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FORTIETH ANNUAL REPORT OF THE SECRETARY OF LABOR

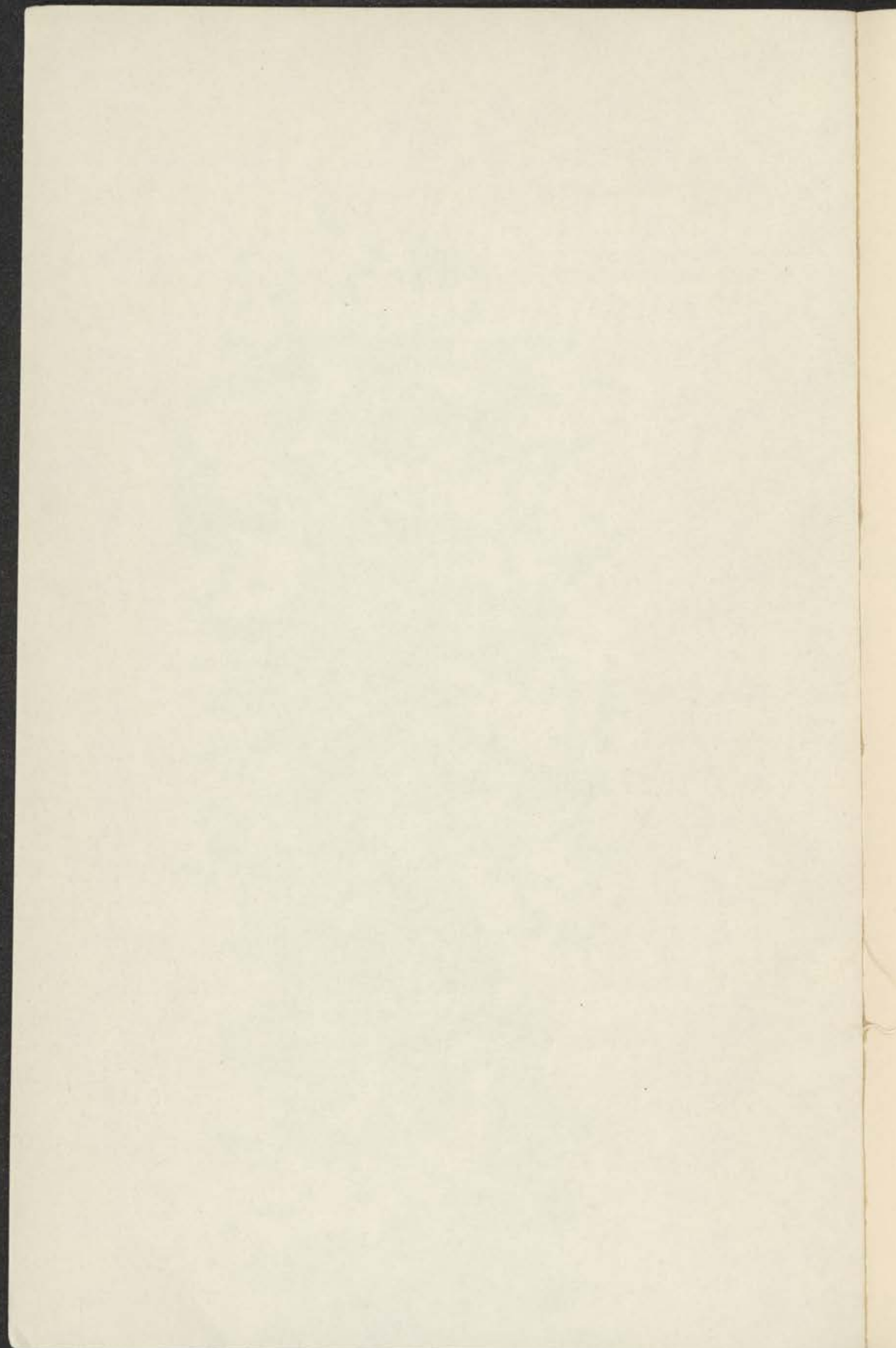
FISCAL YEAR

1952



United States Department of Labor

Maurice J. Tobin, Secretary



U.S. Dept. of Labor

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FORTIETH ANNUAL REPORT OF THE SECRETARY OF LABOR

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United States Department of Labor

Maurice J. Tobin, Secretary

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Letter of Transmittal

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D. C., November 3, 1952.

To the Congress of the United States:

In accordance with section 9 of the act of Congress approved March 4, 1913, I have the honor to submit a report of the business of the Department of Labor for the fiscal year ended June 30, 1952.

Maurice J. Tobin

Secretary of Labor.

United States Department of Labor

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Wage and Hour and Public Contracts Divisions, Wm. R. McComb,
Administrator.

Women's Bureau, Frieda S. Miller, *Director.*

FOURTIETH ANNUAL REPORT OF THE SECRETARY OF LABOR

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FORTIETH ANNUAL REPORT OF THE SECRETARY OF LABOR

To the Congress of the United States:

In the thirty-ninth report to the Congress, I reported at length and in detail upon the activities and achievements of the Department of Labor. Special attention was given to the many ways in which departmental activities contribute to mobilizing the Nation's manpower for defense.

The past year has been one of further substantial achievements in defense manpower mobilization. Manpower has been adequate to meet essential production requirements. More than 2 million workers were brought into defense production.

The Department's activities for strengthening our economy at home and for furthering our interests in international labor affairs have been continued and improved. The programs of the Department which I described last year are continuing to play their full part in helping the United States to achieve the moral and economic leadership upon which the future of the Free World so heavily depends.

But the full purpose of the Department is not achieved simply by carrying out the specific programs for which it is responsible by law. The basic act creating the Department of Labor had much more than that in mind. That act stated: "The purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions and to advance their opportunities for profitable employment."

It is the responsibility of the Department of Labor to carry out specific programs as authorized and directed by Congress.

This responsibility the Department of Labor has discharged with energy and devotion. But, in a democracy, the most important thing the Government can do is to assist, encourage, and inspire people to do things for themselves. This has been the foremost thought and purpose of the Department of Labor since it was created in 1913.

In this report I have summarized in brief the accomplishments of the Department during fiscal year 1952. More detailed information is contained in the various bureau statements reproduced in the body of the report.

Summary of Operations During 1952

National Defense

To preserve peace and freedom in the midst of world tension, the United States is currently embarked on a defense mobilization program based on the conviction that preparedness is the best way to maintain peace.

Manpower, our most important resource in building national strength, is limited in supply. It must therefore be developed and used in such a manner as to assure that it will make the maximum contribution to the mobilization effort.

The job of planning over-all mobilization policies has been given by the President to the Office of Defense Mobilization. Through its National Manpower Policy Committee, on which the various Federal departments and agencies concerned are represented, the Office determines the over-all civilian manpower policies to be followed. A special national labor-management policy committee collaborates on the development of these policies.

For the development and implementation of programs in accordance with these manpower policies, the United States Department of Labor is responsible. Programs are put into effect through the voluntary cooperation of labor, management, and government at regional and local levels. The labor-management committees are responsible for initiating measures and solving specific manpower problems within their geographic areas.

All defense manpower activities of the Department of Labor are coordinated through a single administrative head.

Defense manpower policies.—Up to the present time nine important defense manpower policy statements have been published. Programs for putting them into effect are now in operation, and the policies and their effectiveness are continually being reviewed.

The nine statements themselves may be summarized as follows: No. 1 required that the scheduling of production and the allocation and procurement of materials should be administered with a view to available manpower; and that, wherever possible, production facilities and contracts should be located at the sources of labor supply rather than that the labor supply should be moved to the facility. Policy No. 2 placed special emphasis on the need for recruitment and training in the machine-tool industry, and pointed to the need for the solution of housing and community problems related thereto. Policy Statement No. 3 provided for wage adjustment requests in rare and unusual cases involving manpower shortages in activities essential to national defense or the national health, safety, and interest. Policy No. 4 provided a basis for procurement by negotiating contracts and purchases with concerns in areas of current or imminent labor surplus.

In Defense Manpower Policy No. 5, defense training was given special attention, to insure that manpower would be trained in required skills and occupations in adequate numbers in areas where needed in time to meet mobilization goals. The statement also set forth the policies and responsibilities of the government agencies concerned in determining defense training needs by occupation and skill. In the agricultural manpower area, Policy No. 6 set up the basis for action in recruiting, maintaining, and training an adequate farm work force to meet essential agricultural production.

Getting employment practices liberalized to permit the utilization of the skills of older workers in defense production was the purpose of Policy No. 7. And Policy No. 8 was directed to the most effective use and training of scientists, engineers, and technical personnel. Policy No. 9 related to

the rehabilitation training and placement of the physically handicapped in such a way as to enable them to contribute more to defense mobilization.

Labor Department manpower programs.—In accordance with these policies the United States Department of Labor has concentrated on the manpower program for essential civilian and defense needs.

The aim of the Department has been to expand and distribute the labor force, through voluntary decisions of labor and management, to meet existing needs. In this connection it has given particular attention to the training and use of workers having specialized skills essential to defense mobilization. Everywhere it seeks to insure the best use and greatest productivity of the labor force. It endeavors to create a demand for labor in labor-surplus areas through decisions affecting production, procurement, and the location of facilities and materials. It is planning for the contingency of a greater defense effort.

As a result of the Department's manpower program, public employment offices are recruiting and placing a far greater than normal number of persons in the labor force, and encouraging their transfer to jobs in which they can contribute more to the defense effort. Through its recommendations on facilities location, contract placement, the allocation of materials, and community development planning, the Department is reducing labor shortages and areas of concentrated unemployment. By intensive programs of recruitment, training, upgrading, and utilization, it is relieving manpower shortages in critical occupations. It is working to meet the special manpower requirements of such industries as machine tool, electronics, aircraft, atomic energy, and weapons manufacture, all of which are engaged in urgent military production programs. Agricultural manpower requirements are being met by concentration on the improved utilization and productivity of local labor forces.

The Department has stimulated vigorous programs of industrial safety and health. Taking into account the require-

ments of the Department of Defense, the Selective Service System, and various policies on military manpower, it has sought to insure that every individual will be utilized where he or she will make the greatest contribution to the mobilization program.

Special efforts have been made to meet the need for scientists, engineers, technicians, and highly skilled workers. This has been done by stretching the existing supply, reducing requirements for these workers, accelerating their training, and encouraging more people to take training in these fields.

The Department is continually seeking improved techniques and ways of determining manpower requirements and supply for the Nation as a whole as well as for selected industries, occupations, and areas, at all levels of mobilization.

Labor-market information.—In the face of increased demand for labor-market information with respect to developments and outlook in local labor-market areas, and in industries, occupations, and agriculture, the Labor Department has streamlined and sharpened its activities in this field. Surveys of manpower conditions in special areas, industries, and occupations significant to the mobilization program have been conducted. General coverage has been extended, procedures and techniques revised, and more frequent reporting required, thus bringing the Department's labor-market analysis and information services more up to the minute. Labor-market data collected and analyzed have been made available to all interested persons and agencies.

Defense housing.—The Defense Areas Advisory Committee has been provided with manpower analyses of the local situation in over 300 communities in the country. On the basis of this information the committee determines the areas in which defense production might suffer because of manpower shortages due to lack of housing and community facilities, or because of higher rental rates. Upon committee determination, these critical defense housing areas become eligible for Federal rent control and assistance in connection with their housing and community facilities.

Fact Collecting and Research

The Department of Labor during the past year has concentrated its over-all statistical fact-collecting and research activities on the preparation of information useful as guides to Government policy, particularly as regards manpower, economic stabilization, and the measurement of progress in the national defense program.

Stabilization.—Facts bearing on the stabilization of prices and wages have received more than usual attention. Many special tabulations and reports were prepared for the use of the Office of Price Stabilization in setting price ceilings and developing material pricing policies. These reports analyzed the supplies of commodities and their price levels before and after price-ceiling changes went into effect. Some 500 special studies were made concerning facts of use to the Wage Stabilization Board and its field offices. These observations dealt principally with collective-bargaining agreements, work stoppages, and wage changes.

Regional Wage Stabilization Boards were provided with information concerning the probable effects of proposed wage increases and fringe benefits, and of wage determinations on special manpower recruitment problems. The information was also used by the Boards in development of policies to reduce industrial disputes in the interests of full production.

The Wage Stabilization Board and the Office of Defense Mobilization were provided with data relating to the steel, oil, and aluminum industries.

Manpower.—As part of the defense program, the Department prepared numerous labor-statistics reports on the Nation's manpower requirements and supply, with special reference to critical occupations and industries. The machine tool, air-frame, merchant-marine, munitions, metal-mining, and electronics industries were given specific attention. Studies were made of the automobile manufacturing industry to determine the possible effects of controlled allocation of critical materials to a major civilian industry, which uses metals extensively, during the transition period of the mobilization program.

Manpower estimates of various kinds were provided at the request of the Defense Manpower Administration, the Selective Service, the National Production Authority, the Joint Committee on the Economic Report, the National Security Resources Board, and the Wage Stabilization Board. The effects of military manpower demands and defense production requirements on the labor force received special attention. Manpower data on foreign countries were also studied, with major emphasis on defense production in NATO countries. At the request of the Air Force, studies were initiated with respect to the occupational mobility of tool and die workers, molders and coremakers, and electronic technicians, and of the mobilization requirements of nonferrous foundries, industrial inorganic chemicals, aircraft engines, and optical instruments.

At the request of the National Production Authority data were prepared on employment and shift operations in the metalworking industries.

Small plants in the metalworking industries, and the construction industry as a whole, but with special reference to requirements of the Atomic Energy Commission, were given detailed study.

International activities.—At the request of the Mutual Security Agency studies were made of the manufacture of more than 40 commodities in order to demonstrate, for the information of other countries, methods used in the United States which have contributed to high productivity.

The effectiveness of standardizing models, methods, and materials, and of simplifying designs was also emphasized. American manufacturers were invited to study selected foreign products and methods of manufacture and show how they could be improved by different methods.

Materials were prepared for the use of various international conferences and missions to underdeveloped areas. At the request of the United States Department of State, recommendations were made in order to improve the usefulness of labor and economic intelligence transmitted in foreign service

reports. Extensive demands were made upon the Labor Department for information on foreign labor conditions. This information was used, for example, by the State Department in its "Voice of America" program, the Economic Cooperation Administration, and the United Nations Economic and Social Council.

Other statistical services.—Revision of the indexes of monthly and weekly wholesale prices has been completed. The number of commodity series included in the index has been doubled. Revision of the Consumers' Price Index is nearing completion. A new index—of productivity in manufacturing—is being developed. All indexes are being revised to a postwar base.

Technical assistance has been given in studies of cost of living and related topics in Puerto Rico, Hawaii, and Alaska.

Consumer-price data, and data on hours, earnings, and employment were compiled regarding certain areas of interest to the Atomic Energy Commission.

The Department's statistical reports continue as usual on accidents, work stoppages, and collective-bargaining agreements. In each of these fields, however, special studies have been published.

An emergency mobilization chart on input-output data for some 200 industries was completed for use by the military and as a method for estimating manpower requirements and supplies.

Promotion of Labor Standards

The law establishing the Department of Labor authorized the Secretary to promote the welfare of wage earners of the United States. This requires two things: that he should think about ways to improve conditions; and that he should work with other interested parties in getting those improvements put into practice.

The Secretary has established a bureau as the focal point for work on labor standards. Through this bureau the Department discusses employment conditions with State and territorial officials, with employers and labor unions, with

both public and private groups, with educational institutions and lawmakers. It holds annual conferences on topics of special interest, and invites the public to attend and offer advice. And out of all this discussion it helps to develop the ideas that guide the legislation and administrative action of the future.

Consider some of the things this bureau worked on in cooperation with other people during the past year:

The problems of defense production and its effects upon labor standards took first place. These were considered at the National Conference on Labor Legislation. The cooperating groups representing State governments and labor organizations have agreed that, in spite of the emergency, labor standards should not be relaxed except in unusual cases. They recommend continuance of premium pay beyond the 40-hour week; a longer workweek, in their opinion, would be less efficient.

They advocate useful job experience and continued education for young people still of school age who have gone into employment. They are trying to get people to pay more attention to the problems of the migratory farm worker. They are developing model laws which the States can adopt, if they so wish, covering the inclusion of civil defense workers under existing minimum-wage and workmen's compensation laws, and the relaxation of labor laws if changes become necessary in a national emergency.

During the year national conferences were held on industrial safety and on the employment of the physically handicapped. At the safety conference there were 1,200 people present, representing all sorts of interested groups.

They agreed on a program in which one of the points recommended the inclusion of safety as part of the college training of engineers. They noted that the total of job accidents during 1951 was the highest yet reported—over 2 million, resulting in a loss of 42 million days of work and costing \$4 billion in losses to labor and management. At the same time they showed that the accident rate has been successfully reduced in certain States and certain industries.

They pointed out that during 1952 training in safety was given to 1,400 State officials, 300 union representatives, and 60 other training experts. The Federal Safety Council, it was revealed, is setting up 100 new local councils to help in reducing accidents among Federal employees.

As regards the physically handicapped, the conference was mainly concerned about the effects of workmen's compensation on the rehabilitation and future employment of handicapped workers. State committees have been invigorated. And numerous pamphlets and other publications on the employment of physically handicapped persons have been distributed.

The labor standards bureau has done a great deal to enlist people's interest in getting into school the children whose agricultural employment during school hours is no longer legal.

Also, it made a special study of work injuries to young people in meat packing and bakery machine occupations. After holding public hearings the Secretary issued orders (Nos. 10 and 11) restricting the employment of young people in hazardous occupations in these industries.

The Department of Labor has become the national clearing-house of information on all matters relating to the welfare of workers, and is continually being consulted on them or requested to prepare reports describing them. Because of its close cooperation with other interested groups, its reports and recommendations represent the most fruitful thinking of the Nation on these subjects.

Women Workers

In view of the fact that women make up a third of the Nation's labor force, and are the largest available remaining labor reserve, it is understandable that the welfare of women workers is of major interest to the Department of Labor.

As part of the defense program, for instance, special attention is being given to problems related to the training of women, many of whom have not worked in those jobs before, to work in jobs which are normally not held by women. In

this connection the Department has completed research studies on the suitability of women as workers in, for example, machine shops and aircraft-engine plants.

The defense program has also revealed acute shortages in some occupations—such as nursing, teaching, and clerical work—which are traditionally held by women. The Department is trying to help ease these shortages. For example, special conferences were held during the year and a pilot program was initiated to develop more effective techniques for drawing women clerical workers into the labor force.

The extent to which women contribute to the national income was given further attention. The Department completed a study showing that two-thirds or more of a sample of some 9,000 women members of 7 labor unions use all or most of their earnings to support themselves and others. The Department also noted that one more State enacted an equal-pay law, raising to 13 the number of States which have such legislation.

On the international front the Department has taken part in United Nations discussions on the status of women, and in International Labor Organization discussions on maternity protection.

In connection with this latter contribution, the Department prepared a report showing how a number of private firms and one State provide maternity protection for their women workers.

Training on the Job

The promotion of training on the job is a major function of the Department of Labor. During peacetime this has in the past been limited principally to the training of skilled workers through apprenticeship. During the present emergency periods it has been expanded to include workers in all occupations in accordance with need as determined by employers.

The objectives of the Department, concentrated chiefly on those industries and occupations that are essential to the national defense and welfare, are: to improve training on the

job wherever such training exists; to introduce training wherever needed; and to have the training provided in accordance with sound labor standards.

The Department does not itself provide the training. Through its training field staff, and in cooperation with State and other Federal agencies, it encourages employers and labor to set up training programs, helps them to analyze their training problems, and shows how training is done elsewhere. Where labor unions are involved, the field staff assists in the negotiation of agreements between management and labor so that sound training programs may be conducted in accordance with objectives satisfactory to both of them.

The Department's promotional activities and technical advice are limited to the training of employed persons in the job aspects of their work. Training activities do not embrace unemployed persons, or cover the instruction of employed persons in subjects related to the job. Where necessary, however, the field staff draws the attention of employers and workers to the desirability of vocational instruction as a way of developing or improving the skills of those in training, and advises the use of the services of schools where they can be of assistance.

Consistent with the current defense program, major efforts were directed to increasing the number of registered apprentices in critically needed occupations. This has resulted in the enrollment of 9,000 new apprentices in these occupations during the past year compared with 4,900 who completed their training in that period. Currently there are about 160,800 registered apprentices in training, of whom 21,500 are in critical occupations.

Special attention has been given to the development of training programs in the following industries: aircraft manufacturing, the United States Air Force maintenance shops, Army arsenals, atomic energy plants, shipbuilding, the machine-tool industry, the electrical industry, steel making, foundry work, mining, railroads, auto-repair shops, petroleum refining, building construction, textile manufacturing, printing, and paper making. A program for the training of

Navajo and Hopi Indians in Arizona and New Mexico was also established.

National policy, approving the temporary deferment of apprentices in trades essential to national defense and civilian needs, was established by the President during the year.

In addition to apprenticeship, progress has been made by the Department in promoting training in other occupations. During the year, 550 establishments were given technical help in developing training programs for workers not in the skilled trades. Almost all of these are manufacturers of industrial machinery or of equipment for the Armed Forces.

Employment Security

The State employment services in cooperation with the United States Department of Labor did more business during this past year than during the preceding year.

More than 7 million applicants for jobs made a total of 115 million visits to their local employment offices. Interviews exceeded $1\frac{1}{2}$ million. Applicants were referred to jobs in nearly 21 million cases. And almost 16 million placements were made. Slightly less than one-half of the referrals, and about three-fifths of all placements were made in agricultural jobs. Public employment officials made more than $2\frac{1}{4}$ million visits to employers, helping them to find workers.

In addition to helping workers find jobs, public employment offices also distributed payment benefits to the unemployed. During an average week during the past year more than one-half of all employed civilian workers were employed in jobs covered by unemployment insurance. Altogether there were 34 million workers under Federal-State unemployment insurance programs, and 4 million under a special program covering railroad workers. Nearly 12 million claims for insurance were filed, and during an average week almost 1 million workers were drawing benefits. Altogether throughout the year 47 million benefit checks were made out. The average person receiving benefits was out of work 10 weeks.

The total amount spent during the year in Federal-State unemployment benefits was \$992 million. But tax collections

for this purpose exceeded \$1,620 million. At the end of the year the total reserve fund for this purpose was close to \$8 billion, an all-time high.

In addition to unemployment insurance, the railroads and four States pay workers for wage losses due to sickness or accident not confined to the job. About one-fourth of the workers covered by unemployment insurance are also covered by this temporary disability insurance.

During the year, nine States made liberal changes in their unemployment insurance laws. By the end of the year the top amount that could be paid to unemployed workers varied from \$20 to \$30 a week, with 35 States paying \$25 or more. And the longest time that benefits could be paid varied from 16 to 26½ weeks, with 45 States allowing up to 20 weeks a year.

Workmen's Compensation

As we explained earlier every State has a law by which workers are compensated for injuries received which arise out of the job. For people employed by the Federal Government and other groups to whom coverage has been extended, there is a similar law enacted by the Congress. One of the jobs of the Secretary of Labor is to administer this act. In addition the Secretary has the job of administering workmen's compensation laws relating to maritime workers and certain other groups of workers in private industry.

Altogether about 2.5 million Federal workers and 1 million other United States workers in various parts of the world are currently covered by these laws.

In 1952 under these laws benefit payments made by the Department or by private industry under departmental supervision totaled almost \$47 million, of which about \$32 million was a charge against the Federal Government. This figure includes substantial payments to persons injured in prior years for whom compensation rights are not exhausted, as well as payments for persons newly injured. The 1952 cost is more than three times as great as was that paid out annually before World War II, and results primarily from four factors: greatly

increased covered employment, liberalized benefits, increased wage rates which largely determine the dollar amount of compensation benefits, and increased medical costs. During 1952 over 240,000 injured persons benefited from the various compensation laws administered by the Department.

Reemployment Rights

Men and women who give up their jobs to enter the Armed Services are by law entitled, upon their return to civilian life, to their old jobs or an equivalent job and other benefits. Out of almost 1½ million veterans, reservists who performed training duty, and persons rejected for military service during the past year, more than 300,000 either returned to their former employers or received some reemployment benefit to which they were entitled.

To help persons interested in the operations of the Veterans' Reemployment Law, the Department last year distributed 10,000 copies of a special question-and-answer handbook explaining the details, and nearly a million copies of a leaflet explaining the reemployment program.

The Department operates this reemployment activity through a small staff, supported by the State Employment Services and some 4,000 voluntary committeemen.

During the year the Department received more than 28,000 veteran-reemployment problems, and completed the handling of 26,000. Very few of these cases had to be settled in the courts. Most employers, employees, and labor unions, when informed of the facts and kept up to date on changes in the law, are fully cooperative in seeing that workers returning from military service get their proper due.

Wage Setting and Enforcement

The Secretary of Labor has certain duties to perform in connection with the setting of wage rates and hours of work and seeing that those rates and hours are enforced. The principal laws in which those duties are described, however, deal with different situations, such as minimum wages, prevailing minimum wages on public contracts, and prevailing

wages on public construction. The application of each of those laws is therefore discussed here separately.

Wages and hours.—Under the Constitution of the United States commerce between States is subject to regulation by the Federal Government. In 1938 the Congress enacted a law stating the labor standards which must be met by employers of people who are engaged in interstate commerce or in the production of goods for such commerce. The standards required the payment of not less than a stated minimum wage and payment of time-and-a-half for overtime work, and restricted the employment of children. In 1949 the Congress raised the minimum wage from 40 cents to 75 cents an hour effective January 1950, and strengthened the child labor and some other provisions. The Secretary of Labor has the job of administering this law.

As part of the wage-setting functions of the Department, special attention was given during the past year to the raising of minimum wages in Puerto Rico and the Virgin Islands to the 75-cent minimum as rapidly as is economically sound. During the past year the administrator issued 13 industry wage orders for Puerto Rico and one wage order setting minimum wages for the industries in the Virgin Islands.

The law allows "learners" and certain other persons to be employed at wages less than the required minimum, provided the Secretary is satisfied that their employment meets the requirements of the applicable regulations. During the past year almost 2,800 learner applications were considered, and 2,200 certificates were issued. The certificates specify the rate that must be paid, the length of the learning period, and the proportion of workers that may be employed as learners. The Department also allowed the employment of 420 apprentices, at rates below the 75-cent minimum, under special certificates.

Public contracts.—The Federal Government is the biggest purchaser in the United States. It buys vast quantities of goods for public use. The bulk of these things it buys from private contractors, and the contractors employ their own workers. The Government has an obligation to see that these

workers are not employed under substandard conditions. In 1936 the Congress enacted the Public Contracts Act which says what the standards should be, and gave the Department of Labor the job of administering this law.

The Public Contracts Act provides for the determination of prevailing minimum wages, provides for overtime pay, and prohibits child labor, convict labor, and homework on Government contracts. The act requires that the place of employment shall not be unsafe or insanitary.

Under the Public Contracts Act the Department determines what are the prevailing minimum wages paid in different industries. It does this after a study of the industry and the holding of open hearings at which employer and labor representatives in the industries concerned in such determinations appear and testify. The Secretary then finds the prevailing minimum-wage rates. Thereafter, any employer in the industry who is awarded a Government contract in excess of \$10,000 is required to pay his employees who work on that contract at not less than the rates found by the Secretary to be the prevailing minimum.

During the past year, prevailing minimum-wage rates were established in 7 industries or branches of industries, and the records of hearings on 12 other industries were being considered at the end of the year.

The Department of Labor employs investigators who check the pay rolls of Government contractors and see that these rates are paid. To give some idea of the scope of this job, during 1952 nearly 65,500 contracts (exclusive of restricted, confidential, or secret contracts) were awarded under this act. Amounting to \$11 billion, they went to more than 18,000 firms, of which 8,000 had not had a Government contract for at least 2 years.

Investigations.—During 1952 the Department of Labor completed almost 42,000 investigations under the Fair Labor Standards Act and the Public Contracts Act. The Department's program is based on the investigation each year of a small portion of the 715,000 covered establishments. In

consequence, investigations are concentrated in industries and areas where there is reason to believe violations of the laws are most likely to be found.

In roughly 6 out of every 10 cases, investigators found a failure to comply with some important provision of the laws. Nearly one-half of these involved failure to pay premium overtime pay, and about one-fifth involved failure to pay the minimum rate.

These proportions were high, of course, because the investigations were concentrated in likely areas. They do not reflect the behavior of employers in general, most of whom willingly obey the law. In fact, most of the employers who were found to have violated the law needed merely to have the matter drawn to their attention, and they voluntarily corrected it. For instance, more than 84 percent of the 20,000 employers found to owe back wages agreed voluntarily to pay almost \$8,500,000 due to some 145,000 employees. Only a few had to be prosecuted.

Investigations disclosed 11,700 minors unlawfully employed. More than 5,400 of these were children under 16 years of age employed on farms during school hours. They also found about 3,500 young people under 18 employed in occupations found by the Secretary of Labor to be hazardous. In such occupations the law prohibits the employment of persons under 18 years of age.

Under the safety and health provisions of the Public Contracts Act the inspectors made some 5,600 investigations, in one-third of which they uncovered situations that had to be corrected to comply with the law.

Prevailing wage rates.—When the Government lets a contract for the repair or erection of a building, such as a post office or an atomic energy plant, construction workers from the local community and nearby areas are employed by the contractor to help him. The Government requires that on any such contract to the value of more than \$2,000 the laborers and mechanics so employed should be paid at the same wage rates as those commonly paid in the area. These rates are known as prevailing rates.

Prevailing rates are determined before the contract is let, so that all contractors bidding on the job will know how much they will have to pay for labor. On the basis of pertinent information collected by the Department, and in some instances after public hearings conducted by officials of the Department at which employers, unions, and other interested parties may express their opinions, the rates are established.

The effect of this law is to maintain labor standards in areas affected by Federal construction.

The 8-hour law.—The Department of Labor also has the responsibility of administering the so-called 8-hour law affecting Government contracts. It does this by advising the various Government agencies that let out business to private contractors.

The law establishes the working day as 8 hours, and requires at least time-and-one-half pay for overtime. It applies only to mechanics and laborers.

International Labor Affairs

In its relations with foreign countries the Federal Government is concerned, among other things, with conditions and developments among the workers of those countries.

After World War I the allied nations set up the International Labor Organization in Geneva, Switzerland. The job of this organization is to collect information about workers from all countries of the world and develop programs to improve their conditions. The programs are discussed by employer, labor, and government representatives of the various countries, who then consider them and propose what the countries should do about them. The proposals deal with working conditions, training, safety and health, and so on.

American labor unions, employers, and the United States Government are all represented in these discussions, and have a great deal to do with getting ideas adopted.

During the past year the Labor Department, with the cooperation of other Federal Departments, prepared the official papers setting forth the United States Government's point of view for use at nine meetings of the International

Labor Organization, and arranged for the selection of worker, employer, and Government representatives to attend those meetings.

Of recent years the United States Government has added to its foreign and diplomatic service a special group of men trained in labor problems. These are the labor attachés, assigned to many of our important embassies, who keep the United States Government informed on foreign labor situations.

The Labor Department and the State Department worked jointly on the development of the Government's foreign labor program in the Foreign Service. During the year the number of full-time labor attachés was increased from 31 to 40, and general information or training in labor problems was given to about 200 members of the United States Foreign Service.

The Department of Labor keeps abreast of developments in the international trade-union activities in both the free and the Communist-dominated sections of the labor movement, and supplies information as needed by other government agencies in the United States. It also does a great deal to keep non-communist workingmen and workingmen's organizations abroad informed on labor conditions in the United States. Some 30,000 inquiries from abroad were answered concerning labor-management and other labor problems and conditions in the United States.

Labor experts are selected by the Department and sent abroad to advise foreign groups on such things as industrial training, productivity, labor statistics, labor law administration, and industrial safety. This is done under the "Point 4" and other technical assistance and exchange programs. Observers and trainees from other countries are brought into this country to learn about labor in the United States. During the past year 10 experts were sent abroad and about 1,000 foreign trainees from 40 different countries were given training or observation experience in the United States. This program is carried on through the various offices and bureaus of the Department.

The Department also participated in the achievement of a revised trade agreement with Venezuela, as part of its regular responsibilities under the Trade Agreements Act.

In all of this work the Department has received excellent cooperation from trade unions, employers, universities, government agencies, and interested individuals in the United States.

The Secretary of Labor is advised on international labor affairs by a committee representing the American Federation of Labor, the Congress of Industrial Organizations, and the Railroad Brotherhoods.

Labor Library

The library of the Department of Labor maintains a collection of almost 338,000 items, of which more than 10,000 were added during the past year. A special section of the collection is devoted to labor newspapers and periodicals.

Some idea of the usefulness of the library may be obtained from the fact that during the past year alone more than 18,000 books and twice as many periodicals were circulated. Also the library answered more than 21,000 reference questions. It was visited by 1,800 people from outside of the Department, many of them from American trade unions or from foreign countries.

The library exchanges materials with foreign countries, thus keeping its readers up to date on labor affairs in other lands. And it makes available to United States libraries a list of new books, articles, and other items that it has received during the month.

By keeping a collection of extra copies of earlier publications of the Department, the library is able to help other libraries develop their incomplete files. For example, it helped to complete sets of materials for the Philippines Labor Department library, which was destroyed during the war.

Legal Activities

During fiscal year 1952 the Secretary of Labor and other officers of the Department made more appearances before congressional committees than in any previous year. Illustrative

of the matters on which such testimony was presented are: Communism in labor organizations; the Report of the President's Commission on Migratory Labor; bills to improve and extend the Unemployment Insurance program; amendment of the Walsh-Healey Public Contracts Act; National Emergency Labor disputes; ratification of International Labor Organization Conventions; and amendments to Longshoremen's and Harbor Workers' Compensation Act. More than 225 written reports on proposed legislation were prepared in response to the requests of congressional committees and the Bureau of the Budget for the views of the Secretary.

The Department's attorneys passed upon claims filed under the Federal Tort Claims Act, performed legal services for the various bureaus of the Department such as drafting and reviewing administrative orders, prepared legal opinions, analyses and memoranda for the Secretary and other officers of the Department, and aided the Secretary in his duties relating to the enforcement of the Fair Labor Standards Act in the courts of the United States, the litigation in administrative proceedings under the Walsh-Healey Public Contracts Act, and the administration of other statutes within the Department's jurisdiction.

In fiscal year 1952, a total of 608 civil actions comprising 567 injunction suits, 19 contempt proceedings, and 22 special proceedings were filed. In addition, 625 civil enforcement actions were closed during the year.

During the year, 177 criminal cases were instituted and 161 criminal cases were closed. Under the Walsh-Healey Act 33 administrative enforcement proceedings were instituted during the fiscal year and 20 proceedings were completed.

During the fiscal year, 27 briefs were filed for the Secretary in appellate proceedings and the Department participated as *amicus curiae* in 5 others. The United States Supreme Court rendered no decisions and the Federal Courts of Appeals handed down 9 in cases instituted by the Department. In 7 of these the Department's position was sustained.

During the past year opinions and interpretative bulletins were issued with respect to the Fair Labor Standards Act,

the Public Contracts Act, the Davis-Bacon Act, the Eight-Hour Law, and the Copeland (Anti-Kickback) Act. The most significant field of new endeavor was found in the launching of a program under Reorganization Plan No. 14 to coordinate the enforcement and interpretation by Federal agencies of labor standards provisions applicable to contracts covering federally financed and assisted construction. Problems resulting from the launching of this program during the fiscal year required many consultations, the preparation of many legal opinions, and the preparation of an investigation and enforcement manual to assist the Federal agencies in carrying out their functions and duties in this field.

The various exemption provisions of the Fair Labor Standards Act, as amended, generated a large number of administrative proceedings in fiscal year 1952 involving, among other things, modification of industry learner regulations, issuance of regulations relating to employment of messengers, seasonal industry determinations, and application of the retail and service exemption provision of Section 13 of the act.

Legal services were also provided in connection with Puerto Rico wage order proceedings, Public Contracts Act minimum wage determination proceedings, proceedings relating to Child Labor Hazardous Orders, and the overhauling of the Public Contracts Act regulations.

Legal services were performed in connection with the interpretation and operation of the Federal Unemployment Tax Act; the unemployment compensation provisions of the Social Security Act; the Wagner-Peyser Act of 1933 and supplementary legislation relating to the Nation-wide system of public employment offices; the Farm Placement Service and the Veterans' Employment Service; and assistance rendered to State agencies in the operation of the State-Federal employment security program, which includes both unemployment compensation and the employment service.

The Mexican migrant labor program gave rise to a myriad of legal problems in negotiation with the Mexican Government over the terms and interpretation of the controlling executive agreement. Legal work in the Defense Manpower program

consisted less of opinions on specific legal questions than of participation with administrative officials in planning and the formulation of policy.

In Unemployment Insurance, emphasis was on collaboration with State agencies in maintaining the basic principles of the Federal-State system and specific standards in the Social Security Act and the Federal Unemployment Tax Act against attack in litigation and proposed amendments to State laws. In the Employment Service the most significant problem of the year was to deal adequately with emergency situations, such as the construction of atomic energy projects and the sharply fluctuating demand for maritime workers.

Legal advice and assistance were furnished to the Bureau of Employees' Compensation which administers several laws providing workmen's compensation for employees of the Federal Government, private employees engaged in long-shoremen's, ship-repair and harbor work, industrial employees in the District of Columbia, and employees of Government contractors located outside of the United States.

In the past year the courts reviewed a number of cases, and some novel questions in compensation law were raised as a result of the unusual working conditions affecting employees engaged in the construction of defense bases and engaged in public works contracts in remote areas of the world. During the past year the courts have to some extent cleared the atmosphere with respect to the so-called "twilight zone" maritime cases, that is, those involving a conflict between Federal and State jurisdiction.

During the year, 42 contested Longshoremen's Act cases were handled, nearly 16,000 third party tort cases were processed under the Federal Employees' Compensation Act, and \$1,670,000 in damages recovered.

Legal advice and assistance were also furnished on all subjects of concern to the Department in the field of international labor activities, and, particularly, with respect to the obligations incurred by the United States as a member of the International Labor Organization.

For the first time the legal staff was called upon to prepare a reply to charges filed against the United States under the

ILO procedure for the consideration of allegations of infringement of trade-union rights, a procedure whose establishment was strongly supported by the United States. Charges were filed by the Communist World Federation of Trade Unions alleging infringement of trade-union rights in the railroad strike of 1950, the operation of the maritime security regulations, and other instances. Upon the basis of the United States' reply the charges were dismissed.

The Department's lawyers provided legal advice and assistance on problems arising out of the Department's assistance to veterans in obtaining their former employment after military service, pursuant to Selective Service Legislation of 1940 and 1948.

During the past year, attorneys prepared over 1,200 interpretations on problems arising under the statutes, reviewed approximately 1,000 items dealing with reemployment rights, generally to correct or prevent errors in published material on veterans' reemployment rights, and gave advice concerning appropriate provisions in collective-bargaining agreements and employer policies dealing with reinstatement of veterans.

The Department is responsible for the determination of prevailing hourly wage rates required to be paid to all mechanics and laborers directly engaged in the performance of work under contracts for Federal construction within the scope of the Davis-Bacon Act, as amended, National Housing Act, as amended, Hospital Survey and Construction Act, Federal Airport Act, Housing Act of 1949, the School Survey and Construction Act of 1950, and the Defense Housing and Community Facilities and Services Act of 1951.

During the fiscal year 10 wage rates surveys were conducted in areas where major craft rates were in controversy. Approximately 400 complaints of alleged violations were received during the year, of which approximately 250 were investigated. Approximately 150 investigation reports were analyzed and recommendations made to the appropriate contracting agencies. Over 14,000 requests for wage determinations and modifications were received and almost 17,000 decisions and modifications issued.

REPORTS OF BUREAUS AND OFFICES

Bureau of Apprenticeship

The activities of the Bureau of Apprenticeship during the past year were directed primarily, as in 1951, at alleviating the manpower shortage for defense production. The broad-scope Skill-Improvement Program, designed to encourage and assist employers and labor in planning and establishing apprenticeship and other on-the-job training systems, was expanded. The objective of this program is to develop, as required, new skills, broader skills, and technical knowledge of workers on all levels and in all occupations.

In establishing these training systems, industry has had the assistance of the Bureau's field representatives, who are located in industrial centers throughout the United States. The classroom instruction, which supplements the in-plant training in apprenticeship programs and not infrequently in other forms of training, is provided by the local vocational institutions or by employers.

Skill-improvement programs have now been established with the assistance of field representatives of the Bureau in approximately 550 plants engaged in defense production. Among the wide variety of equipment and supplies produced in these plants are aircraft, and aircraft parts, atomic-energy-propelled submarines, and other atomic-energy equipment. periscopes, parachutes, electronic equipment, armaments of various kinds, army tanks and trailers, industrial machinery. mine cars, as well as uniforms for the Armed Forces. Programs were also placed in operation in many of the metal mines.

Among the companies utilizing the skill-improvement methods and techniques recommended, 93 percent are manufacturing military equipment or industrial machinery, approximately 3 percent are in the metal mining industry, and the rest are mostly construction contractors, public utility or railroad companies.

Training

Under the skill-improvement programs, apprenticeship constitutes a dominant phase, for craftsmen are the keymen in any plant and shoulder the responsibility of tooling up, getting production going, and carrying out the production schedule. They are the hub around which production activities revolve.

Of major importance to the defense production effort has been the need to build up the skilled manpower in the critical trades. The first call has been for these workers; and consequently the Bureau's field staff concentrated, during the year, on assisting and encouraging the defense production industries to further apprentice training in these trades.

The greatest need, the Bureau's records show, has been for machinists, tool and diemakers, patternmakers, molders, and coremakers. The efforts of the Bureau's staff have, therefore, been focused first and foremost on increasing the number of apprentices in these four trades. The number of apprentices in these trades increased during the year from 14,670 to 16,750 and the total number in all the critical trades passed the 21,500 mark by the end of the year.

In addition to those now in training in the critical trades, 4,850 apprentices completed their apprenticeship during the year. In all the skilled trades—and there are 90 in all—33,000 apprentices completed their training during the past 12 months and have been added to the ranks of journeymen.

Deferment

The large number of young men joining the Armed Forces reduced to a large extent the number available for apprentice training and depleted the ranks of apprentices employed. The prospect of apprentices leaving for military service before

completing their apprenticeship caused many employers to hesitate to hire draft-age apprentices. Also many young men who would in normal times apply for jobs as apprentices hesitated to do so.

Because of the situation, representatives of the Bureau conferred during the year with representatives of Selective Service and of other Government agencies concerned with mobilization and training to arrive at a deferment policy for apprentices that would be effective and practical. In proposing apprentice deferment the Bureau stressed the fact that the principle involved was similar to that underlying college student deferment. In both instances continued training and education for skilled occupations is essential for the Nation's long-range interests.

At the end of the year deferment regulations for apprentices were officially approved and the President issued an order authorizing that they become effective.

The purpose of apprentice deferment is to maintain and increase the ranks of skilled workers and to maintain a sound civilian economy. The granting of temporary deferment to apprentices in trades essential to our defense and civilian needs will aid materially in broadening the skills of our entire national work force and in enabling employers and labor to set up and expand apprenticeship programs.

The regulations provide that apprentices in any trade, who qualify, may be deferred after completing 1 year or more of training, and that apprentices in the critical trades may be deferred after 6 months of training.

One of the conditions is that the apprentice training program in which young men are in training meets the standards and requirements prescribed by the Director of Selective Service, which are based on the recommendations of the Secretary of Labor.

Assistance of the Bureau's field staff has been made available to employers and labor with regard to procedures required in requesting and gaining approval of deferment of apprentices.

The deferment of apprentices will enable the Bureau to check

the decline in apprentice employment due to the draft. It is expected that the supply of apprentice applicants will be greater and that cancellations and suspensions arising from inductions into the armed forces will decrease.

Cooperation with State Agencies

The close-working relationship already existing between the Bureau and State apprenticeship agencies was further strengthened by the establishment of a coordinating committee, organized in 1951. This committee is composed of seven representatives of the State agencies and seven representatives of the Bureau. The purpose of this committee is to assure continuous interchange of information mutually advantageous in expanding apprentice training activities throughout American industry. During the year this committee held several meetings, at which activities in the various States were reported and problems of mutual interest were discussed.

Training of Indians

The comprehensive program formulated in 1951 for Navajo and Hopi Indians was placed in operation during the past year. More than 250 Indians are now in training in the Arizona and New Mexico reservations. It is anticipated that a total of 1,000 apprentices in all will be employed under the program, which covers 34 occupations in the construction, electrical, metal working, and service trades.

This program was planned and developed by the Bureau of Apprenticeship in cooperation with the Bureau of Indian Affairs. It is the start of a long-range plan to be extended into other reservations. It is designed to enable Indians to become more self-sufficient and to teach them craftsmanship so that they may not only build schools and build and operate industrial plants on their reservations but also work in the crafts outside the reservation. In the past, Indians working off the reservations could find employment only in unskilled and semi-skilled occupations.

Training in Major Industries

Aircraft Industry

Major emphasis was directed toward an examination of the need for training in the aircraft industry through a special campaign in this field. More than 120 companies engaged in production and assembly of aircraft or aircraft parts were visited. In many instances exploration of the companies' experience in meeting manpower requirements in the skilled trades revealed serious shortages that could be eliminated by the proper combination of short-term training and apprenticeship.

Air Force Bases

As a result of the promotional work of the Bureau's field staff, the apprenticeship programs in the maintenance shops of the air-force bases continued to grow. By the end of the fiscal year, over 1,270 apprentices were employed in the maintenance shops—an increase of nearly 400 over the number employed at the end of the previous year. During the year 215 apprentices in the shops completed their training and are now working as full-fledged journeymen.

The programs of the air-force bases are registered with the Bureau of Apprenticeship and are based on standards recommended by the Federal Committees on Apprenticeship. The high standards maintained in the program have gained the support of key military and civilian officials responsible for airplane maintenance.

Arsenals

During the year, five arsenals were added to the seven others with apprentice training programs registered with the Bureau of Apprenticeship. The ordnance-wide program of apprenticeship, adopted in 1951, is now almost completed.

Atomic Energy Projects

Training programs to provide for the skilled manpower required in the construction and expansion of atomic energy

plants, as well as in the operation of the plants, have been placed in operation with the assistance of the Bureau's field staff.

Shipbuilding

Although the shipbuilding industry has been far less active than it was during World War II, there has been a serious need in many shipyards for craftsmen or other workers. The Bureau of Apprenticeship has therefore continued and broadened its promotional work to stimulate and assist shipbuilding companies in building up the manpower by training.

There are more than 15 skilled trades in the shipbuilding industry, many of which are peculiar to the industry. To determine training needs in these trades, the Bureau made a study of the number of craftsmen employed and needed in each shipyard and of the number of apprentices in training. This information supplements the list of shipbuilding companies with contracts compiled during the previous year. Armed with this information the field representatives of the Bureau directed their attention to the shipyards where there was the greatest urgency for training.

At the end of the fiscal year, approximately 30 shipbuilding companies had in operation apprenticeship programs, which had been established with the assistance of the Bureau and State apprenticeship agencies during the last 12 months or in previous years. Programs are under development in seven additional shipyards.

Machine Tool Industry

In view of the fact that the machine tool industry furnishes the machines required for the other defense production industries, the activities of the Bureau have been focused during the past 2 years on increasing skilled manpower in the industry through apprenticeship. The machinist and tool and die maker trades have been at the top of the list of crafts where there has been the greatest need for workers.

In order to gauge training needs throughout the machine tool industry, a study was made by the Bureau of 200 major plants to find out where the need was most urgent. The study

revealed that two-thirds of the plants conducted training of some kind, and that four out of five of the companies employing apprentices were training them under programs registered with the Bureau of Apprenticeship or State apprenticeship agencies.

In addition to the Bureau's efforts to increase and expand apprenticeship programs has been its promotion of other systems of training through the installation of skill improvement programs. Training to up-grade workers in non-apprenticeable occupations in the machine shops was inaugurated in more than 100 plants.

In view of the fact that the foundry crafts—patternmaker, molder, and coremaker—are among the skilled occupations where there is the greatest demand for craftsmen, the Bureau has made a special drive to stimulate apprentice training in these trades. The industry is one of the most essential in defense production. The production of armaments and other war equipment depends for the most part upon the volume of production in the foundries. Encouraging progress was made by the Bureau's staff in all parts of the United States in increasing the number of apprentices in the above-mentioned trades.

Steel Mills and Foundries

The Bureau has also been extremely active in furthering the expansion of apprenticeship programs in the steel mills. These programs are confined for the most part to maintenance crafts.

In addition to the activities with respect to apprenticeship, considerable progress was made during the year in placing in operation in the mills skill-improvement programs to develop workers for jobs not classified as apprenticeable.

Mining

The urgent need for proficient, thoroughly trained workers in the metal mining industry was alleviated considerably during the year by training programs recommended by the Bureau's field staff. The response to the Bureau's activities in the industry during the last 2 years is reflected by the number of training programs now launched in the mines of the Rocky

Mountain area. It is in this area that cobalt, copper, uranium, molybdenum, and many of the other vital metals essential in defense production are mined.

Apprenticeship programs in the maintenance crafts, in conformance with standards recommended by the Bureau, are now in operation in this area in the mines of 24 companies; and comprehensive skill-improvement programs have been established by 8 companies, most of which are in Utah. By means of these over-all programs the skills of new recruits as well as workers already on the payrolls are being developed and improved. These workers are in training in a wide variety of occupations.

Railroads

Because of the wear and tear on rolling stock during these busy times and the demand for thoroughly trained craftsmen to keep the locomotives, cars, and other equipment in top-notch condition, apprentice training has been accelerated. At the end of the year more than 2,025 apprentices were in training in the railroad maintenance shops under the program registered with the Bureau of Apprenticeship; and more than 1,190 others completed their training during the year and are now working as full-fledged journeymen. Since 1947, when the program was registered with the Bureau, more than 2,165 journeymen have been added to the skilled maintenance force through apprentice training.

Automotive Industry

In view of the restrictions on material during the past 2 years and the resultant recession in the manufacture of passenger cars, the progress in apprentice training in the automotive industry has been outstanding during the last 12 months.

The up-swing in training activities is owing to the large number of skilled workers required for the production of army tanks, trucks, and other automotive equipment.

At the end of the fiscal year, 13,718 apprentices were in training in the auto mechanic and maintenance trades. Among those now employed are 9,725 in training as automobile

mechanics, about 285 for work as tractor mechanics, over 440 as automotive electricians, and 2,620 as auto-body repairmen.

Construction

During the year the construction industry played a major role in the defense production program. Many thousands of on-site workers were employed in the building and expansion of industrial plants manufacturing military equipment, as well as in building houses for workers employed in those plants, as exemplified by the construction project at the Atomic Energy Commission's Savannah River project.

These construction projects were in addition to the home building program which has been underway since the end of World War II. It has been a twofold program, requiring more on-site workers than ever before in the history of the industry. In June of this year, 2,663,000 construction men were on the job.

Although residential construction declined to some extent during the year well over half a million housing units were started during the last 6 months of the fiscal year—only about 4 percent less than the number started during the same period during the previous year. It is anticipated that when the peak in industrial plant building is reached there will be another upswing in residential construction.

In view of the scarcity of skilled construction men available today there is a vital need to increase the number of apprentices employed to meet current and future demand. The Bureau of Apprenticeship has continued its efforts, therefore, to stimulate employers and labor in the industry to expand apprentice training activity. Due largely to the number of apprentices joining the armed forces, and the difficulty in obtaining qualified young men for apprenticeship, the number of apprentices employed in the building trades has not kept pace with the demand.

The industry has been greatly strengthened, however, by the great number of apprentices who completed their apprentice training during the year and have been added to the journey-men ranks. Fully 15,000 apprentices were awarded com-

pletion certificates during the year. The apprentice deferment regulations approved by the President in June and the reenactment shortly after the end of the year of the G.I. Bill to provide veterans with monthly subsistence allowances should help to enable the industry to obtain and keep on the job sufficient apprentices to meet the demand.

Largely as a result of the promotional work of the Bureau's field staff, the number of local joint apprenticeship committees in the building trades, which are in charge of apprenticeship programs, increased during the year from 3,050 to 3,165. This is an encouraging factor, for it reflects the growing interest in every locality of employers and labor in apprentice training.

Textiles

Despite the general recession of activities in the textile industry, the Bureau's field staff continued its efforts during the past year to stimulate and maintain the interest of employers in apprentice training, and to encourage the establishment of programs to train workers for jobs not requiring the all-round skills learned through apprenticeship.

The high cost of imported textile materials has been among the factors which have retarded business throughout the industry, and consequently has lessened the interest of employers and labor in establishing new training programs.

The introduction of new synthetic fibers used by themselves or as blends has further complicated the textile industry's problems. The high cost of wool hastened the introduction of synthetic fibers with the characteristics of wool. The installation of new textile machinery plus the new man-made fibers makes necessary better training of the operators and machine fixers. The fixers must understand, correct, and maintain this new equipment so that the operator can produce quality goods in the greatest volume possible.

During these troubled times in the industry, every apprenticeship program has continued; additional apprentices have been employed and a large number have completed their training.

Graphic Arts

As a result of the adoption and dissemination of the national apprenticeship standards in the photoengraving crafts developed in cooperation with the Bureau, apprentice training in these highly skilled occupations has expanded considerably, and progress has been made in the development of national standards in the other branches of the graphic arts industry. A large number of programs in these branches are already in operation in conformance with recommendations of the Bureau's field staff. More than 1,680 apprentices are now in training for all-round work as compositors, as well as 1,180 printing pressmen apprentices, and 400 apprentices in the electrotyper, stereotyper, and lithographer trades.

Pulp and paper

Considerable progress in the expansion of apprenticeship was made during the year in the pulp and paper industry. This progress has been particularly noticeable in Northern New England.

Promotional efforts in the paper industry have been largely confined to the maintenance trades. Study was made during the year of the apprenticeability of additional trades in the paper mills.

A number of mills are considering the establishment of skill-improvement programs to train workers for semiskilled occupations.

For the guidance of the industry the Bureau has initiated and assisted in the establishment of pilot programs by 25 of the larger companies. These programs are being used as a pattern by other companies.

Defense Manpower Administration

The Department of Labor's participation in defense mobilization was authorized by the Defense Production Act as implemented by Executive Order 10161.

Defense Manpower Administration was established (General Order 48) by the Secretary within his Office to assist him in providing leadership and direction to the manpower activities and programs of the Department of Labor.

Functions

The manpower program encompasses a range of activities including recruitment, placement, training, accident prevention, labor standards, protection of reemployment rights, getting the proper use of the labor supply, and also such related activities as providing appropriate living conditions, housing, schools, and recreation and community facilities. It also includes the problem of securing and maintaining an appropriate balance between military and civilian manpower so as to assure maximum security of the United States and her allies.

Each of these activities is the primary responsibility of one of the bureaus of the Department or of such agencies as Selective Service, Federal Security, and Housing and Home Finance. In many instances, two or more bureaus have a part in each of the activities. An integrated manpower program cuts across the responsibilities of several bureaus of the Department and several agencies of Government. Coordination and direction is required in order to achieve an integrated manpower program. This is done for the Secretary of Labor by the Defense Manpower Administration.

Under its charter, the Defense Manpower Administration has established the manpower program objectives and has brought the several bureaus and offices together in formulating the programs necessary to reach the objectives. Through this means each bureau's facilities have been developed and brought into a coordinated effort to deal with manpower problems related to the mobilization effort.

Defense Manpower Administration functions fall primarily into three principal groups:

1. Directing and coordinating the manpower activities carried on by bureaus within the Department of Labor.
2. Maintaining liaison for the Department with other defense agencies and activities.
3. Maintaining liaison with and obtaining advice from labor-management manpower committees at national, regional, and area levels.

Organization and Methods

Coordination Within the Department of Labor

The Defense Manpower Administration has sought to administer its responsibilities for manpower activities within the Department of Labor by relying upon the bureaus and offices to carry out programs under the general supervision and direction of Defense Manpower Administration.

Such coordination and direction is achieved through day-to-day contact on specific program matters, through periodic meetings of bureau directors, and through program committees composed of senior staff representatives of each bureau and office. After the elements of a program are worked out in consultation with the bureaus, specific assignments are made to each bureau with respect to its activities in the program.

At the regional level, the regional directors of the Bureau of Employment Security have been appointed regional defense manpower directors and they give general coordination to all Department of Labor manpower activities in the field, although they are not vested with authority over other field representatives of other bureaus. Arrangements have been

made for State employment security administrators to function as State manpower directors. Area directors for defense manpower have been appointed by the Secretary of Labor in 25 principal industrial areas.

Coordination With Other Agencies

With respect to manpower activities related to other defense agencies, the Defense Manpower Administration maintains liaison with them through a variety of formal and informal devices.

The executive director of the Defense Manpower Administration serves as a member of the Office of Defense Mobilization Manpower Policy Committee which formulates Government-wide manpower policy. Selective Service System and Department of Defense serve on this committee along with six other agencies. As the operating manpower agency, the Department does a great majority of the staff work relating to development and adoption of manpower policies by the ODM Manpower Policy Committee.

The executive director of the Defense Manpower Administration serves as a member of the Office of Defense Mobilization Production Policy Committee and the Defense Production Administration Requirements Committee, and, through them, advises on the manpower implications of all production and materials policies.

The deputy executive director of Defense Manpower Administration serves as a member of the Surplus Manpower Committee, which makes determinations with respect to allocation of contracts to manpower surplus areas.

A member of the Defense Manpower Administration staff serves as a member of the Office of Defense Mobilization Committee on Specialized Personnel, which develops policy relating to the training and utilization of scientists, engineers, and other professional personnel.

In addition to these formal arrangements for promoting Government-wide cooperation in the achievement of manpower objectives, there are innumerable informal relations with production and procurement agencies, the Selective

Service System, Department of Defense, the Office of Defense Mobilization, and the National Security Resources Board.

At the regional level, the Office of Defense Mobilization has established a Regional Defense Mobilization Committee which is co-chaired by the regional defense manpower director of the Defense Manpower Administration and the regional director of the National Production Authority. Agencies having manpower and production functions are represented on this committee at the regional level, thus contributing to a coordination of effort similar to that at the national level. In a few areas, Area Defense Mobilization Committees have been set up comparable in membership and functions to the Regional Defense Mobilization Committees.

Labor-Management Consultation

With respect to labor-management consultation, the Executive Director of the Defense Manpower Administration serves as co-chairman of the Office of Defense Mobilization National Labor-Management Manpower Policy Committee. This committee provides advice on manpower matters to the Director of Defense Mobilization and to the Secretary of Labor. All questions of manpower policy are placed before this committee before they are adopted.

To deal with the special problems of womanpower in the defense program, there has been established by the Secretary of Labor a Women's Advisory Committee on Defense Manpower, the vice-chairman of which sits with the National Labor-Management Manpower Policy Committee.

The regional director and area directors chair Labor-Management Manpower Committees appointed by the Secretary of Labor to provide advice and assistance in connection with policy and programs to avoid or overcome manpower problems.

Objectives

Objectives of the manpower program are to:

1. Conserve and expand the labor force to meet both civilian and military manpower requirements for partial or full mobilization.

This includes the expansion of key skills which require long periods of training. Measures to achieve this objective include adjusting hiring and training policies to permit higher employment of women, older workers, handicapped and minority groups, and the maintenance of wages and working and living conditions which promote health, morale, and safety of workers.

2. Achieve and maintain full employment and effective use of all manpower resources.

This involves measures for appropriate location of industrial facilities, distribution of Government contracts, developing on-the-job training programs, improved labor-management relations, adjustment of wage rates to attract workers into essential activities, reducing unemployment and underemployment, and developing special programs to meet the manpower needs of agriculture.

3. Achieve appropriate distribution and stability of the labor force under partial or full mobilization.

This involves identifying and publicizing essential activities, protection of rights and benefits in their old jobs of workers who transfer to defense jobs, development of policies to promote more orderly recruitment of employers, development of joint labor-management programs to reduce turn-over and absenteeism, development of adequate housing, transportation, and community facilities.

4. Achieve appropriate distribution of manpower to meet military and civilian requirements.

This involves the development and use of improved measures for determining military manpower strength goals; appropriate policies for selective procurement of military manpower, including recall of reservists to active duty and selective call-up of selective service registrants; and development of special measures to promote appropriate policies relative to call-up and use by the military of men having key skills.

5. Develop a program to meet effectively the manpower problems which would arise in a more acute emergency, in-

cluding conditions that would be encountered in the event of enemy attack on the United States.

This involves clarification of authority and responsibilities in event of a more acute emergency taking into account the possibility of attack on the United States, making advance plans for manpower to rebuild essential industrial plants and community facilities, development of policies and standards with respect to working and living conditions for workers in attacked areas, and efficient redistribution of manpower to meet acute needs.

6. Develop an effective continuing organization for manpower administration to deal with problems in partial mobilization and capable of quick expansion to deal with problems of full mobilization.

This necessitates strengthening the manpower organization within the Department of Labor, maintaining effective relationships with agencies concerned with mobilization planning, procurement and production, as well as with employers, and promoting an effective system of labor-management participation in the development and implementation of manpower policies and programs at the national, regional, and local levels.

Progress

Considerable progress has been made in the past 2 years toward achieving major objectives of the manpower program. Progress has been uneven, and much remains to be done in regard to building a manpower mobilization base adequate to meet military and essential civilian needs under conditions of partial as well as full mobilization.

This is not an attempt to ascribe all aspects of progress to actions taken by the Defense Manpower Administration or the Department of Labor. The Department has, however, provided much of the technical work and stimulus in the formulation and carrying out of policies and programs participated in by the Office of Defense Mobilization and the production and procurement agencies.

A brief summary of progress in relation to each major manpower objective follows:

Conserving the Labor Force

Unemployment has dropped from 3.1 million in May 1950 to about 1.6 million at the present time. The armed forces have been increased from 1.5 million to the present goal of 3.6 million. This increase in the military forces has been achieved without serious disruption of civilian employment or production and the military manpower pool is in good shape to sustain the present level of armed strength.

Occupations critical to defense mobilization have been identified and programs stepped up for the training of additional skilled craftsmen and professional workers.

Policies and programs have been developed in conjunction with labor and management to promote employment of greater numbers of older workers, women, and handicapped in jobs to which they are well adapted. Labor surplus areas have been identified and special measures taken to influence the location of facilities and distribution of defense procurement contracts so that employment opportunities will be available to workers in such areas. Policies and procedures have been worked out in connection with the granting of wage adjustments in defense plants experiencing manpower shortages due to low wage rates. Work has been carried on with housing and community facilities agencies to determine the housing and community facilities needed to meet manpower requirements in critical areas and considerable housing has been programmed and built.

To provide a continuing flow of skilled and professional manpower, programs have been worked out for the deferment of college students and apprentices. At the present time, about 180,000 college students are deferred to continue training and about 20,000 apprentices are deferrable under current policies.

Use of Manpower

Special arrangements have been worked out to provide manpower information to DPA in connection with tax amor-

tization certificates for new facilities. In some cases such information influences industry so that new facilities are located in areas of substantial unemployment instead of in labor shortage areas. Through Defense Manpower Policy No. 4, special consideration is granted manufacturers who are bidding on defense contracts to be fulfilled in areas of heavy unemployment. These have resulted in greater recognition by Government procurement agencies of the importance that must be given to manpower availability as a consideration in the distribution of facilities and contracts.

Measures have been taken in conjunction with labor and management to increase and improve on-the-job training, especially in the highly skilled occupations.

A program has been worked out in conjunction with the National Labor Management Manpower Policy Committee for a joint program of industrial safety in defense industries.

Many Selective Service registrants who are skilled agricultural workers engaged in essential production have been placed in deferred categories.

A liberal policy in regard to allocation of materials for the production of agricultural equipment has contributed to the attainment of goals in spite of a continuing decline in supplies of agricultural labor. Programs have been stepped-up for promoting efficient use of agricultural workers, especially the migrants. Precautions have been taken in connection with importation of foreign nationals, particularly for employment in agriculture in order to assure that needs are met but that unnecessarily large numbers are not permitted to lower domestic wage rates and working conditions.

Stability of Labor Force

A list of essential activities and certain deferment policies applicable in this period of partial mobilization have been used to encourage training and employment of workers in such activities.

The NLMPC has adopted principles and procedures to support voluntary manpower programs to encourage and assist employers in orderly recruitment and efficient use of workers.

The NLMPC has also sponsored a policy for the reduction of absenteeism and turnover.

Intensive work has been done with procurement agencies in promoting widespread distribution of contracts to prevent undue disruption of production in labor shortage areas and promote employment in labor surplus areas.

A program has been launched for the speedy and efficient placement of returned servicemen in activities which contribute most to the individual's development as well as to carrying out the defense program.

Military-Civilian Requirements

Some arrangement has been worked out for relating size of the armed forces to civilian manpower requirements. This has resulted in some improvements due to greater consideration being given to the relative needs of military and essential civilian activities in relation to establishing armed forces strength goals.

Some progress has been made in regard to establishment of a more selective recall procedure for military reservists having critical skills. Selective service policies with respect to deferment of essential industrial and agricultural workers have already been mentioned. Continuous review has been maintained of the pool of men liable for selective service. This has resulted in improved recommendations by the Secretary of Labor in connection with deferment policies which have contributed to the adoption of more appropriate Selective Service policies. However, additional attention must be given to manpower procurement policies and procedures of the armed forces and the Selective Service System.

In Event of War

The Defense Manpower Administration has chaired an Interdepartmental Task Force to develop a manpower program to meet needs in the event of enemy attack on the United States. Efforts along this line are continuing in conjunction with other Federal agencies and the national, regional, and area labor-management committees.

Work has been initiated with production and procurement

agencies to relate manpower requirements and training programs to an expanding industrial mobilization base in order to provide adequate supplies of manpower with the right skills to attain this base. Work is proceeding on the development of methods for estimating manpower requirements by industry, occupation, and area in the event of full mobilization and for testing the feasibility of attaining stated military and essential civilian requirements.

The National Labor-Management Manpower Policy Committee has appointed a subcommittee on full mobilization which is working intensively with the DMA to develop a comprehensive program to meet manpower needs in a period of full mobilization.

The basic approach to the development of the labor force to meet the manpower requirements of full mobilization is the maintenance of full employment in an expanding economy. Consequently, work has been initiated to determine in conjunction with labor, industry, the States, and local communities appropriate measures for maintaining full employment.

Organizing for Expansion

The past 2 years have provided valuable experience and insight into the formal and informal organizational requirements for effective manpower administration. The organization arrangements which have been used have proved reasonably adequate for meeting the needs of partial mobilization but would not be adequate under conditions of full mobilization. A pattern of coordinated effort by the manpower, production, and procurement agencies has been established which will be of continuing value for any level of mobilization. However, additional work should be done to strengthen both formal organization for manpower and improve informal relationships through which manpower programs are related to other segments of the defense program.

Continuing Problems

In the 2½ years since Korea, the manpower needs of the Nation have, with few exceptions, been met, but difficult problems continue and new ones will develop. Workers with

the necessary skills have been found to man production lines and to meet most production goals on schedule, and to increase the Armed Forces from 1.5 million to the present goal of 3.6 million. However, we will continue to encounter new manpower problems which must be overcome in preparation for full mobilization should it become necessary. Most manpower problems that need to be solved, including some of a very difficult nature, grow out of the fact that the Nation must prepare and is preparing so that we can move swiftly and effectively if necessary to full mobilization.

The four main things that must be done in the manpower field are:

1. See that sufficient supplies of manpower are provided at the right places at the right times with the appropriate training and skills to develop and produce on schedule the military items needed—particularly the new types required in a period of rapidly changing technology—and at the same time assure the production of adequate supplies of things needed to meet essential civilian requirements.

2. Develop and put into effect as needed criteria, policies and procedures for achieving and maintaining a proper balance of manpower between the armed forces and the civilian economy to assure maximum security and strength of the economies of the United States.

3. Achieve and maintain full employment and use of all manpower resources.

4. Promote orderly and effective consultation between labor, management and government on all major manpower policies, programs and problems.

Manpower Problems

The main continuing manpower problems are discussed in relation to six manpower objectives:

Conserving and Expanding the Labor Force

Most general manpower problems in this period of partial mobilization have been solved. In a period of continued

partial mobilization, normal operations of the Department's bureaus can provide adequate services in the manpower field except in connection with those problems related to shortages of highly trained and skilled professional, scientific, and technical workers.

Continued Efforts

There is a need for continued efforts to identify and solve current problems. The manpower agency must maintain close contact with military planning, production, and procurement agencies, and with employers in order to keep informed of problems which arise in the development, production, and procurement of defense items. Such liaison is essential in order to plan and execute recruitment, training, and retraining programs needed, as well as to ascertain the housing and community facilities required and make provisions for meeting indicated needs so as to avoid impending manpower shortages and overcome quickly those which develop. To avoid delays that would otherwise result in attaining the desired objectives, it is necessary to translate materials and production requirements into manpower needs by locality, occupation, and industry so that practical manpower programs may be undertaken promptly.

While working relationships with military planning and procurement offices have been good, there is a need for improving procedures for channeling information bearing on manpower requirements to the Department of Labor at the earliest possible stages of the planning and procurement processes.

Although workers are now better trained than in any past period, there is a need for stepping up the training programs (particularly in-plant types) as the development of technologies is outrunning the programs for training workers too quickly to make the most effective use of these new technologies. Continuing emphasis must be placed on meeting manpower needs for producing machine tools, aircraft, ships, electronics, guided missiles, ordnance, ammunition, and other high-urgency military items.

Special manpower problems will be encountered in connection with training workers to produce new types of weapons and use new production technologies and methods.

The application of new innovations and the accompanying high rate of technological change creates new occupations and drastically changes traditional ones. Improved and expanded training and retraining programs are required to keep the labor force abreast of the new skill requirements.

Trained Workers

Shortages of manpower with critical skills are delaying production of certain types of military items, particularly jet aircraft and guided missiles. The situation with respect to some types of highly trained engineers is acute. Likewise, a shortage of physical scientists is operating as a brake on both basic research and application of existing knowledge to the design and production of new weapons.

The numbers of physicians, dentists, and nurses are not now and will not in the next few years be adequate for meeting military and civilian needs. More teachers must be trained and the profession made sufficiently attractive to retain those already trained. The situation is becoming very acute in regard to teachers for elementary schools. National strength over the long run would be adversely affected by deficiencies in education at any level. There are now about 60 occupations on the critical list (for which demand is greater than supply and long training time is required). Increased emphasis must be given to short-term training to expand the supply of semi-skilled and subprofessional workers and to decrease the demand for highly skilled and professional manpower which require long periods of training. Additional efforts must be made to achieve maximum use of the skilled and professional manpower available. The long-run job is to assure that greater numbers of persons are trained and employed in the critical professional, scientific, and technical fields. The present rates of training for scientists and engineers are so low that the supplies of such workers will continue to diminish for at least a few years. There will not be any upturn in the supplies of persons with such training graduating from colleges until 1955.

Area Shortages

Current programs have been effective in overcoming area manpower shortages but at the end of 1952 several major labor markets were experiencing labor shortages.

Solution of these problems requires that: (a) Efforts be continued and intensified in connection with development and use of improved labor market data; (b) public employment office programs be continued for providing order clearance services in recruiting workers from other areas; (c) greater consideration be given to availability of manpower in location of facilities and placement of procurement contracts; (d) programs be continued for providing adequate housing and community facilities in critical defense areas; and (e) where necessary, additional incentives must be provided to attract defense workers to areas where they are urgently needed.

Farm Manpower

Over the years there has been a significant decline in the number of agricultural workers. This has been desirable as such shifts have resulted in fuller utilization of manpower, improved standards of living, and increased total national product. At the same time, technological advancements in agriculture have contributed to increased output per hour and per farm worker.

In certain areas of the country, especially in the southeast, there are still numerous pools of under-utilized farm workers who receive very low incomes. Annually large numbers of poorly trained persons migrate from such areas to major industrial centers where they are ill-equipped to gain a satisfactory livelihood. Increased efforts should be made to improve such situations.

Migratory farm workers frequently receive substandard wages and living conditions are often unsatisfactory. Vigorous actions must be continued and increased efforts made to secure more effective use of migratory labor, raise their incomes, and improve housing, health, and education of such workers and their families.

The continuing decline in numbers of skilled farm workers particularly those possessing managerial experience poses problems in certain areas, especially in view of the fact that ever-increasing quantities of food are required in order to meet the needs of our growing population as well as the requirements of our overseas friends. This problem is highlighted by the fact that the number of skilled agriculture workers deferred by Selective Service in the fall of 1952 was almost three times as large as the number of deferred industrial workers. In event of full mobilization, maintaining an adequate supply of farm workers would be a critical problem.

Policies and plans to handle these problems under full mobilization are being developed with the National Labor-Management Manpower Policy Committee.

Full Employment

In planning for maximum production, especially in event of all-out war, manpower must be recognized as a limiting factor. As stated above, the basic approach to developing an adequate manpower base for full mobilization involves maintaining full employment in a growing economy.

Full employment is the most effective means for maintaining high levels of manpower training, utilization, and flexibility. Full employment results in improved education, skill, health, and morale of the labor force, and it encourages industrial research and the application of new technology through which higher levels of productivity may be reached. Labor, industry, the States, and local communities should work together in exploring all means for achieving the above objectives.

Even though we had a very low level of unemployment, in November 1952, 18 major labor market areas and 22 minor ones were classified as having labor surpluses. New England textile centers and the Pennsylvania, West Virginia, and southern Illinois coal mining regions accounted for a large proportion of such areas.

As indicated above, greater consideration must be given to manpower availability in the location of facilities and placement of procurement contracts. Wherever feasible all sug-

gested approaches and measures for overcoming unemployment in problem areas should be explored by labor, management, Federal and State governments, and local governments and communities.

Although there are presently no general manpower shortages that are delaying the production of military and essential civilian items, there are many potential workers who want jobs and who with proper training, retraining, rehabilitation and placement could make important contributions to our economy and increase our ability to assure maximum security of the United States. Efforts to expand the labor force must rely heavily on attracting and placing persons from the above groups to jobs to which they are adapted and in which they can make a worthwhile contribution. Special types of problems must be overcome in connection with increasing the employment of older workers, the physically handicapped, minority groups and women.

Efforts should be continued and expanded in regard to maintaining or improving standards relative to wages, hours, and working conditions with special consideration given to problems relative to employment of women and youth.

ODM Defense Manpower Policy No. 9 was issued in October in an effort to obtain fuller utilization of the physically handicapped, but continuous review of developments in this area must be maintained as present programs may not be adequate for fully implementing the recommendations.

The number and proportion of the population accounted for by older people is increasing and many of these persons wish to continue working. ODM Defense Manpower Policy No. 7 was issued in August in an effort to secure more liberalized employment practices so that a larger number of the country's older people might secure jobs. Efforts by management, labor, and Government must be expanded in order to ascertain the type of jobs to which older persons are adapted and in which they can make a contribution to the Nation's economy. The Department of Labor has increased the emphasis on programs for obtaining such information and disseminating it to employers. Also, special emphasis is placed on counseling and

training older people. There is a need for "tailoring" jobs to meet the needs of this group.

Full Mobilization

In preparation for meeting full mobilization needs it is necessary to make plans for quickly and effectively attracting the additional millions of persons that would be required in the labor force and efficiently training and channeling them into the jobs where urgently needed.

Plans should be made for assuring that policies in regard to reemployment rights, seniority benefits, etc., of workers, and allocation of materials and other measures are used in such a way that they contribute to facilitating the transfer of workers from less essential to more essential activities. The above represents only a few of the many types of things for which plans and preparations in regard to meeting full mobilization requirements should be made.

Material on expanding the labor force has been prepared by a representative of the Department of Labor and is being considered by a National Labor-Management Manpower Policy Subcommittee dealing with problems relative to higher levels of mobilization. After approved suggestions are incorporated, revised proposals will be presented to the National Labor-Management Manpower Policy Committee as a basis for developing appropriate policies and programs.

Currently, with the exception of a few occupational shortages, no serious problems exist. Since defense production is not being delayed to any appreciable extent because of manpower shortages, the Government needs to do very little outside its normal functions. Expansion of housing and community facilities in labor shortage areas such as San Diego, Savannah River, and Portsmouth would serve workers and make them more productive.

There are many serious manpower problems which will be encountered if full mobilization becomes necessary. Current planning and preparation to meet such problems must be continued and expanded so that we are ready to solve such problems quickly as full mobilization could become necessary

very suddenly. A paper outlining the major manpower problems that would be faced in a period of full mobilization has been submitted to the National Labor-Management Manpower Policy Subcommittee on higher levels of mobilization. Policies and programs for handling such problems will be worked out with the National Labor-Management Manpower Policy Committee.

Continuous review of selective service policy on students and apprentices is required. Selective Service calls siphon off large numbers of engineers, scientists, and craftsmen as soon as they have completed their training. It is necessary to continually review civilian and military manpower needs in relation to available supply in order to assure that military manpower procurement and other policies affecting the training and use of workers are conducive to attaining and maintaining maximum security and strength of the economy.

At the present time, the procedure for calling up military reservists provides for some consideration of manpower needs of defense supporting activities. The reserve forces now include about 2 million men and the number will continue to increase; consequently it is necessary to maintain continuous review of military and civilian manpower needs. In general, Selective Service policies have provided for taking into account various occupational factors. Continuous review of policies in this connection are necessary so that appropriate adjustments are made in line with changing conditions and requirements.

Indiscriminate withdrawal of reserves for military service in a period of full mobilization would virtually wreck defense supporting civilian activities. Should full mobilization become necessary, it is imperative that policies and procedures be developed and put into effect to provide for a rational determination of where men with critical skills should be used so that they could make their most effective contribution to national security.

Plans and policies are being developed with the National Labor-Management Manpower Policy Committee to deal with the distribution of manpower to meet military and essential

civilian needs at higher levels of mobilization. This will be one of the most difficult problems under full mobilization.

Post-Attack Problems

To develop a program to meet effectively the manpower problems which would arise in event of enemy attack on the United States, a preliminary proposal has been developed to deal with post-attack industrial rehabilitation. This was done by an interagency committee chaired by a representative of the Department of Labor.

The preliminary proposal has been submitted to interested agencies, the National Labor-Management Manpower Policy Committee, and regional and area labor-management committees for review and comment. After suggestions are received, and the proposals revised it will be considered by the National Labor-Management Manpower Policy Committee in connection with the development and implementation of policies as a part of the total program of planning and preparation for full mobilization.

Continuing Organization

An effective continuing organization for manpower administration to deal with problems in partial mobilization and capable of quick expansion to deal with problems of full mobilization is being developed.

The current organizational arrangements are fairly adequate to handle current problems. The field operations organization is adequate. Continued and expanded efforts are required to improve coordination in connection with the development of appropriate military and civilian manpower policies.

The organizational arrangements should be reset in terms of what will be required to deal with full mobilization so that experience and strength will be developed and time will not be lost through reorganization when action is urgent.

Labor, management, and government should continue to work together in developing and maintaining an adequate organizational framework that is conducive to facilitating consultation, and understanding in connection with all major manpower policies, programs, and problems.

Bureau of Employees' Compensation

On September 7, 1952, the U. S. Employees' Compensation Act of 1916 completed its thirty-sixth year of providing workmen's compensation benefits for civilian Federal employees injured in the performance of duty. The act is administered by the Bureau of Employees' Compensation, U. S. Department of Labor. From its inception the act was recognized as a significant forward step in social legislation. With but three major amending acts, in 1927, 1934 and 1949, it has retained its reputation as an effective means of providing adequate care and financial relief during periods of disability caused by Federal work injuries. In the nearly 36 years of operation to June 30, 1952, over 3,588,000 injuries to Federal employees were reported and close to \$317,000,000 disbursed to care for the injured or their dependents.

Federal Employees

Besides the basic coverage of regular civilian Federal employees, either temporary or permanent in tenure of office, extensions of the Act of September 7, 1916, embrace such diversified groups as employees of the Government of the District of Columbia, commissioned officers of the Public Health Service, members of reserve components of the Department of Defense emergency relief employees, Federal student nurses, and certain employees injured or killed due to enemy action. For conditions of coverage and certain restrictions on benefits the act itself should be consulted. Total coverage is conservatively calculated to be approximately 2,600,000 employees as of June

30, 1952. Coverage affects many hundreds of thousands of workers employed in different parts of the world in trades and professions vital to national defense work.

Employees in Private Industry

The Federal workmen's compensation system also covers certain employees of private industry. Included are hundreds of thousands of maritime workers throughout the Nation, employees of private industry in the District of Columbia, and construction workers at outlying defense bases. Injury claims from such employees must be paid according to Federal statutes from insurance funds or self-insurance provided by the private employer. Available information indicates that close to 1,000,000 workers are potential beneficiaries under the program. The Government provides medical, monetary, and vocational rehabilitation benefits for its own employees from direct appropriations made by Congress. For the others, it supervises certain operations to ensure that relief is given promptly and in accordance with law through the usual channels of insurance or self-insurance paid for by the employing concerns. In the nearly 26 years that the Bureau of Employees' Compensation has administered these private employment compensation acts over 3,050,000 injury cases have been reported to June 30, 1952, and \$141,000,000 in benefits, exclusive of medical costs, have been provided.

Injuries and Disbursements

Nearly 241,000 employees were reported injured at work during the 12 months ended June 30, 1952, according to the Bureau's official records. Direct disbursements made by the Bureau amounted to \$36.1 million, and the evaluation of cases closed under the private employment acts brought the grand total to nearly \$47 million, almost 3.3 times the prewar level, and 18 percent more than that for 1951. Most of the increase in injury case workload is directly attributable to expanded defense operations, including coverage of members of the Reserve forces of the Army, Navy, Air Force, and Coast Guard

while on authorized training duty in time of peace. Benefit payments made and authorized have risen sharply mainly as a result of recent liberalization in the provisions of the laws administered and increased salary rates upon which such benefits are computed.

Administrative Changes

During the past year the Bureau has made a number of internal administrative changes designed to expedite payments, improve rehabilitation services, and expand claims investigation facilities. In addition to the Washington headquarters and 13 permanent maritime district offices in the field, the Bureau has, through a pilot office in San Francisco, laid the groundwork for decentralized servicing of civilian Federal employees injured in the performance of duty. This pilot office embraces Federal activities in six western States with coverage of nearly 370,000 workers. Further research and practical administration are contemplated to enhance the quality of service within the administrative cost limits set by Congress.

Bureau of Employment Security

Employment Service

Employment in fiscal year 1952 was at a generally high level although there were substantial manpower dislocations in some consumer and various durable soft-goods industries.

These situations and their impact upon the labor market were reflected in the activities of the Employment Service. Persons seeking jobs and other services totaled 115.2 millions—an increase of a half million over the previous year. New job applications, however, dropped 1.1 percent to 7.3 million.

Employment security agencies, in an effort to obtain maximum utilization of workers in defense industries, expanded their job-counseling services, to assist workers in making a vocational choice or adjustment. A total of 1,310,000 counseling interviews with job applicants were held during the year.

Local offices referred nearly 20.8 million workers to jobs which resulted in more than 15.8 million placements—a record high for the postwar period. Agricultural referrals totaled 9.5 million and placements 9.1 million, the highest since 1948 when the farm placement program was transferred to employment security agencies. Nonagricultural referrals and placements rose nearly two-fifths during fiscal year 1951.

These record postwar levels continued during the first 3 months of fiscal 1952, but by October placements had declined as a result of curtailments, notably in automotive, machinery, and fabricated metal products, due to restrictions in the use of essential materials, slackness in textile, apparel, and leather products, model changes in automobiles, and seasonal declines in food and tobacco processing. Despite these adverse trends

nonfarm referrals totaled 11.1 million and placements 6.5 million, slightly below the 1951 figure.

During the year 2.3 million visits were made to employers by local office personnel to assist them in meeting their labor needs, to familiarize them with the services available to them in local offices, and to establish and maintain cooperative relationships with them. Four out of every five of these visits were to nonfarm employers.

Unemployment Insurance

In an average week of the fiscal year, 34.3 million of the 61.2 million employed civilian workers were in employment covered by Federal-State unemployment insurance programs and another 4 million railroad workers were covered by their own program.

The number of initial claims for unemployment insurance benefits filed by unemployed covered workers totaled approximately 11.6 million, 17.3 percent above fiscal 1951. Weeks of unemployment claimed, however, increased only about 7 percent. This relatively smaller increase in weeks claimed than in initial claims resulted from the decline of nearly 2 weeks in the average duration of compensated unemployment from the previous year.

A weekly average of 903,000 unemployed insured workers received benefit payments and the 4.7 million persons who received at least one benefit check during the year represented 47.1 million weeks of unemployment and an average duration of 10.1 weeks.

Because of higher earnings and an increase in maximum weekly benefit amounts in many States, the average weekly insurance payments increased from \$20.63 in fiscal 1951 to \$22.03 in fiscal 1952. Benefits paid totaled \$991.8 million, an increase of \$119.1 million.

Nine hundred thousand nine hundred beneficiaries exhausted their benefit rights—a 15-percent drop from the year before.

Interstate initial claims filed by unemployed workers rose only 4.2 percent to 469,000. Continued interstate claims dropped 3 percent to 2,300,000.

Tax collections for the second consecutive year reached an all-time high of \$1,622 million, compared with \$1,365 million last year.

At the end of the fiscal year the aggregate of all State reserve funds was \$7.9 billion, the highest in the history of the program.

Disability Insurance

About one quarter of the 34.3 million workers protected by unemployment insurance laws during fiscal 1952 were also protected against wage loss due to non-work-connected sickness or accident. These 8.2 million workers were located in California, New Jersey, New York, and Rhode Island, and in the railroad industry.

*Temporary disability insurance activities under State and railroad programs,
July 1, 1951-June 30, 1952*

State and type of plan	First claims received	Weeks compensated	Benefits paid
California:			
State plan, total			\$26,503,897
Basic benefits	161,426	1,000,183	23,493,577
Hospital benefits	¹ 55,795	² 368,790	3,010,320
Private plans, total	188,230	n. a.	n. a.
New Jersey:			
State plan	39,559	³ 250,551	5,591,316
Private plans	n. a.	n. a.	n. a.
Rhode Island	33,524	265,689	6,018,852
Railroad, total	191,620		25,898,438
Sickness	187,561	⁴ 723,520	23,863,813
Maternity	4,059	⁴ 34,321	2,034,625

¹ Represents number of payments made.

² Days included under basic benefits for which additional hospital benefits were paid.

³ Includes part-weeks.

⁴ Represents number of benefit periods compensated; equivalent to approximately 1,309,990 compensated weeks of sickness, and 68,642 weeks of maternity benefits.

Insurance for Veterans

In July 1952 (just after the close of the fiscal year) the Veterans' Readjustment Act was passed by the Congress. Under title IV of the act, unemployment compensation is payable to eligible veterans at the rate of \$26 for 26 weeks of total unemployment or a total of \$676 for weeks of total or partial unemployment.

Except for the weekly amount of compensation and the duration of benefits, payment are to be made in accordance

with the provisions of State unemployment insurance laws. A veteran's eligibility for benefits depends on his discharge from the armed services for reasons other than dishonorable after continuous service of 90 days or more, or by reason of a service-incurred injury or disability. Payments will be payable to eligible veterans for weeks of unemployment occurring after October 14, 1952, but no benefits will be paid while a veteran is drawing mustering-out pay.

The Secretary of Labor is authorized to enter into agreements with State agencies for the payment of benefits to veterans. The Federal Government will repay or advance to States which enter into agreements the amount they pay out in title IV benefits.

State Legislative Activities

During fiscal 1952 only four States met in biennial and eight in regular annual sessions although on July 1, 1951, five State legislatures and the United States Congress (for the District of Columbia) had not adjourned their 1951 sessions.

Benefits

Nine States made changes in their benefit formulas limiting them in most cases to increases in benefits and in qualifying wages.

Six States increased the maximum potential weekly benefit by amounts ranging from \$2 to \$10. Mississippi, New Jersey, and Pennsylvania increased the maximum to \$30. At the end of the year the maximum weekly amounts ranged from \$20 to \$30 as summarized below:

Maximum basic weekly benefit	Number of States	Percent of covered workers in States
Total.....	51	100.0
\$30.....	8	32.6
\$26-\$28.....	9	25.2
\$25.....	18	24.4
\$22-\$24.....	9	9.0
\$20.....	7	8.8

There were fewer changes in duration than in weekly benefit amounts. Kentucky increased its uniform duration from 24 to 26 weeks, and Pennsylvania from 9 to 24 to 13 to 26 with a decrease in qualifying wage requirements. Massachusetts increased minimum duration by decreasing qualifying wages; and Arizona changed from uniform duration of 12 weeks to variable duration of 10 to 20 weeks.

At the end of the fiscal year, maximum potential duration varied from 16 to 26.5 weeks, as follows:

Maximum weeks of benefits	Number of States		Percentage of covered workers in States
	Uniform potential duration	Variable duration	
Total.....	14	37	100.0
26-26.5.....	4	15	61.4
22-25.....	2	7	16.1
20.....	5	12	17.3
16-18.....	3	3	5.2

Office of International Labor Affairs

The broad outlines of the Department's activities in the area of international labor affairs were presented in section IV of the Thirty-Ninth Annual Report. The character of these activities has been substantially as stated for the fiscal year 1951.

International Labor Organization

During fiscal year 1952 the Office of International Labor Affairs prepared U. S. Government positions, or coordinated the preparation thereof by interested Government agencies, for nine tripartite ILO meetings. It assumed administrative responsibility for the selection of the Government, employer, and worker delegates and advisers to these meetings and for much of their processing as well as arranging for experts to attend several technical meetings.

The Office processed and coordinated replies prepared by interested agencies of the Government to 24 ILO inquiries and questionnaires on various matters concerning which the ILO was collecting statistics or information on practices, legislation, policies, conditions, or developments in the field of labor. The other agencies of the Department assisting in the preparation of positions for ILO meetings or replies to ILO inquiries included the Office of the Solicitor, the Bureau of Labor Statistics, Bureau of Labor Standards, Women's Bureau, Bureau of Employment Security, and the Bureau of Apprenticeship. Many agencies outside of the Department also contributed to these activities.

The Office carried the administrative responsibility for relations with the appropriate organizations of employers and workers, including discussions of Government positions on

ILO issues, the communications of reports submitted to ILO and also the solicitation of contributions and comments on ILO inquiries.

With respect to conventions submitted to the Senate for consent to ratification, the Office assisted in the preparation of materials for the information of the Committee on Foreign Relations. Likewise, material was prepared for the use of Congress in considering the appropriations for the United States contribution to the ILO.

The Office assisted in the development of executive branch positions relative to the action to be taken with respect to four ILO conventions and six recommendations.

Foreign Service

The Office of International Labor Affairs continued its active cooperation with the Department of State both in the over-all management of the Foreign Service and in the labor attaché and other foreign labor programs in the Foreign Service. Stemming from the Foreign Service Act of 1946, which recognized the interdependence of the Departments of Labor and Agriculture, Commerce, and State in the management of Foreign Service enterprise, we have participated directly in the Board of the Foreign Service, Board of Examiners, and other interagency boards and committees concerned with personnel and administration of the Foreign Service. In cooperation with the Department of State, we have, in addition, taken the initiative in strengthening the labor attaché, labor information, and labor reporting programs in the Foreign Service.

During the year the number of full-time positions for labor attachés has increased from 31 to 40; the first regional conference of labor attachés and labor reporting officers assigned in the Asian area was held in Singapore; detailed and specific labor reporting instructions were prepared and sent to the United States embassies and consulates in 40 countries; approximately 200 United States ambassadors, chiefs of mission, counsellors, foreign service inspectors, and general foreign service officers received intensive training and briefing on labor aspects of foreign affairs in the Department of Labor; about

30,000 dispatches and telegrams on labor or related subjects were received from United States embassies and consulates all over the world and the research and technical facilities of the agency have been used in answering numerous requests for information about labor-management matters received from United States missions abroad. This and similar activity has resulted in improving the flow of information on labor abroad to the U. S. Government and in strengthening the anti-Communist elements in labor abroad.

As a consequence of excellent foreign service reporting, the Department has been able to maintain complete, unclassified up-to-date information on all international trade union federations, including membership, orientation, and major activities. We have also maintained files of similar material on national trade union centers throughout the world. These data are being used as source material to serve the needs of the Department in connection with the exchange of persons and technical assistance programs; for answering written and telephonic requests of other Government agencies, including the Department of Defense, American trade unions, colleges and universities, and other interested organizations and individuals.

Basic data regarding international trade union federations, trade secretariats, and national centers all over the world has been prepared for publication and general distribution. The OILA has prepared background position papers for use at labor attaché conferences and has provided lecturers to groups of foreign trade unionists and labor officials and Foreign Service officers on international trade unionism and on differences between trade unionism in the United States and that of other countries.

Technical Cooperation

The Department of Labor participated in the planning and implementation of projects in the labor field under programs of the Department of State and the Mutual Security Agency. Included were the Point 4, Smith-Mundt, occupied areas (Germany and Austria), and Finnish programs of the Depart-

ment of State and the MSA Productivity and Technical Assistance Program.

Ten experts performed services in Latin American and Asian countries under the Point 4 program in such fields as industrial training, labor statistics, industrial safety and hygiene, industrial productivity, and general labor advisory services. Training and observation programs were arranged in the United States for about 80 foreign nationals from these countries under Point 4 in such fields as labor statistics, labor law administration, industrial training, industrial safety, employment services, labor-management relations, trade-union activities, and women's affairs.

Study and observation programs were arranged in the United States for about 350 leaders from 40 countries under the Department of State leader program. The majority of these visitors were trade unionists, governmental labor officials, and women leaders. Also included were members from management with interest in the field of labor-management relations.

Special assistance was rendered to the Mutual Security Agency in connection with its European productivity program. Several experts were sent abroad, study and observation programs were arranged in the United States for 153 European technicians, and technical services were provided in compiling special data on productivity in United States industry. Orientation programs for 1 or 2 days were arranged in the Department for about 800 additional members of European productivity teams.

The Department aided the International Labor Organization in recruiting United States specialists in the labor and manpower fields for technical assistance work abroad. Programs were carried out for several foreign nationals granted ILO and UN fellowships for training in the United States.

The success of these activities was due in great part to the cooperation of the United States trade unions, industry, private organizations, universities, and individuals who took interest in helping other countries solve their problems and in seeking a better understanding between the peoples of the United States and other countries.

All of the bureaus and offices of the Department participated to a greater or lesser degree in this work under the general supervision and coordination of the Office of International Labor Affairs.

Improvement of the productivity and lot of the workers and the betterment of labor-management relations in other countries are basic needs in the struggle for economic development for increased standards of living for the masses of the people, and for world peace. Progress will be accelerated as particular provisions are made for meeting these needs.

Trade Agreements

The most notable action of this period was the preparation for the renegotiation of our trade agreement with Venezuela. The Department, through the Trade Agreements Division, participated in all stages of the Government's preparation for the renegotiation of this treaty. It was represented on the Trade Agreements Committee which drew up the instructions for the negotiators and on the Committee for Reciprocity Information, the public hearing body which received the testimony of business and labor in the discussions pertaining to this negotiation.

Bureau of Labor Standards

As a result of three national factors in the past two years—the Korean crisis, the subsequent speeding-up of defense production and the continuing state of national emergency—the Bureau of Labor Standards has sought in the past year to meet not only short-range problems but to look ahead as much as possible toward meeting the long-range needs for peace and security.

Consequently, one important 1952 activity was initiation in some cases and cooperation in others in developing seven national policy statements for better utilization of the Nation's workers. These included overtime pay, hours for maximum production, agricultural manpower, relaxation of labor laws, employment of school-age youth, child labor on military installations, and employment of the physically handicapped.

Briefly, the major policy statements recommended continuance of premium pay for more than a 40-hour week; an 8-hour day and 40-hour week as best for efficiency or production; opposed lowering of labor standards except in unusual and individual cases; set up standards for employment of school-age youth to assure useful job experience and continuation of education.

In the latter half of the fiscal year, attention began to focus also on the need for more service to the underprivileged agricultural worker. The Humphrey Subcommittee hearings on migratory labor reactivated the Department's and the Bureau's long interest and repository responsibility for the conditions of work of these migrants. As a result, increased emphasis was placed on improvement of these conditions and

new methods were sought to bring the scattered facilities of Government and private groups to bear on the problem.

The 48 States and the Territories, employers, labor unions, national and local private groups, members of Congress, educational institutions, and the general public made increasing use of the services of the Bureau during the fiscal year 1952. These services included development of labor standards, analysis and evaluation of labor laws and trends in labor legislation, industrial safety training of State inspection personnel and labor union groups, initiation and charting of Special Industry Programs for safety, continuation of the President's Conference on Industrial Safety and other annual conferences national in scope, Federal Safety Council activities for greater safety of Federal employees, increased promotional activities for widespread employment of physically handicapped workers, efforts to improve working conditions for the Nation's youth, and a number of other services delegated to the Bureau.

Conferences

A full-scale President's Conference on Industrial Safety in June 1952 with attendance of 1,200 representatives from State labor departments, small and large businesses, labor unions, private safety organizations, educational institutions, and safety engineering groups, concentrated its program on safety in those businesses which do not have organized safety programs. President Truman addressed the Conference and laid down an eight-point program for safety in industry. The Conference featured workshops in trade association and labor union activity in the safety field, highlights of Governors' safety conferences, machine guarding, and the integrating of safety into the curricula of engineering colleges.

A film, "Design for Safety," was made in cooperation with Maryland University to show how safety can be integrated into engineering training. A liaison committee made up of representatives from Governors' conferences was organized to work closely with the President's Conference during the year.

The Eighteenth National Conference on Labor Legislation

had as its theme: Labor Problems in a Defense Economy. As customary, delegates from State labor departments and representatives of organized labor were designated by governors. Committees of the Conference dealt with the vital problems of recruitment and utilization of manpower, industrial safety and health, training, and the national labor policy statements.

The Spring Meeting of the President's Committee on National Employ the Physically Handicapped Week featured two panels—one on medical aspects of physically handicapped employment and the other on workmen's compensation as affecting rehabilitation, employment, and compensation. NEPH Week was observed October 7-13.

Legislative Standards

Standards for three fields of labor legislation were developed or revised: (1) For State minimum-wage laws setting a statutory minimum; (2) a draft to permit relaxation of State labor laws if defense emergencies made this necessary; and (3) coverage of civil-defense workers under workmen's compensation laws.

Comprehensive reports on a wide range of aspects of labor legislation were prepared at the request of congressional committees, national organizations, and Federal agencies. These covered such matters as status of civil-defense workers under State workmen's compensation laws, State progress in industrial safety codes, legislation and administration, status of agricultural workers under State labor laws, and compilation and evaluation of various fields of recently enacted State labor legislation.

The continuing emphasis on defense production has brought an increasing demand for the Bureau's assistance in achieving the improvement and maintenance of good working conditions. Advisory and technical assistance was given to all States and Territories, with personal consultation and assistance on problems of labor law and administration in 29 States. This advisory service was sought by legislative committees, code commissions, State White House Conference Committees,

State labor departments and workmen's compensation commissions, State migratory labor committees, labor unions, private and public organizations, and individuals.

Industrial Safety and Health

Job accidents during 1951 reached the figure 2,100,000—the highest figure since 1944—resulting in a loss of 42,000,000 man-days or the equivalent of 140,000 workers for an entire year. Loss to management and labor was estimated at slightly more than \$4,000,000,000.

These facts account for increased activity in industrial safety work all along the line including greater use of the training facilities of the Bureau. Training courses for State labor department personnel began to include a considerable number of private industry and labor union personnel as well as many men from the military establishments. These newly trained people will be used as teachers to ever-widening groups. Fourteen hundred State safety personnel received training; 300 union representatives and 60 others in trainer institutes are now prepared to teach techniques of safety.

Twenty-one special industry programs were conducted in 13 States for 11 industries. These programs continue to show amazing reductions in work accidents—for example, the injury frequency rate in South Carolina's cotton grey goods industry was reduced 35 percent in 6 months; in Maryland, 37 percent.

Growing defense programs have increased the number and complexity of safety problems in Federal and maritime employment. Approximately 725 visits were made to Federal and marine installations during the year. Special studies were made and technical assistance given in planning, organizing, maintaining safety at installations all over the Nation.

The Federal Safety Council began the important job of stimulating 100 new field safety councils. When completed these field organizations will do much to reduce the annual toll of 78,000 work accidents among Federal employees. All departments and agencies of the Federal Government co-operated in the project.

Child Labor and Youth Employment

A great deal of effort went into establishment of policy and means for securing public support and understanding of the child labor provisions of the Fair Labor Standards Act applying to children in agriculture.

The policy on employment of school-age youth was developed with the cooperation of the Bureau's Advisory Committee on Young Workers and was cleared through ODM Policy Committee. Much factual material was gathered and several popular publications drawn up to promote the policy.

Community programs on employment of school-age dropouts were composed to stimulate citizen interest in employment problems of youngsters who do not finish school. A corollary activity—organization of a technical committee of experts—was undertaken to improve work habits and personal development of young people through better supervision on the job. Much study and research went into conditions of employment of pinsetters in the bowling industry.

Data were collected on work injuries to minors in 13 States to assist hazardous occupations investigations and in response to State labor departments' and others' requests. Two new hazardous occupations orders were issued during the year—No. 10 affecting certain occupations in slaughtering and meat-packing establishments and most occupations in rendering plants, and Order No. 11 which affects young people's employment in operation of bakery machines. Children under 18 years of age cannot work in these occupations or in nine others previously declared hazardous.

Physically Handicapped

Increased emphasis was placed in contacting Governors and State committees, developing more participation and interest among members as well as to local community groups in the program. As a result State committees stepped-up their activ-

ities and year-round interest of all kinds increased. Many pamphlets, releases, displays, the monthly magazine "Performance" and other promotional material were prepared.

Union Registration

At the beginning of the fiscal year, 29,157 labor unions had registered with the Department under the National Labor Relations Act of 1947. In June 1952 this number had increased by 2,514 to a total registration of 31,671.

Bureau of Labor Statistics

As a consequence of Government-wide concentration on defense activities in fiscal year 1952, the Bureau of Labor Statistics emphasized research and statistics as guides to Government policies, particularly those related to manpower and economic stabilization programs, and for measuring the success of the Nation's defense program. The Bureau continued to provide important data relating to prices, wages, employment, hours of work, earnings, work stoppages, work accidents, construction expenditures, housing starts, productivity, foreign labor conditions and workers' welfare. Reports and studies in these areas served to provide business, labor, and the public not only with generally useful, basic information but with economic background for the defense program as well.

Federal agencies, particularly those concerned with defense work, made requests during the fiscal year for studies and special tabulations approximating \$3,000,000. This was in addition to the Bureau's budget of \$5,628,691.

The Bureau's accomplishments in fiscal year 1952 can perhaps be presented most conveniently as they relate to the stabilization and manpower programs and international activities.

Economic Stabilization Program

The needs of the Office of Price Stabilization and the Wage Stabilization Board for information bearing on economic stabilization policies and practices affected, in the main, programs of the Bureau relating to wages, prices, and industrial relations.

Early in the fiscal year the Bureau inaugurated a series of weekly market news reports for the Office of Civilian Requirements in which was provided current information on price trends and significant trade developments. Annotated charts depicting price movements were supplied, and a consultative services program was established throughout the Nation for local price administration needs. As the year progressed, an almost infinite variety of special tabulations and reports was requested either for use in the development of particular ceiling orders, as a basis for the review of the effectiveness of price orders, or for review of pricing policies generally. Included among the hundreds of reports to the Office of Price Stabilization were studies analyzing the supply of specified commodities on the market, price levels for particular goods, changes in prices before and after the issuance of ceiling orders, the effect of changes in excise taxes on prices, cost increases associated with hypothetical increases in indirect costs, the movement of margins, the effect of increases on sales taxes, manufacturing indirect costs as a percentage of the dollar value of sales, price differentials between chain and independent outlets, etc.

A major study was organized for the study of food margins, both at wholesale and retail levels. The study was designed, organized, and tabulated by the Bureau, and field agents of the Office of Price Stabilization collected the data.

Special pricing problems arose in connection with Government purchases, particularly of military items, and consultative services and proposals for special pricing studies were made available to the Munitions Board.

The Office of Rent Stabilization requested comparative rental data for examining the effect on rentals of decontrol actions.

Data on housing costs, the volume of housing construction, and information on sales prices and rentals were also provided the Office of Rent Stabilization and the Office of Price Stabilization.

Briefing memoranda on the wage-price situation and the effectiveness of controls in the principal European countries

were prepared for the Director of the Office of Economic Stabilization.

The demand for wage and earnings data from the National and Regional Offices of the Wage Stabilization Board was even heavier. In the 10 months following program decisions of the Board in October 1951, regional offices of the Board requested 513 special studies and directed 13,004 inquiries to the Bureau's regional staff and liaison representatives. These requests were in addition to an authorized expansion of cross-industry studies of wage rates in 20 communities, and Nationwide studies for 8 industries.

The special inquiries directed to the Bureau's regional offices concerned applications before regional boards in which approval of proposed wage increases or more liberal fringe benefits was requested. The expansion in cross-industry and Nationwide studies provided, on an economical basis, wage and related data for many geographical areas, and industries in which special problems were anticipated or for which current data were lacking. These studies combined with more extensive information on wage changes, more adequate files of collectively bargained contracts and data on fringe issues, were utilized by the Board in the formulation of policies, in the development of wage stabilization orders, in evaluating the effect of wage determination on special manpower recruitment problems, and in developing policies designed to reduce disputes in the interest of full production. Wage data resulting from industry studies were used by the Board in two major disputes referred by the President, namely petroleum and steel.

In connection with major labor-management difficulties, many inquiries were made by the Board, the Office of Price Stabilization, and the Office of Defense Mobilization on the relationships of wages in steel, oil, and aluminum industries, for selected periods, to earnings in other industries.

Inclusion of productivity clauses in major labor-management agreements, and productivity arguments presented to the Wage Stabilization Board in the steel case, led to studies of the prevalence and character of such provisions in labor-management contracts and, to a more limited degree, to ex-

amination of data available in the Bureau's productivity program for possible use by the Board in determining the degree to which productivity gains should be considered in wage determinations.

Manpower Programs

The Bureau's extensive materials relating to manpower were widely used by the Defense Manpower Administration and by other defense agencies. Reports provided defense agencies presented not only the statistical summaries of basic trends of employment, hours, and earnings, but also evaluations of manpower supply and requirements, projections of future manpower resources, special reports dealing with particular segments of the economy and with occupations of critical importance in the defense effort.

The series of manpower reports issued during fiscal year 1952 included studies of manpower requirements for the machine tool, airframe, merchant marine, munitions, metal mining, and electronics industries. A report which indicated the effect of the defense program on the automobile industry was prepared to disclose the impact of materials allocations on a major civilian industry in the metalworking field in the transition period of the mobilization program.

The Bureau provided a number of manpower projections for the Defense Manpower Administration, Selective Service, the National Production Authority, the Joint Committee on the Economic Report, the National Security Resources Board, and the Wage Stabilization Board. Estimates were provided of the manpower pool for fiscal years 1952-53, under the Universal Military Training and Service Act, which estimates were later revised for the 1952-55 period, on the normal labor force, 1952-56, and on the number of 18-year-old males by years from 1961 to 1965, and projections of labor force and labor requirements in relation to scheduled military expenditures were made.

Estimates of the size of the labor force engaged in defense production in NATO countries were prepared for the Secretary of Labor. Manpower data on foreign countries have from time to time been furnished to various defense agencies.

The Bureau continued to provide supply and demand data to the Technical Committee on Occupations, on those occupations in short supply, or on which a deficiency was anticipated. In addition to evaluating the demand-supply situation for a number of specific occupations considered for inclusion on the critical list for military deferment, a reevaluation was made of all occupations previously contained in the list. Late in fiscal year 1952, consideration was given to evaluating a number of potentially critical occupations for inclusion in a "standby" list for full mobilization purposes. At the request of the Air Force, studies of occupational mobility were in process covering tool and diemakers, molders and coremakers, and electronic technicians, and studies of full mobilization requirements in key occupations in nonferrous foundries, industrial inorganic chemicals, aircraft engines, and optical instruments were begun.

The series of quarterly reports on employment and shift operations in the metalworking industries required by the National Production Authority in conjunction with production and related data supplied by the Census Bureau was continued. In its efforts to most fully utilize the productive capacity of the machine tool industry, the National Production Authority requested detailed tabulations of employment and related data for machine tool firms reporting to the Bureau.

Interest on the part of the National Production Authority in the degree of utilization of small plants led to the preparation of estimates of employment in metalworking industries by plant size.

Because of the size and importance of the construction industry, it was accorded special attention. Quarterly estimates of labor requirements in the construction industry in 1952 were developed, with detailed data on major skills and occupations required. Special analyses of worker requirements were begun for military barracks, airfields, and public housing. Manpower implications of the defense production program were developed and the requirements at the peak of AEC construction were estimated for the Atomic Energy Commission. As background material for special manpower

problems in the construction field, data were supplied the Department's Defense Manpower Administration on prospective changes in the volume of construction on a national and area basis.

A number of tabulations were provided the Office of Program and Requirements of the Defense Production Administration relating to the impact on employment of the allocation of scarce metals, and of conservation orders of the National Production Authority.

International Activities

The Bureau participated in a variety of ways in the Nation's program of foreign aid.

In this field, the most extensive Bureau activity concerned the development of special reports on production, production processes, and man-hour requirements in the United States for industries or products of special interest to European nations participating in the program of the Mutual Security Agency. A program of studies covering approximately 40 products was developed. The studies are designed to demonstrate methods used in the United States to improve productivity in this country and thereby to encourage in Europe adaptation of American methods. The studies also provide methodological material relating to the measurement of productivity. Operation of this series of studies continued into fiscal 1953.

A similar demonstration is intended by two experimental studies of productivity increases in the United States resulting from standardization of models and simplification of designs. Reductions in man-hours required in the manufacture of household electrical appliances are disclosed by a study of standardization and simplification recently completed. A second study under way at the end of the fiscal year relates to savings effected in construction work through standardization of building materials and building methods.

The Bureau accepted, at the Mutual Security Agency's request, the responsibility for arranging with American manufacturers for an appraisal of selected foreign products and subsequent trial production of these products by United States

firms. The plan provides for the transportation of the United States produced product to European manufacturers, together with data on work methods and man-hour requirements, and in some instances, samples of a similar product of simpler design and involving fewer or less complicated work steps.

The Bureau continued its cooperative program with the Mutual Security Agency which was begun in fiscal 1950 of providing training services to selected MSA teams in technical aspects of labor statistics and in economic problems such as the living conditions of American workers, the relationship between productivity and full employment, and similar topics.

The Bureau continued to offer technical service in the improvement of labor statistics' programs in Latin-American countries, India, and Turkey. Bureau statisticians also cooperated with international agencies such as the Inter-American Statistical Institute, the United Nations Statistical Commission, and the International Labor Office in the development of international standards and in international statistical conferences.

Near the end of the fiscal year the Bureau assisted the Technical Cooperation Administration with the promotion of a technical assistance program for Latin America. An outline of the broad scope of this program was prepared in fiscal year 1952, looking toward the development and operation of specific projects in a number of Latin-American countries in the following year.

The Bureau prepared, or assisted in the preparation of, position papers for the guidance of United States representatives at the annual conference of the ILO; at various meetings of its industry committees; and at sessions of the Economic and Social Council. Information was supplied to the delegates on comparative levels of living and social welfare in Communist and non-Communist countries for use in the debate on the report on the World Social Situation, and on cases involving complaints of infringement of trade union rights.

Material was prepared for international missions, with American membership, visiting certain underdeveloped areas,

on the current trade union situation and its background in the interests of aiding the free, democratic trade union movements in those areas (East and West Africa, and the Middle East).

At the request of the State Department, the Bureau appraised Foreign Service reports in order to improve the usefulness of labor and economic intelligence relating to foreign nations.

Extensive demands were made upon the Bureau for information relating to foreign labor conditions by agencies directly concerned with international affairs. The Central Intelligence Agency requested data relating to the U. S. S. R. and other European countries; the State Department used BLS material in its "Voice of America" program; data on the level of living in the U. S. S. R. and satellites was supplied the United States delegate for the United Nations Economic and Social Council; earnings in Marshall plan countries were requested by the Economic Cooperation Administration; and wage-price trends in European nations were provided the Economic Stabilization Agency. These are typical examples of the use made of Bureau materials by agencies concerned with foreign affairs. In addition, many inquiries were received from the Congress and the American public in connection with foreign labor conditions.

Other Activities

In February 1952, the Bureau issued the revised monthly and weekly wholesale price indexes thereby completing a revision program under way for several years. The new and improved index more than doubled the number of commodity series included. In fiscal year 1952, work preparatory to the establishment of a revised consumer price index neared completion. Tabulations from the Consumer Expenditure Survey of 1950, insofar as these were required for index preparation, were completed and pricing for the revised index to be issued early in 1953 was begun.

Assistance was provided on cost-of-living work in Puerto Rico where, with Territorial funds, a consumer expenditure survey was conducted. Technical assistance was also provided Puerto Rico in connection with a reexamination of its official manpower statistics, and a contemplated revision of

monthly data on the labor force of the Island. A family characteristic study was undertaken in Hawaii preliminary to the development of an improved cost-of-living index. A tripartite interest in Alaska in the settlement of labor disputes over wage rates in construction led to place-to-place cost-of-living comparisons between Seattle and Alaskan cities, which were of assistance in reaching agreement on pay rates.

The Bureau continued to provide the Atomic Energy Commission with special consumer-price data for Oak Ridge, Los Alamos, and Richland, together with comparative indexes for selected American cities. The Commission was also supplied with data on hours, earnings, and employment for firms having contracts from the Atomic Energy Commission.

Considerable progress was made in the wage field in acquiring agreement by other Federal agencies, particularly the Department of Defense, to use wage data developed by the Bureau as a basis for setting rates for nonclassified jobs. The Department of Defense abandoned separate studies in 11 cities where Bureau surveys had been conducted.

The Bureau laid the groundwork for the release of an index of productivity in manufacturing in fiscal year 1953. According to present plans, the first issue of the index will provide data for the years 1939, 1947 through 1950, and possibly 1951.

The Bureau continued to provide monthly, quarterly, and annual frequency rates for work injuries. A study of the causes of accidents in plants manufacturing boiler shop products was introduced. In lieu of a similar study in a second industry, the Bureau adopted a recommendation of the International Association of Government Labor Officials, first made in 1950, to proceed with a State-Federal cooperative study of the causes of circular-saw accidents. Twenty States agreed to participate. In June 1952, the Bureau participated in the President's Conference on Industrial Safety giving active leadership to the important committee on accident records, analysis, and use.

Despite sharply reduced appropriations for research in the industrial relations field, the Bureau continued its series on strike statistics and the preparation of reports analyzing the

major features of collective bargaining agreements. Special studies were released on aircraft and meat-packing. The Bureau inaugurated plans for the development of a program of studies designed to demonstrate labor-management practices and procedures under negotiated agreements, and to point up the stabilizing features of day-to-day operation under the contract. Work was well advanced on two pilot studies, namely "Arbitration of Labor Management Grievances at Bethlehem Steel" and "Patterns of Collective Bargaining."

Further advances were recorded in the development of input-output work, with emphasis in fiscal 1952 on use by defense agencies. An emergency mobilization chart providing input-output data for about 200 industries was completed. In addition to its use by the military, the Bureau will utilize the data from this model together with related productivity data for manpower projections. Toward the end of the fiscal year, the Bureau concentrated on the completion of a corrected 450-industry input-output chart for 1947, and on providing a comprehensive explanation of methodology and procedures used in the development of industry and over-all data contained in summary charts.

In accordance with Government-wide plans to shift general purpose indexes to a postwar base, the Bureau of Labor Statistics introduced a 1947-49 base for wholesale prices, employment and payrolls, union wage scales, and valuation of urban building authorized. The revised Consumers' Price Index, when issued, will use the 1947-49 base and, at the same time, the various earnings series of the Bureau will be converted.

On October 29 after lengthy hearings on the Bureau's Consumers' Price Index by a subcommittee of the House Committee on Education and Labor, the subcommittee released a report of its findings. The subcommittee called the CPI "the most important single statistic issued by the Government" and stated that it was "impressed with the integrity and technical ability of the staff of the Bureau." A number of recommendations made by the subcommittee in connection with its review are under consideration.

The Bureau continued its program of regional conferences with the States designed to promote the improvement of labor statistics. A Northeastern Conference on Labor Statistics was held in March 1952 under the cosponsorship of the Bureau and the State of Connecticut. Emphasis at this conference was on accident and price statistics, but discussions were also held on improved wage studies for minimum wage legislation. This conference was the first of four to be held in fiscal years 1952 and 1953.

The Administrative Economist Development Program for 1951-1952 was completed in May. The program is designed to attract and develop outstanding young talent. Twenty-one individuals, recruited from the junior management assistant register and from Bureau staff, participated. Six members of the group competed successfully for graduate scholarships.

The Library

During the fiscal year 1952, 1,818 persons from outside the Department of Labor visited the Library to use its resources. Of these, 650 were from other Federal agencies, 118 were from foreign countries, 439 were from universities and colleges, and 123 were from trade unions.

There were 21,369 reference questions answered, of which 17,192 were asked by Department employees, 2,612 by employees of other Federal agencies, and 1,565 by persons outside the Government.

Eighteen thousand three hundred and ninety-five books and 35,556 periodicals were circulated. Of these, 991 were borrowed from other libraries, and 1,716 were loaned to other libraries.

Eleven thousand seven hundred and eight books and pamphlets considered worthy of cataloging were received and 4,794 items of a periodical nature are currently received. This latter figure is high because of the great number of trade union journals and labor papers. In addition 2,539 items were retained, but not cataloged, to meet temporary needs.

There were 9,412 items cataloged.

The present cataloged collection consists of approximately 338,000 items.

The staff consists of 24 persons, 15 of whom are in professional grades and 9 in subprofessional or clerical positions.

Gifts and Exchanges

Arrangements were completed with 12 organizations in foreign countries for exchange of materials. The advantage of the

exchange system is that foreign materials are received promptly upon publication and often such materials are not listed in the regular channels.

Accessions List

The Library prepares and distributes monthly a selected list of recent additions to the Library. This includes books, pamphlets, and periodical articles. At the end of the year, 143 copies were being distributed regularly to members of the Department, 214 to libraries and individuals outside the Department, and 100 copies to labor attachés in foreign countries. In addition, requests for individual copies are filled.

Department Publications

For a considerable time the Library has collected Department publications, especially the *Monthly Labor Review* and Bureau of Labor Statistics bulletins, which were being discarded from other libraries and from the various offices in the Department. These are used for exchange purposes and to fill requests from other libraries and research organizations whose files are incomplete or have been destroyed. An outstanding example was the library of the Philippines Labor Department Library which was destroyed during the war. In other cases these publications have been sent to newly organized libraries which have had to establish back files no longer available from the Bureau or the Government Printing Office.

Office of the Solicitor

The Solicitor of Labor is the legal adviser to the Secretary and other officials of the Department. He is in charge of all legal proceedings, responsible for the interpretation of the various statutes administered by the Department, and his staff renders the necessary legal services in connection with the Department's administrative proceedings leading to the formulation of regulations, rules, and orders issued pursuant to those statutes.

Legislative, Bureau Service, and Trial Examining Division

In fiscal year 1952, the Secretary of Labor and other officers of the Department of Labor made more appearances before congressional committees to testify on pending legislation than in any previous year. For each such appearance it was necessary for the staff of the Division to conduct extensive research, to coordinate the views of the various bureaus of the Department and to assist in the preparation of the testimony presented. Illustrative of the matters on which such testimony was presented are: Communism in labor organizations; the Report of the President's Commission on Migratory Labor; various bills to improve and extend the unemployment insurance program; the Fullbright amendments to amend the Walsh-Healey Public Contracts Act by means of amendment of the Defense Production Act; National Emergency Labor disputes (S. 2999); ratification of International Labor Organization Conventions Nos. 63, 68, 69, 73 and 74; amendments to Longshoremen's and Harbor Workers' Compensation Act to authorize the Secretary of Labor to prescribe safety standards for the industry.

The Division also prepared 230 written reports on proposed legislation in response to the requests of the various congressional committees and of the Bureau of the Budget for the views of the Secretary of Labor.

The Division also examined and passed upon five claims filed under the Federal Tort Claims Act; performed legal services for the various bureaus of the Department such as drafting and reviewing administrative orders, regulations and instructions proposed for publication; prepared replies to communications addressed to the Secretary and other officers of the Department; and prepared legal opinions, analyses, and memoranda for such officials.

The hearing examiners in the Trial Examining Branch of the Division presided at hearings held under the various acts administered by the Department, principally under the Walsh-Healey Public Contracts Act and the Davis-Bacon Act.

Litigation

The Trial Litigation Division is assigned duties relating to the enforcement of the Fair Labor Standards Act by court action in the United States district courts, and to litigation in administrative proceedings under the Walsh-Healey Public Contracts Act. The Appellate Litigation Division is assigned duties involving appeals taken in such cases to the United States Court of Appeals and to the Supreme Court of the United States.

In fiscal year 1952, a total of 608 civil actions comprising 567 injunction suits, 19 contempt proceedings, and 22 special proceedings were filed. Six hundred and twenty-five civil enforcement actions were closed during the year.

A total of 177 criminal cases were instituted during the year and 161 criminal cases were closed. Thirty-three administrative enforcement proceedings were instituted during the fiscal year under the Walsh-Healey Act and 20 proceedings were completed.

During the fiscal year, 27 briefs were filed for the Secretary in appellate proceedings and the Department participated as

amicus curiae in 5 others. The United States Supreme Court rendered no decisions and the Federal Courts of Appeals handed down nine in cases instituted by the Department. In seven of these the Department's position was sustained. While Supreme Court review of the adverse decisions handed down last year in *United States v. Lovknit Manufacturing Company, Inc.* (189 F. 2d 434) and *Lance v. United States* (190 F. 2d 204) was denied, a Supreme Court ruling on this very important question in the near future now seems probable in view of the decision in *United States v. Unexcelled Chemical Corporation* (196 F. 2d 264) in which the Third Circuit refused to apply the 2-year statute of limitations to the Government's claim for liquidated damages for child labor violations which had been previously determined in an administrative proceeding.

Other appellate decisions during the year arose under the Fair Labor Standards Act. Among the more important decisions were *Tobin v. Celery City Printing Company* (197 F. 2d 228), which upheld the Department's view that the requirement for exemption under section 13 (a) (2) and section 13 (a) (4) of the act that 75 percent of the sales of an establishment and the establishment itself must be "recognized" as "retail . . . in the particular industry" must be proved as a prerequisite to exemption; *Tobin v. Alstate Construction Co.* (195 F. 2d 577), which held that "off-the-road" employees who produce materials for use in the same State in the repair and maintenance of interstate instrumentalities are subject to the act as being engaged in the production of goods "for" commerce; *Harwood v. Tobin* (194 F. 2d 538), in which the Sixth Circuit enjoined violations of the act and of the Administrator's regulations despite a previous holding by the Second Circuit in a similar case that the Administrator's regulations could not be construed to cover homeworkers who obtained their materials from independent sources.

Two of the Department's own cases and a declaratory judgment action in which the Department participated as *amicus curiae* were lost. The Supreme Court refused to review *Tobin v. Alma Mills* (192 F. 2d 133), thereby leaving in effect the Fourth Circuit's holding that a permanent injunction may be

dissolved where substantial changes have occurred in the employer's management and the employer has complied in good faith for a 10-year period and its further holding that an employer is not accountable in civil contempt for the performance of preshift work without the employer's knowledge and contrary to his instructions. Despite the Fifth Circuit's decision in *Donnelly v. Mavar Shrimp and Oyster Co., Inc.* (190 F. 2d 409), the Fourth Circuit in *Tobin v. Blue Channel Corp.* (11 W. H. Cases 52) upheld the Administrator's interpretation that preparatory operations which are integrated with the seafood canning process are included in the term "canning."

Division of Interpretations and Administrative Services

Interpretations Branch

During the past year the Interpretations Branch continued its general functions of issuing opinions and interpretative bulletins with respect to the Fair Labor Standards Act, the Public Contracts Act, the Davis-Bacon Act, the Eight-Hour Law, and the Copeland (Anti-Kickback) Act. The most significant field of new endeavor was found in the launching of a program to coordinate the enforcement and interpretation by Federal agencies of labor standards provisions applicable to contracts covering federally financed and assisted construction. Reorganization Plan No. 14 constituted the Secretary of Labor the central authority for enforcement of labor standards in such contracts. This authority was implemented by the issuance of Regulations, Part 5, by the Secretary of Labor, made effective July 1, 1951. Problems resulting from the launching of this program during the fiscal year required many consultations and preparation of many opinions by this branch which also assisted materially in the preparation of an investigation and enforcement manual to assist the Federal agencies in carrying out their functions and duties in this field.

Administrative Services Branch

The various exemption provisions of the Fair Labor Standards Act, as amended, generated a large number of administrative proceedings in fiscal year 1952 involving, among other

things, modification of industry learner regulations, complete revision of apprentice regulations and sheltered workshop regulations, issuance of regulations relating to employment of messengers, seasonal industry determinations, and application of the retail and service exemption provision of section 13 of the act. The legal services necessary to carrying out such administrative proceedings and the drafting of the appropriate decision, regulation or order is the function of the Administrative Services Branch.

This branch, in the fiscal year, provided legal services in connection with Puerto Rico wage order proceedings, Public Contracts Act minimum wage determination proceedings, proceedings relating to child labor hazardous occupations orders, and the overhauling of the Public Contracts Act regulations.

Defense Manpower and Employment Security

This division generally provides legal services in connection with the interpretation and operation of the Federal Unemployment Tax Act, the unemployment compensation provisions of the Social Security Act, the Wagner-Peyser Act of 1933, and supplementary legislation relating to the Nation-wide system of public employment offices, the Farm Placement Service, and the Veterans Employment Service; and renders assistance to State agencies in the operation of the State-Federal employment security program, which includes both unemployment compensation and the employment service.

Manpower problems in the defense mobilization program were added to the normal program of this division and a temporary program for the importation of Mexican agricultural workers, authorized by Public Law 78, 82d Congress, was initiated by the Migrant Labor Agreement of 1951.

The Mexican migrant labor program gave rise to a myriad of problems in negotiation with the Mexican Government over the terms and interpretation of the controlling executive agreement; in the transportation, reception, contracting, and return of Mexican workers under Government supervision; and in the

enforcement of employment contracts for which the United States Government is guarantor.

Legal work in the defense manpower program consisted less of opinions on specific legal questions than of participation with administrative officials in planning and the formulation of policy, as, for example, in regard to the full utilization of women, older workers, the physically handicapped and minority groups in defense industry.

In unemployment insurance, emphasis was on collaboration with State agencies in maintaining the basic principles of the Federal-State system and specific standards in the Social Security Act and the Federal Unemployment Tax Act against attack in litigation and proposed amendments to State laws. In the Employment Service the most significant problem of the year was to deal adequately with emergency situations, such as the construction of atomic energy projects and the sharply fluctuating demand for maritime workers, in a way consistent with essential policies fixed by Congress or the Secretary, such as referral of workers only to jobs with conditions of employment consistent with Federal, State, and local law.

Employees' Compensation

The primary function of this division is to furnish legal advice and assistance to the Bureau of Employees' Compensation, which administers several laws providing workmen's compensation for death or disability resulting from injuries sustained in the course of their employments by employees of the Federal Government; private employees engaged in long-shoremen's, ship-repair, and harbor work; industrial employees in the District of Columbia; and employees of Government contractors located outside of the United States.

In the past year, judicial review was had in a number of cases and some novel questions in compensation law were raised as a result of the unusual working conditions affecting employees engaged in the construction of defense bases and engaged in public works contracts in remote areas of the world. During the year, the courts have to some extent cleared the atmosphere with respect to the so-called "twilight zone" maritime cases,

that is, those involving a conflict between Federal and State jurisdiction. It had been urged in some quarters upon authority of the Supreme Court's decision in *Davis v. Department of Labor*, 317 U. S. 249, that the mere assumption of jurisdiction by a State would oust Federal jurisdiction. Two decisions have corrected this impression: *Newport News Shipbuilding & Dry Dock Co. v. O'Hearne*, 192 F.2d 968 (C. A. 9), and *Western Boat Building Company v. O'Leary*, decided on July 8, 1952, by the United States Court of Appeals, Ninth Circuit, both of which held that the action of the State authorities in a given case does not affect the Federal jurisdiction where it properly exists in the case of injury upon the navigable waters of the United States.

During the year, the Division handled 42 contested Longshoremen's Act cases, processed nearly 16,000 third party tort cases under the Federal Employees' Compensation Act and recovered \$1,670,000 in damages.

International Labor Affairs and Veterans' Reemployment

International Labor Affairs Branch

This branch furnishes legal advice and assistance on all subjects of concern to the Department in the field of international labor activities, and, particularly, with respect to the obligations incurred by the United States as a member of the International Labor Organization.

For the first time the Branch was called upon to prepare a reply to charges filed against the United States under the ILO procedure for the consideration of allegations of infringement of trade union rights, a procedure whose establishment was strongly supported by the United States. Charges were filed by the Communist World Federation of Trade Unions alleging infringement of trade union rights in the railroad strike of 1950, the operation of the maritime security regulations, and other instances. Upon the basis of the United States' reply the charges were dismissed.

Veterans' Reemployment Branch

This branch provides legal advice and assistance on problems arising out of the Department's assistance to veterans in

obtaining their former employment after military service, pursuant to Selective Service Legislation in 1940 and 1948.

During the past year, attorneys in the Branch prepared over 1,200 interpretations on problems arising under the statutes, reviewed approximately 1,000 items dealing with reemployment rights, generally to correct or prevent errors in published material on veterans' reemployment rights, and gave advice concerning appropriate provisions in collective bargaining agreements and employer policies dealing with reinstatement of veterans. Over 400 conferences were held in carrying out this work. They have also prepared, on request, comments on proposed statutes to be adopted by States or political subdivisions thereof in protecting reemployment rights for their employees. One hundred forty-two notes were prepared on significant points involved in court decisions.

Wage Determination

The Wage Determination Branch is responsible for the determination of prevailing hourly wage rates required to be paid to all mechanics and laborers directly engaged in the performance of work under contracts for Federal construction within the scope of the Davis-Bacon Act, as amended, National Housing Act, as amended, Hospital Survey and Construction Act, Federal Airport Act, Housing Act of 1949, the School Survey and Construction Act of 1950, and the Defense Housing and Community Facilities and Services Act of 1951.

During the fiscal year, a total of 10 wage-rate surveys were conducted in areas where major craft rates were in controversy. The Division assisted in the preparation of an Investigation and Enforcement Manual for the use and guidance of all contracting agencies. Approximately 400 complaints of alleged violations were received during the year, of which approximately 250 were investigated. Approximately 150 investigation reports were analyzed and recommendations made to the appropriate contracting agencies. Over 14,000 requests for wage determinations and modifications were received and almost 17,000 decisions and modifications issued.

Bureau of Veterans' Reemployment Rights

The Bureau of Veterans' Reemployment Rights had the responsibility in fiscal 1952 for administering a program Nation-wide in scope and of indefinite duration. The reemployment program involved a most valuable benefit which the Congress gave persons released from military service during 1952—the right to reinstatement in their old jobs in their home communities, a benefit that does not involve the payment of any gratuity by the Government but which will have lifelong implications for the ex-servicemen who use it.

Functions

Major functions of the Bureau are:

1. Direct assistance to ex-servicemen, reservists performing training duty only, persons rejected for military service, and employers and labor organizations in connection with reemployment rights problems arising under section 9 of the Universal Military Training and Service Act of 1951 and the earlier reemployment statutes.

2. Promoting compliance with the reemployment statutes through a program of education and information designed to acquaint all persons affected by the reemployment program with their rights and obligations under the statutes to the end that reemployment controversies between employers and their veteran employees may be kept to minimum proportions.

Accomplishments

Among the accomplishments of the Bureau during the year were the following:

Executive direction was supplied by the Director of the

Bureau with a staff, clerical and administrative, of seven employees.

Direct assistance was rendered by 33 paid employees, 16 administrative and 17 clerical, located in 15 field and area offices, who utilized the assistance of 4,000 volunteer reemployment rights committeemen as local representatives of the Bureau; some 1,800 local offices of State Employment Security agencies as points of contact, information, and referral; and 20 other cooperating State and Federal agencies active or interested in veterans' affairs.

Exclusive of the activities of the volunteer committeemen and cooperating agencies, paid personnel of the Bureau began the fiscal year with a carry-over of 1,997 incompleeted reemployment problems and cases; received during the year 28,217; handled to completion 26,137, and carried over into fiscal 1953, 4,076. Of the 30,217 problems requiring action in 1952, 589 were in the hands of United States Attorneys. Of the 26,137 problems completed, 278 were through the efforts of United States Attorneys.

In the promotion of compliance phase of the program, the following informational material was distributed upon request to veterans, employers, labor organizations, and other interested persons:

1. Ten thousand copies of the Question and Answer Handbook, containing more than 400 questions previously asked and the answers, language of the reemployment statutes in effect, and analyses of Supreme Court decisions rendered.

2. Nineteen thousand five hundred copies of Field Letter No. 15 which brought the Question and Answer Handbook up to date with respect to the 1951 amendments to the Universal Military Training and Service Act.

3. Sixteen thousand copies of Field Letter No. 16, which dealt with the reemployment rights of persons who are disabled while in military service to such an extent that they are unable to perform the duties of their old jobs.

4. One million copies of a leaflet briefly explaining the reemployment program. The Selective Service System and the Bureau distributed 500,000 copies to inductees, reservists, rejec-

tees, and others. The Army, Air Force, Navy, Marine Corps and Coast Guard purchased and distributed to separatees an additional 500,000 copies.

During fiscal 1952, some 800,000 servicemen returned to civilian life, some 350,000 reservists performed training duty only and some 250,000 persons were rejected for military service by the Selective Service System and the Armed Forces. Of the 1,400,000 enumerated above, more than 700,000 left gainful employment to enter military service. It is estimated that more than 300,000 persons in 1952 either returned to their former employers or received some other employment benefit to which they were entitled by the reemployment statutes.

Effectiveness of the promotion of compliance phase of the program may be measured in some part from the relationship of problems presented to the Bureau for clarification and assistance, 28,217, and the estimated number of persons benefited from the program, more than 300,000. We have found that most employees, employers, and labor organizations when informed concerning their rights and obligations and kept up to date on changes resulting from new court decisions and amendments to the law are able to resolve their problems without more direct assistance from the Bureau.

Wage and Hour and Public Contracts Divisions

The Wage and Hour and Public Contracts Divisions' enforcement responsibilities have been augmented since revisions to the Fair Labor Standards Act, provided by the Fair Labor Standards Amendments of 1949, became effective on January 25, 1950. These greater responsibilities arose primarily from provisions of the amendments which increased the minimum wage to 75 cents an hour from 40 cents and affected the employment of children in agriculture and communications. The acceleration of the Government procurement program also added to the Divisions' workload as the number of firms performing under the Walsh-Healey Public Contracts Act continued to increase.

During fiscal year 1952, the Divisions completed a total of 41,868 investigations, substantially achieving their projected goal of 44,000. Because of the limited numbers of investigations the Divisions can make within their allotted funds compared with the number of covered establishments, estimated at 715,000 last year, the Divisions are obliged to concentrate their investigation efforts where they have reason to believe that violations most probably will be found. The violation record, therefore, should not be assumed to be representative of all establishments having covered employees.

Results of Enforcement Activity

Violations of the basic provisions of the Fair Labor Standards Act, the Public Contracts, or both, were disclosed in 24,320, or 58 percent, of the 41,868 establishments investigated

during the year. The greatest number of violations, 18,251, or 47 percent,¹ were caused by failure to comply with the overtime pay provisions of the acts. Minimum wage violations were found in 7,741, or 20 percent,¹ of the investigated establishments. This relatively high proportion of minimum wage violations is attributed to the concentration of investigations in traditionally low-wage areas and industries.

Child labor violations, found in 13 percent of the investigated establishments, continued to reflect the impact of the 1949 amendments, which prohibited the employment of children under 16 years of age on farms during school hours. Of the 5,283 violations disclosed by investigations, 42 percent were due to unlawful employment in agriculture. While first-time investigations showed heavy violations in cotton, potatoes, tomatoes, and other "stoop" crops, investigations clearly revealed that most farmers who have violated the child labor provisions took positive steps to come into compliance. Of the 30,402 minors under 18 found working in investigated establishments, 11,665, or 38 percent, were unlawfully employed. A total of 3,492 minors were found employed in violations of the Secretary's hazardous occupations orders, which prohibit the employment of children under 18 in jobs found by him to be particularly hazardous.

Under the safety and health provisions of the Public Contracts Act, 5,564 safety and health investigations were made during the fiscal year. Violations were found in 35 percent of the cases.

Restitution of Back Wages

During the year investigations disclosed a total of \$15,700,000 in back wages due some 208,000 employees by more than 20,000 employers. Some 84 percent of these employers voluntarily agreed to pay almost \$8,500,000 to some 145,000 employees.

¹ The base for these percentages excludes the 3,114 establishments not generally subject to the minimum wage and overtime pay provisions of the Fair Labor Standards Act that were investigated for compliance with the child labor provisions of this act.

Some Administrative Activities

During the second year of experience with the amended coverage provisions of the act, progress was made in delineating the line between employments which are "closely related and directly essential" to production of goods for commerce and those which are too remote from such production to be covered. Some problems still remain, however. The 1949 amendments' definition of the "regular rate of pay" on which overtime pay must be computed, continued to provide a sound basis for solving overtime questions, although several specific problems required further study.

As a result of a determination in which the Florida cane sugar industry was found to be of a seasonal nature under section 7 (b) (3), that industry now has an exemption comparable to the one provided for the cane sugar industry in Louisiana. Because of a court decision on the meaning of "first processing," the Administrator modified his interpretation of the scope of the overtime exemption provided by section 7 (c) for the first processing of perishable or seasonal fresh fruits and vegetables and other agricultural commodities.

The Divisions gained further operating familiarity with the revisions in the retail and service establishment exemption provided by the 1949 amendments. A hard core of problems still must be solved, however.

Changes were made in the act's record-keeping regulations in order to simplify and lighten the record-keeping obligations of farmers, while providing for information necessary to the administration of the act's child labor provisions.

Under statutory provisions that authorize the Administrator to set minimum wage rates at or below 75 cents an hour for Puerto Rico and the Virgin Islands, on the basis of industry committee recommendations, the Administrator issued 13 wage orders for Puerto Rico and one, which covered 16 industries, for the Virgin Islands. These actions were taken under his program of carrying out the congressional directive to review minimum rates in the Islands as rapidly as possible in the light of the statutory 75 cents an hour objective.

In enacting the 1949 amendments, the Congress continued in effect provisions authorizing the employment at subminimum rates of learners, apprentices, and handicapped workers, under regulations issued by the Administrator. During the year, the learner regulations were revised to keep pace with changing economic conditions. Under the special regulations for specific industries, and under the general learner regulations which apply to all other industries, higher learner rates and shorter learning periods than in the preceding year were generally provided. In addition, under the general regulations, industry-wide policies of denial were adopted for a number of industries.

A decline in the volume of learner applications received resulted in the Divisions' acting on a total of 2,772 learner applications as compared with 5,240 in the preceding year. The completed actions included the issuance of 2,243 certificates and the denial or withdrawal of 529 applications.

Under the apprentice regulations, 423 apprentice certificates were issued. Certificates permitting 201 sheltered workshops to employ handicapped workers at subminimum rates were in effect at the close of the year; and 3,660 subminimum rate certificates were issued to handicapped workers in regular industry.

Walsh-Healey Public Contracts Act

A total of 65,475 unclassified contracts amounting to approximately \$11,000,000,000 were awarded subject to this act during the year. Of the 18,144 firms awarded contracts, 7,953 had not had contracts under the act in the preceding 2 years.

Minimum wage determinations, issued by the Secretary of Labor on the basis of minimum wages found to be prevailing, became effective in 7 industries or branches of industries during the year. The records of 12 industry hearings on prevailing minimum wages were under study at the year's end.

At the request of the Armed Services Petroleum Purchasing Agency, the regulations defining "regular dealers" in petroleum products were amended, so as to facilitate the obtaining

by that agency of the necessary petroleum requirements for the Government, and at the same time to prevent the award of contracts to bid brokers. The Secretary granted a special exemption from the act's provisions for contracts entered into for the procurement of certain canned fruits and vegetables for the armed services. This exemption was terminated shortly after the end of the year.

Wage and Salary Stabilization Boards

The Divisions continued their informational activities for the Boards, and their making of investigations for the Wage Stabilization Board.

Women's Bureau

Under authority of Congress, the Women's Bureau formulates standards and policies to promote the welfare of women workers, analyzes and compiles basic data, conducts studies, and renders technical and advisory services on legislation of concern to women as workers and as citizens. It maintains an active program of international cooperation. It also carries specific functions in relation to the national defense.

Utilization of Womanpower

In April 1952 the number of women in the labor force stood at 18¾ million, which was only three-quarters of a million below the World War II figure of April 1945. Women constitute 30 percent of the civilian labor force and are the Nation's largest remaining labor reserve.

Attention of the Women's Bureau during the year was focused primarily on problems of womanpower utilization, including training programs, allocations and requirements, and methods of alleviating labor shortages in occupations in short supply. Field work was completed on an analysis of a short-term training program for women in an aircraft engine company, and a research report on World War II training for women in industry was prepared. A major project was initiated to analyze occupational factors in determining suitability of women for certain machine-shop jobs where, traditionally, women have not been employed, and field surveys were continued on community facilities for working mothers and their children.

Four Bureau bulletins on employment opportunities for women were issued, all dealing with fields where qualified

women are in demand: social work, food supervision and management, physical therapy, and occupational therapy. A new leaflet deals with women's chances for advancement in department stores, factories, banks, and insurance offices.

Clerical Workers

One of the most acute labor shortages during the present defense production period has been in the clerical field, affecting especially stenographers and typists. Sixty-five percent of all clerical and kindred workers are women—predominantly young. Contributing to this shortage were, on one hand, the recruitment efforts of defense production and the armed forces for women 18 to 34, and, on the other hand, the relatively small number of young women entering the labor market, reflecting the low birth rate during the depression of the 1930's, and the unusually large number of marriages and births during the past 2 years. Two working conferences initiated by the Women's Bureau and the Bureau of Employment Security were held with representatives of 10 national women's organizations to develop a clerical-worker pilot program, which was carried out in selected cities.

Older Women Workers

The 6 million women 45 and over in the labor force constituted nearly one-third of all women workers in 1952. Nevertheless, women who become unemployed or who wish to change jobs during middle or later life often encounter serious difficulty. For the older woman who reenters the labor market after an interval of some years devoted to family responsibilities or who attempts to become self-supporting for the first time, the problem of finding employment is even more baffling. The Women's Bureau prepared materials for and participated in national and State conferences on problems of the aging and issued a popular leaflet for older women seeking jobs.

Maternity Protection

Maternity protection of employed women has been left for the most part, in the United States, to the initiative of private

industry and labor organizations. With more than 10 million married women in the labor force it becomes a matter of considerable importance. Maternity protection policies in 43 firms are described in a Bureau report which also summarizes existing legislation here and abroad.

In June 1952 the Director of the Women's Bureau served as an adviser to the United States Government delegation to the 35th Session of the International Labor Conference in Geneva, where a revision of the Maternity Protection Convention of 1919 was adopted for consideration by Member States.

Equal Pay

New impetus was given to the movement for equal pay for comparable work through a National Conference on Equal Pay held in Washington March 31 and April 1 at the call of the Women's Bureau.

One State, New Jersey, enacted a general equal-pay law in the spring of 1952. Thirteen States and Alaska now have equal-pay statutes. In addition, Maine enacted an equal-pay law for school teachers. A number of Federal equal-pay bills were introduced in the 82d Congress; however, no action was taken on these.

That women work, as men do, to earn a living for themselves and their families, is brought out in a comprehensive report on women workers and their dependents. This bulletin analyzes the findings of former studies on the economic responsibilities of women workers and reports a new study, in which some 9,000 women participated, made by the Women's Bureau in 1950 with the cooperation of 7 trade union groups. Two-thirds or more of the trade union women were using all or most of their earnings to support themselves and others.

Minimum Wage

Massachusetts raised its statutory minimum to 75 cents, thus becoming the second State (Connecticut was the first, in 1951) to take legislative action to bring the minimum established by State standards into conformity with the Federal

minimum for interstate workers in industry. Both States continue to provide for wage board action. In California, Connecticut, Massachusetts, New York, and the District of Columbia, wage orders providing a minimum of 75 cents an hour became effective. Altogether, some 40 wage orders raising minimum wages in specified industries in 13 States, the District of Columbia, and Puerto Rico went into effect during 1951 and the first half of 1952.

A revised edition of the Bureau's bulletin on working women's budgets includes a budget for Maine for the first time, and the first official budget for California. These cost-of-living budgets are used widely in determining minimum wage rates, and sometimes in collective bargaining, employment counseling, and social work.

Civil and Political Status of Women

Notable advances occurred in dissolving legal barriers to jury service by women. Three States—New Mexico, Oklahoma, and Tennessee—enacted jury service laws in 1951 removing sex disqualifications. Only six States and one Territory remain in which women are not eligible for jury service.

At the international level, a continuing responsibility of the Women's Bureau was the preparation of replies of the United States Government to the United Nations' Questionnaire on the Status of Women. During the year the major areas of family relations law and property law were covered. Extensive technical assistance was furnished in connection with the work of the UN Commission on the Status of Women and also the Inter-American Commission of Women. This included sending an adviser to the Geneva meeting of the Commission on the Status of Women and a delegate to the meeting of the Inter-American Commission of Women at Rio de Janeiro.

Exchange-of-Persons Program

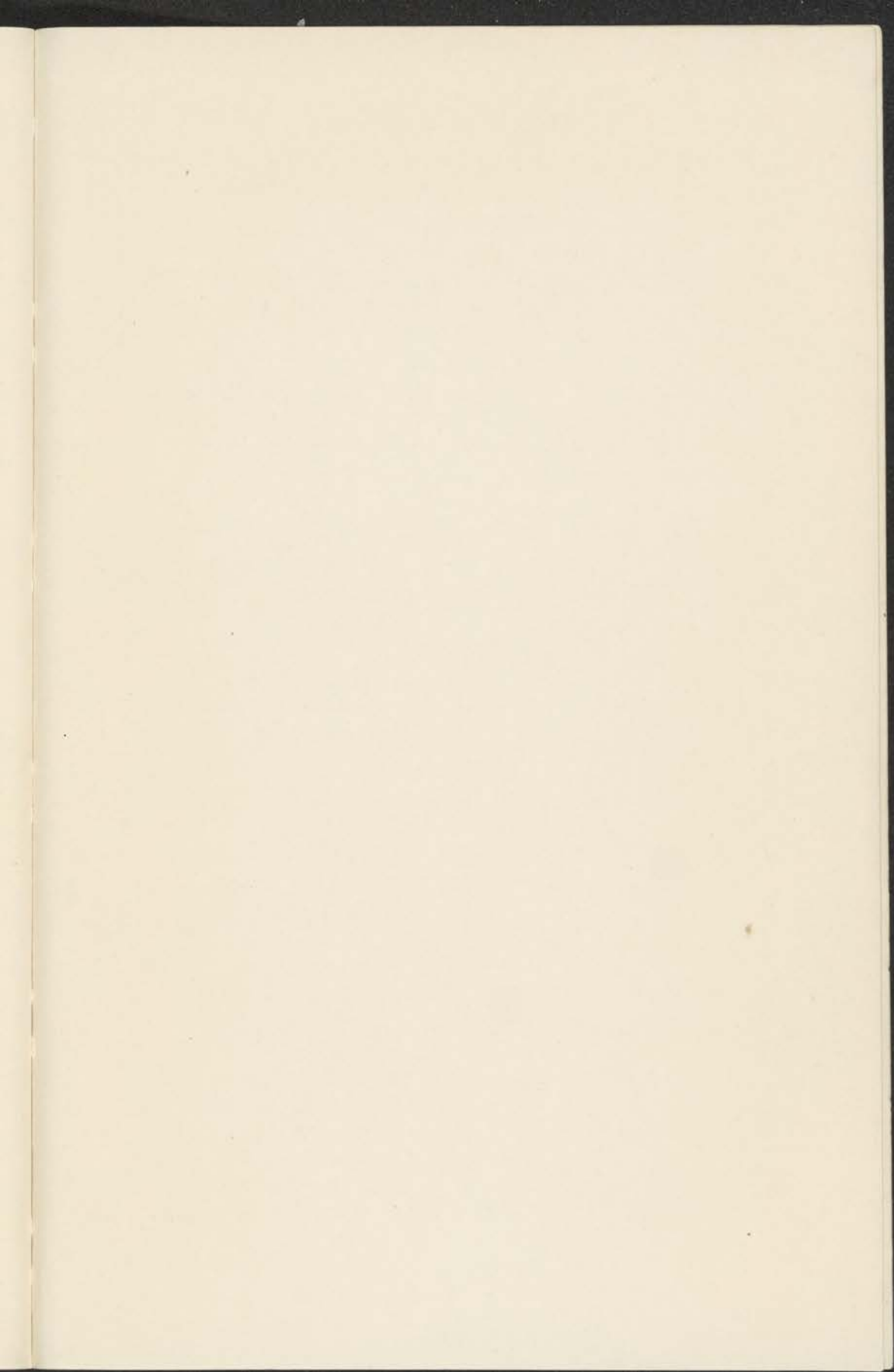
As part of the government's exchange-of-persons program, the Women's Bureau arranged programs and itineraries for 25

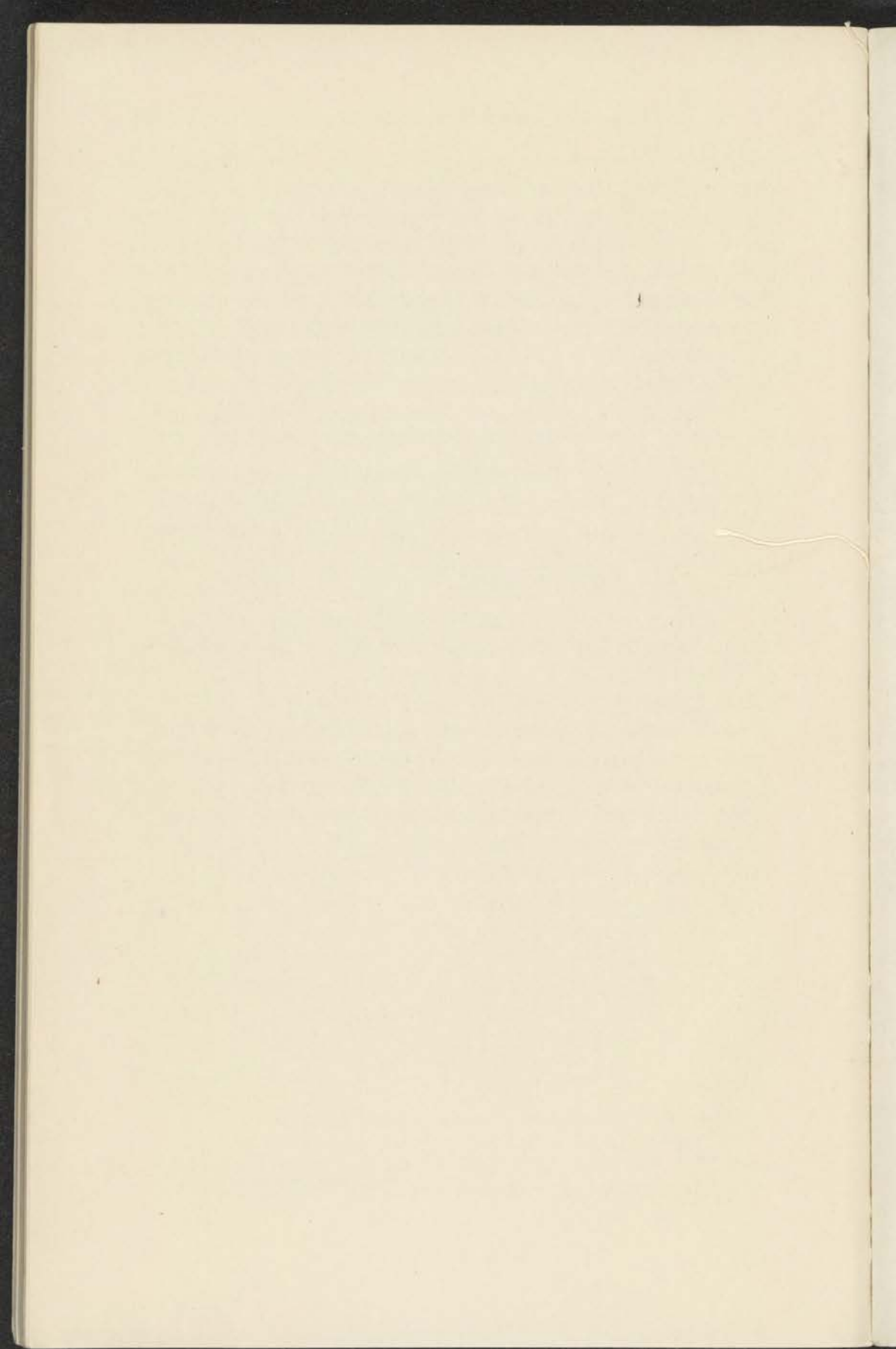
women leaders from 11 countries (Ceylon, Chile, Denmark, Ecuador, Egypt, Finland, India, Japan, Pakistan, Philippines, and Thailand) and for 86 women leaders from Germany. These leaders were particularly interested in studying the participation of American women in citizenship activities, the role of women's organizations, and the work of voluntary agencies. The Bureau also had full responsibility for a point 4 trainee from India and assisted with the programs of three others, two from India and one from Chile.

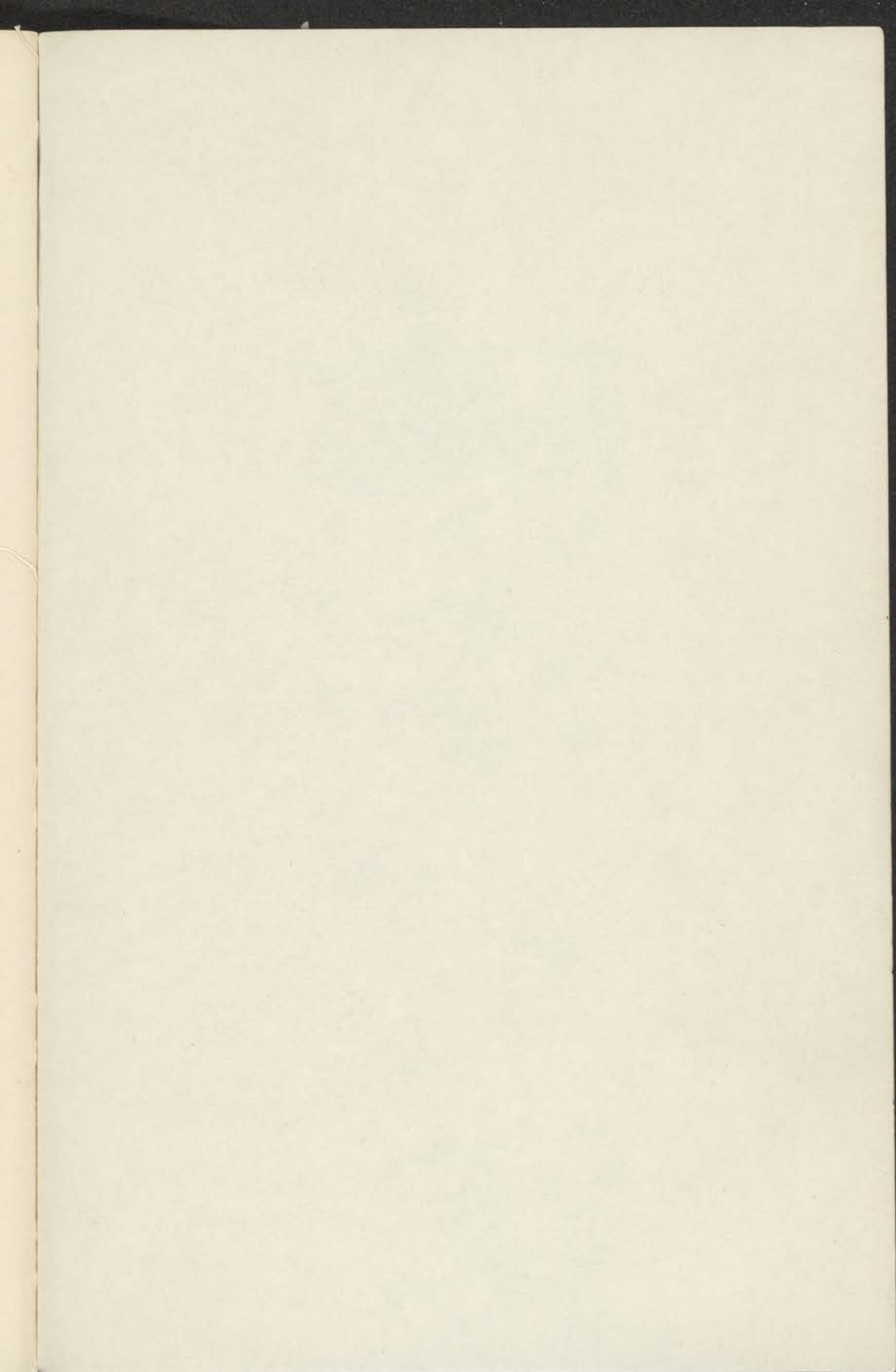
Reporting and Advisory Services

Research findings of the Bureau are disseminated in the form of technical bulletins, informational reports, popular leaflets, statistical summaries, charts and maps, interpretative articles for press and radio, and through the 4-page monthly newsletter, *Facts on Women Workers*. In addition to those distributed by the Bureau, nearly 25,000 copies of 15 current publications of the Bureau were sold by the Superintendent of Documents.

The Bureau staff responded to hundreds of requests involving research services or technical services on legislation for women, and to more than 10,000 requests for information and materials. A small staff of field workers provided technical and advisory services to State and local agencies on request, as well as carrying on field surveys to obtain information on local employment problems and labor standards for women.







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