850 instituted the system of contract labor. The act permitted the sugar planters to import Oriental labor, thus assuring them a cheap, continuous labor supply. At about the same time, an employers' organization, the Royal Hawaiian Agricultural Society, was formed. It was reorganized about 1895, as the Hawaii Sugar Planters' Association, which was concerned primarily with the varied needs of the industry, and only incidentally with the problems of labor supply.

Following the annexation of Hawaii by the United States in 1898 and the adoption of the

Organic Act of 1900 which established the Territorial form of government, contract labor was prohibited and employers were no longer able to enforce such contracts. As a result, many Japanese laborers in Hawaii moved to the West Coast of the United States. Approximately 6,000 relocated in 1904 and 10,000 in 1905 and, by 1907, about 40,000 had left Hawaii. Immigration of Japanese to the United States and to Hawaii was curtailed, however, following negotiation of the "Gentlemen's Agreement" and enactment of the Immigration Act of 1907.

Although the reports by the United States Commissioner of Labor in the early 1900's show organization of boilermakers, plumbers, blacksmiths, carpenters, and bricklayers in Hawaii, union membership was relatively small and largely ineffective. These early unions restricted their membership to "white" workers, i. e., Caucasians, and excluded the local "Oriental," i. e., Chinese and Japanese. Some early organizational progress was made in 1903 with the formation of the "Federation of Allied Trades" which attempted to protect job security against Oriental competition. In 1905, the "Japanese Reform Association" was established with the aim of preventing discrimination against the Japanese immigrants.

The first major efforts directed to eliminating some of the wage inequities claimed by the workers were made in 1908. In that year, the "Higher Wage Association" was formed. Later, it called a strike (under the slogan of "equal pay for equal work") to obtain higher wages to offset rising prices and eliminate wage differentials between Caucasian and Oriental workers.

World War I prosperity and the high bonuses paid to workers to offset the inflated price of sugar kept labor demands to a minimum. With the end of the war, however, labor sought to reduce hours of work, increase basic wages, obtain overtime pay, and incorporate the wartime bonuses

¹ Edward Johannessen, *The Labor Movement in Hawaii*, M. S. thesis, Stanford University, 1950; Richard A. Liebes, *A Study of the Efforts of Labor to Obtain Security Through Organization*, M. A. thesis, University of Hawaii, 1938; C. J. Henderson, *Labor: An Undercurrent of Hawaiian Social History* (*in* Proceedings of the Sociology Club, University of Hawaii, Vol. 13, 1951); Mark Perlman and John B. Ferguson, *Labor, Trade Unionism, and the Competitive Menace in Hawaii*, University of Hawaii, Industrial Relations Center, 1952; James H. Shoemaker, *Labor in the Territory of Hawaii, 1939*, and *The Economy of Hawaii in 1947*, (U. S. Department of Labor, Bureau of Labor Statistics Bulls. 687, 1940 and 926, 1948); and Arnold L. Wills, *History of Labor Relations in Hawaii* (*in* Labor-Management Relations in Hawaii, University of Hawaii, Industrial Relations Center, 1955, bibliography, pp. 61-62).

into the basic wage structure. Two organizations were formed in 1919-20—the Filipino Laborers' Association, under Pablo Manlapit, and the Japanese Federation of Labor. The Filipino group struck first, on January 19, 1920, but returned to work by February 10 after eviction from company houses. The strike called on February 8, 1920, by the Japanese Federation and involving approximately 7,000 workers, ended unsuccessfully on July 1 because of the failure of the 2 labor organizations to work together, the flu epidemic, the eviction from company houses, and the effective opposition of the employers.

In 1924, Manlapit's organization lost a strike for the 8-hour day, a \$2-per-day wage, and the incorporation of wartime bonuses into base rates. Reasons for the failure were apparent in the existing economic and labor environment. The 1920's on the mainland were characterized by the spread of the open shop and welfare unionism. Similarly, under Hawaii's plantation system, housing facilities, medical services, recreational needs, and similar benefits were provided by the employers, thus permitting them to exercise substantial community control. As on the mainland, the unions fought this "paternalism" on the basis that it was inimical to the independence of employees.

The stranding of substantial numbers of unionized seamen in Hawaii following strikes in 1934 and 1936 on the mainland's West Coast created favorable conditions for the organization of workers in the Territory. Approximately 1,200 seamen were stranded after the 1936 strike, which lasted 98 days.

Concomitantly, the National Labor Relations (Wagner) Act, passed in 1935 to protect the rights of employees to organize and bargain collectively with their employers, helped to provide a foundation for later organizational efforts in Hawaii. The first National Labor Relations Board consent election under the act was held on October 10, 1940, at the McBryde Sugar Plantation and involved Local 76 of the CIO Cannery Workers. This election resulted in the first collective bargaining agreement, signed August 6, 1941, in the sugar industry. The first waterfront agreement was signed with the International Longshoremen's and Warehousemen's Union on June 12, 1941.

The establishment of military controls following the outbreak of World War II led to Federal Government restrictions on the mobility of the labor force and to wage controls; both actions helped to create resentment among the workers. After the controls were lifted in 1944, union organizing efforts were highly successful. Almost overnight the labor community found itself organized by the ILWU.²

In 1945 alone, 75 elections involving 14,000 workers were held in Hawaii. Eleven thousand of these votes were for representation, and only 752 were against. By 1946, the ILWU felt strong enough to call a strike in the sugar industry. The work stoppage began September 1, lasted for 79 days, and involved approximately 21,000 workers. Although the union did not achieve all of its demands, it obtained a substantial wage settlement—primarily through conversion of worker perquisites into the basic wage. The ILWU which had considered the perquisite system to be one of the major factors tying the worker to the plantation, hailed the strike as a victory and a sign of its growing strength. It claimed that its members had cast 15,400 votes favoring the strike, and that only 100 were opposed.

The union's strength was also tested in strikes which occurred in the stevedore industry in 1949 and in the pineapple industry in 1947 and 1951. The 1949 strike involving waterfront workers attempted to establish the principle of new contract term arbitration and to achieve wage parity with waterfront workers on the mainland's West Coast. The 1947 strike against 8 pineapple companies also involved the wage issue. The 1951 strike was directed against the Hawaiian Pineapple Co. over the issues of industrywide bargaining and union security.

Thereafter, relationships between the ILWU and the major employers in Hawaii were ostensibly quiescent until a dispute flared in the summer of 1955 at the Onomea Sugar Co. Some observers explained the lack of overt conflict on the basis that the union needed to stabilize its position in Hawaii in order to meet the competitive pressures from the Sailors' Union of the Pacific (AFL) and the Teamsters Union (AFL), both on the West Coast.

² The ILWU (Ind.) was expelled from the Congress of Industrial Organizations on August 29, 1950, on charges that it was Communist dominated.

Labor Relations in the Sugar Industry

The 1955 dispute which occurred when the Onomea Sugar Co. laid off 35 hand weeders reflected the basic shortcomings of an "armed truce" collective bargaining arrangement. On May 30, 530 employees of the company walked off the job protesting the layoff action. In the background of the dispute was the rejection by employers in the industry of the ILWU's demand to negotiate an adequate industrywide "severance pay" provision on the ground that the current industrywide contract was not due to expire until January 31, 1956. Allan S. Davis, president of the Hawaiian Sugar Planters' Association, accused the union of "flagrant" violations of its contract. "The union" he said, "gave . . . assurance [against strikes] in a written contract in return for substantial benefits granted by the companies to the employees and the union. The union has since seen fit to disregard its pledge, not once but a number of times, and has flagrantly violated the contract agreements dealing with layoffs due to job elimination and the handling of grievances."³

Davis continued: ". . . if contracts can be broken by the ILWU with impunity at times and places of the union's own choosing—such as at Onomea—then no segment of the industry is safe from these unwarranted and destructive tactics." In a similar vein, the 1954 Annual Report of the Hawaii Employers Council previously had pointed out that although the number of man-days idle due to strikes was the lowest since 1945, 16 strikes had occurred in the Territory in 1954. Eleven of these had been initiated by the ILWU, according to the report, and ". . . 10 of these were in violation of no-strike clauses in the contracts."

Jack Hall, ILWU Regional Director for Hawaii, in a Labor Day address, replied to the accusation by Davis. He said:

An examination of each of the so-called 11 "illegal" strikes in the sugar industry since March 1954 shows that with two exceptions—the lockout at Naalehu and the walkout at Onomea—all were minor and of an inconsequential nature . . . The 11 walkouts were spontaneous ones. In practically every case the men were disciplined for the claimed violation of the agreement, as provided in the agreement, usually by suspension from work . . . the [employers] talk about these very minor disturbances as if they rocked the financial foundations of the industry.

Leading representatives in the sugar industry subsequently commented on labor-management relations in the sugar industry, noting some improvements and the existence of good relations in certain plantations but also that these instances were exceptional. R. G. Bell, vice president and general manager of Alexander & Baldwin, Ltd., stated that—

. . . the isolation and interdependence of the average plantation community has created some social problems which, under the [ILWU'S] leadership, have been brought into the economic area for the purpose, I believe, to make it more difficult for them to be solved. Why should this be so? Apparently to create sources of potential conflict which can be brought to light as needed to create grievances which in turn help to create militancy and dependency on the union.⁴

J. E. Russell, president, T. H. Davies & Co., Ltd., pointed out that "in some areas of their jurisdiction, relations with the ILWU have improved," and that there was "real hope of achieving compatibility in the future." However, he questioned the union's basic attitude toward employers:

The major stumbling block is uncertainty as to the policy of the [ILWU] . . . which represents employees in the sugar industry.

In 1948, Mr. Harry Bridges made the following statement before a committee of the United States Congress: "It is our . . . policy . . . that they (union members) can't trust an employer, that if they depend upon an employer for *any* type of security [and] fair treatment, they'll get stung and that is what we tell them."

He also told that committee that the interests of the workers and those of the employers are *always* adverse and antagonistic; that there was, therefore, no common meeting ground, no basis for any permanent mutually satisfactory agreement.

That does not sound as though the ILWU was interested in *any* sort of compatibility at that time. Remember, he wasn't talking about any *particular* employer. He was talking about all employers . . .

I think that . . . this kind of attitude is a serious obstacle, not only to our sugar industry, but to the entire future progress of Hawaii.⁵

Sugar industry spokesmen also discussed the industry's economic position in the light of pending wage negotiations. A. G. Budge, president

³ Statement in the (Honolulu) Advertiser, June 25, 1955.

⁴ ILWU broadcast over station KHON, Honolulu, September 9, 1955.

⁵ Speech delivered to West Honolulu Rotary Club, September 2, 1955 (p. 8).

⁶ Speech delivered to Main Kiwanis Club, September 1, 1955 (pp. 8-9).

of Castle & Cooke and second vice president of the Hawaiian Sugar Planters' Association, said: "The industry is in no position to pay more either directly or indirectly to labor without hazarding its future. This is unfortunate, but true."⁷ G. W. Sumner, president of American Factors and first vice president of the Hawaiian Sugar Planters' Association, did not quite rule out any wage adjustment, but noted that ". . . we cannot make concessions beyond what prudent business judgment dictates. If we have to say 'No', we will mean it."⁸

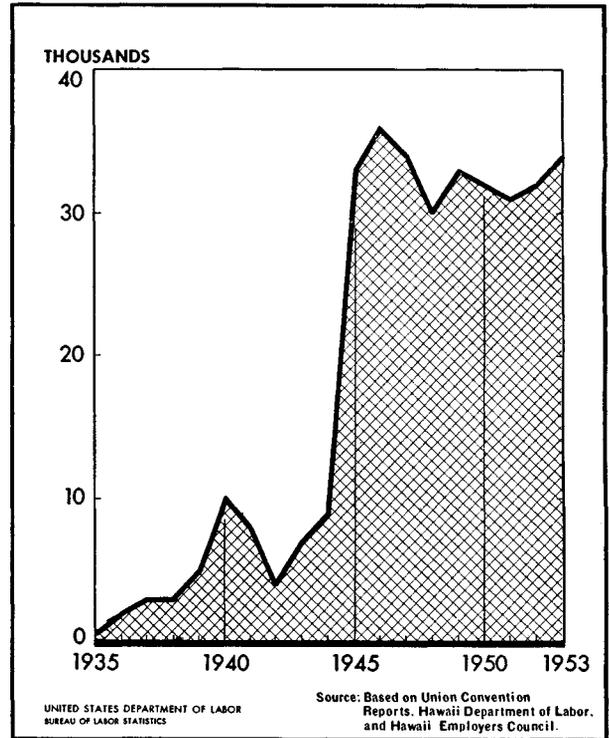
At the recent ILWU convention in Hilo, in September 1955, Louis Goldblatt, the union's international secretary-treasurer, responded to the employers' arguments indicating that the union would be fair in the forthcoming contract negotiations but that the employers would have to support their claims of inability to pay wage increases. The union was entitled to all the facts, he stated, and, if wages were to be held at present levels, "the burden of proof must fall on the employer in view of national wage hikes, enormous increases in productivity by sugar workers, and their declining share of the revenue dollar."

Trade Union Membership

Complete and accurate membership figures are extremely difficult to obtain. Even if all union locals supplied such data, varied definitions used by unions to report membership would pose the problem of comparability. Concepts and practices used by unions to measure membership differ widely and, in addition, the records of local unions are frequently incomplete.⁹ Hawaiian trade union membership data are rough approximations, based on fragmentary data available from union convention reports, the Territorial Department of Labor, and the Hawaii Employers Council. These data are intended merely to provide some basis for trend comparisons.¹⁰ (See chart.)

Membership growth was slow following the enactment of the NLRA in 1935 and the occurrence of major West Coast strikes. Immediately prior to World War II, a substantial upsurge occurred. Membership declined during the military occupation but by the end of 1944 it had almost regained the prewar level. Major in-

Trade Union Membership¹ in Hawaii, 1935-53



¹ Does not include employees in the Hawaii Education Association and the Hawaii Government Employees Association. Total membership in these 2 organizations is about 13,000.

creases occurred in 1945, due to the removal of military controls in 1944, spiraling prices, and renewed organizing activity which was facilitated by a willingness on the part of major employers to agree to NLRB representation elections requested by unions.

The ILWU is the largest single union in the Territory, with extensive bargaining rights in the sugar, pineapple, and longshore industries. Dues-paying membership claimed by the union in 1955 is 22,502, compared with 23,571 in 1954, and is distributed, by industry, as follows: Sugar, 14,812;

⁷ Speech delivered to Affiliated Chambers of Commerce of Hawaii, August 26, 1955 (p. 4).

⁸ Speech delivered to Hilo Kiwanis Club, August 26, 1955 (p. 8).

⁹ Even on the mainland, where unions submit comprehensive reports of trade union membership to the U. S. Department of Labor, Bureau of Labor Statistics, problems of comparability of membership data have not been completely resolved.

¹⁰ Thirty-two international unions claiming membership in Hawaii reported to the U. S. Department of Labor, Bureau of Labor Statistics, a combined Hawaiian membership of 33,000 in 1954. See Directory of National and International Labor Unions in the United States, 1955 (BLS Bull. 1185). This total represented approximately a sixth of the estimated Hawaiian civilian labor force.

pineapple, 5,131; longshore, 1,790; and miscellaneous, 769. The decline in ILWU membership is largely attributable to employment declines in the sugar and pineapple industries, arising out of mechanization and other factors.¹¹

Unity House, which includes the Teamsters, Hotel & Restaurant Employees, and other unions, claims membership of approximately 3,500. These unions have members in the major hotels, dairies, milk products industries, local transit, and other industries. Membership in these unions has been increasing.

NLRB Representation Proceedings

A review of the representation petitions before the National Labor Relations Board illustrates graphically the growth of the trade union movement in Hawaii. Relatively few companies have agreed to recognize employee organizations without prior certification by the NLRB that the union represented a majority of the employees in the appropriate bargaining unit. Data concerning the number of representation elections in which the unions won certification from 1938 through 1947 point up the fact that the major drive for union recognition following the lifting of wartime military restrictions was highly successful (table 1).

In 1944, 1945, and 1946 alone, the NLRB certified 190 unions as bargaining agents. In addition, the Hawaii Employment Relations (Little Wagner) Act, enacted in 1945, provided for representation election machinery for employees not covered by the National Labor Relations Act. The elections held in 1945 and 1946 under the Hawaiian statute also resulted in substantial union victories. The net result was the organization of the bulk of the sugar and pineapple industry with a potential employee membership in excess of 20,000.

¹¹ The ILWU, however, has blamed Arthur A. Rutledge, local president and business manager of the AFL Teamsters, for its failure to increase its membership. A statement from an ILWU report is quoted in the (Honolulu) Advertiser of Sept. 23, 1955, as follows: "Whenever the ILWU organized a new group of workers, Rutledge . . . in collaboration with certain employers, conducted an anti-ILWU smear campaign." The union passed a resolution on "labor unity" which read in part, "The Rutledge-led Teamsters are now engaged in open warfare against our union. . . . We will continue our fight for labor unity with all working people even though it may require bypassing certain 'misleaders' of labor." Rutledge replied: "The only thing that stands between the domination of the economy and the political situation and the business community by the ILWU, is the Teamsters Union, and they know it."

TABLE 1.—Number of National Labor Relations Board representation elections held, and number in which unions were certified, Hawaii, 1938–54

Year	Elections held	Unions certified	Year ¹	Elections held	Unions certified
1938	3	1	1947	25	18
1939	7	6	1948	10	7
1940	4	4	1949	10	6
1941	4	4	1950	12	9
1942	0	0	1951	17	9
1943	6	6	1952	26	18
1944	34	34	1953	42	34
1945	66	61	1954	37	24
1946	105	95			

¹ Figures are on a fiscal year basis starting in 1948.

Source: NLRB regional office, Honolulu, T. H.

The aggressive organizing efforts in recent years and particularly in the past 3 years are reflected in the voting record in representation elections since 1947. Nevertheless, recruiting efforts have not been easy. The record of NLRB elections indicate that during 1948–54 about 30 percent of the total valid votes cast were for "no union"; in 1954, over 40 percent voted "no union" (table 2).

Other Indicators of Union Growth

In addition to the union gains indicated in NLRB representation proceedings, the increased number of contracts in force and strike activity were also measures of advances in unionization in Hawaii (table 3).

Labor-management agreements generally followed the mainland pattern, particularly with respect to provisions for longer term contracts which sought to achieve industrial stability. A large majority of the agreements concluded in 1954 and 1955 were made effective for longer than the usual 1-year term. The stevedoring

TABLE 2.—Results of representation elections conducted by the National Labor Relations Board in Hawaii, 1948–54

Fiscal year	Employees eligible to vote	Total valid votes cast	Valid votes cast				Employees in units choosing representation
			AFL affiliates	CIO affiliates	Unaffiliated unions	No union	
1954	1,068	1,021	443	0	149	429	690
1953	2,083	1,821	881	0	462	478	1,761
1952	1,245	1,123	611	0	34	478	933
1951	979	828	215	47	325	241	614
1950	1,323	1,188	543	0	354	291	1,066
1949	316	284	49	0	37	198	(1)
1948	903	725	134	0	473	118	(1)

¹ No figures available.

Source: NLRB regional office, Honolulu, T. H.

TABLE 3.—Number of contracts in force and strike activity, Hawaii, 1940-54

Year	Number of contracts in force	Number of strikes	Number of man-days idle	Year	Number of contracts in force	Number of strikes	Number of man-days idle
1940....	(1)	7	33,200	1948....	156	11	121,194
1941....	(1)	11	34,000	1949....	141	6	244,624
1942....	(1)	2	67	1950....	121	53	61,052
1943....	12	4	716	1951....	129	17	150,625
1944....	14	1	60	1952....	132	30	81,256
1945....	76	9	8,875	1953....	132	21	91,631
1946....	167	19	1,909,779	1954....	132	16	39,764
1947....	176	22	91,116				

¹ Data not available.

Source: Territorial Commission of Labor and Industrial Relations and Annual Reports of the Hawaii Employers Council.

companies signed a contract which expires June 15, 1956; the 7 major pineapple companies signed a contract which runs to February 1, 1956; and the sugar companies extended their agreements to January 31, 1956. In addition, the Honolulu Rapid Transit Co. agreed to a July 16, 1957, contract termination date and the Hawaiian Telephone Co. negotiated a contract extension to December 31, 1957. Late in 1955, the Matson Navigation Co. reached an agreement which covers its employees in four Waikiki hotels and runs until May 31, 1957.

Issues Affecting Industrial Stability

The status of union-management relations in Hawaii is pointed up in disagreements over crucial issues involving union security and collective bargaining rights. These conflicts represent a departure from the general practice in which collective bargaining developments in Hawaii are patterned after those on the mainland.

In the background of this variance from mainland accomplishments in union-employer accommodation was the Territory's significant lag in unionization compared with that on the mainland, particularly in the 1930's. In addition, adaptations of mainland labor developments were necessary to meet local needs. Because of Hawaii's unique position—its highly integrated economy, dependence on water transportation, and vulnerability in case of a major dispute, as well as the dominance by the ILWU of the Islands' major industries—employers have sought to incorporate safeguards in agreement provisions. Unfortunately mutual "good faith" cannot be inscribed in agreements; nor can contracts be shielded from

the impact of disputes and settlements on the West Coast. Employers in Hawaii have made efforts, however, to limit the unions' contractual strength and to prevent "restrictive union controls" in the collective bargaining agreements.

Union Security. In discussing the issue of union security in its 10th anniversary report (1953), the Hawaii Employers Council pointed out its continuing opposition to the union shop because of its "encroachments on the rights and freedoms" of employees. The status of union-shop agreements in Hawaii is illustrated in a report prepared by the council in June 1950. The study compares the collective bargaining provisions of 400 mainland agreements collected by the Bureau of National Affairs, Inc., with 150 Hawaii agreements representing a majority of the contracts then in effect in the Territory. Although the council's study covers all major contract provisions, the comparison presented is limited to union-security provisions.

Percent of agreements having union-security provisions in—

	United States	Hawaii
Closed shop.....	5	(1)
Union shop.....	50	7
Maintenance of membership.....	15	0
Revocable checkoff of dues.....	5	2
Irrevocable checkoff.....	45	72
Renewal irrevocable.....	15	38
Initiation fees deducted.....	30	67

¹ Less than 1 percent.

² Mainly includes firms which are nonmembers of the Hawaii Employers Council.

Further evidence of the employers' implementation of their opposition to the union shop is available in a later analysis of 143 agreements made by the council in May 1953. The study showed no union-shop provisions in 26 sugar, 20 pineapple, 9 longshore, and 26 trade contracts. However, union-shop agreements were found in the following industries: 7 in food processing and manufacturing, 2 in utilities and transportation, 4 in construction, and 4 in all other industries. The ILWU had no union-shop agreements, and all other independent unions had only 1. The Teamsters had 7; the Machinists, 2; the Electrical Workers, 1; and other AFL unions, 6. Most of the contracts with union-shop clauses were between unions and employers who were not members of the council.

Contracts recently negotiated, however, have incorporated so-called "security language." The strongest provision short of a union-shop clause thus far negotiated reads:

The company acknowledges its belief in a strong and responsible union. The company also recognizes that a strong and responsible union is possible only to the extent that the employees take part in the union and its activities. The company declares that it will not make any statement nor commit any act to discourage any employee with respect to membership in the union.—Agreement between the Hawaiian Electric Supply Co. and the International Brotherhood of Electrical Workers, Local 1260 (AFL).

The "Three Clauses." Perhaps no issue has created as much controversy between employers and non-ILWU unions as the continuing insistence by the employers on the inclusion in their contracts of the "three clauses," namely: (1) no-strike, no-lockout clause; (2) no-discrimination clause; and (3) discharge clause.¹² The unions have contended that the Hawaii Employers Council, as the organized spokesman for the major companies in Hawaii, has utilized these clauses to restrain and impede the exercise by the employees of their rights to engage in normal union activity, including the refusal to cross a bona fide picket line.

¹² For a detailed discussion of the 3 clauses, see the National Labor Relations Board's decision in *Shell Oil et al.*, 23-C-40, 43, 44, June 22, 1948, 77 NLRB 1306. See also Paul F. Brissenden, *The "Three Clauses" in Hawaiian labor agreements* (*in* Political Science Quarterly, Mar. 1953, pp. 89-108) and William Nakauae, *The Three Clauses in Labor Relations in Hawaii* (research manuscript), University of Hawaii library, 1955. The three clauses at issue in the *Oil* cases are reproduced as follows:

"The parties hereto agree that during the term of this agreement any past, existing, or future custom or practice of the employer or the union to the contrary notwithstanding, there shall be no lockout by the employer, nor any strike, sitdown, refusal to work, stoppage of work, slowdown, retardation of production, or picketing of the employer on the part of the union or its representatives or on the part of any employee covered by the terms of this agreement.

"The employer will not discriminate against any employee because of his membership in the union or for legitimate union activities: *Provided, however,* That such activity shall not interfere with employer's operations, and must not be conducted during working hours unless expressly provided for in this agreement. The union agrees for itself and its members that neither it, its representatives or members will attempt to intimidate or coerce any employee of the employer for the purpose of compelling such employee to join the union.

"Employees shall be subject to discharge by employer for insubordination, pilferage, drunkenness, incompetence or failure to perform the work as required, or for failure to observe safety rules and regulations and employer's house rules, which shall be conspicuously posted. Any discharged employee shall, upon request, be furnished the reason for his discharge in writing. Probationary and temporary employees may be summarily discharged."

¹³ 1 American Labor Arbitration Awards (p. 67,824, par. 67,359). Honolulu Construction & Draying Co. Decided October 10, 1945.

Interpreting the discharge clause in a case involving the Honolulu Construction & Draying Co. and AFL Teamsters Local 996, an arbitration board held that refusal to cross a picket line was a violation of the section of the contract which required, among other things, that the employees "perform work as required."¹³

In the *Shell Oil* case (see footnote 12), Teamsters' Local 904 had contended that the oil companies and the Hawaii Employers Council violated the provisions of the National Labor Relations Act by stipulating the "three clauses" as a condition precedent to collective bargaining and insisting that the employees give up rights protected under the act before the employer would grant any collective bargaining concessions. The trial examiner upheld the complaint but was reversed by the National Labor Relations Board after the Labor Management Relations (Taft-Hartley) Act was passed. The Board held that:

... the evidence is insufficient to establish that the council used unlawful means in persuading the oil companies to insist on the inclusion of the three clauses.

Union objections to the three clauses were based not only on the ground that the employers were seeking to undermine their strength but also that they could not negotiate effectively with employers because of the insistence of the council on a certain "policy" position. On March 29, 1947, the Teamsters and the ILWU advised the council as follows:

Because your council has given to its members the impression that unions have agreed by signing certain clauses to give up their statutory rights and because this is not true, the undersigned hereby inform you that we are in complete agreement on the question of crossing bona fide picket lines at the direction of employers.

While we may have our differences—

1. We will not cross bona fide picket lines at the direction of your council or your members.

2. We will not conspire with your council or your members to do away with workers' rights guaranteed by the National Labor Relations Act.

3. We will not permit Hawaii's monopolists to play one group of workers against another and thus destroy *all* unions in these Islands.

The council, on the other hand, as the employers' representative in collective bargaining matters, argued that their unified position was intended to avoid alleged "whipsawing" of individual employers by the unions. Other unions have contended, however, that the ILWU was able to

avoid these restrictive clauses in its contracts, or relied on its economic strength to prevent employers from insisting on strict application of these provisions.

Arnold Wills, formerly NLRB officer-in-charge in Honolulu, in a speech to the Honolulu Rotary Club, on September 12, 1950, said:

I can truthfully state that I know of no single item which in the last few years has caused so much bitterness and hostility and frustration among labor leaders and among unionized employees in general as employer insistence that these three clauses go into every contract. I believe such insistence to be detrimental to our community since they penalize those unions which believe contracts are sacred and honestly strive to negotiate contracts they can live with and honor. They mean nothing to people who believe a contract is a scrap of paper—a truce in a class war . . .

Lastly, they just don't work. Employer Council figures indicate that there have been approximately 40 contract violations in the form of strikes, walkouts, or quickies . . . since January 1, 1950 . . . Aside from the attitude that a contract is only a truce in a class war, there will always be men who will refuse to cross a picket line when their best manly instincts tell them it is dishonorable and disreputable to help break a worthy strike.¹⁴

Outlook for Labor-Management Relations

That labor-management peace is vital in Hawaii is unquestioned. The recent testimony by Randolph Sevier, president of Matson Navigation Co., before the House Committee on Merchant Marine and Fisheries, indicates the high priority he places on reasonable stability in labor-management relations in the light of his company's plans for greater expansion of trade in the Pacific area. Mr. Sevier is quoted as saying:

I feel the weight of the testimony you've received in these hearings focuses on one urgent immediate problem: The need for stability of labor relations in the maritime industry and emergence of true collective bargaining between labor and management. . . . The problems inherent in Matson's offshore service to Hawaii must be solved because the isolation of the Islands demands the maintenance of this vital transportation link by oceangoing vessels.¹⁵

The road to greater industrial stability in Hawaii is similar to that which must be taken on the mainland. However, Hawaii's need for industrial peace is greater than on the mainland, because a major labor dispute in the Territory has wider and deeper repercussions. The geographic isolation of the Islands, although favorable in

terms of tourist appeal, makes the Territory's economy vulnerable in case of a major work stoppage—particularly on the waterfront, and in the basic sugar and pineapple industries.

Among the factors which militate against a high degree of industrial peace in the immediate future are the exceedingly rapid unionization of the Islands and the distrust between employers and labor that was bred by the character of labor-management relations in the past. Workers have supported ILWU claims, convinced that the gains in wages and working conditions have been obtained only because of the union's militant efforts.

Thus, the highly integrated Hawaiian economy was particularly susceptible to union organization. The ILWU, first as an affiliate of the Congress of Industrial Organizations and later as an independent union following its ouster from the CIO in mid-1950 because of its Communist-oriented policy, has acted as an effective and admittedly "militant" union, with interests beyond basic bread and butter union goals. The failure of AFL and CIO affiliates to obtain a foothold in the Territory has resulted in the dominance of the ILWU in the sugar, pineapple, and ocean transportation industries—a sizable segment of the industrial operations in the Island community.

A number of disturbing situations, several concerning developments on the mainland's West Coast, may effect a change in the pattern of labor-management relations in the Territory. These developments include renewed efforts to deport Harry Bridges and other officers of the ILWU¹⁶ and continued jurisdictional disputes between the ILWU and the SUP (AFL) and the Teamsters (AFL).

Locally, several current developments will significantly affect union-management relations. The ILWU is presently planning its demands for negotiations in sugar, pineapple, and stevedoring industries which are scheduled for 1956. The sugar agreement, which expires January 31, 1956, is first on the union's bargaining agenda. The

¹⁴ Arnold L. Wills, *op. cit.* (pp. 22-23).

¹⁵ (Honolulu) Advertiser, June 29, 1955.

¹⁶ The fifth effort to deport Bridges failed when Federal Judge Louis E. Goodman dismissed the Government complaint, stating: "My conclusion is that the Government has failed to prove the allegations of this complaint as to the respondent's alleged membership in the Communist Party by clear and convincing evidence."—Honolulu Star Bulletin, September 29, 1955.

issue of severance pay may complicate the negotiating picture in this industry. Increased organizational efforts by the ILWU have already created some competition with AFL affiliates and other independent unions. In addition, a number of AFL international unions have indicated an interest in a membership drive particularly in the building trades. By contrast, the recent Matson Navigation Co. agreements with the AFL Teamsters covering the firm's hotel employees have avoided some major contract problems.

The economic situation, on the whole, is promising and may help to minimize labor-management problems. Favorable developments in the hotel and tourist industry, increased military expenditures, and a growing interest of mainland capital in Territorial business ventures may provide enough "organizing elbow room" for all. Heavy construction outlays planned by major companies suggest a favorable business environment in the next few years.

The dispute over the "three clauses" seems to be in abeyance, although the picket-line issue still disturbs many AFL officials. The union-

security issue, however, is still very controversial. The unions continue to oppose the Hawaii Employers Council on the union-shop issue and its participation at the bargaining table.

The problem of the ideological character of ILWU leadership remains without any indication of action by the membership to modify or resolve it. The Smith Act trial and conviction of Jack Hall, ILWU regional director, as part of the Communist conspiracy, is being appealed. Radio and press reports frequently criticize the union's leadership, but apparently exert relatively little influence on the membership. Splinter efforts of so-called "rightwing" union groups, such as Bert Nakano's, by and large have been ineffective. The feeling seems to be prevalent that any changes in basic philosophy will have to come from within the ILWU.

The AFL-CIO merger will have little effect on unionization in the Territory. To date, apparently, the total potential membership has not offered sufficient incentive for a major organizing drive by an individual international union or group of unions.

" . . . The story of Hawaii's industry [until the mid-twenties] . . . has been the story of a tree, an animal, and a plant. The tree was sandalwood—the great article of export which was shipped to China in great quantities in the early days. So feverishly did the chiefs compel the people to cut sandalwood that by 1825 it was becoming extinct and it is now commercially unobtainable in the Islands. Then came the period when prosperity depended on an animal—the whale which, it may be noted incidentally, is a mammal and not a fish. From 1820 onward great fleets of whaling ships, mostly American, brought prosperity to the Islands by their purchases of supplies. But the Civil War, and a later disaster in the Arctic Ocean, wrought havoc with the whaling fleet and the kerosene lamp made whale oil almost a curiosity, so that by 1870 the whaling fleet had ceased to be an economic resource and the Islands were left without an occupation or a market; for the plant, the sugarcane, upon which Hawaii's third era of economic prosperity depends, did not become the dominant industrial factor until the reciprocity treaty of 1876 opened the American market to Hawaiian sugar free of duty."

Albert W. Palmer, *The Human Side of Hawaii—Race Problems in the Mid-Pacific*, Boston and Chicago, Pilgrim Press, 1924 (p. 42).

Bibliography on Labor Conditions, Labor Problems, Labor Economics

MARGARETE McBRIDE

NOTE.—Asterisk indicates publications not available for examination by compiler of bibliography.

General Notes

Territorial statistics are included in general publications of the U. S. Department of Commerce, Bureau of the Census, such as the *Statistical Abstract of the United States* and the 1950 Census reports on population, agriculture, and housing.

Labor legislation applicable to the Territories appears in the—

Annual Digest of State and Federal Labor Legislation, July 1, 1953–September 30, 1954. Washington, U. S. Department of Labor, Bureau of Labor Standards, 1955. (Bull. 178.)

Useful guides to references on labor problems and conditions include such periodical indexes as the *Readers' Guide to Periodical Literature*, *International Index to Periodicals*, *Industrial Arts Index*, and *Public Affairs Information Service Bulletin*. Here, too, should be noted the *Monthly Catalog of U. S. Government Publications*.

Bibliographies and book lists devoted specifically to matters of labor interest appear in the *Monthly Labor Review* of the U. S. Department of Labor, Bureau of Labor Statistics; the *Library Journal*; and publications of the International Labor Office.

For Puerto Rico, two useful area publications are available:

Anuario Bibliográfico Puertorriqueño: Índice Alfabético de Libros, Folletos, Revistas y Periódicos Publicados en Puerto Rico. Río Piedras, Biblioteca de la Universidad de Puerto Rico. Available to 1952.

Current Caribbean Bibliography: A Cumulative List of Publications Issued in the Caribbean Countries of France, Great Britain, the Netherlands and the United States, 1950–1953. Port-of-Spain, Trinidad, Caribbean Commission, 1955. (Vol. 3, Nos. 3–4.)

The Commission states that the next issue will be an annual number for 1954, to be published as Vol. 4; hereafter the bibliography is to be produced once a year rather than semiannually.

Another valuable aid is the *Report on Surveys, Research Projects, Investigations and Other Organized Fact-Gathering Activities of the Government of Puerto Rico*, listed herein under "Puerto Rico—Official Publications."

For Hawaii, *Abstracts: Agricultural, Industrial and Economic Research, Territory of Hawaii, 1930–1952*, listed herein under "Hawaii—Official Publications," performs a service similar to that of the Puerto Rican *Report on Surveys . . .*, noted above. Its coverage, however, is broader, embracing nonofficial as well as governmental projects.

For all three areas here considered, bibliographies appended to published works dealing with regional labor problems (some of which may be located through the *Bibliographic Index*, H. W. Wilson Co., New York) lead to additional pertinent material.

Puerto Rico

OFFICIAL PUBLICATIONS

Agriculture of Puerto Rico. By C. Y. Shephard. (*In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 7:10, May 1954, pp. 228–231, 233–234.*)

Amending the Fair Labor Standards Act of 1938. Hearings Before Subcommittee on Labor, Committee on Labor and Public Welfare, United States Senate, 84th Cong., 1st sess., on S. 18, S. 57, etc. Washington, 1955.

Part 3 and Statistical Appendix contains considerable information on employment and wages in Puerto Rico.

Annual Report of Puerto Rico Department of Labor. San Juan.

* *Apuntes Sobre el Movimiento Obrero en Puerto Rico.* By Juan S. Bravo. San Juan, Departamento del Trabajo, Oficina de Servicios, División de Imprenta, 1952. 24 pp. 2d ed.

The Caribbean (formerly the *Monthly Information Bulletin*), a publication of the Caribbean Commission. Port-of-Spain, Trinidad. Monthly.

Each issue contains some information on phases of Puerto Rican development, closely related to labor conditions and problems of that Commonwealth. "Social and Economic News of Caribbean Interest" is a regular feature. Major articles of the past 3 years which treat aspects of the Puerto Rican labor scene are individually listed in this bibliography.

Census of Manufactures. San Juan, Office of the Governor, Puerto Rico Planning Board, Bureau of Economics and Statistics.

Supplement to *Statistical Yearbook*. Includes statistics on number of employees and total wages paid. Latest available edition, 1952.

A Comprehensive Agricultural Program for Puerto Rico. By Nathan Koenig. Washington, U. S. Department of Agriculture (in cooperation with the Commonwealth of Puerto Rico), 1953. xii, 299 pp., bibliography, maps, illus.

Analyzes condition of agricultural laborers in Puerto Rico.

The Concept and Measurement of Underemployment. By Fernando Sierra Berdecía and A. J. Jaffe. (*In Monthly Labor Review*, U. S. Department of Labor, Bureau of Labor Statistics, Washington, 78:3, March 1955, pp. 283-287.)

Consumers' Price Index for Wage Earners' Families in Puerto Rico and Retail Food Prices. San Juan, Department of Labor, Bureau of Labor Statistics. Monthly. English text; tables in English and Spanish.

Economic Development of Puerto Rico, 1940-1950, 1951-1960. San Juan, Office of the Governor, Puerto Rico Planning Board, Economic Division, 1951. 179 pp.

Economic Prospects of Migration. By Roberto de Jesus. (*In Monthly Information Bulletin*, Caribbean Commission, Port-of-Spain, Trinidad, 6:12, July 1953, pp. 269-270. Reprinted from *Fomento de Puerto Rico*.)

Economic Report to the Governor, 1954. San Juan, Office of the Governor, Puerto Rico Planning Board, Bureau of Economics and Statistics, [1955?]. 55, 27 pp. English text; appendixes in English and Spanish.

Effect of Labor Costs and Migration on the Puerto Rican Economy. (*In Monthly Labor Review*, U. S. Department of Labor, Bureau of Labor Statistics, Washington, 78: 6, June 1953, pp. 625-627.)

Summary of articles by Rottenberg and Senior in *Annals of the American Academy of Political and Social Science*, January 1953.

Employment, Hours and Earnings in Manufacturing Industries in Puerto Rico, October 1952 to August 1954. San Juan, Department of Labor, Bureau of Labor Statistics, 1954. 18 pp.

* [*Estudios Estadísticos*.] San Juan, Minimum Wage Board, Division of Research and Statistics.

Statistical studies of specific businesses or industries in Puerto Rico.

Fomento de Puerto Rico: Revista Trimestral Dedicada a las Actividades Económicas del Estado Libre Asociado de Puerto Rico. San Juan, Administración de Fomento Económico.

Frente del Trabajo: Hombres y Mujeres que Laboran y Producen. By Fernando Sierra Berdecía. San Juan, Departamento de Hacienda, Oficina de Servicios, División de Imprenta, 1952. 49 pp.

Revision (to February 1951) of an article originally published in *Colección Américas*, Vol. X, Puerto Rico, Barranquilla, Colombia, 1949.

Incomes and Expenditures of Wage Earners in Puerto Rico. By Alice C. Hanson and Manuel A. Perez. San Juan, Department of Labor, 1947. 152 pp., diagrams. (Bull. 1.)

Prepared in cooperation with the U. S. Bureau of Labor Statistics.

Industrial Development Company of Puerto Rico [a case study]. (*In Economic Development of Underdeveloped Countries; Evolution and Functioning of Development Corporations: Working Paper by Secretary-General [of United Nations]*, pp. 13-35. New York, 1955. U. N. Document E/2690, 19th sess., item 5.)

Information on Puerto Rico for the Fiscal Year Ending June 30, 1952. Transmitted by United States to Secretary-General of United Nations pursuant to Article 73 (e) of the Charter. Prepared by Government of Puerto Rico. 176 pp. and appendix.

Final report; cessation of reporting noted in *Monthly Information Bulletin of Caribbean Commission*, February 1953, p. 166.

Informe Anual. San Juan, Departamento de Instrucción Pública.

Includes reports of Divisions of Vocational Education and Vocational Rehabilitation.

Ingreso Monetario de la Familia Puertorriqueña, Año Natural 1950 (Análisis Preliminar). San Juan, Departamento del Trabajo, Negociado de Estadísticas, Sección de Análisis de Salarios y Estudios Especiales. [San Juan, 1953.] 6 pp.

Legislación del Trabajo Vigente en Puerto Rico. Revisada en Julio de 1953. San Juan, Departamento del Trabajo, [1953]. Various pagings.

Puerto Rican laws in Spanish; United States laws in English.

Movimiento Económico del Mes. San Juan, Junta de Planificación, Negociado de Economía y Estadísticas. Monthly. Spanish and English text.

Current business statistics.

Noticias del Trabajo. Organo Oficial del Departamento del Trabajo, Estado Libre Asociado de Puerto Rico. San Juan. Monthly.

Population and Immigration. By Rafael de J. Cordero. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 6: 12, July 1953, pp. 268, 270-271. Reprinted from *Fomento de Puerto Rico*.)

[*Publicaciones de la Sección de Análisis . . .*] San Juan, Departamento del Trabajo, Negociado de Estadísticas, Sección de Análisis de Salarios y Estudios Especiales, Unidad de Investigaciones Ocupacionales.

Descripciones Ocupacionales (series); Patrones Ocupacionales (series).

Puerto Rican Migration: Spontaneous and Organized. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 7: 4, November 1953, pp. 73-75, 80.)

Puerto Ricans Join Hands: Returning to the Island after a Four-Year Absence, a Social-Work Professor Finds Many Changes. By Caroline F. Ware. (In *Américas*, Pan American Union, Washington, 5: 6, June 1953, pp. 10-12, 41-42, illus.)

Puerto Rico—Economic Background to Educational Problems. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 8: 4, November-December 1954, pp. 72-75, 96.)

Puerto Rico—Its Educational System. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 8:1, August 1954, pp. 5-6, 9.)

Condensed from report of Puerto Rico Department of Education.

Puerto Rico—Two Decades of Vocational Training. By García Hernández. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 7:12, July 1954, pp. 261-262, 268.)

Puerto Rico's Technical Cooperation Program. By Rafael Pico. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad, 6: 8, March 1953, pp. 169-173.)

Discussion by chairman of Puerto Rico Planning Board of conditions in Puerto Rico which make it a good "laboratory" for technical cooperation.

Quarterly Report on the Labor Force: Employment and Unemployment in Puerto Rico. San Juan, Department of Labor, Bureau of Labor Statistics, 1952-.

Report on Surveys, Research Projects, Investigations and Other Organized Fact-Gathering Activities of the Government of Puerto Rico, Conducted During Fiscal Year 1952-53. San Juan, Office of the Governor, Bureau of the Budget, Division of Statistics, 1954. iii, 89 pp. [3d ed.]

Most recent available list of Puerto Rican Government projects. Also useful as a guide to publications and other sources of information in fields of labor interest.

[*Reports on Economic Conditions in Puerto Rican Industries.*] Washington, U. S. Department of Labor, Wage and Hour and Public Contracts Divisions.

These reports are prepared in connection with the administration in Puerto Rico of the minimum wage provisions of the Federal Fair Labor Standards Act. The reports cover employment, weekly earnings, and working hours, in addition to various industry data.

Special Reports on the Labor Force. San Juan, Department of Labor, Bureau of Labor Statistics.

These reports cover characteristics of the labor force, status of women and children, employment, unemployment, weekly earnings, etc.

Statistical Yearbook. San Juan, Puerto Rico Planning Board, Bureau of Economics and Statistics. Annual.

Vocational Training in the Caribbean. By Mrs. V. O. Alcalá. (In Monthly Information Bulletin, Caribbean Commission, Port-of-Spain, Trinidad: I, Trade and Industrial Education, 6: 4, November 1952, pp. 81-83; II, Guidance Services, 6: 5, December 1952, pp. 101-102; III, Apprenticeship and On-the-Job Training, 6: 7, February 1953, pp. 151-152, 154; IV, Agricultural Training, 6: 8, March 1953, pp. 176-178; V, Home Economics Education in the Caribbean 6: 9, April 1953, pp. 199-201; VI, Business Education, 6: 10, May 1953, pp. 223-224, 230.)

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El Arbitraje Obrero-Patronal en Puerto Rico. By Hiram R. Cancio. Río Piedras, Universidad de Puerto Rico, Instituto de Relaciones del Trabajo, Colegio de Ciencias Sociales, 1953. 117 pp., bibliographical footnotes.

Growing Pains Beset Puerto Rico. By William H. Nicholas. (In *National Geographic Magazine*, Washington, 99: 4, April 1951, pp. 419-460, illus.)

Labor Cost in the Puerto Rican Economy. By Simon Rottenberg. Río Piedras, University of Puerto Rico, Labor Relations Institute, College of Social Sciences, 1951. 66 pp.

Reprinted from *Revista Jurídica* of the University of Puerto Rico, Vol. XX, No. 2, November-December 1950.

Noticias [News]. Organo Oficial de la Cámara de Comercio de Puerto Rico. San Juan. Monthly.

Spanish text, with occasional articles in English. "Sobre Seguro Social," a regular feature.

Observations on Public Welfare in Puerto Rico. By Elizabeth Wickenden. (In *Public Administration Review*, Chicago, 13: 3, Summer 1953, pp. 177-183.)

"*Operation Bootstrap*": *A Great Industrialization Program in Puerto Rico Aimed at Giving 2,200,000 Traditionally Impoverished Americans the Chance to Live Decently in the Future*. By Howard Cohn. (In *Collier's*, New York, 129: 13, March 29, 1952, pp. 20-23.)

"*Operation Bootstrap*" in *Puerto Rico—Report of Progress, 1951*. By Stuart Chase. Washington, National Planning Association, 1951. vii, 72 pp. (Planning Pamphlet 75.)

Patterns of Living in Puerto Rican Families. By Lydia J. Roberts and Rosa Luisa Stefani. Río Piedras, University of Puerto Rico, Department of Home Economics, 1949. xxiii, 411 pp., diagrams, illus. The findings reported are for the latter part of 1946.

Population and Progress in Puerto Rico. By Kingsley Davis. (In *Foreign Affairs*, New York, 29: 4, July 1951, pp. 625-636.)

Puerto Rico—A Study in Democratic Development. Edited by Millard Hansen and Henry Wells. (In *Annals of the American Academy of Political and Social Science*, Philadelphia, 285, January 1953, pp. vii-viii, 1-166.)

* *Puerto Rico—Edición Especial Dedicada a Puerto Rico*. (In *Mañana*, México, D. F., 61: 616, June 18, 1955, pp. 19-150.)

Puerto Rico: Land of Paradox; Thousands Leave for Lack of Opportunities, Yet It Is Potentially an Island of Hope. By Gertrude Samuels. (In *New York Times Magazine*, October 30, 1955, pp. 18, 62, 64, 67.)

Puerto Rico's Economic Future—A Study in Planned Development. By Harvey S. Perloff. Chicago, University of Chicago Press, 1950. xviii, 435 pp., bibliography, maps, illus.

Description of general economic and social conditions (1950) and analysis of labor conditions, problems, and prospects.

Puerto Rico's Industrial Revolution. (In *Business Week*, New York, No. 1121, November 15, 1952, pp. 78, 80, et seq.)

Puerto Rico's "Operation Bootstrap" is Beginning to Pay—Both Island and Industry. (In *Modern Industry*, New York, 21: 3, March 15, 1951, pp. 74-75, illus.)

Report on Puerto Rico. By Lewis Hines. (In *American Federationist*, Washington, 57: 6, June 1950, pp. 28-29.)

* *Las Reuniones de las Uniones Obreras*. Río Piedras, University of Puerto Rico, College of Social Sciences, Institute of Labor Relations, [1952]. 14 pp.

* *This Is Puerto Rico*. By T. Swann Harding. (In *Antioch Review*, Yellow Springs, Ohio, 14: 1, Spring 1954, pp. 43-54.)

Transformation: The Story of Modern Puerto Rico. By Earl Parker Hanson. New York, Simon & Schuster, 1955. xxiii, 416 pp., maps.

General work containing much specific information on the labor situation.

Alaska

OFFICIAL PUBLICATIONS

Alaska Fishery and Fur-Seal Industries, 1953. By Seton Hayes Thompson. Washington, U. S. Department of the Interior, Fish and Wildlife Service, 1955. iv, 80 pp., illus. (Statistical Digest 35.)

Includes statistical information on persons engaged and wages paid

Alaska Unemployment Fund Loans. Hearing before Subcommittee on Territories and Insular Affairs, Committee on Interior and Insular Affairs, United States Senate, 84th Cong., 1st sess., on S. 1650, a bill to authorize the Territory of Alaska to obtain advances from the Federal Unemployment Act, and for other purposes, April 26, 1955. Washington, 1955. iii, 42 pp.

Contains current information on unemployment in Alaska.

Alaska's Vanishing Frontier: A Progress Report. Prepared by William H. Hackett [for] Subcommittee on Territories and Insular Possessions, Committee on Interior and Insular Affairs, United States House of Representatives. Washington, 1951. v, 88 pp., maps. (Committee Print.)

General information. Note especially Section II, Wages and Cost of Living.

Annual Report of Governor of Alaska to Secretary of the Interior, Fiscal Year Ended June 30, 1954. Washington, 1955. iv, 106 pp.

General information. Note especially sections dealing with fisheries, labor, Alaska Native Service, social welfare.

Employment Possibilities in the Alaskan Fishing Industry. By Fred W. Hipkins. Washington, U. S. Department of the Interior, Fish and Wildlife Service, 1955. 4 pp. (Fishery Leaflet 298.)

Information on the Territory of Alaska. Transmitted by United States to Secretary-General of United Nations pursuant to Article 73 (e) of the Charter. Prepared in Office of the Governor, Juneau. Annual.

List of Fishermen's and Fish Shoreworkers' Unions in the United States, Alaska, and Hawaii. Washington, U. S. Department of the Interior, Fish and Wildlife Service, September 1955. 7 pp. (Fishery Leaflet 293.)

Mid-Century Alaska. Washington, U. S. Department of the Interior, Office of Territories, 1952. xi, 170 pp., map, illus.

General information. Note especially sections dealing with social welfare and employment opportunities.

Wage and Salary Problems of the Alaska Road Commission. By Edwin M. Fitch. Washington, U. S. Department of the Interior, Office of Territories, 1953. vii, 75 pp.

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Alaska, Land of Opportunity—Limited. By Wilford J. Eiteman and Alice Boardman Smuts. (In *Economic Geography*, Worcester, Mass., 27: 1, January 1951, pp. 33-42.)

Alaska Now. By Herbert H. Hilscher. Boston, Little, Brown & Co., 1950. x, 309 pp., illus. Rev. ed.

Deals with the economic, social, and political scene in Alaska, 1950; background to labor situation.

Alaska: Progress and Problems. By Ernest Gruening. (In *Scientific Monthly*, Washington, 77: 1, July 1953, pp. 3-12.)

The Financial Threshold of Alaska. By Elmer E. Rasmuson. (In *Scientific Monthly*, Washington, 77: 1, July 1953, pp. 19-23.)

New Era for an Old Race: With Alaska Native Service Guidance, Eskimos Are Bridging the Gap to Modern Civilization. (In *Alaskan Reporter*, Spenard, Alaska, 2: 7, July 1953, pp. 12-15, 27-29.)

Populating Alaska: The United States Phase. By Kirk H. Stone. (In *Geographical Review*, New York, 42: 3, July 1952, pp. 384-404.)

The State of Alaska. By Ernest Henry Gruening. New York, Random House, [1954]. 606 pp., maps, bibliographical footnotes.

Includes discussion of "Alaska's pending problems."

Hawaii

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Abstracts: Agricultural, Industrial and Economic Research, Territory of Hawaii, 1930-1952. Honolulu, Industrial Research Advisory Council, [1953]. xxiv, 893 pp. Section IX deals with labor.

Annual Report of Department of Labor and Industrial Relations. Honolulu.

Annual Report of Governor of Hawaii to Secretary of the Interior. Washington.

Directory of Labor Organizations in the Territory of Hawaii, March 1955. Honolulu, Department of Labor and Industrial Relations, Bureau of Research and Statistics, 1955. 27 pp. (No. 27.)

The Economy of Hawaii in 1947, With Special Reference to Wages, Working Conditions, and Industrial Relations. By James H. Shoemaker. Washington, U. S. Department of Labor, Bureau of Labor Statistics, 1948. xii, 214 pp. (Bull. 926.)

**Employment and Payrolls in Hawaii, 1954.* Honolulu, Department of Labor and Industrial Relations, Bureau of Employment Security, 1955. 32 pp.

Data for industries covered by Hawaii employment security law.

Hawaiian Labor Situation. Hearing before Committee on Labor and Public Welfare, United States Senate, 81st Cong., 1st sess., on S. 2216, a bill to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes, July 12, 1949. Washington, 1949. iii, 219 pp.

Income of Hawaii. By Charles F. Schwartz. Washington, U. S. Department of Commerce, Office of Business Economics, 1953. v, 73 pp., maps, diagrams. (Supplement to Survey of Current Business.)

Information on the Territory of Hawaii. Transmitted by United States to Secretary-General of United Nations pursuant to Article 73 (e) of the Charter. Prepared by Governor of Hawaii in cooperation with Department of the Interior. Washington. Annual.

List of Fishermen's and Fish Shoreworkers' Unions in the United States, Alaska, and Hawaii. Washington, U. S. Department of the Interior, Fish and Wildlife Service, September 1955. 7 pp. (Fishery Leaflet 293.)

Prevailing Wages and Hours of Employees in the Baking Industry, Eating and Drinking Establishments, and Power Laundries and Dry Cleaning Establishments, Honolulu, Hawaii, April 1954. Honolulu, Department of Labor and Industrial Relations, Bureau of Research and Statistics. (Bulls. 35, 36, 37.)

Similar reports for other types of establishments have been published for earlier dates.

* *Survey of Wages Paid, by Industry, Territory of Hawaii, December 1954.* [Honolulu], Commission of Labor and Industrial Relations, [1955?]. 8 pp.

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* *Billion-Dollar Rainbow.* By F. J. Taylor. (In *Reader's Digest*, Pleasantville, N. Y., 65, December 1954, pp. 115-118.)

- * *A Digest of Proposals for Combatting Unemployment in Hawaii.* By Robert M. Kamins. Honolulu, University of Hawaii, Legislative Reference Bureau, 1955. 52 pp., bibliography. (Report 1, 1955.)
- * *Government Salaries in Hawaii.* By Daniel W. Tuttle, Jr. Honolulu, University of Hawaii, Legislative Reference Bureau, 1952. 60 pp., charts. (Report 3, 1952.)
Gives comparative data for Hawaii and the mainland on salaries and fringe benefits of public employees.
- Governmental Employment in Hawaii.* By Robert M. Kamins, aided by Enid Beaumont. Honolulu, University of Hawaii, Legislative Reference Bureau, 1954. 25 pp. (Report 3, 1954.)
- * *The Great Hawaiian Dock Strike.* By Paul F. Brissenden. (In *Labor Law Journal*, Chicago, 4: 4, April 1953, pp. 231-279, illus.)
- Hawaii Builds an Economy on Sugar, Pineapples—and Uncle Sam.* (In *Business Week*, New York, No. 1264, November 21, 1953, pp. 90-94, 96, 98.)
- Hawaii—Growing Islands: Management, Labor and Government Working Together in Hawaii.* [Honolulu], Bank of Hawaii, Department of Business Research, 1955. 54 pp.
- Honolulu, Mid-Ocean Capital: Oriental and Western Ways Blend Harmoniously in Hawaii's Metropolis, Center of Industry, Bastion of Defense, and Tropic Playground.* By Frederick Simpich, Jr. (In *National Geographic Magazine*, Washington, 105: 5, May 1954, pp. 577-624.)
- Labor-Management Relations in Hawaii.* By Arnold L. Wills. Honolulu, University of Hawaii, Industrial Relations Center, 1955. 62 pp., bibliography.
- * *Labor, Trade Unionism, and the Competitive Menace in Hawaii.* By Mark Perlman and John B. Ferguson. Honolulu, University of Hawaii, Industrial Relations Center, 1952.
- * *Medical Care in the Territory of Hawaii: Report of a Survey of Medical Services in the Sugar, Pineapple, Longshore, and Miscellaneous Industries.* By E. Richard Weirnerman, M.D. Honolulu, International Longshoremen's and Warehousemen's Union, Regional Office, 1952. 183 pp., bibliography, maps.
- * *Multiple Industry Unionism in Hawaii.* By Philip Brooks. New York, Eagle Enterprises, 1952. (Doctoral dissertation, Graduate School of Business, Columbia University.)
- * *Organized Labor in Hawaii.* By Mark Perlman. (In *Labor Law Journal*, Chicago, 3: 4, April 1952, pp. 263-275.)
- [*Reports on the Economy of Hawaii.*] [Honolulu], Bank of Hawaii, Department of Business Research.
- [No. 1], *The Economy of Hawaii Today: A Preliminary Study of our Present Economic Position with Estimates of Income and Expenditure and a Brief Review of Measures Necessary to Achieve Postwar Readjustment.* By James H. Shoemaker. 1950. 25 pp.
- [No. 2], *Opportunities for Hawaii to Produce More and Live Better: A Report on the Possibilities of Economic Expansion to Balance Mainland Trade and Create More Employment.* By James H. Shoemaker. 1950. 40 pp.
- [No. 3], *Earning, Spending, Saving in Hawaii: Building a Balanced Economy for Dependable Income, a Stable Community, a Strong Nation.* [1951?] 12 pp., charts.
- [No. 4], *Men, Land and Jobs in Hawaii: Gearing Island Resources to Increased Production, Full Employment, Dependable Income.* [1952.] 12 pp., charts.
- [No. 5], *Working Dollars in Hawaii: A Mid-Year Report on Wealth, Income and Growth in Hawaii.* [1953.] 31 pp.
- [No. 6], *Islands at Work: The Economy of Hawaii in Action.* 1954. 56 pp., charts, illus.
- * *Social Process in Hawaii.* Honolulu, University of Hawaii, Sociology Club, 1951. (Vol. 15.)
Includes the following papers of labor interest: *Hawaii's Industrial Revolution*, by Bernhard L. Hormann; *The ILWU as a Force for Interracial Unity in Hawaii*, by David E. Thompson; *Labor—An Undercurrent of Hawaiian Social History*, by C. J. Henderson.
- * *Special Publications.* Honolulu, Hawaii Employers Council, Research Department.
Studies of unemployment insurance, wages, compensation of office workers, etc., in Hawaii.
- The "Three Clauses" in Hawaiian Labor Agreements.* By P. F. Brissenden. (In *Political Science Quarterly*, New York, 68: 1, March 1953, pp. 89-108.)