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# ANNUAL REPORT OF THE SECRETARY OF LABOR

FISCAL YEAR ENDED JUNE 30, 1946





THIRTY-FOURTH ANNUAL REPORT  
OF THE  
SECRETARY OF LABOR

FOR THE FISCAL YEAR  
ENDED JUNE 30

1946



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## LETTER OF TRANSMITTAL

DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
*Washington, D. C. June 30, 1946.*

*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, 1946.

Respectfully submitted.

L. B. SCHWELLENBACH,  
*Secretary of Labor.*

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## OFFICIALS OF THE DEPARTMENT OF LABOR, 1946

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JAMES E. DOBSON, Chief Clerk and Budget Officer.  
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LAURA A. THOMPSON, Librarian.

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## THIRTY-FOURTH ANNUAL REPORT OF THE SECRETARY OF LABOR

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The fiscal year which began on July 1, 1945, brought victory in World War II and ushered in the complex and in many ways equally difficult period of reconversion. Even before Pearl Harbor and our direct participation in the struggle, our economy was being geared to national defense. After December 1, 1941, conversion was rapid and far reaching. Patterns of production and employment underwent profound changes.

Increasingly throughout this period, the wage and salaried workers of America were called upon to meet the enormous and unprecedented demand for war equipment and supplies while maintaining a remarkably high level of civilian goods and services.

This dual achievement, which hastened the day of final victory, was more than a triumph of men and machines—it proclaimed the enduring strength of our democratic traditions and our devotion to the principles of human freedom.

Our participation in World War II was so vast and intricate that it required much greater control and direction of the national economy than we had ever experienced in the past. Yet the measures which were adopted and the methods which were used owed much of their success to the fact that they reflected both unity of purpose and faith in the free American way of life.

One object of the present report is to review the work of the Department of Labor in the light of this national purpose. And because wartime scarcities had limited the scope of previous reports, it is deemed advisable to cover not only the fiscal year, but the entire period of World War II.

Moreover, during the 12 months from July 1, 1945, to June 30, 1946, reorganization brought within the Labor Department several agencies whose functions vitally affected both the Nation's labor force and the war effort. The records of these agencies are necessary to any well rounded survey of the war years and they are included in this annual report.

The Department of Labor at the end of this fiscal year included:

Apprentice-Training Service.

Bureau of Labor Statistics.

Children's Bureau.

Division of Information.

Division of Labor Standards.

National Wage Stabilization Board.

Office of the Solicitor.

Retraining and Reemployment Administration.



Shipbuilding Stabilization Committee.  
United States Conciliation Service.  
United States Employment Service.  
Wage Adjustment Board.  
Wage and Hour and Public Contracts Divisions.  
Women's Bureau.  
Office of Chief Clerk and Budget Officer.  
Library.  
Office of the Director of Personnel.

### ACTIVITIES

Taken together, the work of these bureaus, divisions, and other units of the Department is so far reaching as to bring it into close and sustained contact with almost every phase of our economy. That is as it should be if the Department is to meet the responsibility which Congress laid upon it 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."

During a global war in which final victory rested so largely upon the productive capacity of this Nation, it is not surprising to find even regular peacetime programs of the Labor Department contributed directly to the war effort. This relationship is made very clear in the main body of this report, but it deserves at least passing mention here. For in spite of wartime pressures which necessitated some relaxation here and there, the Nation generally maintained the safeguards and labor standards that had protected our working force in time of peace.

Some of these standards grew out of custom and usage, some were shaped by collective bargaining and others were created by legislative enactment. An important share of recent labor legislation had its beginnings in factual material and suggestions contributed by the Department of Labor. And today the Department has the responsibility of enforcing or administering certain phases of this legislation.

Though we cannot measure it directly, there is every reason to believe that the maintenance of good labor standards contributed importantly to our war effort. Like the free institutions which we fought to preserve, good labor standards helped to create a moral climate that inspired hard, sustained toil throughout the war years. Thus our labor force, augmented by millions of workers who were new to industrial pursuits, was strengthened in a common resolve to defend this Nation and its way of life. They achieved a record of wartime production that was almost miraculous.

The wartime administration of the Fair Labor Standards Act is one of many examples that might be cited. Even before Pearl Harbor certain groups expressed the fear that the overtime provisions of the act would limit production. Experience showed, however, that the payment of time and one-half beyond 40 hours a week stimulated the prompt adoption of second and third shifts in key industries and greatly facilitated the orderly recruitment of workers in vital wartime occupations. The child-labor provisions of this same act threw much-needed safeguards around millions of young persons who en-



tered a labor market where skills were at a premium and hazards were frequent.

During the stress and anxiety of a world war, calm appraisals are difficult to make—we sometimes lose perspective. Now, a year after victory, it is desirable to weigh our wartime accomplishments in the light of future objectives.

One of the most outstanding facts that emerges is the immense productive capacity which this Nation has developed. America at war was able to maintain production for civilian needs at record levels and also turn out war materials with an annual value exceeding \$60,000,000,000.

This huge production potential, enlarged by technological advancements already underway, points to higher levels of living than we have ever known before. And in spite of the uneven rate of reconversion, peacetime production and employment have made impressive gains since VJ-day. The great task that lies before us is to achieve an economic balance and stability which will promote the wise use of all our resources in men, materials, and machines. Essentially this means an economic climate in which all who are able and willing to work can find jobs under satisfactory conditions. By definition this excludes abnormally long hours of work or wage scales that impose substandard living conditions. It demands a firm basis of mass purchasing power among the Nation's wage and salary workers—since these groups and their families comprise such a large segment of our economy.

Put in this way, the problem seems more simple than it actually is, for any program which seeks a sound economic balance must reckon with a number of less tangible factors, some of them deeply rooted in the habits and customs of our people. These include such diverse complexities as regional and interindustry differences in wage structures, and widely differing rates of return between branches of industry and individual concerns. They involve long-established wage-price relationships and even such fundamentals as the changing pattern of agricultural life.

The decisions which we reach and the programs which we adopt must fit the pattern of a free society. That is how the Department of Labor approaches its task; the work of the various bureaus and divisions is planned and carried out within the framework of this larger national purpose.

Before presenting a detailed survey of these functions during and since World War II, it will be helpful to review the important labor and economic developments which took place during the first year of reconversion. Such a review brings both the war years and the past 12 months into sharper focus.

#### LABOR AND ECONOMIC DEVELOPMENTS IN RECONVERSION

##### **The economic situation at the end of the war**

On July 1, 1945, at the beginning of the fiscal year covered by this report, it was apparent that World War II was nearing its end. To an extent far beyond precedent in American history, the country's manpower resources, facilities for production, and economic life in



general had been mobilized and subjected to public controls for the purpose of winning the war.

More than 12,000,000 men and women had been added to the armed forces after the outbreak of the war in Europe in 1939, most of them after the Selective Service Act was passed in 1940. During the same period the civilian labor force declined by less than 3,000,000; several million women, young people, and older persons not ordinarily working or looking for work took jobs that otherwise could not have been filled.

Shifts in types of work and in the location of jobs were incidental to the transformation and redirection of the country's production facilities for war. In the automobile industry, for example, conversion required not only a radical change in equipment but also the building of new plants and the retraining of workers for the production of a vast variety of war goods ranging from tanks to bullets. The peak wartime output of the transportation-equipment industries was seven times as large as in 1939, despite the virtual elimination of major peacetime products such as passenger automobiles. Even textile plants found it necessary to transform their facilities or greatly to expand them for the making of such goods as tentings, materials for uniforms, and fabrics for tropical and Arctic use.

The extent and rapidity of the conversion of the national economy to war production was unprecedented, but the methods used were in accord with American traditions. These included discussion, voluntary agreement (as the no-work-stoppage pledge), Congressional action, and group representation in administrative agencies. These methods achieved a degree of democratic control and direction of the national economy never before experienced.

The control of manpower in the Selective Service System was administered largely by local boards under national supervision. The control of civilian manpower was achieved by means of voluntary agreements and the collaboration of representatives of workers and management in joint committees operating under the general direction of the War Manpower Commission. At the end of the war the priority referral system was in use for channeling workers to jobs in the order of the urgency of war needs, a system which was supplemented by employment ceilings and the 48-hour week. Controls of the flow and use of materials were developed by the War Production Board and were facilitated by labor-management committees and other forms of group representation in that agency.

The Stabilization Act of October 2, 1942, called for control of both wages and prices. A main stabilizing factor in wage control was the Little Steel formula, which permitted only a general 15-percent increase in wage rates—a figure which reflected the increase in living costs between January 1941 and July 1942 when the formula was first announced. The wage structure was given necessary elasticity, however, by permissible adjustments of the rates of particular groups beyond 15 percent to correct gross wage inequities and to remedy substandard rates. The improvement of working conditions, as by means of paid vacations, was also permitted.

Accompanying the limitations on wage changes were price ceilings and rationing. Prices continued to advance, however, until rigorous administrative measures were taken under the President's Executive Order (the "hold-the-line" order) of April 8, 1943. The index of



wholesale prices in May 1943 was 35 percent above the 1939 average and 28.8 percent above January 1941. The index of consumers' prices in May 1943 was 25.9 percent above the 1939 average and 24.1 percent above January 1941.

The extent of conversion of the economy to war production suggests the magnitude of the problem of restoring the economy to a peacetime basis; but reconversion was undertaken without the unifying stimulus of an immediate external danger. Far more difficult than the physical aspects of reconversion were the problems of readjustment of the working population to a peacetime basis. These included the demobilization and reemployment of the armed forces; the shifting of millions of workers to new jobs and industries and into different areas; adjustment of wage and price policies to transitional conditions; reconciling of the conflicting ideas of workers, employers, and other groups; and the adaptation of public agencies and functions to meet the new conditions. A natural desire for relaxation followed the surrender of Japan. It appeared later that the resulting rapid abandonment of rationing and of major controls of production and the flow of materials may have added to the difficulties of reconversion.

#### **Employment and business activity in the first year of reconversion**

*Progress of reconversion.*—The cancellation of war contracts and the sharp curtailment of war production entailed many disturbing readjustments but caused a remarkably small decline in over-all economic activity. Department of Commerce estimates of gross national product show a decline of 13 percent from the second quarter of 1945 to the first quarter of 1946 (during extensive work stoppages), but a rise occurred after the first quarter.

Production of factories and mines, as measured by the Federal Reserve Board's index of industrial production, reached a peak in late 1943 and early 1944. Between 1944 and June 1945, production fell about 6 percent. The low point, February 1946, was 31 percent below June 1945. By the end of the fiscal year, in June 1946, industrial production had risen to a level still much below the wartime peak but actually 70 percent above the prewar average of 1935-39. Important consumer-goods industries expanded materially during the year.

*Reemployment problems.*—As soon as the Japanese Government surrendered, the War Manpower Commission announced the immediate removal of control of the allocation of workers and the cancellation of orders requiring a 48-hour week. A rapid redistribution of workers followed, but when we look only at the over-all effect of demobilization and reconversion, the changes appear at first sight to be surprisingly small. Voluntary withdrawals of many workers and deferred job-seeking by veterans reduced the total labor force, including the armed forces, from 67,500,000 in July 1945 to 63,040,000 in July 1946. The number of civilians at work actually increased from 51,180,000 in July 1945 to 54,310,000 a year later; unemployment also increased, rising from 950,000 to 2,270,000, but was very much smaller than had been anticipated. Much of the unemployment was caused by delays and difficulties in reconversion and in the fitting of workers into appropriate jobs.

Unemployment remained at moderate levels during the first year of reconversion; but the shifting of veterans back to civilian jobs and the displacement of millions of civilian war workers created grave



problems of readjustment and temporary unemployment. The aircraft industry alone employed about 509,000 wage earners in June 1945 and the peak employment in November 1943 had been 837,000; employment by June 1946 had fallen to 126,000. Not all of the more than 700,000 workers whose aircraft jobs disappeared between November 1943 and June 1946 encountered serious problems of readjustment. But the experiences of these 700,000 workers typified a vast volume and variety of human and economic problems. Workers in aircraft plants, in shipyards, in explosives and ammunition plants, in military construction projects, and in other wartime employments had moved to these new employments from various industries and occupations and from distant parts of the country. Studies made in various war industries in widely scattered cities indicated, for example, that between the spring of 1945 and the winter of 1945-46, 27 percent of these workers had migrated from the locations of their wartime jobs. It was also found that in the winter of 1945-46, 20 percent of the men and 37 percent of the women were unemployed and seeking work; and that average weekly earnings had fallen from \$68.80 to \$47.70 in the case of men and from \$53.75 to \$34.40 in the case of women. A significant migration and fall in earnings occurred even among nonwar workers in the same communities.

In general, however, both the civilian war workers whose wartime jobs disappeared and the millions of returning veterans achieved a remarkable degree of success in solving their problems of reemployment and readjustment by the end of the first year of reconversion. Their success is a tribute not only to their own ingenuity and resourcefulness but also to the foresight and diligence of such agencies of Government as the United States Employment Service and the Retraining and Reemployment Administration.

The reemployment of veterans and of displaced war workers was made possible by the expansion of peacetime industry and trade. Employment rose sharply during the year ending in June 1946 in such industries as furniture, brick, tile and terra cotta, cotton manufactures, hosiery, and boots and shoes. In these and most of the other industries of expanding employment wages were comparatively low.

The hourly earnings of all factory workers averaged \$1.023 in 1945, and the averages for the industries mentioned above were \$0.870 in furniture, \$0.829 in brick, tile, and terra cotta, \$0.683 in cotton manufactures, \$0.800 in hosiery, and \$0.823 in boots and shoes. Expansion of employment also occurred in such service industries as retail trade and hotels, and hourly earnings in 1945 averaged \$0.733 in the former and \$0.550 (excluding perquisites) in the latter. Wages in most of the war industries were above the level for manufacturing as a whole. Thus, one of the problems confronting both veterans and displaced war workers resulted from the decline of job opportunities in high-wage industries and the expansion of jobs offering relatively low pay.

*Demobilization and reemployment of veterans.*—During the war much attention was directed to preparing for the day when the Nation's military personnel would be able to return to their normal pursuits. Following the sudden end of hostilities, demobilization plans were modified and discharges proceeded at an accelerated rate. From a peak of about 12,300,000 in June and July 1945, the number of military personnel declined by July 1946 to hardly more than



3,000,000. In view of the extreme rapidity of demobilization, veterans were reabsorbed into the labor force with a minimum of confusion. Many of them elected to spend some time at home before returning to work and came back into the labor force more slowly than had been anticipated.

Between November 1945 and July 1946, between 1,500,000 and 2,000,000 veterans were neither working nor seeking work, a situation which reached its peak in January-February 1946. It was in January 1946 that veteran applications for employment at United States Employment Service offices reached their peak of 941,000. Veteran placements of 142,000 in January in nonagricultural work indicate a ratio of placements to applications of about 1 to 6. By May 1946 the relative number of placements had more than doubled, suggesting an improved employment situation. A further indication of progress was the rise in the proportion of veterans in factory jobs from 9.3 percent in December 1945 to 17.4 percent in June 1946. On July 1, 332,000 veterans were employed as hired workers on farms, and 713,000 were farm family workers. The number of veterans working on farms was slightly more than three-fourths of the number of farm workers who enlisted or who were inducted into the armed forces up to July 1, 1945.

*Changes affecting women.*—Before the war, about one-fourth of all factory workers were women. In October 1944, the proportion was about one-third. By April 1946 the proportion had declined to 27.3 percent, as male veterans returned to civilian employment and women returned to their homes or to service trades. A major change during the year was the withdrawal of about 2,700,000 women from the labor market.

### **Labor-management relations**

*End of wartime procedures.*—A vital contribution to uninterrupted wartime production was the voluntary pledge against strikes and lock-outs which labor and management gave to the President soon after Pearl Harbor. A condition of that pledge was the creation of a tripartite agency for dealing with labor disputes. Established by the President (Executive Order 9017), and confirmed by Congress in the War Labor Disputes Act, the National War Labor Board rendered thousands of decisions in dispute cases. On VJ-day, however, the no-work-stoppage agreement ceased to have effect, and plans were announced for the early termination of the National War Labor Board.

*Labor-management conference.*—A new policy for the peaceful settlement of labor-management disputes was needed. In anticipation of this need, the President called a conference of representatives of labor and management. The conference met in Washington, D. C., November 5-30. It was composed of 39 members, 18 of whom represented employers and 18 labor, with 3 nonvoting members representing the general public.

Unanimous agreement was reached by the conference on (1) strengthening the United States Conciliation Service, (2) encouragement of mediation and voluntary arbitration in negotiation of new contracts, (3) use of arbitration in the interpretation of provisions of existing agreements, and (4) eliminating discrimination in employment. The conference failed to agree on the scope and methods of



collective bargaining, on management's prerogatives, and on the handling of jurisdictional disputes.

*Extent of work stoppages.*—Work stoppages after VJ-day were on the average much larger, more prolonged, and more difficult of solution than were those of the war period. Problems of reconversion to peacetime production, including lay-offs of workers in many war industries, reductions in weekly hours and take-home-pay, rising prices, and deferred wage adjustments, formed the background of the disputes. In addition, many of these disputes more or less directly involved the employer's insistence on receiving permission for higher prices as the concomitant of an agreement on wages. These factors all contributed to the large number of work stoppages (4,650) which occurred during the year ended June 30, 1946. The number of workers (5,088,000) employed in plants directly involved in work stoppages for the fiscal year 1946 and the resulting idleness in those plants (116,600,000 man-days) exceeded any previous year. This takes no account of the loss of time in other factories, mines, and shops not directly affected by these shut-downs.

Strikes involving more than 100,000 workers occurred in coal mining, automobile manufacturing, electrical machinery, meat packing, steel, communications, and railroad transportation. These work stoppages, primarily over demands for increased wages, and frequently involving questions of wage-price policy, accounted for nearly one-half of all workers directly involved in stoppages occurring during the fiscal year. There were, in all, 46 stoppages involving 10,000 or more workers each. These relatively large disputes involved directly almost 3,100,000 workers and resulted in approximately 85,800,000 man-days of idleness in these plants alone.

The crest of the wave of postwar reconversion labor disputes came in January and February 1946, when there were large work stoppages in the steel, automobile, meat packing, and electrical manufacturing industries. During this period of 2 months the number of man-days of idleness due to strikes exceeded the number in the entire period of World War II. Following the settlement of the prolonged bituminous-coal controversy late in May, idleness due to work stoppages declined and in June 1946 reached its lowest point since August 1945.

*Proposals for public controls.*—The exceptional number and gravity of the work stoppages after VJ-day intensified the discussion of public controls to prevent or check industrial strife. Congress failed to approve Presidential proposals for statutory fact-finding boards and an emergency strike-control measure. The President vetoed the Case labor disputes bill and at the same time recommended the creation of a joint Congressional committee to study the whole question of labor relations with the object of devising measures to minimize labor-management disputes. No action was taken by Congress on this proposal.

Under the extremely difficult transitional conditions, the Conciliation Service, the fact-finding boards, and other agencies without compulsory powers rendered strenuous and ultimately effective service in bringing to an end the dangerous industrial conflicts of the first year of reconversion. It is to be hoped that both labor and management will conform to the recommendations of the Labor-Management Conference in regard to collective bargaining and the use of the facilities



of the Conciliation Service and other agencies. Such a course of action by the parties to disputes will provide the most effective answer to demands for regulatory and restrictive legislation.

### **Wages and prices**

*Reconversion wage-price policy.*—From October 2, 1942, to VJ-day virtually all wage adjustments in the United States were subject to the national wage stabilization program. All proposed adjustments in wages, irrespective of whether price relief was requested, had to be submitted to the National War Labor Board for approval. Approvable increases were limited by carefully prescribed stabilization principles. If the Office of Price Administration found that an approvable wage adjustment required price relief, both the wage and price aspects of the case were submitted to the Director of Economic Stabilization for final determination.

Immediately following VJ-day the wartime wage controls were substantially modified. On August 18, 1945, the President issued Executive Order No. 9599 which stated that the guiding policy of the Government should be "to move as rapidly as possible, without endangering the stability of the economy, toward the removal of price, wage, production, and other controls and toward the restoration of collective bargaining and the free market." To this end the order removed from Government control all wage or salary increases which would not be used as a basis for price increases. In cases where price relief was required wage increases could be approved to the extent that such increases were "necessary to correct maladjustments or inequities which would interfere with the effective transition to a peacetime economy."

On October 30, 1945, Executive Order No. 9651 was issued defining in more detail the criteria to be used in determining whether requested wage increases conditioned upon price increases could be approved. The order established a more flexible relationship between wage and price adjustments.

These orders effected a major change in Government wage policy. All wage increases not contingent upon price relief were removed from the realm of Government control, except in a few situations such as building construction, and to this extent free collective bargaining was restored. The policy was premised on the assumption that many employers would be able to grant wage increases within existing price ceilings and that the magnitude of such increases could be determined through collective bargaining without work stoppages.

*Wage adjustments.*—During the 6 months following VJ-day a substantial number of wage increases were negotiated through collective bargaining within the framework of the existing price structure. In important instances, however, no agreement was reached between employers and unions on the amount of the wage increases that could be made under the wage-price policy, and work stoppages of crucial significance to the reconverting economy resulted. The demands for wage increases in these cases were premised on a variety of factors, including the loss in take-home pay occasioned by the reduction of the workweek, the increase in the cost of living, and increased productivity. Actually they represented the culmination of the pressures for upward wage adjustments which had been developing during the war years.



In an effort to resolve these serious disputes, a number of fact-finding boards were appointed to make recommendations for settlement. The early fact-finding boards operating within the framework of existing wage-price policy recommended increases ranging from 14 percent (Greyhound Bus) to 19½ cents per hour (General Motors), based on the equities of the particular case.

Some of the larger wage increases were made within the existing price structure and wage-price policy. It became apparent, however, that similar increases in some of the comparable employments could be made only on the basis of changes in that policy.

*Impact of wage changes on stabilization policy.*—The problem raised by wage-rate increases in some industries greater than could be made in other industries under existing stabilization policy was essentially a problem of equitable wage relationships. The problem was met by a change in policy to the wage-pattern approach set forth on February 14, 1946, in Executive Order No. 9657.

This order liberalized wage policy by extending the types of adjustments for which price relief could be obtained. It permitted changes consistent with the general pattern of adjustments in the industry or local labor market area after August 18, 1945. The import of the change in policy was to permit greater uniformity in wage changes while establishing a new stabilized level on the basis of the wage pattern created during the first 6 months following VJ-day.

*Wage rates and the movement of earnings.*—Several factors combined to influence the trend of workers' earnings after VJ-day. These included reductions in hours, changes in basic wage rates, and the shift of workers to lower-wage industries and jobs as peacetime production was resumed—and the fact that many workers experienced a period of transitional unemployment.

One month before VJ-day, in July 1945, weekly earnings in manufacturing averaged \$45.45; the average workweek was 44 hours. Hourly earnings, including premium payments for overtime and shift differentials, averaged \$1.033 during that month. Following the end of hostilities, factory weekly earnings dropped immediately, largely as a reflection of the reduction of hours and decrease in overtime pay. By September 1945 the weekly average was \$40.87; the work week averaged 41.4 hours; and hourly earnings averaged \$0.987.

During the following months, hourly and weekly earnings gradually rose in spite of declining hours of work and the return of many workers to lower-wage jobs. Widespread wage rate increases were obtained; in several basic industries the rise was 18.5 cents per hour. By July 1946, average hourly earnings in all manufacturing had risen to \$1.093, slightly above the wartime peak; weekly earnings rose to \$43.35, but the average was still materially below the peak of \$47.50 in January 1945.

The principal decline in average hourly earnings after VJ-day occurred in the durable-goods manufacturing industries, mainly as a result of reduced overtime pay. In the nondurable-goods industries average hourly earnings scarcely faltered in their climb after VJ-day, and continued upward from \$0.903 in September 1945 to \$1.015 in July 1946.

General increases in factory basic rates of wages from VJ-day to May 1, 1946, averaged, for all factory workers, about 11.5 cents. A



large number had their rates raised by 18.5 cents, the pattern set in the steel case, but about two-thirds of those who obtained advances received less.

More than one-fifth of all factory workers had no general increases between August 14, 1945, and May 1, 1946.

Wage increases in many of the nonmanufacturing industries had been relatively small early in the war but the latter part of the war and the first year of reconversion marked a comparatively rapid advance. In most of the nonmanufacturing industries, weekly earnings suffered little decline after VJ-day because of only slight reductions in hours and premium pay. Workers in railroad transportation, mining, and the maritime industry obtained basic rate increases after VJ-day comparing favorably with those of factory workers. In contrast, general rate increases to workers in trade and service industries were of limited significance.

The increase in consumers' prices, discussed in the following section, nullified to a considerable extent the wage increases won by workers in the period after VJ-day. As of July 1946, real hourly earnings of factory workers averaged \$1.028 and real weekly earnings averaged \$39.77 in terms of July 1945 dollars. The 9-percent increase in the cost of living between July 1945 and July 1946 compared with a 4.6-percent rise in gross hourly earnings and an 8.8-percent fall in gross weekly earnings of the durable goods manufacturing industries. The rise in living costs also exceeded, although by a smaller margin, the 5.1-percent rise in gross weekly earnings of the nondurable goods manufacturing industries but was less than the 11.9-percent rise in gross hourly earnings. Earnings in most of the nonmanufacturing industries had risen faster than living costs as of July 1946.

*Changes in prices and living costs.*—Pressures toward higher prices, generated during wartime, continued to increase after VJ-day, resulting in a general price rise in late 1945 and early 1946, under continued price control; and during July 1946, after suspension of OPA controls, an extremely sharp advance occurred. Over the whole period from July 1945 to July 1946, primary market prices increased 17.4 percent and retail prices of consumer goods and services 9 percent. Foods led the advance, with a rise of 31.2 percent in primary markets and of 16.9 percent in retail stores.

Higher ceilings allowed by the OPA in many lines to meet increased costs of production or to induce greater output of scarce products caused a considerable rise in primary market prices even before suspension of the OPA. The advance during the first half of 1946 was 5.4 percent, five times as large as during comparable periods of 1944 and 1945. In contrast to earlier periods, prices of nonagricultural commodities increased almost as much as agricultural products.

In July 1946 after temporary suspension of OPA controls and removal of subsidies, wholesale prices increased 10.1 percent—the largest monthly advance since the Bureau began compilation of the index in 1890. Sharpest advances in primary markets occurred for foods, hides and leather products, and farm products. Manufacturers of industrial goods generally held prices at former ceilings pending final action on OPA legislation. Between mid-June and mid-July retail prices of consumer goods and services rose 5.8 percent. Retail food prices jumped 13.8 percent—the largest monthly change ever



recorded. The advance for other living essentials was only 0.3 percent on the average.

After restoration of the OPA on July 26, prices of a few commodities were rolled back to former ceilings, but foods, in large part still exempt from OPA control, continued to advance at both retail and wholesale levels. Wholesale prices of most other commodity groups also rose, reflecting further ceiling increases required by the provisions of the new act. First action by the new Price Decontrol Board toward recontrol of foods was taken on August 20 when reinstatement of certain controls, chiefly for livestock and meats, was authorized. At the same time the Board ordered continued exemption of various food groups, notably grains and dairy products.

### **Outlook at end of the first postwar year**

By the end of the 1945-46 fiscal year, there were no major work stoppages in progress. The prolonged struggle over reconversion wages, which had started in the autumn of 1945, appeared at least temporarily to be largely over. Idleness due to labor-management disputes dropped to a postwar low. The Federal Reserve Board's index of industrial production rebounded from a level of 152 in February to 170 in June. Employment early in July totaled 58 million and unemployment only about 2¼ million. The average weekly earnings of factory workers, although materially below the wartime peak, set in June a peacetime record of \$43.35.

But the problem of controlling prices remained of paramount importance. The break in the price line at the end of the first postwar year presented a grave threat to the economy. The rapid achievement of reasonable stability in the level of prices and living costs clearly is imperative. This stability must be achieved at a high level of output, and the products of industry must be equitably distributed among those who cooperate in their production. Increased emphasis should be placed on the view that the interest of the economy as a whole requires a maximum flow of income to urban and rural workers as the major consuming groups for sustaining demand and full production and employment. We need a clearer understanding of the fact that farm income and the welfare of farmers is inseparably linked with the earnings and real incomes of city workers. There is general agreement that steps to improve efficiency and increase the flow of goods in short supply is vital to the advancement of wages and living standards.

The attainment of stability in the economy would represent a more effective contribution to industrial peace than any other single development. Under such conditions, collective bargaining can best play its creative role in advancing the standard of life of the workers and in protecting their status as human beings. Lack of stability, however, may provide the basis for a renewal of the industrial strife that characterized much of the first postwar year.

In this connection, it may very well be that labor and management will make increasing use of health and welfare clauses in union agreements. Such clauses offer an effective and flexible means of providing greater social security through collective bargaining. There is a growing body of successful experience in this field.

Although the general economic outlook is favorable for the immediate future, especially if stability is quickly achieved in the price



structure, the decisive test for the postwar economy will come later when the deferred demand of the war years for capital equipment and consumption goods has been met. Success in the maintenance of high production and employment in the years ahead will depend in part upon the work of the newly appointed Council of Economic Advisers under the Employment Act of 1946, and upon the extent to which programs formulated with the aid of this Council are implemented. Our economic health must depend mainly, of course, upon the foresight and adaptability of labor, management, and farmers in working together through their organizations and their Government for general, sustained prosperity.

### Legislation

The Department of Labor and its several bureaus and divisions have for many years sought to provide advice and assistance in the preparation and consideration of Federal and State legislation designed to promote the welfare of wage earners. During the war years, primary attention was of necessity focused on the development of standards to be applied by the States in carrying out this objective as the whole energies of the Federal Government were devoted to the winning of the war. During the fiscal year 1946, however, problems in the field of Federal legislation assumed central importance in the Department's work.

Legislation which is of direct or indirect concern to the Department of Labor has occupied an important place in the programs considered by the Congress during the fiscal year. President Truman, on September 6, 1945, submitted to the Congress a 21-point legislative program "to tide over the period between now and the time when reconversion is completed and civilian jobs are plentiful in a stable economy that provides full production, full employment, and a high standard of living." Of the 21 legislative proposals submitted by the President at that time, 4 dealt directly with activities which were of primary concern to the Department of Labor, namely, minimum wages, fair employment practices, Federal employment services and labor disputes. An additional 5 proposals related to activities in which the Department of Labor had an important though indirect concern, namely unemployment compensation, full employment, housing and public works, and executive agencies' reorganization. Other proposals made during the fiscal year affecting the welfare of wage earners included legislation for a national health program, extension of coverage and liberalization of benefits under the Social Security Act, aid to the physically handicapped, and Federal aid to education. The Department actively supported legislation to establish a Federal-State program for industrial safety and to write into Federal law the principle of equal pay for equal work, regardless of sex.

Legislation dealing with a number of these proposals was enacted into law by the Congress during the fiscal year 1946. The Department of Labor sought and obtained legislation establishing the offices of Under Secretary of Labor and three Assistant Secretaries of Labor to advise and assist the Secretary in administration and policy making. This legislation will be of permanent value in enabling the Department effectively to discharge in the future its responsibilities toward the wage earners of this country.



On February 20, 1946, the President approved the Employment Act of 1946 establishing the Council of Economic Advisers and the Joint Committee on the Economic Report. This measure, in the administration of which the services of the Department of Labor, and especially the Bureau of Labor Statistics, will be available, will help to meet the objectives stated by the President in his message of September 6, 1945:

Assurance that all the facts about full employment and opportunity will be gathered periodically for the use of all.

Assurance of stability and consistency in public policy, so that enterprise can plan better by knowing what the Government intends to do.

Assurance that every governmental policy and program will be pointed to promote maximum production and employment in private enterprise.

Assurance that priority will be given to doing those things first which stimulate normal employment most.

Under the Reorganization Act of 1946, three Reorganization Plans were submitted to the Congress by the President on May 16, 1946. Plans Nos. 2 and 3 were approved by the Congress. Reorganization Plan No. 2 transferred the maternal and child health and welfare functions of the Children's Bureau to the Federal Security Agency but retained in the Secretary of Labor the authority to administer and enforce the child labor provisions of the Fair Labor Standards Act of 1938 which were formerly vested in the Chief of the Children's Bureau. The Child Labor and Youth Employment Branch, consisting mainly of the former Industrial Division of the Children's Bureau, has been charged with carrying out the Secretary's administrative responsibilities under the plan. The integration of functions with respect to child labor and youth employment under the Secretary of Labor which the plan has made possible will materially strengthen the Department's work in these fields.

Reorganization Plan No. 3 terminated the holding of employee strike ballots by the National Labor Relations Board under section 8 of the War Labor Disputes Act. This action had been recommended to the Congress by the Department of Labor in testimony before the House Military Affairs Committee in August 1945. Reorganization Plan No. 3 made permanent the temporary suspension of such strike ballots contained in the First Deficiency Appropriations Act, 1946.

The fiscal year 1946 also saw a reaffirmation by Congress of its support of the principle that prevailing wages should be paid by contractors engaged in construction work undertaken or financed by the Government. Such a provision was written into the Federal Airport Act of May 13, 1946. The prevailing wage clause was, in the so-called Wagner-Ellender-Taft General Housing Act as it passed the Senate, made applicable to housing construction financed not only by direct Government grants and loans but also by federally insured mortgages. This measure, however, was not acted upon in the House. The Department of Labor has in the course of more than 10 years of administering the provisions of the Davis-Bacon Act obtained a considerable body of information and experience which demonstrate the stabilizing effect of the requirement that prevailing wages be paid on Government construction and the feasibility of determinations of such wages by the Secretary of Labor. These determinations enable the Government to establish standards for contractors dealing with the



Government and tend to stabilize wages and employment in wholly private construction as well.

The Department of Labor supported several other important legislative proposals affecting the welfare of wage earners which came before the Congress during the fiscal year. Among these legislative proposals were the following:

1. *Legislation to raise the now obsolete minimum wage of 40 cents an hour under the Fair Labor Standards Act of 1938 to a level consistent with the maintenance of an American standard of living; strengthening of the child labor provisions; extension of the benefits of the act to all employees who are within the scope of the Federal commerce power; elimination of arbitrary and discriminatory exemptions written into the law at the time of its passage in 1938, particularly those relating to agricultural labor and to employees in the retail and distributive fields; and provision for a 3-year statute of limitations applicable to employee suits:*

- a. *Increasing the minimum wage.*—In asking for a higher minimum wage under the Fair Labor Standards Act, the Department pointed to increased living costs and changes in our national wage structure since 1938 which made the existing 40-cent minimum wholly inadequate. The 40-cent minimum which was the final objective of the act as it was passed assures an annual income to the low-wage earner of only \$800. As President Truman said, conditions in 1946 made such a wage, even as a minimum figure, "obsolete."

The Bureau of Labor Statistics found that in September 1945 a family budget of \$1,500 was inadequate to maintain a worker's family of four persons in the large cities even when they were living on a so-called maintenance budget. Thus a 75-cent minimum would have meant only a very modest advance toward the goal of a minimum American living standard.

The Department also pointed out that minimum-wage legislation such as was included in the Fair Labor Standards Amendments of 1946 strengthens every element in our economy by maintaining national purchasing power at a relatively high level and stimulates efficient production of goods and services by raising the floor under wages and by replacing wage cutting as a competitive practice with more efficient methods.

A further consideration was the fact that a majority of industries pay most of their workers more than 65 cents an hour and would not be substantially affected by an increase in the legal minimum to 65 or 75 cents an hour. During the past fiscal year considerably less than 20 percent of all wage earners received less than 65 cents an hour, while a very small percentage of wage earners got less than 50 cents an hour. Actually, reliable estimates indicated that a 65-cent minimum wage would increase the Nation's wage bill less than 2 percent.

The Department also cited the well-known fact that the actual wage increases resulting from an increase in the legal minimum do not register a directly proportionate effect on production costs or prices. Labor is only a part of the total cost of production. In many industries the cost of materials, overhead, and other factors represents a greater portion of the total cost of production than labor. Thus in one industry in which a 65-cent minimum could have brought a large increase in average wage rates the wage bill represented much less than



10 percent of the total industry product. Moreover, the continuing improvement of technical processes and increases in efficiency of production would tend to absorb the increase in the hourly rate of pay.

The Department found compelling evidence that higher minimum wage rates would materially assist in preserving high levels of employment, purchasing power, and consumption, and in the attainment of an adequate living standard for all wage earners.

*b. Strengthening of the child-labor provisions.*—Under the Fair Labor Standards Amendments of 1946, the child-labor provisions of the act would have been strengthened by establishing an absolute prohibition against the employment of "oppressive child labor," as that term is defined in the act. The Department contended that if our youth is to be properly developed to assume their role in a democratic society they should have the full benefits of education and should not be found in the fields and factories.

*c. Extension of coverage and elimination of exemptions.*—The Fair Labor Standards Act denies the benefits of the act to many employees who are within the scope of the Federal power to regulate activities which burden or affect "interstate commerce." The Fair Labor Standards Amendments of 1946 proposed to extend the act immediately to these employees. In supporting amendments to narrow exemptions in the present law the Department stated that: "Existing provisions of the act contain unnecessary and discriminatory exemptions for large numbers of employees who could otherwise be within the act's protection; experience demonstrates the feasibility of extending the minimum wage and overtime requirements of the law to many now exempt employees in agricultural handling and processing industries, in the maritime industry, in fish handling and processing industries, and in the retail and distributive fields."

*d. Establishment of a 3-year statute of limitations.*—A uniform and equitable Federal statute of limitations for damage suits brought by employees under section 16 (b) of the act was provided in the Fair Labor Standards Amendments of 1946. At present the period of limitations applicable to such actions depends upon the law of the State in which the action is brought. The extensive variations among the laws of the States in this respect operate with unequal effect upon the competitive position of employers and upon the rights of employees. The Department of Labor has taken the position that 3 years would be an appropriate period of limitation for such actions.

*2. Legislation to establish a Fair Employment Practice Commission and to make unlawful discriminatory employment practices based on race, creed, color, national origin, or ancestry by Federal agencies, contractors with the Federal Government and employers and labor organizations in interstate industries:*

There is an obligation upon all of us to insure to every person equality of opportunity for employment regardless of race, creed, color, national origin or ancestry. Reports show a trend toward increasing discrimination in employment against minority groups during the reconversion period. Studies by the Fair Employment Practices Commission in war centers demonstrated a heavier loss of jobs by Negro than by white workers. Reports of the Census Bureau show that between July 1945 and May 1946 there was a consistently higher rate of unemployment among colored workers. Discrimination



against our 3,000,000 Mexican-Americans, in general, tends to parallel that against Negroes. Newspaper advertisements disclose an increase in discriminatory employment practices against Jews and Negroes. Our wartime experience has demonstrated that while persuasion can be helpful in breaking down the barriers of discrimination, persuasion alone is not enough. In supporting the legislative approach, the Department held that the force of law is essential to the effective realization of a national policy of equality of opportunity for employment.

*3. Legislation to improve and strengthen the standards provided for the operation of State employment offices receiving Federal funds under the Wagner-Peyser Act:*

An effective Nation-wide system of public employment offices is of basic importance to the maintenance of maximum employment levels in our country. Prior to the war years, the development and effectiveness of the Nation-wide system of public employment offices, provided for under the Wagner-Peyser Act, was seriously handicapped by the widespread unemployment at the time unemployment compensation benefit payments were initiated.

(1) Federal responsibilities and functions under the Wagner-Peyser Act should be vested in an administrative unit which will promote a comprehensive public employment service program and provide leadership in that field; and

(2) Those Federal functions and responsibilities should be continued in the Labor Department, the department of the Federal Government concerned with all employment problems, employment trends, and promotion of the interests of wage earners by maintaining maximum efficiency in matching workers and available jobs.

In addition, operations under the Wagner-Peyser Act since its enactment in 1933, have revealed the need to strengthen its provisions. Amendments to improve and strengthen the Nation-wide public employment service program were pending before the Seventy-ninth Congress on its adjournment date. They failed of enactment because of the pressure of more immediately required legislation. The Department supported these proposals in order to provide, for the period ahead, a sound and adequate basis for the public employment service program.

*4. Legislation to extend and liberalize the Social Security Act so that domestic servants, agricultural labor, and the self-employed will be brought within its protection and so that benefits will be increased to levels sufficient to make them practically effective in attaining the objectives of the act:*

The old age and survivors' insurance provisions of the Social Security Act have two principal objectives. For the individual the objective is protection against the economic insecurity which frequently accompanies advancing age, and the loss of the family's breadwinner. For society as a whole these provisions contribute significantly to the stabilization of the economy by assuring continued purchasing power.

The degree to which these laudable objectives can be accomplished, however, depends upon the extent to which all economic groups are covered by the system, and the adequacy of the benefits provided. The



Department held that changes in the Social Security Act to accomplish these objectives were needed.

Under the present provisions of the Social Security Act some 20,000,000 persons in the categories of agricultural labor, the self-employed, domestic workers, and employees of educational, charitable, and nonprofit organizations are excluded from the old age and survivors' insurance provisions of the act. For all of these groups the need for insurance against the hazards of old age and declining income is as clear and important as it is for any other segment of our population. Ten years of experience in the administration of the Social Security Act, and new insights provided by experts on administration in related fields, had shown that alleged administrative difficulties in covering such persons could readily be solved. The Department urged that these alleged difficulties should not be allowed to prevent the extension of old age and survivors' insurance protection to all who are gainfully employed.

If a system of old age and survivors' insurance is to accomplish its objective the payments received by its beneficiaries must be realistically related to their needs. The method of calculating benefits provided in the act, the maximum-minimum provisions and the restrictions on earnings from other sources, made the amount of benefits inadequate in the light of the increased cost of living since 1939. Therefore, proposals to increase the minimum benefit to \$20, and the maximum to \$120, to raise the limit on outside earnings to \$30, and to revise the formula for computing benefits to 40 percent of the first \$75 of the average monthly wage, and 10 percent of that part which exceeds \$75 up to \$300 were made by the Secretary.

The Department also advocated another change that would make the benefits more reasonably related to economic realities, namely, to reduce the statutory age at which women may qualify for primary benefits and benefits for wives, widows, and parents. In support of this change it was pointed out that (1) the hazards of finding and keeping jobs in the years past middle age have proved to be greater in the case of women than in the case of men, and (2) as a rule wives are younger than their husbands with the result that a serious lag frequently arises between the time the retired husband begins to receive his primary benefit and the time the wife is entitled to receive supplementary benefits.

Finally, the Department supported a proposal to provide for payments in the event of disability before reaching 65. Disability has long been one of the major causes of dependency. Experience under the Railroad Retirement Act and similar retirement systems established the practicability of combining an old-age retirement system with a system of insurance against chronic or permanent disability.

5. *Legislation to authorize the Secretary of Labor to establish and administer a Federal grant-in-aid program to assist the States in the control and prevention of industrial hazards:*

Federal legislation to promote the enforcement of State laws to prevent and control industrial hazards has been long overdue.

Data of the Bureau of Labor Statistics and the National Safety Council show that the number of lives lost as a result of work injuries rarely falls below 14,000 in any year. In 1939, the last prewar peacetime year, fatal injuries totaled 14,800; during the war such injuries



rose as high as 18,400. Disabilities of all sorts number in the millions annually: a million and a half in 1939, and 2½ million in 1944. In that year, work injuries caused the loss of the equivalent of the full-time annual employment of 743,000 workers. Workmen's compensation, even in the States which provide for the most generous allowances, cannot begin to compensate the workers themselves or their families for the actual cost of disability or death caused by industrial injury.

But the cost to the community, the burden on public funds and on the resources of private industry, is even greater. Public welfare agencies report a sizable percentage of their relief clients with industrial injury in their background. The actual loss of production resulting from industrial injuries includes not only the time lost by the person injured or killed but the time lost to his fellow workers whose work is interrupted, and the money losses to the employer embrace losses through damage to materials and equipment, higher insurance costs, and a multitude of other factors, running into billions of dollars.

The tragic fact is that 90 percent of industrial injuries are preventable. One of the major reasons why they are not prevented is that the States simply do not have the funds or the facilities to enforce their laws adequately, nor to educate employers, unions, and workers to the necessity or the techniques of avoiding and preventing industrial hazards. Therefore the Department contended it is the responsibility of the Federal Government—in the interest of conserving the manpower of the United States and of promoting the high levels of production essential to our prosperity—to provide the financial assistance which will enable the States to expand their personnel and facilities for this purpose.

6. *Legislation to require employers in interstate industries to observe the principle of "equal pay for equal work" and to refrain from discriminating in the payment of wages on the basis of sex:*

In supporting Federal equal pay legislation the Department stressed the need to consolidate the gains of the past quarter century in the establishment of the equal pay principle. Seven States have already enacted equal pay legislation: Michigan, Montana, Washington, Illinois, New York, Massachusetts, and Rhode Island. Both the Federal Government and the governments of a large number of States have incorporated the equal pay principle into their civil-service legislation, and the principle has gained voluntary adoption in many industries both through collective bargaining agreements and through its recognition by the National War Labor Board as a basis for wage adjustments in the wage stabilization program in World War II.

The Department found that (1) no sound basis can be asserted for discrimination in wages on account of sex alone. It cannot fairly be said that women are inferior as employees to men; too many employers have testified to the contrary as a result of their war production experience. Nor is it true that women are "pin-money" workers. The steady increase in the proportion of women in the working population, from 14 percent in 1870 to close to 30 percent at the present time, over a period covering both war and peacetime conditions, shows that this is not the case. Furthermore, most of these women work to support themselves and their dependents, and not as a mere pastime.



(2) The practice of wage discrimination is, furthermore, dangerous to the national economy. Low wages paid to any substantial segment of the working population means a lowering of the total national purchasing power, and a reduction of the market for the products of industry and agriculture. The presence in the working force of a large group of workers generally paid lower wages than the rest acts to depress the general wage level, for the cheaper worker will tend to replace the higher paid. Moreover, wage discrimination is a fertile source of labor disputes, either because women employees resent the obvious injustice which it embodies, or because men employees, replacing women, object to being paid the lower rates.

(3) Federal legislation requiring payment of "the rate for the job" would offer a means of preserving industrial harmony and economic stability, would recognize and protect the efforts of employers and unions to put the principle into practice voluntarily and would assist the States in enforcing local equal pay laws.

The Department of Labor also proposed or supported legislation dealing with the following topics:

(1) Legislation to provide for a national health program established on insurance principles and to provide expanded maternal and child health, crippled children, and child welfare services.

(2) Legislation to establish effective machinery for providing Federal aid and assistance to the physically handicapped.

The Department of Labor at the last session of the Congress favored the improvement and extension of Federal aid to the physically handicapped. The injured, the maimed, the diseased, and the wounded, whatever the cause of their affliction, must be restored to health and fitted for useful work at proper wages in suitable jobs.

The rehabilitation and employment of handicapped workers presents a special problem of employer education and of matching capacities and talents to employment opportunities. The handicapped worker should stand on an equal footing with all other workers.

For these reasons legislation to provide medical, surgical, and therapeutic treatment, to educate, train, and place the worker in the right job, and to create protective conditions of employment for special cases is needed.

(3) Legislation to provide for a Federal Labor Extension Service within the Department of Labor:

The establishment of a Federal Labor Extension Service would make available to the wage earners of this country on a grant-in-aid basis new university and college educational facilities in the fields of labor problems, industrial relations, government, community programs, techniques of worker's education, responsibilities of citizenship and related fields. Such a service would extend to workers services somewhat equivalent to those long given to farmers and their families by the Agricultural Extension Service.

One of the greatest benefits to be derived from a program of this type would be an improvement in labor-management relations. The President's labor-management conference recommended that a program be started to provide greater educational activities among workers to stimulate a more constructive approach to collective bargaining.

(4) Legislation to facilitate the settlement of labor disputes:

In supporting a reexamination of the field of labor relations the Department warned against the dangers of punitive legislation en-



acted in haste and without comprehensive study and pointed out that industrial strife is actually a symptom of basic economic maladjustments. Insecurity is a primary cause of industrial unrest. Thus in a period of reconversion, with rising prices, scarcity of commodities, and the consequent threat to workers' living standards, peaceful adjustments are much more difficult to attain. Hence the problem of labor-management disputes could not be solved by legislation limited to the establishment of techniques for the expeditious settlement of such disputes. In other words, the Department of Labor held that the mechanics of collective bargaining should be studied together with legislation designed to increase the security and well-being of all the people.

### OFFICE OF THE SOLICITOR

The Solicitor of Labor serves as legal counsel to the Secretary and to the bureaus and divisions of the Department of Labor both in Washington and the field. Organized on a functional basis, the Office of the Solicitor during the fiscal year 1946 rendered legal services which are discussed below under the following headings:

1. Legislation and Bureau Service.
2. Litigation.
3. Walsh-Healy Proceedings.
4. Interpretations and Administrative Services.
5. Wage-Hour Headquarters Section.
6. Wage Determination and Wage Adjustment.
7. United States Employment Service.
8. Retraining and Reemployment Administration.

#### 1. Legislation and Bureau Service

1. *Legislation.*—The increased complexity and volume of problems involving labor standards, labor relations and employment arising during the reconversion period greatly expanded the scope of the legislative work performed by the Solicitor's Office during the fiscal year 1946. Many bills affecting labor were referred by Congressional committees and the Bureau of the Budget to the Secretary of Labor for comments. The Legislative and Bureau Service Section of the Solicitor's Office assisted the Secretary in the preparation of reports pursuant to such requests. During the fiscal year 1946, the Department submitted to the Bureau of the Budget and to Congressional committees 104 reports on proposed legislation. Among the bills worked on by attorneys in the Section were:

1. Legislation to raise the now obsolete minimum wage of 40 cents an hour under the Fair Labor Standards Act of 1938 to a level consistent with the maintenance of an American standard of living; strengthening of the child labor provisions; extension of the benefits of the act to all employees who are within the scope of the Federal Commerce power; elimination of exemptions written into the law at the time of its passage in 1938, particularly those relating to agricultural labor and to employees in the retail and distributive fields; and provision for a 3-year statute of limitations applicable to employee suits.

2. Legislation to establish a Fair Employment Practice Commission and to make unlawful discriminatory employment practices based on race, creed, color, national origin, or ancestry by Federal agencies,



contractors with the Federal Government, and employers and labor organizations in interstate industries.

3. Legislation to improve and strengthen the statutory standards provided for the operation of State employment offices receiving Federal funds under the Wagner-Peyser Act of June 6, 1933.

4. Legislation to extend and liberalize the Social Security Act so that domestic servants, agricultural labor, and the self-employed will be brought within its protection and so that benefits will be increased to levels sufficient to make them practically effective in attaining the objectives of the act.

5. Legislation to authorize the Secretary of Labor to establish and administer a Federal grant-in-aid program to assist the States in the control and prevention of industrial hazards.

6. Legislation to require employers in interstate industries to observe the principle of "equal pay for equal work" and to refrain from discriminating in the payment of wages on the basis of sex, and to provide for the administration and enforcement of such legislation.

7. Legislation to provide for a national health program established on insurance principles and to provide increased funds for maternal and child health, crippled children, and child welfare services.

8. Legislation to establish effective machinery for providing Federal aid and assistance to the physically handicapped.

In addition, various Congressional committees requested direct assistance in connection with their consideration of proposed legislation. Among the bills concerning which attorneys in the Section gave direct assistance to the committees were the proposed amendments to the Wage and Hour law, the so-called Case bill, and the Equal Pay bill.

The Section also assisted the Secretary and various departmental officials in the preparation of testimony given before Congressional committees.

## **2. Bureau Service**

The Legislative and Bureau Service Section rendered advice on special problems of departmental administration and organization referred to the Solicitor by the Office of the Secretary and also furnished legal advice to the Conciliation Service, Women's Bureau, Division of Labor Standards, and the Bureau of Labor Statistics. During the fiscal year 1946 many problems were referred to this Section involving questions of interpretation under various State and Federal laws relating to the establishment of safe and healthful working conditions and other matters involving labor standards and labor relations. The Section also drafted and reviewed many proposed administrative orders, contracts, and leases, and passed upon miscellaneous claims made against the Department. In addition, attorneys in the Section assisted the Secretary in the preparation of recommendations with respect to executive action on enrolled enactments and proposed Executive Orders. During the fiscal year the Section continued to prepare annotations of leading court decisions of interest to labor for publication in the Monthly Labor Review published by the Bureau of Labor Statistics.

This Section was also responsible for handling legal work in connection with the Department's participation in the activities of the



International Labor Organization and its other functions in the international labor field. An attorney from the Solicitor's Office was attached to the United States delegation at the Seattle conference of the International Labor Organization and assisted in the drafting and preparation of various conventions adopted at that conference. The Section prepared analyses of conventions adopted by the International Labor Organization with a view toward recommending action with respect to ratification by the United States. Assistance was also rendered in this connection in compiling reports and information requested by the International Labor Organization and in the preparation for the Secretary of the Annual Report of the United States to the Organization on ratification of conventions adopted by the organization.

2. *Litigation.*—Administrative interpretations of the Fair Labor Standards Act have for their function the guidance of industry and labor. The courts have recognized that this process is an essential element in the administration of the legislation and accordingly give great weight to these interpretations. The process, however, is itself guided and controlled by judicial decisions construing the act and as a consequence litigation is the pivotal point of administration. Litigation is the activity which in the final analysis shapes the ultimate structure and effect of any statutory scheme of broad regulation.

During the early period in the history of the Fair Labor Standards Act when the body of judicial precedent was yet to be built, the process of administrative interpretation was necessarily limited and the administration proceeded cautiously in developing the statutory plan. This initial phase was marked by a light volume of litigation designed to obtain settlement of basic problems fundamental to the operation of the statute. Another aspect of this phase was the uncertainty and unfamiliarity on the part of both management and labor with the nature and effect of the law. Many violations occurring at that time were for this reason excusable and one of the administration's principal tasks was educational. As the key issues were decided by the courts, however, the act became better established and more widely understood. The volume of litigation gradually increased and a substantial body of judicial precedent was developed. As the program matured, the number of excusable failures to observe the law diminished and more and more of the violations were deliberate and willful. Beginning with the fiscal year 1945, the enforcement program became increasingly vigorous and the fiscal year 1946 was accordingly marked by a sharp increase in litigation, particularly in criminal prosecutions. The total number of actions brought during the fiscal year was 581, as against 371 for the fiscal year 1945; of the 581 actions, 199 were criminal, whereas 99 criminal suits were filed in the fiscal year 1945 and only 41 in the fiscal year 1944. One hundred and eighty-six criminal cases were actually decided in the fiscal year, with 180 convictions obtained and 6 acquittals. Eight cases were nol-prossed.

Of the 382 civil actions brought by the Administrator during the fiscal year, 203 were contested, as against only 143 in 1945 and 138 in 1944. One hundred and eight contested cases were closed during the year, in 95 percent of which the Department was successful.



A further and by no means unimportant aspect in the civil enforcement of the act is the private action by employees for recovery of back wages under section 16 (b) of the act. The Solicitor's Office is, of course, vitally interested in the progress of these cases and in many instances either intervenes or files a brief in support of one or the other of the parties. During the past fiscal year there were 1,166 of these actions instituted in the Federal courts alone as against 623 in 1945 and 654 in 1944. These statistics are in addition to those cases which were prosecuted in the State courts which in all probability equal at least one-half of the number filed in the Federal courts.

Much of the private litigation under the Fair Labor Standards Act has been instituted by employees engaged in work on Government contracts providing for payment on cost-plus a fixed-fee basis. Under contracts of this type the increased labor costs resulting from a successful lawsuit must ultimately be shouldered by the Government. In this situation it is necessary to protect the Government from unjust lawsuits but it is equally necessary to prosecute the public policy expressed in the Fair Labor Standards Act. For the reason that these interests were likely to collide, an agreement has been worked out between this Department, the Department of Justice, and the contracting agencies for the settlement of problems of this nature. During the war many cases involving thousands of claims were processed by the three agencies in accordance with this procedure and the results have uniformly succeeded in reconciling these interests and in achieving fulfillment of each of these aims. There were a large number of these cases during the fiscal year and the probability is that the volume will continue.

The greater activity in the district courts was necessarily reflected in the number of cases appealed. During the fiscal year there were 63 appellate briefs filed, of which 18 were filed in the Supreme Court. Eight of these cases have been decided by the Supreme Court and in each one the position taken by this Department was sustained. There were 30 cases decided by the circuit courts of appeals in which the Department filed briefs; in 22 of these the courts agreed fully with the administration. Three of the remaining eight circuit court decisions were in substantial agreement with the Department's position, and three others are now pending before the Supreme Court.<sup>1</sup>

In 1945, the Supreme Court handed down several cases which were important in clarifying issues basic to the operation of the statute. Three of these cases (*Walling v. Helmerich & Payne*, 323 U. S. 37; *Walling v. Youngerman-Reynolds Hardwood Co.*, 325 U. S. 419; and *Walling v. Harnischfeger Corp.*, 325 U. S. 427) interpreted "the regular rate of pay" under the overtime provision of the act. All three decisions disapproved wage agreements which avoided overtime compensation but which purported to achieve technical compliance with the requirements of the *Belo* decision (*Walling v. Belo Corp.*, 316 U. S. 624). These decisions dispelled much of the confusion evidenced in the wide litigation on this subject by declaring that "the regular rate" may not be computed "in a wholly unrealistic and artificial manner so as to negate the statutory purposes." The overtime pro-

<sup>1</sup> The remaining two cases did not involve substantive questions under the act but were directed to the probability of continued violations by the defendant.



vision, the Supreme Court stated, must be construed in a manner which will achieve "its dual purpose of inducing the employer to reduce the hours of work and to employ more men and of compensating the employees for the burden of a long workweek." Three additional cases (*Jewell Ridge Coal Corp. v. United Mine Workers of America, Local No. 6167*, 325 U. S. 161; *Armour & Co. v. Wantock*, 323 U. S. 126; and *Skidmore v. Swift & Co.*, 323 U. S. 134) related to the meaning of "work" or "employment" compensable under the act. Expanding the precedent of the *Tennessee Coal & Iron* case (see Thirty-Second Annual Report, 1944), the *Jewell Ridge* decision held that underground travel in bituminous coal mines was work. The *Armour* and *Skidmore* decisions concluded that waiting time during which the employee is required to be on the employer's premises on call may constitute working time even though the employee is idle. In *Guiseppi v. Walling*, 324 U. S. 244, the Supreme Court upheld the power of the Administrator to prohibit homework as a means of safeguarding the 40-cent minimum wage established by wage order. In other decisions the court affirmed that the act applies to all employees not specifically excluded (*United States v. Rosenwasser*, 323 U. S. 360) and that exemptions are to be limited to "those plainly and unmistakably" within their "terms and spirit" (*Phillips v. Walling*, 324 U. S. 490). To hold otherwise, it stated, would be "to abuse the interpretative process and to frustrate the announced will of the people." Two cases further defining the doctrine of the *Kirschbaum* case<sup>2</sup> dealt with the coverage of maintenance employees in buildings variously utilized in connection with the production of goods for commerce (*The Borden Co. v. Borella*, 325 U. S. 679; *10 East 40th Street Building, Inc. v. Callus*, 325 U. S. 578).

In 1946 the major decisions of the Supreme Court involved interpretations of the coverage of the act and the scope of exemptions. *Roland Electrical Co. v. Walling*, 326 U. S. 657, held the act applicable to employees engaged in repairing and constructing equipment used by producers for commerce. Employees performing the physical tasks of repair and construction and office help were held to be engaged in processes or occupations necessary to the production of goods for commerce. The opinion of a unanimous court stated that the act "does not require the employee to be employed even in the production of an article which itself becomes the subject of transportation among the several States. \* \* \* it is enough that the [occupation] at issue is needed in such production and would, if omitted, handicap the production." *Martino v. Michigan Window Cleaning Co.*, 327 U. S. 173, likewise held the act applicable to employees who cleaned windows on the premises of producers for commerce. In both cases the applicability of the "retail or service establishment exemption" from the act was at issue. The *Roland* decision, the first Supreme Court interpretation of "service" under the exemption, adopted the Administrator's construction and concluded that the term should be restricted "to a meaning comparable to that given the narrower term 'retail.'" In both cases the retail or service exemption was held inapplicable. Under the court's view, the exemption could not have intended to exclude from the act "the multitude of employees who are engaged in establishments like that of the petitioner and which supply the

<sup>2</sup> *Kirschbaum Co. v. Walling*, 316 U. S. 517.



materials and services currently needed for the maintenance of productive machinery used by those who produce goods for interstate commerce." To so hold, it declared, "would take the heart out of this act."

In *Boutell v. Walling*, 327 U. S. 463, a commercial garage in which mechanics greased, repaired, and maintained trucks used to transport goods in commerce was held not to be a service establishment. The Supreme Court found the exemption inapplicable because the service was for a business user, not an ultimate consumer, and because the servicing was in interstate commerce. It also found the motor carrier exemption inapplicable and limited to employees of carriers. The employees were "well within the requirement that they be 'actually in or so closely related to the movement of the commerce as to be a part of it.'"

In *Mabee v. White Plains Publishing Company*, 327 U. S. 178, the Supreme Court clearly indicated that coverage under the act does not depend on the volume of interstate business. It held that a daily newspaper which regularly distributed about one-half of 1 percent of its papers outside the State produced goods for commerce, even though it "had no desire for and made no effort to secure out-of-State circulation." Denying any constitutional objection to the application of the act to newspapers, the Court observed that the first amendment does not provide the press with special immunities from laws applicable to business in general and that the fifth amendment does not require full and uniform exercise of the commerce power.

*Anderson v. Mt. Clemens Pottery Co.*, 66 S. Ct. 1187, further defined the concept of compensable "work." Preliminary activities to the productive task were included. The Court held that "putting on aprons and overalls, removing shirts, taping or greasing arms, putting on finger cots, preparing the equipment for productive work, turning on switches for lights and machinery, opening windows and assembling and sharpening tools are clearly work." Also "the time necessarily spent by employees in walking to work on the employer's premises following the punching of the time clocks" was found working time. The decision on the walking time reaffirms and extends the doctrine of the *Tennessee Coal & Iron* and *Jewell Ridge* cases and clarifies the immateriality of the physical conditions under which the travel is performed.

The *Mount Clemens* decision was significant in its consideration of the problems of employees in establishing right of recovery when the employer has, in violation of the statute, failed to keep proper wage and hour records. The employee in a section 16 (b) suit must bear "the burden of proving that he performed work for which he was not properly compensated." But he need not offer exact proof. He has carried his burden "if he produces sufficient evidence to show the amount and extent of [the uncompensated] work as a matter of just reasonable inference." *Schulte v. Gangi*, 66 S. Ct. 925, also involved the statutory remedies provided for employees. *Brooklyn Savings Bank v. O'Neil*, 324 U. S. 697, decided during 1944, held that in the absence of a bona fide dispute between the parties, any release or compromise of the employer's liability to pay liquidated damages for failure to pay statutory wages on time was invalid. In the *Gangi* case, the Supreme Court ruled that a bona fide settlement of a bona fide dispute



over coverage resulting in the payment of no liquidated damages was likewise invalid. "The damages are at the same time compensatory and an aid to enforcement," the court stated. "Such a compromise thwarts the public policy of minimum wages, promptly paid, embodied in the Wage-Hour Act, by reducing the sum selected by Congress as proper compensation for withholding wages."

*News Printing Co. v. Walling*, and *Oklahoma Press Publishing Co. v. Walling*, 327 U. S. 186, presented questions of the Administrator's right to judicial enforcement of subpoenas of records, issued pursuant to section 11 (a), in the course of compliance investigations. The Supreme Court found wholly without merit the various contentions urged, that the act was not applicable to newspaper publishing corporations "for constitutional and other reasons" and "that the question of coverage must be adjudicated before the subpoenas may be enforced."

### 3. Walsh-Healey Proceedings

When the Congress enacted the Public Contracts Act in 1936 it provided that enforcement powers should be vested in the Secretary of Labor. These powers include the holding of hearings and the making of decisions by the Secretary or his authorized representative in administrative proceedings initiated by complaints issued by the Secretary charging Government contractors with failing to pay their employees the minimum wages or overtime compensation or to observe the child labor standards required by the act and regulations issued under the act. Sums collected in these proceedings, with the exception of liquidated damages of \$10 per day with which Government contractors are chargeable for knowing employment of child labor, are paid on order of the Secretary to the employees involved. It is provided in the act that violators shall be ineligible to receive Government contracts for a period of 3 years from the date on which they are found by the Secretary to have violated the act, unless he recommends otherwise, and the Comptroller General is directed to circulate a list of violators ineligible to receive Government contracts among all Government contracting agencies.

Hearings in administrative proceedings under the Public Contracts Act are conducted by trial examiners in the Office of the Solicitor who are designated in each case in an order of reference signed by the Secretary of Labor. Each examiner is authorized to compel the attendance of witnesses, to take testimony under oath and make a report of his findings and recommendations. By rules of practice promulgated by the Secretary under the act the respondent or the Government may file exceptions to the examiner's report with the Administrator of the Wage and Hour and Public Contracts Divisions who then decides the case on the basis of the record made in the proceedings. The Administrator's decision becomes final, except as to the application of the ineligible list sanction, in any case in which a petition for review is not filed with the Administrator within 10 days thereafter. Final decisions are made by the Secretary in all cases involving application of the ineligible list sanction or in which he grants review.

In accordance with established departmental policy, legal functions and legal work are concentrated in the Office of the Solicitor. Accordingly, attorneys in his office participate in each of the various functions and steps in administrative proceedings under the Public Contracts



Act. Thus, attorneys in the Litigation Branch and in the regional offices prepare and try cases and file all necessary papers in these proceedings in much the same manner as in court actions under the Fair Labor Standards Act. The trial examiners, however, are segregated from the litigation attorneys in a separate branch known as the Legislative and Trial Examining Branch. The organizational rules of the Department provide that trial examiners act independently, subject to the requirement that they comply with the precedents and policies of the Department under the act. They are available also to preside over any other hearings authorized to be conducted by the Secretary or by bureaus, offices, and other agencies in the Department. Attorneys in still another branch, the Interpretations and Administrative Service Branch, advise and assist the Administrator in preparing his decisions under the act. The Secretary of Labor receives advice and assistance from the Solicitor in the cases which he is called upon to decide under the act.

During the fiscal year 1946, 68 complaints were issued as compared with 69 in 1945, 45 in 1944, and 21 in 1943; 40 hearings were held in 1946 as compared with 48 in 1945, 37 in 1944, and 26 in 1943. Trial examiners filed 50 reports in 1946 as compared with 40 in 1945, 23 in 1944, and 14 in 1943. The Administrator rendered decisions in 53 cases in 1946 as compared with 31 in 1945, 17 in 1944, and 7 in 1943. Appeals to the Secretary were filed in 12 cases in 1946 as compared with 12 in 1945, 6 in 1944, and 8 in 1943. The Secretary handed down decisions in 11 cases in 1946 as compared with 12 in 1945, 3 in 1944, and 8 in 1943.

At the end of the fiscal year, review of the procedures followed in Walsh-Healey complaint proceedings had been initiated for the purpose of determining whether any changes were required by the Administrative Procedure Act.

#### **4. Interpretations and Administrative Service Branch**

The Interpretations Section of the Solicitor's Office is charged with rendering interpretations of statutes of general effect administered by the Department. Requests for interpretations were received from the various bureaus and divisions within the Department itself, from individual employers and employees, from trade associations and labor organizations, from members of Congress, and from Government officials in other departments and agencies, and State and local public officers. In addition to the hundreds of requests for opinions received directly in Washington, an equal number were received in the Department's regional and branch offices and forwarded to Washington for a reply. As a result of the additional and new problems brought on by the war and added to by reconversion, the number of such requests not only increased over previous years, but the nature of the inquiries greatly increased in complexity. Unlike many war problems which ended with the cessation of actual combat operations, the Interpretations Section has continued to receive numerous inquiries involving matters which arose during the prosecution of the war but have not yet been settled.

A large proportion of the work relating to the prosecution of the war was covered by the Fair Labor Standards Act of 1938 and the Walsh-Healey Public Contracts Act which regulate child labor, min-



imum wages, and overtime. While earlier inquiries were rather general in nature or were to obtain information to comply with the acts, the inquiries brought on by the war were more complicated. Opinions as to wartime practices are still being requested of the Interpretations Section, since complaints now being filed and inspections now being made often cover the war period. As a matter of fact, claims for unpaid wages and private suits by employees have greatly increased with the discharge of war workers upon the termination of war contracts. The large number of such suits and claims is due to increased production and employment during the war and the frequent failure of war contractors to secure prior legal advice as to the application of the Fair Labor Standards Act. Since many claims arose under cost-plus contracts with the Government and were handled by the Department of Justice, the Interpretations Section was frequently called upon to render opinions as to the validity of the claims.

As a result of competition among employers for employees and attempts of employers to provide increased compensation for increased efficiency, it became a common practice to pay bonuses. Whenever overtime compensation was not paid on these bonuses, as was frequently the case, the question arose as to whether overtime was required by the Fair Labor Standards or Walsh-Healey Public Contracts Acts and if it was, what was the proper method of computing it in the particular case. Since the variety of bonuses is almost infinite, the Interpretations Section was required to answer many of the more difficult problems in this field. Difficult and novel problems were also raised concerning activities performed for employers such as the Red Cross, and in Government-seized plants, as to the employment of prisoners of war, and antisabotage and air-raid protection programs conducted in private plants.

The necessity of full war production resulted in unorthodox subcontracting practices which greatly increased the interpretative work dealing with the coverage of the Walsh-Healey Act. Likewise, the operation and construction of United States projects and employment of American labor in allied countries gave rise to many difficult inquiries concerning the coverage and exemption of numerous categories of employees under both the Walsh-Healey and Fair Labor Standards Acts.

The manpower shortage caused by the war not only resulted in the employment of more child labor but often involved occupations normally performed by adults. Moreover, the child-labor restrictions of the Walsh-Healey and Fair Labor Standards Acts were relaxed during the war with conditional safeguards, but the safeguards were not always adhered to by employers. As a result of these circumstances, problems requiring opinions on the permissibility of employing child labor greatly increased. During the past year the section has been called on by the Children's Bureau for assistance in restoring the peacetime standards and in preparing regulations and interpretative material covering the child-labor provisions of the Fair Labor Standards Act.

One of the chief means adopted by the Government for securing maximum war production was the issuance of Executive Order 9240, as amended by Executive Order 9248, which became effective October



1, 1942, and was revoked August 21, 1945. This order required that employees engaged in work relating to the prosecution of the war must be paid double time for work on the seventh consecutive day worked in any regularly scheduled workweek, time and one-half for work on the six holidays enumerated in the order, and prohibited premium pay on other holidays or Saturday or Sunday as such. During the whole time the order was in effect, the Interpretations Section was charged with making all interpretations of the order, and also since the beginning of September 1945 the Interpretations Section has been charged with the handling of administrative matters which arose under the order.

Because the order was issued in the midst of frantic war production and restricted certain traditional and hard-fought gains of labor, the deluge of inquiries was overwhelming. To handle the herculean task of rendering opinions required the services of 12 attorneys who answered thousands of inquiries, prepared numerous press releases, and 2 opinions manuals, and prepared an interpretative bulletin of which over 75,000 copies were distributed.

With the coming of VJ-day, August 15 and 16, 1945, were made premium pay days like the other six holidays mentioned in the order. The President also gave Federal employees holidays with pay on these days and expressed the hope that private employers would do likewise. Cost-plus contractors were reimbursed for premium pay on these 2 days. There was some confusion concerning the effect of the order of August 1945, and a deluge of inquiries was received by the Interpretations Section during the following 2 months.

Though Executive Order 9240 was revoked effective August 21, 1945, hundreds of inquiries have continued to be received by the Interpretations Section for wage claims arising under the order prior to its revocation. Since its revocation, in excess of 245 claims involving thousands of dollars and a large number of employees has been paid through the efforts of the Department.

The Interpretations Section is also charged with the interpretation of the Copeland Act Regulations which prohibit unlawful deductions and kick-back of wages for laborers and mechanics engaged in Federal construction work. The gigantic construction program of the Federal Government during the war gave rise to a flood of requests for opinions. One of the chief problems arose because of the fact that novel construction works were undertaken in remote areas, such as the Alaska Highway, which necessitated contractors furnishing employees with all personal facilities such as board, lodging, laundry, return transportation, etc. As a result numerous problems of deductions were raised. Also, it became necessary to determine whether the thousands of employees engaged in providing such personal facilities were laborers or mechanics within the meaning of the Regulations.

Furthermore, peculiar problems were presented by the fact that Federal construction work was performed by firms which had not previously engaged in such activity. Thus, it became necessary to set up a special procedure for railroads engaged in Federal construction work and to modify the requirements of the Regulations to prevent upsetting collective bargaining practices in the railroad industry. Likewise, shipbuilding contractors and certain other classes of contractors raised special problems under the regulations.



Until the Government undertook its vast war program there were few questions involving the interpretation of the Federal 8-hour law. This law requires the payment of time and one-half for work in excess of 8 hours per day to laborers and mechanics employed by certain Government contractors. Under the vast war program the Government let contracts for numerous new activities which gave rise to difficult problems of determining what employees were laborers and mechanics within the meaning of the statute. Typical problems concerned cooks and busboys employed by a school which had contracted to house and feed military personnel, and flight instructors and other employees of a flying school. Likewise, since American contractors and workers were engaged in work in allied countries, such as the Alaska Highway in Canada, numerous and difficult problems arose as to the application of this law. The Interpretations Section was requested to and did assist the various governmental agencies in reaching a solution to these problems.

During the 1946 fiscal year, increased litigation resulted in numerous decisions which affirmed, clarified, and modified prior interpretations of the act. As a result, during the past year the Interpretations Section has had to reexamine prior interpretations and prepare a number of releases stating the position of the Administrator of the Wage and Hour and Public Contracts Divisions in the light of such decisions. For example, following the Supreme Court decisions in *Borden Co. v. Borella*, 325 U. S. 679, and *10 East 40th St. Bldg. v. Callus*, 325 U. S. 578, release A-17, which restates the principles of coverage applicable to building maintenance workers, was issued. Likewise, in view of the numerous opinions rendered during the war under the Walsh-Healey Act, it was necessary for the Interpretations Section to prepare a revision of Rulings and Interpretations which is the codification of the Secretary's interpretations under that act.

As a result of increases in wage scales and cost of living brought on by the war, the Seventy-ninth Congress considered amendments to the Fair Labor Standards Act (S. 1349) which would have greatly changed the application of the minimum wage and overtime provisions of the Fair Labor Standards Act. During the consideration of this bill the Interpretations Section was called upon for numerous opinions concerning the present act and the proposed bill, such as the differences in coverage of the act and the bill.

Since the end of combat operations, there have been many changes in the wage and hour practices of most of American industry. Reductions in the workweek with attendant loss of overtime pay have been reflected in numerous contracts, proposals, and inquiries which have come to the attention of the Interpretations Section. As a result, the Section has been required to render interpretations concerning proposed wage practices which are as varied and complex as they are numerous.

On February 7, 1945, the functions of the Hearings and Wage Order Section of the Administrative Proceedings Branch were transferred generally to the newly established Administrative Services Section of the Interpretations and Administrative Services Branch, where they now reside. These duties were "to perform legal work in connection with wage orders, exemptions, and other administrative determina-



tions under the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act; to review appeals to the Administrator under the Walsh-Healey Act, and to the Administrator of the Wage-Hour Division from the Hearings Branch."

These functions included, during the fiscal year ending June 30, 1946, the preparation and analysis of regulations and exemptions and the performance of other legal work in connection with regulatory proceedings, not only under the two statutes named above, but also under other statutes of general regulatory effect administered by the Department, and the legal work required in connection with the drafting of Administrator's decisions in Walsh-Healey proceedings and findings and opinions and wage orders under the Fair Labor Standards Act. The work of this section during this fiscal year also included drafting regulations and amendments thereto and handling administrative proceedings in the following matters: General regulations of the Department of Labor; homework regulations and wage orders under the Fair Labor Standards Act applicable to Puerto Rican industries; child labor hazardous occupations proceedings; questions relating to record-keeping regulations and to learner, handicapped worker, and apprentice training regulations; amendments to regulations under the Copeland Act; assisting in the drafting of agreements among State labor departments, the Wage and Hour and Public Contracts Divisions, and the Children's Bureau, providing for the utilization of the services of State inspectors and preparation of recommendations for the Secretary in connection with the President's termination of Executive Order 9240 (as amended by Executive Order 9248) after VJ-day; research and assistance to the Administrator in connection with the issuance of "area of production" regulations.

One of the primary functions performed by the Administrative Services Section during the past fiscal year was the drafting of Administrator's decisions in Walsh-Healey proceedings. The preparation of these decisions required the review and analysis not only of the trial examiners' reports, but also of the entire record of the proceedings, including the pleadings, exhibits, and transcript of testimony. The great increase in public contracts work, necessitated by the Government's pressing demand for war materials, resulted in an expansion in the volume of this work. Other work under the Walsh-Healey Public Contracts Act included the promulgation of interlocutory orders and rulings on motions in formal proceedings, the preparation and issuance of amendments to the regulations under the act, the modification and repeal of war time exemptions pertaining to the child labor provisions and the issuance of amendments to and interpretations of prevailing minimum wage rate determinations. A revised compilation of Walsh-Healey rulings and interpretations was issued in October 1945 and is known as Rulings and Interpretations No. 3 under the Walsh-Healey Public Contracts Act.

Under the Fair Labor Standards Act the Administrative Services Section performed legal work for the Administrator in connection with the issuance of wage orders. With the general increase in wage rates incident to the expanding of production during the war years, the wage order program within the continental limits of the United States under the Fair Labor Standards Act was hastened to comple-



tion before the automatic raise to 40 cents was scheduled to become effective, pursuant to section 6 of the act. At the same time, the program for Puerto Rico has been steadily carried forward and that for the Virgin Islands practically completed.

The Administrative Procedure Act was analyzed to determine its effect upon the statutes, regulations and Executive Orders administered by the Department of Labor. The promulgation of new regulations and procedures prescribed by the act and the work of analyzing the effects of the act on the various administrative functions performed by the Section will undoubtedly continue during the next fiscal year.

The Administrative Services Section supervised and reviewed the work of the Wage and Hour Headquarters Section in regard to regulatory proceedings and in the general field of administrative law. This review pertained to such legal work as the Findings and Opinions of the Administrator in wage-order proceedings; issuance and interpretation of wage orders and the regulations thereunder; issuance and cancellation of homework certificates under applicable wage orders; interpretations relating to determinations of reasonable cost of facilities furnished to employees in lieu of wages; and the handling of cases involving the issuance and cancellation of certificates for learners, handicapped workers, and apprentices.

#### **5. Wage-Hour Headquarters Section**

This Section, which is located in New York City with the National Offices of the Wage and Hour and Public Contracts Divisions, acts for the Solicitor in the performance of a variety of legal services required in connection with the administration and enforcement of the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act. During the 1946 fiscal year, this Section furnished legal counsel to the Administrator and to the staff of the Divisions on numerous problems concerned with the application and enforcement of these acts. Legal opinions were given on several hundred questions monthly in response to oral and written requests from administrative officials, regional attorneys, members of Congress, officials in other Government agencies, trade associations, labor unions, and representatives of employers and employees. In order that as many as possible of such inquiries might be answered by regional offices charged with the enforcement of these laws in the areas in which the inquiries originated, more frequent compilations of important opinions were prepared by this Section and published for staff use.

The Wage-hour Headquarters Section provided counsel and legal services to the Administrator in connection with his hearings on the recommendations of Special Industry Committee No. 4 for Puerto Rico and the preparation of the Administrator's findings and the opinions and the wage orders for 12 industries on that island. Legal services were also provided in connection with the drafting of administrative orders, rules, and regulations for issuance by the Administrator under the Fair Labor Standards Act, and in connection with proposed amendments to the minimum wage determinations under the Public Contracts Act.

The Public Contracts and Wage-Hour problems considered by this Section were substantially of the same nature as those handled by the



Interpretations Section of the Solicitor's Office in Washington, to which it routes the more difficult and novel of its matters for advice and clearance.

## 6. Wage Determination and Wage Adjustment

The Federal war construction program which terminated at the end of the war was immediately succeeded after VJ-day by an accelerated Federal building program designed to meet peacetime needs. Of first importance in this program were housing construction; non-military projects of the War Department, including river, harbor, and flood-control work; reconversion projects of the Defense Plants Corporation and reclamation projects of the Department of the Interior. For these and other Federal projects, prevailing wage determinations, totaling 5,438, were issued under the Davis-Bacon Act and the National Housing Act, during the fiscal year 1946. This number represents an increase of 373 determinations over the number issued in the fiscal year 1945. In addition, 2,658 modifying decisions were issued to make outstanding wage determinations coincide with adjustments authorized by the Wage Adjustment Board.

Strict stabilization controls, administered by the Wage Adjustment Board, were in effect for the building construction industry throughout the entire year. The functions of this Board were continued, upon the relaxation of controls in other industries, through General Order No. 41 of the National War Labor Board, and, upon the expiration of the latter Board and the creation of the National Wage Stabilization Board, by Executive Order 9672, issued December 31, 1945.

The number of cases presented to the Wage Adjustment Board during the fiscal year 1946 was more than double the number presented during the previous year. Furthermore, the accentuated enforcement activities of the Regional Wage Stabilization Boards in the building industry resulted in the referral of a great number of new problems to the Wage Adjustment Board. This increased volume of work of the Wage Adjustment Board was reflected in a corresponding increase in the work load of the wage adjustment section of the Office of the Solicitor which section acts as legal counsel to the Wage Adjustment Board.

Closer coordination, particularly in regard to enforcement, between the respective Regional Wage Stabilization Boards and the Wage Adjustment Board was achieved and maintained in the fiscal year 1945. In addition to the services performed for the Wage Adjustment Board, the legal staff was called upon constantly to advise the public, through correspondence and orally, of Board procedure and applicable policy. In this connection an average of 400 letters were written monthly by the legal staff.

## 7. United States Employment Service

With the recission of the war-manpower controls at the termination of hostilities the War Manpower Commission was abolished<sup>a</sup> and the functions of the United States Employment Service were transferred to the Department of Labor. A legal branch for the United States Employment Service was established in the Solicitor's Office in order to render counsel, to prepare necessary legal documents, to draft regulations to assure that operating officials proceeded within the bounds of

<sup>a</sup> Executive Order 9617 dated September 17, 1945.



legal propriety, and to handle the multitude of legal problems incident to the activities which the United States Employment Service was required to undertake in its peacetime program and with which it was confronted in the liquidation of its wartime programs.

To alleviate the severe manpower shortage existing in 1943 the War Manpower Commission at that time embarked on a program entailing the importation of some 155,000 Mexican and West Indian workers for employment in the United States in industries and services engaged in the war effort. This program was administered under a memorandum of understanding between the United States and the governments of the nations from which these workers were imported. The workers were employed in accordance with these memoranda under contracts assuring them minimum periods of employment, minimum wages, certain transportation and subsistence expenses, for which the War Manpower Commission became guarantor.

A program affecting so many persons unfamiliar with the customs and laws of this country and not conversant with the terms of their contract, inevitably gave rise to many legal problems. Thus, this branch has been required to decide many legal problems arising out of the numerous appeals from workers and employers relating to claims under these contracts, in accordance with the regulations and procedures of the War Manpower Commission. To protect the interests of all parties concerned it has been the responsibility of the legal branch to advise and consult with representatives of the foreign Governments and the State Department and of the employees and employers in the disposition of these legal questions.

Early in the war, the functions of the U. S. E. S. with its vast Nation-wide network of employment offices, which became the key-stone in the War Manpower program, was transferred<sup>4</sup> from the Social Security Board to the War Manpower Commission.<sup>5</sup> The reconversion of this program to its peacetime basis at the conclusion of the war has required considerable legal counseling and guidance. Many legal problems were involved in the relationships between the United States Employment Service, State unemployment compensation agencies, the Social Security Board, the Veterans' Administration, the General Accounting Office, Civil Service Commission, labor organizations, minority groups, veterans' groups, Railroad Retirement Board, and Selective Service systems. The impact of various Federal-State statutes upon the policies and programs of the United States Employment Service presented additional problems.

The Federal-State public employment program was authorized by the Wagner-Peyser Act in 1933.<sup>6</sup> Following the termination of hostilities, legislation was introduced in the Congress to return the local employment offices to State operation. Twelve years of operating experience under the Wagner-Peyser Act vividly demonstrated the need for revision and implementation of that act. It is important that in legislation dealing with the return of the Employment Service to the States proper provision be made to assure a transfer of the Service as a "going concern" and to amend the Wagner-Peyser Act in the light of operating experience to provide a sound and permanent

<sup>4</sup> Executive Order 9247, dated September 17, 1942.

<sup>5</sup> Established under Executive Order 9139, dated April 18, 1942, to marshal the civilian manpower of the Nation for all-out war production.

<sup>6</sup> Wagner-Peyser Act, June 6, 1933, 29 U. S. C. A., 49 to 49L.



basis for Federal-State cooperation in the maintenance of a national system of public employment offices. To the United States Employment Service legal branch fell the task of initiating appropriate legislation, consulting with members of Congressional committees, assisting in the preparation of testimony and other statements at the request of these committees, advising as to the legal effect of the provisions of the various bills, and on request offering technical assistance during debates and consideration of legislation.

The fiscal year 1947 will witness the transfer of the local employment offices to State operation. The transition will obviously present many legal problems, with a resulting increased demand for legal advice and guidance in connection therewith. The drafting of rules and regulations governing the administration of the Employment Service program under a Federal-State system, assisting in the preparation of policies and standards of efficiency, rendering opinions with respect to Federal statutes affecting the Employment Service programs and the duties and responsibilities of the Department of Labor under such statutes, consulting with the States' attorneys general and other State officials with respect to questions arising under State statutes and regulations involving among other questions the transfer of Federal personnel to State employment and the transfer of Federal property, records, and employment-office facilities to the States are some of the responsibilities which will fall to the United States Employment Service legal branch.

With the transfer of the local employment offices to State operation, the U. S. E. S., with respect to certain activities, will function as an administrative agency of a Federal grant-in-aid program, and, on the other hand, will have operating responsibility for the veterans' employment and counseling program under title IV of the Servicemen's Readjustment Act of 1944, as amended, for the maintenance of (1) a system for clearing labor between the States, (2) employment offices for veterans in Puerto Rico, and (3) public employment offices in the District of Columbia. The service which will be rendered by the U. S. E. S. legal branch in this respect will include the interpretation of applicable Federal and local statutes; the drafting of contracts, standards, and policies; the analyses of programs to determine their legal authority; analyses of State laws designed to prohibit interstate recruitment activities; negotiations with State legal officers with reference to these problems; analyses of standards and procedures to determine compliance with these regulations; and other legal problems incident to noncompliance charges and proceedings. Fiscal standards of the U. S. E. S. issued in connection with the grant-in-aid program give rise to many legal problems varying widely between the States, most of which relate to legality of State expenditures from Federal grants and the interpretation of these standards. And, finally, it will be necessary for this legal branch to maintain considerable liaison with the employment security branch of the General Counsel's Office of the Federal Security Agency to coordinate legal policies and conclusions on matters with respect to which both the Federal Security Agency and the United States Employment Service have similar authorities and responsibilities.

This is the projected program of this branch for the fiscal year 1947.



## 8. Retraining and Reemployment Administration

The Retraining and Reemployment Administration<sup>7</sup> was transferred to the Department of Labor on September 19, 1945, by Executive Order 9617. The administration is responsible for the coordination of all Federal activities<sup>8</sup> relating to reemployment, retraining, vocational education and vocational rehabilitation of war veterans and of the civilians displaced by the war and is empowered to work out coordination between Federal, State, and local agencies in this field. The work of this branch of the Solicitor's Office falls into three principal categories:

1. Coordination of Federal-State programs through the preparation of comments or testimony on pending bills in the national and State legislatures whenever requested;
2. Analyses of all Federal and State laws, Executive Orders, administrative regulations relating to the Retraining and Reemployment Administration program to the end of more effective coordination;
3. Preparation of administrative orders establishing interagency coordinating committees and legal review of committee recommendations.

The broad scope of its operation of necessity has caused a tremendous load of inquiries from all sources, including Federal, State, and local agencies, 3,000 community advisory centers, veterans, and similar organizations. The legal work entailed by these requests requires examination of pertinent Federal and State statutes and regulations.

During the fiscal year 1946 this branch digested Federal activities within its field. This digest was necessary to program planning by the administration.<sup>9</sup>

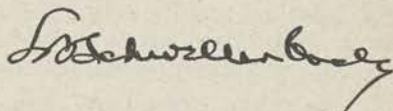
This branch developed through an interagency committee recommended minimum criteria for State approval of agricultural, non-agricultural, and governmental on-the-job training programs for veterans under the GI bill of rights.<sup>10</sup> These criteria, which will serve to effectuate the work of the Veterans' Administrator by offering guidance to the State programs, have been adopted by a substantial number of the States. They have in substance been incorporated in Public Law 679, Seventy-ninth Congress, amending the GI bill.

<sup>7</sup> Established by title III of the War Mobilization and Reconversion Act of 1944, 50 U. S. C. A., appendix, secs. 1661-1663.

<sup>8</sup> Except that of the Veterans' Administration and the Veterans' Administrator.

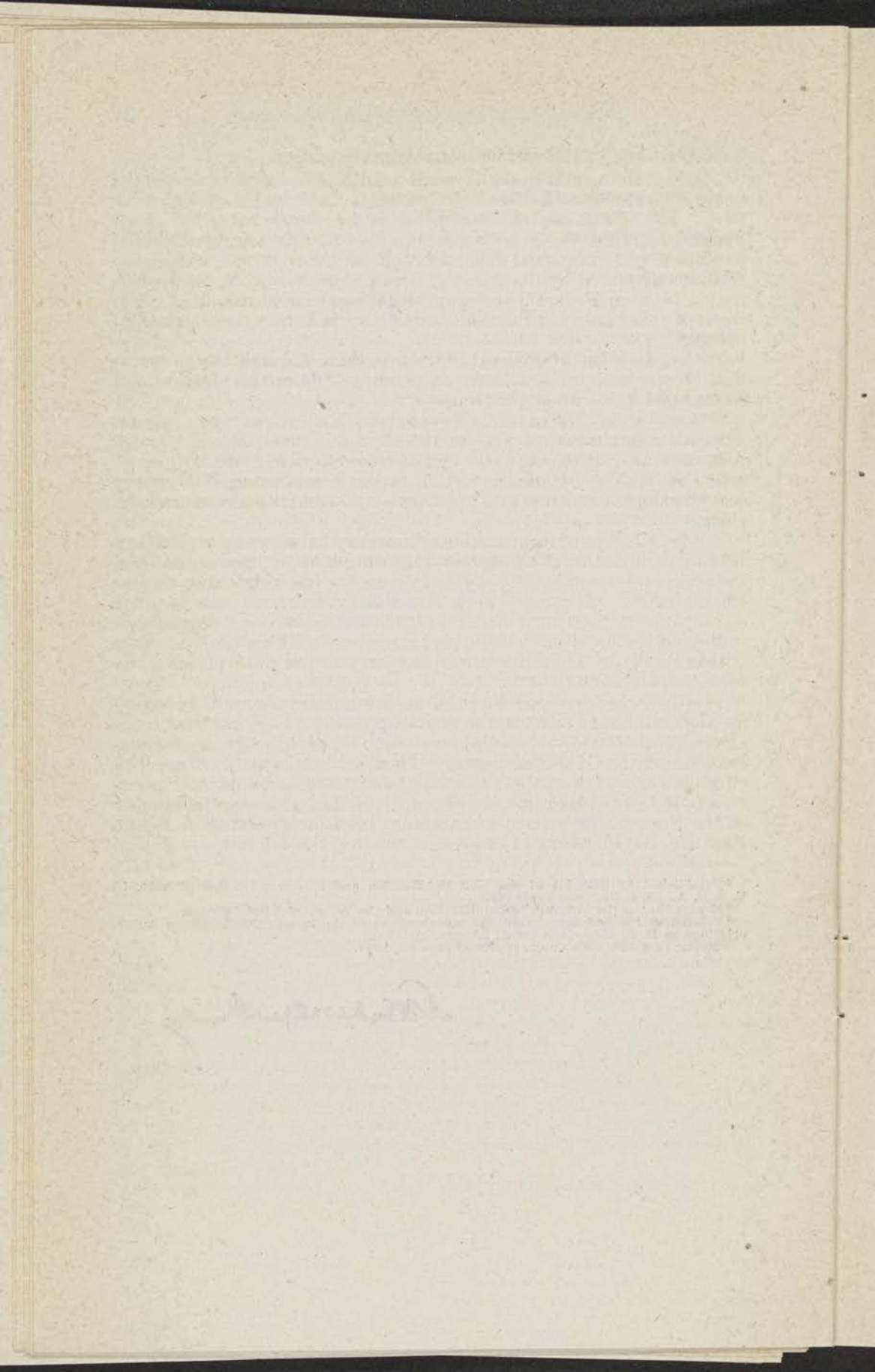
<sup>9</sup> Printed in the hearings before the subcommittee of the Senate Committee on Appropriations on H. R. 6739, 79th Cong., 2d sess., pp. 15-21.

<sup>10</sup> Public Law 346, 78th Cong., approved June 22, 1944.



Secretary







## APPENDIX

### CONDENSED REPORTS OF THE ACTIVITIES OF THE BUREAUS AND SERVICES OF THE DEPARTMENT OF LABOR

#### APPRENTICE-TRAINING SERVICE

Apprentice-Training Service came into existence August 16, 1937, under Public Law 308 (75th Cong.). That act authorized and directed the Secretary of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices; to extend the application of such standards by encouraging the inclusion thereof in standards of apprenticeship; to bring together employers and labor for the formulation of programs of apprenticeship; to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship; and to publish information relating to apprenticeship standards. The Secretary of Labor also was given authority to appoint national advisory committees on apprentice training, consisting of representative employers, representatives of labor, representatives of education, and officers of executive departments.

Accordingly, the Secretary appointed the Federal Committee on Apprenticeship and set up the Apprentice-Training Service as a part of the Division of Labor Standards, United States Department of Labor. Membership of the Federal Committee on Apprenticeship has been composed of nationally prominent representatives of labor, management, vocational education, and Government.

Since its establishment in 1937, Apprentice-Training Service had been promoting labor standards to safeguard the welfare of apprentices by developing sound apprenticeship programs as a cooperative management-labor activity of American industry, and by otherwise fulfilling its functions as embodied in the act under which it was created, as well as by encouraging the establishment of State apprenticeship councils with similar objectives. A good start had been made toward carrying out policies enumerated in Public Law 308 (75th Cong.), now commonly termed "The National Apprenticeship Act," when it became apparent that a vast expansion of employment would occur under the rearmament program which our Nation had undertaken in the face of a threatening European situation. The outlook was so serious that it was decided industry should be aided and encouraged to extend far greater attention to the training of industrial workers than was possible through regular apprenticeship procedures.

#### SHORT-TERM TRAINING FOR ADVANCING WORKERS

Taking a leaf from the book of experience with apprenticeship, in which had been demonstrated the value of joint action by management and labor in organizing programs for the training of apprentices, a similar approach was made to the special training problems facing American industry under the rearmament program. A national committee, composed of representatives of management and labor, was assigned to consider the problem of employing and training



persons in skills below the apprenticeship level. After weighing the problems which were then foreseeable, that committee together with the Federal Committee on Apprenticeship recommended principles and procedures which could be considered basic in the consideration of any on-the-job training program. Both committees recognized that the primary objective under the national-defense program should be to train workers quickly for specific production jobs. It was recognized, too, that there was danger in overextended training; that is, establishing lengthy training periods for jobs in which workers ordinarily could become proficient in a reasonably short period.

For want of an existing term which described the broadened training program, a brand new generic term, "advancing worker," was coined to define the standards formulated. This term was selected because others, used to describe industrial training plans, had acquired a bad reputation or were preempted by other programs. A name for a program, however, like one for a new product, may appeal to the designers, but in the end it is public acceptance of the product or program that counts. In some instances it was found that the term "advancing worker" ideally suited certain training programs. In other cases, however, because of custom, union contract terminology, or some other reason, it was replaced by terminology favored either by the employer or the union involved, or by both. Thus it was wisely decided not to waste time and effort in attempting to popularize a particular name for the program, but rather to concentrate on making the plan itself a success.

Aside from the question of its name, which was a minor matter, the advancing-worker program proved sound. Industrial training plans developed under it were based on the following principles:

1. A description of each job for which a training program had been designed, covering the work processes to be learned and including an accurate statement of working conditions involved in each job.
2. A statement indicating what types of persons were to be considered eligible for training, and the procedures and devices to be employed in selecting them.
3. Provision for the establishment of a record system covering the progress and advancement of the individual advancing worker (i. e., trainee).
4. Provision for adequate supervision and instruction in shop work.
5. Provision for related technical instruction where this would facilitate performance of the job.
6. Provision for payment, throughout the training period, of wage rates equal to at least the minimum rates for every job classification in which the worker was to be successively employed.
7. A statement to the effect that, in the interest of national defense, the prescribed training period for advancing workers (trainees) on each process was to be the minimum required for competence in that process.
8. Provision for the development of advancing worker programs by cooperative arrangement between employer and employee representatives. (Where a joint apprenticeship committee existed this committee's participation in the formulation of the expanded program was proposed as being essential.)



The undertaking of this expanded activity in connection with industrial training did not involve a particularly difficult transition for the ATS staff. Its members had been initially selected because of experience with training in the skilled trades, and all had received broad experience either in organizing or conducting apprenticeship programs. Under prevailing conditions, not all industry's labor force could be trained through apprenticeship; but many of the principles involved in complete training for a skilled trade applied equally well to the training of specialty workers in the operation of various machines, or in other production processes which involved learning a small part of whatever skilled trade might be concerned.

Following the attack on Pearl Harbor the Nation's war production training activities moved into high gear. Apprentice-Training Service which had been transferred from the United States Department of Labor to the Federal Security Agency in April 1942, 5 months later by Executive Order No. 9247, September 17, 1942, was transferred to the War Manpower Commission. There, as part of the Bureau of Training, which coordinated programs for war production training, ATS continued its services.

Under the impact of war, the policy of the Apprentice-Training Service in the formulation of on-the-job training programs was to aid industry in developing workers with the necessary skills to meet essential production schedules. To make this training effective the requirements had to be based on an analysis of the individual plant's labor needs. Plants in the same community that manufactured identical products frequently presented training problems of a different character. This was due to differences in the way production was engineered; to the use of different equipment; or to differences in the degrees of skill of the plant's employees. In some cases products were mass-produced and in others they were produced almost wholly by hand.

In making a training analysis it might be found, for example, that a plant was to lose 25 percent of its men to the military forces within a period of 6 months. Some means had to be devised to replace these men without causing a drop in production. In the early stages of the national-defense program some employers had solved this problem, or thought they had, by the expedient of obtaining deferments. As we got deeper into the war, however, military manpower needs made it imperative that a training program be set up specifically designed to prepare other workers to move rapidly into jobs vacated by drafted employees. In order to maintain production this replacement training could not be a slipshod affair. It had to be planned to provide for the training of replacements for each of the workers to be drafted; and it had to prepare new workers coming into the plant at the lower levels of skill.

Even in the simple but constantly recurring wartime situation referred to here, a variety of training methods frequently had to be brought into play. For the more skilled jobs it might be necessary to provide on-the-job training for each of the workers being prepared for upgrading. Some, possibly all (depending on the job requirements and previous training), needed training in basic subjects related to the new job, as well as in the mechanical phases of the work. The new workers sometimes were trained in a school ex-



pressly for the jobs they were to fill, or in other cases might be trained entirely on the job. How the training program was planned also depended on the facilities in the community. There was no over-all answer to the problem; each plant situation had to be analyzed, its needs spotted, and then a program had to be developed to meet those needs.

To borrow a medical term, it might be said that the Apprentice-Training Service supplied a general diagnostic service to war industries. The question could be raised: Why could not war plants and essential civilian services have done all this themselves? Actually, a number of plants with trained personnel were doing it. Very often, however, top management was so close to the woods it frequently did not see the trees; it had been so busy with a host of general problems—e. g., producing unfamiliar items, complying with priorities and other requirements, and manning its plants—that many of the technical problems of training became acute before their existence was even recognized. Particularly was this true of small plants, and in those that had been small but which had experienced overnight wartime expansion.

In one instance a member of the ATS staff surveying the needs of a company building landing ships for the Navy, found that it previously had been the company's custom to hire skilled men and refer them to the foremen, who in turn would put them to work. Since the new men possessed the requisite skills, the foremen never had to give thought to the difference between supervising a trained and an untrained crew. When the company accepted the Navy contract, however, there were few skilled men available. Consequently, it was essential that it undertake a training program for the foremen as one of its first moves. The idea, in retrospect, seems elementary, but it illustrates many such situations encountered.

#### LABOR RELATIONS PROBLEMS

In assisting essential war industries to organize training programs, the labor relations aspects of employment and training were not overlooked by ATS. Here again the problem called for individual treatment in each plant. The ATS representative, making an over-all training analysis, learned what union, if any, was the bargaining agency. He also ascertained to what extent the terms of the bargaining agreement might limit operation of the program he planned to recommend. Frequently it was found that when the bargaining agreement was made, the employment and training of women on a broad scale was not foreseen. If women were to be employed, certain problems required negotiation. For example, employment of women often involved division of previous jobs into their various elements, and the distribution of the more desirable elements to women workers where such work was adapted to their capabilities or limitations. Long-standing policies as to assignment of workers to shifts frequently had to be discarded, with new women workers getting the more desirable daylight shifts and men with greater seniority sometimes being assigned to evening or owl shifts.

Through the assistance of ATS representatives, special programs were developed for training women as production workers and specialists in war plants, and programs were formulated under which both



men and women were trained in the same plant or shop. During the period from October 1942 to the end of the war, thousands of women workers were trained in machine operation and assembly work under such programs, in both production and service industries in order to release men for military service. In this connection, to show the value of and practicability of such policies, a number of studies were made of various plants throughout the country by an ATS training technician and the findings summarized in pamphlet form for use by other industries.

However, a union's interest in training was not confined to the technical features of the bargaining agreement but also embraced other factors affecting the welfare of its members.

Consequently, armed with the analysis he had made of the plant's training problem and with a knowledge of its labor relations, the ATS representative was prepared to discuss his recommendations with management and, at an appropriate time, with officials of the labor organization. Frequently, as a result of demonstrated success in other plants, a training committee equally representative of management and labor was established within the framework of the existing bargaining agreement to prepare a training policy to which both the employer and union could subscribe. In other cases it was found necessary to formulate a supplement to the bargaining agreement to facilitate the employment and training program to be undertaken.

In conducting the training program, the services of one or more other Government training agencies cooperating in and with the Bureau of Training of the War Manpower Commission might be utilized. In making training recommendations, therefore, the ATS representative advised industry on the services available from other training agencies. Management also was advised as to laws or regulations affecting the employment of various classes of workers, particularly women and minors, and the industry was referred to the Government agency having jurisdiction.

#### APPRENTICESHIP OBJECTIVES IN WARTIME

In assisting a plant, ATS endeavored to give adequate attention to all its training needs—what it should do at the moment, and what it would need to do in the years ahead. This raised the question of training workers through apprenticeship for all-around skills. The policy of industrial plants which were engaged in war production attempting to continue to train apprentices when every effort must be directed toward production problems was questioned in some quarters. It was said that it would be impossible to train apprentices, because all the physically qualified in the normal apprentice age group were, or soon would be, in the armed forces. Fortunately, this situation had been recognized when the probable manpower requirements of the Army and Navy previously had been analyzed, and the problem was referred to the Federal Committee on Apprenticeship for advice.

That committee after considering the Nation's industrial need from all angles in November 1942, recommended:

1. That every reasonable effort be made to continue the training of apprentices in essential war industries.
2. That each apprenticeship program be based on an analysis of the essential skilled labor needs of the individual plant.



3. That the apprenticeship program be so established as to permit as early completion as possible of apprenticeship during war-time.
4. That those responsible for existing apprenticeship programs be encouraged to graduate advanced apprentices into skilled-worker classifications as quickly as they prove themselves competent to perform the work of the trade.

Their recommendations, particularly the acceleration of training and the advancement of apprentices ahead of normal practices, together with the effects of the shorter-term advancing-worker program, involved long established labor policies.

Organized labor, however, strongly supported the Federal committee's recommendations. From the point of view of the unions it was necessary to maintain recognition of the status of qualified skilled workers. Consequently, as acceptance of upgrading and the advancing-worker program spread, many local unions inserted in their bargaining agreements a provision to the effect: (1) that advancing workers could be employed on operations of limited and specified scope for the duration only, or until such time as the union could provide all-round qualified workers in sufficient numbers to meet the demand, whichever condition supervened the earlier; (2) that the advancing-worker program should in no way be confused with the apprenticeship program, or take its place; and (3) that the training and employment of advancing workers should be conducted under the joint control of management and labor.

In its study of the wartime apprenticeship situation, the Federal committee recognized the probability that practically all apprentices and even the younger all-round skilled workers, regardless of the importance of their skills, were likely to be called to military service before the war ended. As a consequence, it offered several recommendations concerning the types of persons who might be considered for apprenticeship training during the war emergency:

1. That where a plant needed all around skilled workers at the earliest possible time, apprentices should be selected from these groups of workers least likely to be called to military service. These included: veterans of the current war, older workers with family responsibilities, men classified as IV-F, handicapped persons (usually covered by the Selective Service designation IV-F), and women (for some trades).
2. That where a plant was not in immediate need of all-round skilled workers but has the facilities for training them, it should be encouraged to establish an apprenticeship program for 16/17-year-old boys and to provide for their continued attendance at high school.

All these recommendations proved practical, but as might be expected, numerous objections were raised regarding each of them. With respect to older men, the most common complaint was that men of that age would not care to be called apprentices, that they could not be expected to learn a skilled trade; nor could they subsist on apprentice's wages.

It took time to convince industry that it must train replacements for the men being called to service. Eventually, however, many plants undertook these training programs either voluntarily or through force of circumstances. Results were gratifying. It was



found that many older employees who had only partial experience in a trade welcomed an opportunity to receive extra training qualifying them as all around skilled workers. Older men did just about as well as the younger ones in the training process. The wage question posed no difficulty, because the worker was transferred to apprenticeship status without loss of pay and was given credit for past experience, thus entitling him to one or more pay raises even before he completed his apprenticeship.

Industry's attention also was directed to the possibilities of using the 16-year-old boys as apprentice personnel in the war emergency. This, of course, involved the difficulty that such apprentices would be subject to military draft before the apprenticeship could be completed. When the question of training 16-year-olds was placed before it, the Federal committee took the position that industry ought to instill in as many of these young people as possible a feeling that they belong to industry, that they have already taken root, so to speak, in the economic life of the Nation. The committee maintained that this viewpoint was just as practical, as it was social, because apprentices immediately become producers, with the result that the Nation benefited from their skills acquired in the war-production work as well as from their military service later.

The wartime apprenticeship recommendation which created greatest interest was that bearing on utilization of veterans, including those with service-connected disabilities. A great many apprenticeship programs during the later phases of the war were revised at the suggestion of ATS to provide specifically for preference to returning veterans. Many employers indicated they would be only too glad either to expand their programs or to organize new ones if they could recruit a sufficient number of veterans to train as apprentices.

Cooperation of many labor organizations was obtained in conducting regular campaigns among their local unions on behalf of apprenticeship for veterans. Several State federations of labor passed resolutions calling for action by their State officers to assure veterans adequate apprenticeship opportunities.

During the early years of the war, ATS in collaboration with other Government agencies, succeeded in refitting into civilian employment a large number of ex-servicemen, who, because of illness, physical disability or maladjustment, were unable to remain in military service. Experience gained in establishing apprenticeship opportunities for these early returned veterans proved useful when demobilization began. The total of these early groups, of course, was small by comparison with the number of veterans returning in 1945.

Another service of ATS, in anticipation of industrial needs after the war was the providing of pamphlets on opportunities in apprenticeship to the educational and training centers of the armed forces both at home and abroad. Thousands of such pamphlets, prepared at the request of the various branches of the armed forces, were distributed by them to servicemen. These pamphlets were the means of describing for the GI the value of learning a trade through apprenticeship. Care was taken not to oversell the serviceman on apprenticeship, but the real need that would exist for additional skilled workers in the various trades was described for those who might be interested in exploring the possibilities of entering a skilled



trade as an apprentice, upon their return to civilian life. Furthermore, the standards by which the individual serviceman might appraise the reality of the apprenticeship opportunity offered him also were outlined in the pamphlets prepared for men from the armed services. They also enabled a serviceman, who had been an apprentice prior to entering military service, to estimate the use and value of the duties he was then performing, as credit against his interrupted term of apprenticeship.

With knowledge gained as a result of experiences with these early returned servicemen, and because of the interest in apprenticeship shown by GI's at camps and separation centers, the ATS role in the over-all program for returned veterans has been constantly expanded to provide full information to those veterans who wished to become skilled craftsmen, and to see that apprenticeship opportunities afforded such veterans meet standards recommended by the Federal Committee on Apprenticeship. Both employers and labor have been giving veterans preference as apprentice applicants.

The problem of evaluating credit which might be given for trade training or related work experience during or prior to military service has been studied. A national conference of management, labor, vocational and industrial training representatives, and representatives of the armed services, held under the auspices of the Apprentice Training Service, made recommendations in this connection, which have been made available to industry as a guide in the proper evaluation of such experience. Because of the interest of industry in the returned veteran as apprentice timber, and the availability of subsistence aid for veterans in bona fide apprenticeship programs, returning servicemen have been attracted to careers in the skilled trades at an increasing rate, averaging close to 4,000 per month by July 1, 1946.

#### PROBLEMS CREATED BY VETERANS LEGISLATION

The passage of the Servicemen's Readjustment Act of 1944, popularly known as the GI bill, created further problems for apprenticeship officials in industry and Government. The availability of subsistence aid for the veteran serving an apprenticeship in a program approved under this act for such training caused some employers to seek approval of programs in occupations not traditionally apprenticeable, or covering situations which did not, when examined, appear to justify a formal apprenticeship. Under its responsibility to safeguard the welfare of the apprentice (including veterans) as embodied in Public Law 308 under which it was created, the influence of the Apprentice Training Service has been exerted to protect the veteran from exploitation under the guise of apprenticeship and to protect him by the widespread establishment of programs of apprenticeship in recognized trades under standards consistent with those recommended by the Federal Committee on Apprenticeship.

The authority of the Veterans' Administration to establish in-plant training programs for disabled veterans, and the fact that the GI bill permitted the establishment of on-the-job training programs not covered by apprenticeship, or any other standards, complicated the situation which developed under the GI bill. The State approving agencies appointed by the Governors of the various States to administer the approval of industry training programs for the GI, as provided in the act, had varying standards by which these proposals were judged.



Apprenticeship programs for GI's in most instances, where a State apprenticeship council existed, were reviewed and approved by that council. In some cases, however, the approval of such programs was placed in the hands of nonapprenticeship agencies. Two State apprenticeship agencies on the other hand acquired the administration of all on-the-job training, as well as formal apprenticeship programs for ex-servicemen under the GI bill.

Amid the resultant confusion, and abuses which developed, apprenticeship escaped serious criticism because of the widely accepted and established standards of the national apprenticeship program. With respect to the situation as regards the other on-the-job training programs, however, the situation became so serious that the Retraining and Reemployment Administration, under its function as a coordinating agency, published a set of criteria which it recommended be used by the various State agencies in approving on-the-job training programs for veterans, other than apprenticeship. These criteria which were promulgated after consultation with the Government bureaus and departments concerned, followed very closely the standards for advancing workers previously discussed.

#### AID TO POSTWAR HOUSING PROGRAM

In recent months there has been increasing opportunity for apprenticeship in the building trades caused by the severe shortage of housing and other construction facilities. The veterans, whose return has multiplied housing needs, not only have been in a position to help remedy the existing housing shortage, but also have been in a position to benefit themselves directly through employment as apprentices in the many crafts of the building trades.

Before the war, considerable progress had been made in the establishment of apprenticeship programs in the construction industry under FCA recommended standards. Labor and management officials in that industry were foremost among the supporters of the movement for a national apprenticeship program. Although wartime apprenticeship activity was concentrated in industries producing military needs, the desirability of planning ahead to meet the anticipated upsurge in housing needs at the end of hostilities was not overlooked by the Apprentice-Training Service.

An advisory committee known as the General Committee on Apprenticeship for the Construction Industry had been appointed by the Secretary of Labor in 1938 to develop policies and provide coordinating influence for apprenticeship in all branches of that industry. Membership of this committee is composed of national official representatives of the principal contractors associations and trade unions in that industry. The committee was inactive during the war, until December 1944, when it was called into conference in anticipation of an early conclusion of hostilities. It was recognized that construction would be one of the most active divisions of industry in the early postwar period; and that there probably would be an inadequate skilled labor force to handle the volume of work anticipated.

At the conference, the committee recommended that studies be made which would give some indication of the number of skilled workers and apprentices required to provide an adequate work force for the building trades. As a result of such study a bulletin entitled "Age



Trends in Skilled Trades in the Construction Industry, 1900-1940," was approved by the committee and distributed to the construction industry groups. It indicated that the building industry, even more than most other trades, had been lagging in perpetuating its craft skills through training of apprentices. The study showed that if the workers aged 65 years and older retired as a group, several of the building trades would not have enough beginners to replace them, and that the average age of skilled workers in the construction trades had been steadily increasing, with a resultant serious shortage of skilled construction workers being imminent.

Both labor and management groups in the construction industry had come to the realization that many more craftsmen will be needed in the building trades to meet the demand that will be placed upon them for the building program projected for the next 10 or 12 years. At the urgent suggestion of Federal Housing Administrator Wyatt, early in 1946, the construction industry committee considered ways and means which it might suggest to meet the industry's immediate and critical future needs for skilled craftsmen; and to consider how the work of ATS might best be coordinated with other government agencies concerned with different phases of the Nation's postwar housing problem.

It was believed on the basis of data available that the establishment of 5,000 joint apprenticeship committees, would be needed to undertake the training of the number of apprentices required by the construction industry. The construction industry committee urged that ATS increase its staff so as to meet the goal that had been set, and to maintain a field force of a size sufficient to assist these committees in handling the local problems which would arise as the housing program progressed. Special measures which would be helpful in expediting apprentice training in the building trades were considered. The committee, however, was unwilling to recommend any shortening of the apprenticeship term because such action would tend to break down established, time-proven apprenticeship standards. Instead, a policy was recommended, that credit for previous work experience and for exceptional advancement in the trade should be given to accelerate the training of the apprentice. Possibilities in the use of practical training courses in the various trades at preapprenticeship centers also were considered. To further facilitate the training of apprentices in building crafts, where rotation of apprentices among contractors is necessary to afford adequate trade experience, the Administrator of Veterans' Affairs was prevailed upon to recognize the industry's Joint Apprenticeship Committee as training institutions eligible to handle the training of veterans under Public Laws 16 and 346. In this way, veteran-apprentices could be placed under apprentice agreements with such committees, and would be eligible to receive the Federal subsistence aid to which they were entitled.

Despite the lack of apprentice material, and the difficulties encountered in maintaining apprenticeship programs during the war, and the necessity of Apprentice-Training Service efforts being directed toward aiding war production industries during that period, national apprenticeship standards have been established for the trades of brick-laying; carpentry; cement, asphalt and composition finishing; electrical work; painting and decorating; plastering; tile, and terrazzo



work; plumbing and steamfitting; art glass work; and the roofing trade.

The success achieved in these efforts is evidenced by the fact that the number of apprentices in these crafts has been increased from 16,780 on VJ-day to 61,087 by July 1946.

#### STATE APPRENTICESHIP AGENCIES

In attaining the objectives of the national apprenticeship program it has been the policy to encourage the States to take on the major share of responsibility for the development of standards of apprenticeship through established State Departments of Labor.

Upon request, advisory technical service is provided to groups within the States who are interested in the setting up of State apprenticeship agencies either under existing legislation or in preparing new legislation based on successful apprenticeship experience in other States. Prior to the outbreak of war there had been strong interest on the part of State labor officials and State organizations of labor and employers' association in securing the enactment of State apprenticeship legislation. But with the outbreak of war all interest and activity was centered on winning the war; and the energies of the staff of the Apprentice-Training Service were directed to assisting war industries and war supporting activities to train the skilled and semiskilled labor required. Existing State apprenticeship agencies made major contributions to the war training program by assisting management and labor groups to maintain their apprenticeship programs at the highest practicable levels. They contributed even more to the return of peace by maintaining a framework on which a postwar training program for the skilled trades could be produced.

Prior to the enactment of national apprenticeship legislation two States, namely, Wisconsin and Oregon, had active apprenticeship agencies under State law. Twenty States, including Territories and the District of Columbia, have such laws as of the date of this report and nine others have State apprenticeship agencies set up under the basic laws of State labor departments. States and Territories with apprenticeship laws are:

|                      |                |
|----------------------|----------------|
| Arizona              | Nevada         |
| Arkansas             | New Mexico     |
| California           | New York       |
| District of Columbia | North Carolina |
| Kentucky             | Oregon         |
| Louisiana            | Vermont        |
| Maine                | Virginia       |
| Massachusetts        | Washington     |
| Minnesota            | Wisconsin      |
| Montana              | Hawaii         |

States which are operating with apprenticeship councils under basic State labor laws are:

|               |              |
|---------------|--------------|
| Connecticut   | Ohio         |
| Florida       | Pennsylvania |
| Iowa          | Rhode Island |
| Kansas        | Alaska       |
| New Hampshire |              |



Conferences of representatives of State apprenticeship agencies have been held three times during the period covered. The objectives of these conferences have been to provide a means for exchanging information, consider various problems of apprenticeship administration, and work out procedures for reasonable uniformity in standards.

#### WARTIME ACTIVITIES SUMMARIZED

While every expediency was utilized during the war, to maintain the gains made under the national apprenticeship program, many difficulties were encountered. The basic difficulty, of course, was the constant drain of young manpower into the armed forces. With the end of hostilities, the need for industrial mobilization and training under the War Manpower Commission ceased, and the Apprentice-Training Service was returned to the Department of Labor on September 19, 1945, by Executive Order No. 9617. The coming of peace, however, put a new and twofold pressure on the resumption of apprenticeship promotion. First, industry wanted to re-man its skilled trades in the face of production shortages in all civilian lines. Second, returned veterans by the thousands wanted to learn a skilled trade with the aid available through the GI bill.

Consequently, national interest and activity in this field, among all industries, has mushroomed in the early postwar period. This increased national interest in apprenticeship is illustrated by the mounting requests for apprenticeship publications and information received directly from prospective apprentices, and employers and others. Thousands of such requests for the pamphlet, *Apprentice Training for Returning Servicemen*, and the 25 other ATS booklets available for public distribution have been received.

The wartime services of ATS may be summarized as follows:

1. Developing apprenticeship standards pertinent to the war effort and maintenance of interest in apprenticeship in relation to the Nation's postwar program.
2. Assisting industry in setting up short-term training programs for war production workers, specialty workers, and women workers. More than 2,400 such programs were established with ATS assistance.
3. Preparing information for veterans in connection with opportunities in skilled trades; and establishing apprentice programs to provide adequate opportunities for such training for the returned veteran.
4. Giving assistance to the construction industry to develop apprentice-training programs to train skilled building tradesmen to cope with the impending postwar housing emergency; and the existing shortage of all types of construction facilities.
5. Providing consultation service to industry on labor-relations problems connected with wartime industrial training.

While the Nation's war production needs required the development of intensive industrial training program to produce the large numbers of semiskilled workers needed, the Apprentice-Training Service's efforts in apprenticeship remained a constant, underlying policy in its work throughout the period of World War II.

The fine cooperation in the promotion of apprenticeship standards which has existed between the management and labor members of the



various local, State and national apprenticeship committees, and the State apprenticeship councils and the Federal Committee on Apprenticeship has been the dominating factor in the success of the national apprenticeship program as developed by the Apprentice-Training Service. It also demonstrates the excellent relationship that can exist between private enterprise and a Government department, and among State and Federal agencies.

## BUREAU OF LABOR STATISTICS

The Bureau of Labor Statistics is the fact-finding arm of the Department of Labor and one of the major sources of information in the Federal Government on current economic conditions. With the end of the war and the growing integration of labor functions in the Department, the outstanding developments in the work of the Bureau in 1945-46 were the adaptation of its wartime program to current and continuing peacetime needs and the closer coordination of its activities to the operating needs of an expanding Department of Labor. This report, covering the most critical year in the Bureau's history, presents in more detail than usual the problems faced by the Bureau in the past year and, by way of background, a review of the prewar and wartime development of the Bureau's work.

### 1933 to 1940

During the period 1933 to 1940, a distinctive era in the history of the Bureau of Labor Statistics, the groundwork was laid that permitted the Bureau to assume the functions it performed during the war years. It was characterized by three developments. First, there was a notable advance in the professional and technical quality of the Bureau's staff and work. Secondly, the work of the Bureau was used more intensively by other Government agencies concerned with the formulation of economic policy than at any time in the past. There was, thirdly, an expansion of the Bureau's resources and the development of a strong organizational structure for the administration of the Bureau's work. Without these three developments the Bureau could not have assumed the responsibilities that it carried in the war period, nor could it have saved in the transition after the war so large a part of the gains in labor and economic statistics which had been made during the war.

The increased use of the Bureau's resources by other agencies of the Government in the prewar years resulted from the fact that a maximum mobilization of economic information was required during the depression years. The Bureau was one of the primary fact-finding agencies servicing the needs of the National Recovery Administration, the Public Works Administration, the Work Projects Administration, and the National Resources Planning Board. A considerable number of studies were undertaken with funds transferred to the Bureau from one or another of these agencies. There was also a notable expansion of the Bureau's work through the organization of Nation-wide WPA projects in a variety of fields: for example, studies of consumer income and expenditure and employment requirements in the construction industry. Partly as a result of this experience in economic analysis during the period from 1933 to 1937, the Bureau of Labor Statistics was asked to conduct a number of studies for the Temporary



National Economic Committee from 1938 to 1940 and was itself represented on the Committee through the Commissioner, Dr. Isador Lubin, and his alternate, Mr. A. F. Hinrichs, then chief economist of the Bureau.

Only slightly less necessary to the assumption of the responsibilities which fell to the Bureau during the war period was the gradual growth in the Bureau's direct appropriations from about \$500,000 in 1933 to a little over \$1,000,000 in 1940. This expansion enabled the Bureau to round out its information on a national basis with respect to important movements in employment, wages, and prices. Only a few months before the war began Congress established the Occupational Outlook Division which became a focal point in the war period for the analysis of labor requirements in the munitions industry.

It was also important that by 1940 the Bureau had effected an internal organization of its expanded and improved work which was strong enough to carry the load of the war period with comparatively few changes.

Finally it should be noted that in the prewar period the Bureau was forced by the nature of its work and powers to develop a maximum willingness on the part of those who furnish information to cooperate with the Bureau. It is necessary to work ceaselessly to develop a feeling of confidence in the reliability of a fact-finding agency that operates in this way. On the basis of habits established before the war, the Bureau managed to carry out an enlarged data-collection program during the war without ever seeking compulsory powers.

Thus, without planning to become a war agency, the Bureau was fitting itself all through the period that we were fighting unemployment to help fight the war. Perhaps the Bureau's greatest contribution to the war effort was the assistance it gave to war agencies; it was not necessary to build new emergency statistical organizations to the extent we did in World War I. Because the Bureau of Labor Statistics was ready to expand to meet wartime demands, it was able to salvage certain enduring byproduct values from the war itself and to conserve for peacetime use some of the types of information that we required during the war. This now appears to be the outstanding consequence of the developmental period from 1933 to 1940.

#### 1940 to 1945

The war period from 1940 to 1945 involved drastic changes in the Bureau's work. The Bureau was already well established as the major fact-finding agency of the Federal Government in the fields of employment, wages, prices, industrial accidents, industrial relations, and productivity. It had a basic file of data and a staff trained to collect data accurately and economically. It became a research arm for the Office of Price Administration, the War Labor Board, the Army Air Forces, the Navy, and the Maritime Commission. Less extensively it served the War Manpower Commission, the National Housing Administration, the War Production Board, and others. At one time the Bureau even helped the air forces to develop accident records that might be used to reduce fatalities during the training period. The Bureau's experts were transferred to new agencies or detailed to them on a reimbursable basis to set up control statistics such as the index of munitions prices compiled by the War and Navy Departments.



The Bureau furnished not only the technical resources necessary to data collection and analysis but the administrators of some agencies like the OPA found it important to have statistical data from an independent source as a sort of audit on the effectiveness of their administration.

All this of course meant the development of a demand for large amounts of additional information in precisely the fields in which the Bureau was already engaged. During the fiscal year 1941 this expanded work was financed primarily with funds transferred to the Bureau on the initiative of one or another of the branches of the Advisory Commission to the Council of National Defense. In the fiscal year 1942 that part of the expansion which could be visualized as a program continuing through the year was financed by so-called "national defense" appropriations made by Congress to the Bureau. The Bureau, however, continued to receive funds by transfer for special service jobs to individual war agencies. As wartime controls were extended new services were demanded of the Bureau of Labor Statistics. Thus, it was not until the winter of 1943 that the Bureau's work in occupational wage rates was enormously expanded.

This wartime expansion had certain characteristics which materially influenced the course of the Bureau's work and which gave shape to the problems which it had to meet in the transition from war.

In the first place, the Bureau undertook relatively little completely new work. Rather, what happened was that the control agencies needed a vastly more detailed body of economic information for administrative purposes than had been required by the business community or by the agencies of the Federal Government when national indicators alone constituted fairly adequate measures of economic trends and tendencies. For example, whereas before the war the Bureau had made studies of occupational wage rates in four or five industries a year and presented the information with, at most, certain broad regional breaks, the National War Labor Board required information for individual labor markets and for almost every industry at once to administer the wage-bracket formula of stabilization.

Once these local data became available they began to be used not only by the wartime agencies of the Government but also by large numbers of private individuals and by the representatives of local governmental agencies. Thus, by the end of the war, the Bureau of Labor Statistics was receiving nearly 2,000 requests a month from businessmen and trade-unions for occupational wage-rate information which they might use in bargaining negotiations prior to the submission of an agreement to the Regional War Labor Board. As the end of the war approached, the Bureau knew that data which had been collected in the first instance exclusively to meet the administrative needs of war agencies were going to continue to be needed by the business community and the public after the war was over.

The second characteristic that needs to be noted with reference to the wartime expansion of the Bureau of Labor Statistics was that it was completely financed either by so-called "national defense" appropriations or by transfers of funds from war agencies under a general authorization for such transfer by Congress. When the war ended, there was no assurance that the expanded program which had become necessary to the business community as well as to Govern-



ment agencies could be continued. The most important single problem of the first year of transition was, therefore, to put the financing of an acceptable minimum program on a firm foundation.

Thus, the Bureau came to the end of the war (1) with a greatly expanded program of regular work with far more local detail than had previously been available, (2) with regional facilities for collecting and disseminating economic facts that made it much easier for the businessman and local labor-union official to use the data, (3) with a vastly increased demand for the Bureau's information, but (4) with no increase in its regular (as opposed to its "national defense") appropriation. As a result of the kind of expansion that had occurred to service the needs of war agencies, there was also a need to re-evaluate the Bureau's program to make sure that in peacetime it was, in fact, a balanced program designed to produce the data needed in the interests of the broad aims of the Department and the Bureau.

### **Transition for Wartime Program, 1945-46**

As part of a reconversion program, the Bureau of Labor Statistics received, early in 1945, a supplemental appropriation to launch a new program for the collection of State employment and pay-roll information which would be comparable with the national figures compiled by the Bureau of Labor Statistics, and to take over under its budget occupational wage rate studies which previously had been financed by transfers from the National War Labor Board. To have carried this work forward into 1946 along with the rest of the Bureau's program would have required about \$700,000 more than was appropriated by the Congress.

Consequently as the war neared its end the first problem that the Bureau faced in July 1945 was to reduce its program of operation by about 15 percent, despite the fact that the total appropriation was slightly larger than that of the previous year. The Congress left with the Secretary of Labor and the Commissioner of Labor Statistics discretion as to the points at which the program should be curtailed. In effecting a reduction in the volume of work, the various agencies of Government and the private users of the Bureau's statistics were consulted to achieve a balanced program.

It was decided in the first instance to eliminate all activities which were related exclusively to the production of munitions. So, for example, forecasts of labor requirements for the aircraft and shipbuilding industries were discontinued as were a variety of services rendered to the Army Air Forces, the Navy, and the Maritime Commission. This decision was validated almost immediately by the coming of VJ-day in August 1945. Beyond that reduction, there was relatively little room for curtailing that part of the program which was financed by direct appropriation to the Bureau from the Congress for national defense or general purposes.

The process of curtailing the Bureau's regular work was highly selective, although some small reductions were made in most aspects of the program. In view of the evident need for information on industrial relations arising out of the greater number of work stoppages which followed VJ-day, no curtailment was made in the Bureau's work on industrial relations nor on productivity which, it was clear, would be an issue of consequence in the period of immediate reconversion. With reference to employment statistics, information was



clearly needed on the impact of the transition from war to peace on particular industries both throughout the country and in the several States, and accordingly no curtailment was made there. Principal reductions were on the program of the Prices and Cost of Living Branch, in which the collection of information on price changes at retail in almost all of the cities added during the war as a part of the war program, including a group of 20 small cities, was eliminated. A second important curtailment was in the Wage Analysis Branch where the scope of the program for the collection of occupational wage rates, expanded in the spring by the use of supplementary funds, was sharply curtailed.

With the coming of VJ-day, it was apparent that the program, which was constructed on the assumption that war with Japan would go into 1947, was inadequate to the needs of this transitional period. Therefore, supplemental budget requests were submitted in the fall of 1945 to expand work in labor economics, in foreign labor conditions, in industrial relations, and in productivity. The appropriation was authorized in January 1946 and by the end of the fiscal year these programs had been expanded.

Shortly after VJ-day the Appropriations Committee reexamined all national-defense appropriations with the object of eliminating all expenditures which were not indispensable in the transitional period. A large part of the program financed by national-defense appropriations, which constituted two-thirds of the Bureau's funds, served continuing and forecastable needs in the reconversion period. These needs arose, not because we were producing munitions but because the reconversion period was to be one of even more rapid economic change than the war period itself. No reduction was made in the Bureau's appropriation at this time.

Reviewing the year's work at its close, it is probable, in the light of the demands for occupational wage-rate information during the year, that an excessive reduction was made in this field of work. A somewhat similar situation existed with reference to the collection of information on price changes. It is of fundamental importance that there should be information on changes in consumer prices in all States, that there should be information with reference to small cities as well as to large, and that data should be collected to serve the needs of industries like textiles and coal, which are located, for the most part, outside large industrial centers.

In the closing days of the fiscal year, as it became clear that the Price Control Act would lapse, plans were made to handle with all possible speed price information in a period of rapidly rising prices which would ensue with the uncertainty as to the extension of price control. It was clear, however, that this would be accomplished only by temporary curtailment of all other phases of the price-statistics program.

During this year as in earlier years the Bureau continued to receive funds by transfer from other agencies. On this basis numerous surveys were made for the Office of Price Administration, primarily in connection with rent control and decontrol. The Bureau continued to serve the National War Labor Board on a decreasing scale as its activities were curtailed. Actually, the establishment of a new wage-price policy in the late winter of 1945 required the initiation by the Bureau



of numerous special studies designed to develop information on the general pattern of wage-rate changes which had occurred. In order that this work might be done, the National Wage Stabilization Board transferred some funds in the spring of 1946 and authorized plans for further work of this sort in fiscal 1947. Other special studies were financed by the National Housing Administration and the Veterans' Administration. The most important of these transfers, so far as the program of the Bureau was concerned, was a transfer from the National Housing Administration to initiate a broader program of housing statistics in various localities in connection with the veterans' emergency housing program.

### **Relation to an Expanding Department**

The Bureau's work has been affected not only by these budgetary changes but also by changes in the scope and organization of the Department of Labor. It was clearly established policy that the Bureau of Labor Statistics was to function as the fact-finding arm of the Department of Labor. This has meant that it was necessary for the Bureau of Labor Statistics to perform many services for other bureaus in the enlarged Department of Labor that were formerly performed by war agencies. For example, the labor economics staff and the several branches have served the research needs of each of the fact-finding panels which were appointed in labor dispute cases with the single exception of the General Motors fact-finding panel. This demand for a type of service which the National War Labor Board staff formerly rendered to the panels of the National War Labor Board absorbed virtually the entire resources of the labor economics staff of the Bureau.

The dissolution of the War Manpower Commission and the incorporation of the United States Employment Service into the Department of Labor made it possible for the Bureau of Labor Statistics to serve the needs of the Employment Service somewhat more effectively than had formerly been the case. For example, the Bureau prepares each month the over-all national analysis of employment conditions which appear in the monthly publication of the Employment Service, and is supplying the United States Employment Service with the long-run information which the Employment Service needs for occupational counseling.

There has also been close cooperation with agencies that have long been in the Department of Labor which are increasingly utilizing the facilities of the Bureau of Labor Statistics to improve their own services to the public. As a result of activities of this sort special work was undertaken for the Women's Bureau, the Children's Bureau, the Conciliation Service, and other divisions of the Department.

### **New Program Developments**

During the fiscal year 1946 there were notable new developments in the substantive content of the Bureau's work. The two most important were the development of State employment figures and the preparation of a study to measure both relative and absolute differences in the cost of living for a workingman's family in the 34 large cities for which the Bureau maintains a consumers' price index.



The project to measure changes in employment in each of the 48 States and to develop figures for the individual States that would be comparable with national totals already available, was authorized in January 1945. Aggregates for manufacturing employment were ready in time to test and measure the effect of the elimination of munitions production and to trace the recovery of employment in the first months of transition.

There have been two important byproducts of this study of State employment trends. The first is administrative. It was necessary for the Bureau of Labor Statistics to develop very close working relationships with State authorities and particularly with State unemployment compensation administrations in order to develop comparable bench-mark information and in order to select samples of employers to report employment monthly so that the bench-mark totals might be kept up to date. A single report form covering current employment and pay rolls serves the needs of both State and National authorities. The figures on employment in the individual States are released by State agencies. The development of this type of cooperation between National and State authorities is desirable as an end in itself but it has also laid the ground work for the more difficult task of developing employment information for individual industrial areas.

The second consequence of the State employment program was to make possible an improvement in the national totals themselves. This will be particularly true of figures for construction and of figures for industries in which very small establishments play an important role.

The second major new development in the Bureau of Labor Statistics this last year is a study of intercity differences in the cost of living for a workingman's family. A preliminary report has been rendered to Congress and the letter of transmittal made a part of the record of the hearings before the House Appropriations Committee. This study involved two different problems: one, the measurement of the relative differences of prices; the other, the establishment of a budget and its cost in terms of dollars and cents. The first part of this work has been completed and the Bureau is now in a position to say whether it costs 2 or 3 or 5 or 10 percent more to live in Washington, D. C., for example, than in some other large city in the United States. The method used in constructing a standard budget and estimating costs in terms of dollars and cents was recommended to the Bureau of Labor Statistics by a technical committee consisting of outstanding experts in the field of nutrition and consumption economics and including people with labor and industrial backgrounds.

Three other developments in the Bureau's work this past year are of importance because they have developed new types of information. In the past, almost all current information on employment, wages, and earnings has come from reports made by employers. With such reports it is possible to describe the difference in the average earnings of the workers who were employed in an establishment in January 1941 and of a somewhat different group of workers employed, for example, in January 1946. In the spring of 1945, the Bureau of Labor Statistics interviewed representative groups of workers in war and nonwar industries and by means of subsequent interviews and correspondence traced changes in their economic situation through the



early transitional months. A similar study of veterans was undertaken in the spring of 1946. Preliminary results of this study have already been made available to the Retraining and Reemployment Administrator in the United States Department of Labor and to the Administrator of the Veterans' Administration.

The second study that developed new types of data is a study of productivity in industries manufacturing unstandardized products. In the past, studies of productivity have had to be confined largely to industries manufacturing relatively well-standardized products. There has been no good means of tracing changes in output per man-hour in an industry like the machinery industry which manufactures its products to special order and which manufactures many thousands of different kinds of products. During the war the Bureau of Labor Statistics gave continuous study to this problem and devised methods which are being applied with funds appropriated in January 1946. This work has progressed far enough to ascertain that the methods are practicable.

A third new study in the Bureau has been published for technical criticism, in an effort to apply new techniques to the problem of estimating probable patterns of employment under conditions of full employment. The nature of these techniques cannot be summarized within brief compass but may prove to be an exceptionally useful tool for purposes of economic analysis. This work is still in a stage of development in which it is of greater concern to professional economists than it is to laymen, though the method has been applied already to produce answers to questions of general concern such as the one just mentioned and a similar study of the German economy which was used by the Reparations Commission.

Other developments in the Bureau's work can be more briefly summarized because they represent extensions of work already under way. There have been important developments in the Occupational Outlook Division. This is, in fact, the first year in which it has been possible for that division to turn its entire attention to the problem of appraising long-run employment prospects in occupations requiring long periods of training. During the war the resources of this division were devoted to the problem of estimating the labor requirements of the munitions program. The original and the present focus of interest of this division, however, is the individual who is seeking advice with reference to an occupational choice. The resources of this division were supplemented during the year with a transfer of funds from the Veterans' Administration in order that this work might be increased to serve the needs of those returning from the armed forces.

There have been significant developments in the Bureau's work in the field of industrial relations. The tremendous volume of strike activity in the early months of 1946 involved concentrating attention on the measurement of work stoppages and retarded the development of a more positive program. Out of discussions with the Conciliation Service and with representatives of labor and management as well as with various industrial relations schools, the Bureau has developed a program designed to produce information which will be useful in the prevention of labor disputes and in the development of good industrial relations practices.



With the coming of peace, labor conditions in foreign countries became of increasing importance to people in the United States. A staff has been established in the Bureau of Labor Statistics to analyze foreign labor conditions and the results of their studies are being increasingly used. This staff depends in considerable part for its information upon reports by the foreign labor attachés.

The Bureau has also inaugurated a study of labor requirements of material suppliers for the construction industry. This will bring up to date information which was last collected in the middle thirties.

Two other developments having to do with the use of the Bureau's data are to be noted. The staff of the Bureau is being called upon increasingly to supply technical assistance to State authorities who are attempting to develop statistical programs in their States. Assistance of this sort has been given particularly in connection with the development of accident statistics and of cost-of-living statistics for cities not covered by the Bureau of Labor Statistics. This represents, therefore, a further extension of the Bureau's efforts to see that the economic data which it collects and its technical knowledge of statistical procedures are made available to private individuals and local authorities.

Finally, it has been a source of satisfaction that during the first year of transition from war to peace the economic data produced by the Bureau of Labor Statistics have been used more widely, both for policy-making purposes within the Government and by labor and industrial organizations, than at any other time in the Bureau's history.

### CHIEF CLERK AND BUDGET OFFICER

The office of the Chief Clerk and Budget Officer, which is responsible for the over-all administrative functions of budget planning, organizational structure, and coordination of the various bureaus' programs, had an unusually heavy load during the past year. The work of fiscal administration was increased by the expansion and reorganization of the Department. The end of the war necessitated further rearrangement and reconsideration of some programs tuned to war needs.

While there has been a Chief Clerk of the Department since its inception, the present system of program and management planning and budget review for effectiveness of operations dates from 1942 when the function of the Chief Clerk was broadened to include these responsibilities. There is continuing review by this office through the following techniques:

1. All fiscal procedures and prescribed operations are reviewed and analyzed at least once a month for such positive action as may be required.
2. All requests for funds and personnel ceilings and major changes in program must be reviewed and approved.
3. All proposed research projects or studies involving contacts with the public must be approved.
4. Various operations on the bureau level are tested from time to time through process or flow charting.
5. Field office operations are reviewed from time to time.
6. Test checks are made from time to time of various expenditures for propriety.



Other services under supervision of this office are:

1. The Department's records program.
2. Centralized procurement of supplies, equipment, printing, etc.; periodicals, publications, and duplicating.
3. Centralized general ledger accounting controls.

Under General Order No. 6, dated August 11, 1945, the present Secretary of Labor placed upon the Chief Clerk and Budget Officer responsibility for the proper administration (except personnel administration) of all of the functions of the Department's business administration. This order made the Chief Clerk and Budget Officer responsible for the Department's functions of budgetary, financial, and office service management administration; for planning and approval of organizational structure; for administrative planning and management procedure; for current approval and coordination of Bureau programs; and, this office represents the Department before the Bureau of the Budget, Appropriations Committees of Congress, and other Federal agencies on budgetary, organizational, accounting, procurement, and fiscal matters.

Under Executive order of the President, dated September 19, 1945, there were transferred to the Department, the following agencies:

United States Employment Service.

National War Labor Board (now National Wage Stabilization Board).

Retraining and Reemployment Administration.

Apprentice Training Service.

A later order transferred to the Department the Shipbuilding Stabilization Committee.

These transfers required initial planning and work by the office of Chief Clerk with regard to transfer and availability of adequate funds, equipment, servicing on procurement and supplies, and housing provisions in closer proximity to this Department.

The scope of the housing problem is indicated by the fact that on June 30, 1946, the Department occupied approximately 579,694 square feet of floor space in 19 different buildings in the District of Columbia.

For the President's Labor-Management Conference during the period from November 5 to 30, 1945, the office handled its housing and administrative problems and the Chief Clerk and Budget Officer served as administrative officer. The same services were performed for the President's and the Secretary's Fact-Finding boards.

Finding space for regional offices and other field units of the Department became a serious problem because of the commercial housing shortage and increased rents. Landlords who previously were glad to accept Government agencies as tenants grew reluctant to accept them at rates available for Government rental and declined to renew expiring leases for premises occupied for many years. This resulted in a continual hunt for quarters and shifting of offices, equipment, and personnel.

The new pay bill necessitated recasting and refiguring costs of the Department's personnel (August 1945).

To promote a better understanding of their mutual problems, business managers of the divisions and bureaus have held regular bi-monthly meetings in which the Director of Personnel also participates.



An agreement was made with the National Housing Administrator, for special service in connection with the veterans' housing program and resulted in a transfer of funds to the Department of Labor for office of the Secretary, United States Conciliation Service, the Wage Adjustment Board, United States Employment Service, Apprentice Training Service, Bureau of Labor Statistics, for work to be performed from April 1 to June 30, 1946.

A monthly digest of the more outstanding activities and operations of bureaus and divisions has been instituted for the information of the Secretary's office.

A budget and management planning staff to work with bureaus and divisions on their budget and operations related to budgets has been set up and is functioning. A records administration program for advice and assistance in coordination of files and disposition of records as required by regulations has been functioning effectively for several months.

The uncertainty surrounding the wage stabilization and price control programs at the end of the fiscal year made it necessary to have flexible plans for the staff and functions of several bureaus. They were the Wage and Hour and Public Contracts Divisions, the Conciliation Service, the Bureau of Labor Statistics, and the National Wage Stabilization Board, each of which had been performing important functions for the above programs.

A teletypewriter service connected with the Public Buildings Administration system, serving bureaus and offices in Washington and in the field was inaugurated on January 1, 1946.

The office of the Chief Clerk and Budget Officer made a survey of the Labor-Management Committee files of the War Production Board with a view to utilization of certain of the records and experience and information by some divisions of the Department (primarily the Division of Labor Standards). Arrangement was made with the Administrator of the Civilian Production Administration for transfer of these records and they are at present being used in the Department.

### **Fact-finding boards**

In connection with the establishment of fact-finding boards in industries in which disputes required them, the office of the Chief Clerk was directed by the Secretary to "issue such instructions as are necessary to advise board members of the available facilities and services of the Department." Such instructions were drafted and made available, in addition to the actual servicing on procurement, supplies, space, and other business management functions. Before these boards were established the Chief Clerk had estimated the probable expense involved. A sum based upon this estimate was transferred to the Department by the President from the Emergency Fund for the President, National Defense, 1942-46.

By its very nature fiscal administration is concerned with the wise allocation of agency funds and facilities. A sound policy must be based upon a clear recognition of the Labor Department's fundamental aims and purposes. The functions of the Chief Clerk and Budget Officer are carried out with this responsibility fully in mind.



## FINANCIAL STATEMENT OF THE DEPARTMENT OF LABOR

## Fiscal year 1946

|                                                                                                                       |                |
|-----------------------------------------------------------------------------------------------------------------------|----------------|
| Appropriations made directly to the Department.....                                                                   | \$74, 197, 601 |
| Appropriations made to agencies transferred to the Department.....                                                    | 75, 965, 107   |
| Funds transferred to the Department from other Government agencies to cover services performed for such agencies..... | 2, 718, 967    |
| Total funds made available to the Department for the fiscal year.....                                                 | 152, 881, 675  |
| Funds rescinded.....                                                                                                  | 12, 308, 182   |
| Net amount available for obligation.....                                                                              | 140, 573, 493  |
| Obligation incurred during the fiscal year.....                                                                       | 139, 523, 073  |
| Unobligated balance at close of fiscal year.....                                                                      | 1, 050, 420    |

## WAR YEARS

Apart from the enlargement of its regular functions within the Department of Labor, the office of the Chief Clerk and Budget Officer's responsibilities during the war years were increased.

In January 1942 the office of the Chief Clerk was delegated authority to determine what employees in the Department were entitled to priority travel by air pursuant to a request of the military director of Civil Aviation, Army Air Forces, War Department.

In June 1942 the Secretary by administrative order required all bureau and division heads to effect clearance with the Chief Clerk on all budgetary matters which might arise as a result of other Government agencies requesting services of the Department in order to avoid duplication.

In August 1942 the Chief Clerk was designated by the Secretary to be permanent alternate on the National Archives Council and to perform the functions provided under the National Archives Act of June 1934, relating to the classes of material to be transferred to the National Archives Building and the regulations governing the disposition and use of records transferred to the custody of National Archives and the promulgation of regulations for the disposal of valueless records.

Authority to certify all classes of vouchers payable from any funds made available to the Department of Labor and to execute any and all contracts of the Department was delegated by the Secretary to the Chief Clerk in January 1943.

In March 1943 the Chief Clerk under administrative order was made one of the three members of the Department's deferment committee.

In April 1943 under administrative order the Secretary required that all communications addressed to the Bureau of the Budget and to other officials outside of the Department on budgetary and fiscal matters be transmitted through the Chief Clerk to the Secretary. This same administrative order required bureau officials desiring an opinion from the Comptroller General to clear through the office of the Chief Clerk and also provided that all correspondence relating to the procurement of space, supplies, and services when addressed to officials or persons outside of the Department be cleared through the Chief Clerk.

In June 1944 the Secretary designated the Chief Clerk and Budget Officer as one of eight employees to represent the Department on the Federal Interdepartmental Safety Council, which council was established by Executive Order 8017 on March 21, 1939, as an official ad-



visory agency in matters relating to accident prevention and health conservation of Federal employees.

An administrative order issued in September 1944 requires all bureaus to submit to the Chief Clerk and Budget Officer in advance of each fiscal quarter a list of all contemplated projects which would result either in a process report for general distribution or which would be the subject of public discussion. Schedules and forms required to be cleared with the Division of Statistical Standards of the Bureau of the Budget under the Federal Reports Act of 1942 are likewise subject to prior clearance with the Chief Clerk and Budget Officer. The purpose of this order is to coordinate the research work of the various bureaus.

Under an administrative order issued on December 21, 1944, calling attention to the request of the Office of Defense Transportation to reduce to a minimum all travel for the purpose of attendance at meetings unless contribution to the war effort resulted, responsibility was placed upon the Chief Clerk to act as clearance officer for all travel coming in this category. A system of clearance and inquiry had to be devised.

#### **Specific problems of operation arising as a result of the war program**

While the war effort had no effect in changing the elementary principles of accounting, the volume of transactions increased and closer accounting controls were necessary. In general, the basic appropriations of the Department remained the same, but practically every bureau was given a national-defense appropriation and most of them received working-fund allocations. Early in the war period the Bureau of the Budget took the position that any increase in an activity should be related to the war effort and that such increase must be requested and accounted for separately from regularly appropriated funds. The theory behind this was based on the assumption that, upon the advent of normal times, these activities would cease and elimination of the activity would be simplified by eliminating the appropriation therefor. These appropriations were called "National Defense." At first, the funds were allocated to the Department by the Bureau of the Budget from the President's Emergency Fund, which was appropriated by Congress to take care of unforeseen situations and to speed the financing of emergency war activities. Subsequently, the items were included as a part of budget estimates submitted to Congress and appropriation made separately from regular appropriations.

Obviously, the Department being one of the regular old-line executive agencies operating in a field which was so closely tied in with war production, it was natural for the war agencies to make use of the existing Department facilities. In such instances where the Department's services were material, it was customary for the war agency to finance the cost thereof through a working fund. The appropriation made to the war agencies carried provisions allowing such transfers upon approval of the Bureau of the Budget. This was accepted as the only point of contact between the bureaus and the Bureau of the



Budget, the war agencies, and the Treasury Department on all financial matters.

### **Procurement administration**

The scarcity and shortage of items ordinarily used in everyday operations had a marked effect on the Department's procurement problems. These items covered a wide range, from rubber bands to typewriters and office furniture. The War Production Board controlled the use of critical scarce items. It became necessary to estimate in advance of each quarter the amount to be expended for articles of supply and to justify individually the need for a typewriter. In both instances approval was required from the War Production Board. This extended also to alterations of space and to additions or changes in telephone facilities in the expanding and decentralized growth of the Department's field offices. It soon became evident that this problem could be handled best by having one contact between the Department and the War Production Board. The office of the Chief Clerk assumed this responsibility and issued several regulations designed to cooperate in the program of conservation and obtain more effective utilization. Among these were regulations on the utilization of telephones, space, standardization of forms, conservation, centralization of property control, etc.

During this period of time, the Procurement Division of the Treasury Department decentralized its procurement functions to regional offices. Insofar as the Labor Department was concerned, this had the effect of saving on the packing, crating, and shipping of supplies and equipment to the field offices. In order to maintain administrative control, the regional offices of the Procurement Division were notified through the Central Procurement Division in Washington to honor purchase orders only when signed by the Chief of the Division of Publications and Supplies of the office of the Chief Clerk.

During this period, the Department's centralized type of operation more and more became decentralized as a result of the necessity for close cooperation with such war agencies as the National War Labor Board, the War Manpower Commission, and the War Production Board. Most of these day-to-day operating problems were handled locally and it became necessary for the Department to have representation locally of such caliber that day-to-day operating procedures and decisions could be made without delay. Therefore, the Secretary, in Administrative Order No. 105, dated November 30, 1942, established 13 Department of Labor regional offices. It was the responsibility of the Chief Clerk's office to obtain space wherever possible to house all Labor Department units in the field under one roof in each locality. Failing this, it was necessary to locate other space and enter into such contracts as were necessary. Close cooperation was worked out with the Public Buildings Administration and with the Division of Central Administrative Services of the Office for Emergency Management for leads and contacts they had regarding availability of space in the various localities.

### **Budget administration**

During the war period, the Wage and Hour Division, the Bureau of Labor Statistics, and the Wage Adjustment Board received funds from other Government agencies for work performed for such agencies.



In general, the appropriations for the war agencies were made in a lump sum to the Office of Emergency Management, which was the over-all organization for all war agencies. The law provided that transfers of money appropriated for such purposes to other Government agencies had to be approved by the Bureau of the Budget. The Bureau of the Budget, in turn, issued regulations which required the submission of budgets quarterly, and hence the quarterly transfer of funds to conduct such operations. Thus, it was necessary to prepare quarterly budget estimates and justifications. Separate financial statements had to be rendered as to the cost of such operations, and it was necessary to maintain, where possible, statistical evaluations of the services performed. Estimates were already submitted by the performing agency (Department of Labor) to the requesting agency, which, in turn, submitted the estimates to the Bureau of the Budget, before which bureau representatives of the Department of Labor were required to appear to justify not only the amounts involved but the necessity for performing the activity involved and the manner in which the function would be performed.

On November 30, 1942, a 48-hour workweek went into effect. As a result of this, legislation providing for overtime pay was enacted. The Bureau of the Budget thereafter established a ceiling for each quarter representing the number of personnel which could be in an active pay status during any one pay period. Not only the control of remaining within budget ceilings of number of personnel and increasing or reducing ceilings had to be justified to the Bureau of the Budget but also the need for funds for operation or for the necessity for performing certain functions.

As a result of all these increased activities, the Estimates Division of the Bureau of the Budget held the Chief Clerk responsible for budget estimates, justifications, and over-all policy operations. The technique of preparation of budget estimates did not change materially over the preparation of budgets prior to the beginning of the war, except that estimates are currently prepared on the basis of man-years of work rather than the number of budget positions required. There developed, however, a great volume of narrative justification and financial and statistical tables. Also, enactment of Public Law 364, approved June 28, 1944, requires Government agencies to include in their estimates a sufficient amount to reimburse the Post Office Department for handling penalty mail at a cost of \$15 per thousand pieces and to cover the cost of mailing prepaid official matter weighing over 4 pounds at the fourth-class rate.

To avoid duplication of services or functions, the Chief Clerk closely scrutinized all programs set up by bureaus within the Department and checked these against similar tasks projected by other Government agencies. During the war period some emergency offices were staffed with personnel who were not familiar with Government service and did not realize either the need for program clearances or the amount of information and service already available. Thus, it was a great advantage to have careful scrutiny which would conserve time, effort, and Government funds.

### **Planning organization and procedures**

This function, first begun in the office of the Chief Clerk and Budget Officer in 1942, was concerned with over-all planning and advising



the bureau chiefs on organization, management, and budget administration. The activity was also closely related to the budget administration functions of the office. For example, it planned the decentralization of the United States Conciliation Service. It planned the revised organization of the Business Management Branch of the Bureau of Labor Statistics. Due to the turn-over in qualified personnel, it has actually prepared the budget estimates and analyzed the financial administration of the United States Conciliation Service, the Wage Adjustment Board, other special projects for various bureaus, and various major bureau estimates. In the field of preparation of procedures affecting business management administration, this office developed standard instructions for the preparation of budget estimates and the writing of budget justifications. It planned the Department's program of conservation of automobile mileage. When it became necessary to obtain space for the decentralized departmental operations, it prepared a manual on the contract-and-bid procedures and regulations governing the acquisition of space for the guidance of those officers of the Department who will be required to perform these day-to-day functions.

#### Departmental travel regulations and policies

As a part of the Nation-wide rubber-conservation campaign, effective July 1943, the Department initiated a program of motor-vehicle mileage conservation with a goal of a reduction of 40 percent under 1941 travel on official business. The Chief Clerk and Budget Officer was designated mileage administrator for the Department. Deputy mileage administrators were responsible for approving, for the mileage administrator, all requests for gasoline, tire, or motor-vehicle purchase rations, and for maintaining mileage records for privately owned automobiles. Car-pooling coordinators were informed of proposed travel itineraries and, where possible, combined trips of employees within or between bureaus. The following tables are examples of the saving in mileage, despite greatly increased activities in the Department:

*Mileage conservation*

| Year                   | Mileage     | Percent of increase or decrease over 1941 | Additional passengers carried |
|------------------------|-------------|-------------------------------------------|-------------------------------|
| 1941.....              | 4, 905, 103 |                                           |                               |
| 1943.....              | 5, 187, 704 | +5                                        | 1, 871                        |
| 1944.....              | 4, 815, 808 | -2                                        | 1, 846                        |
| January-June 1945..... | 2, 356, 319 | -11                                       | 389                           |

Requests for gasoline, tire, and motor vehicle purchase rations by employees driving to and from work in Washington had to be approved by the mileage administrator, and car pooling combinations for employees were arranged by the transportation coordinator within the Department or with employees of other departments. The following reflects the result of participation by car drivers and employees in this program.



| Date                | Number of cars | Number of passengers |
|---------------------|----------------|----------------------|
| May 1942.....       | 168            | 11                   |
| September 1942..... | 141            | 77                   |
| July 1944.....      | 133            | 456                  |

### Training in budget administration

The Chief Clerk is a member of a group known as the Budget Officers' Conference, formed in July 1944, made up of budget officers of the old line departments and permanent independent agencies. This was formed for the purpose of interchange of knowledge and experience pertaining to Federal budgetary and related financial administration. In connection with this conference, an in-service training program has evolved under the joint auspices of the Committee on Training in Budgetary Administration, Executive Offices of the President, and of the Bureau of the Budget, which conducts training conferences on budget formulation for persons working in this field in bureaus or departments. The Chief Clerk selects the persons who are eligible for participation and from whose participation the Department or bureau budgetary administration and facility is most likely to benefit.

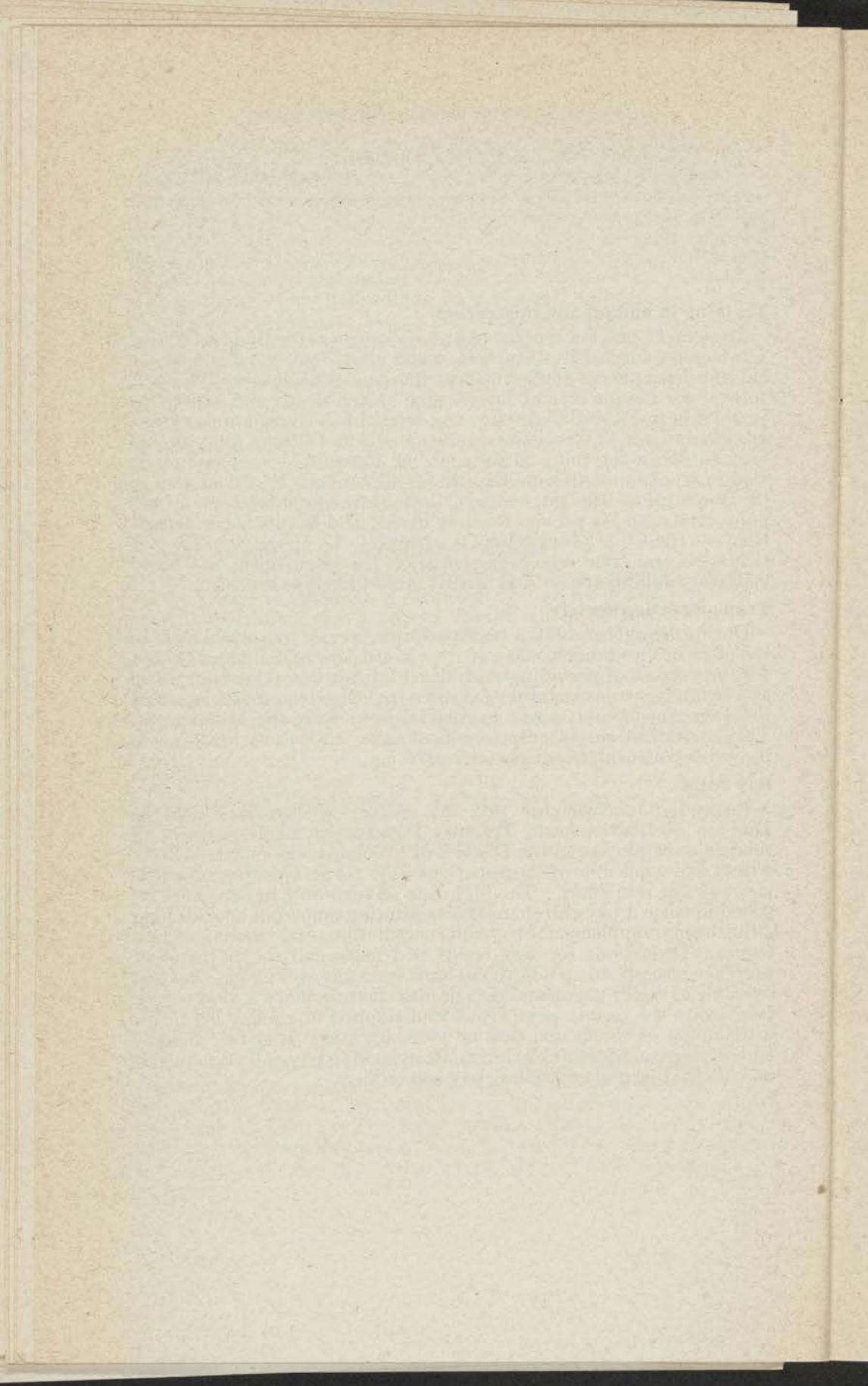
### Transportation service

During November 1944, a transportation service was established in the office service branch, office of the Chief Clerk and Budget Officer, for the purpose of providing centralized information regarding travel and obtaining transportation facilities for officials and employees of the Department and others having business with the Department. This centralization not only conserved time, it also provided an improved departmental transportation service.

### Pay rolls

Beginning in November 1942 the number of days in which the Division of Disbursement, Treasury Department, made payment of salaries to employees in the District of Columbia was increased from 4 to 14 and a schedule of staggered pay days for all Government agencies was put into effect. The high rate of turn-over in personnel resulted in frequent pay-roll changes necessitating numerous bookkeeping adjustments, supplemental pay-roll computations and issuance of new checks. Deductions for war bonds and taxes and the payment of overtime also placed an additional burden on pay-roll units. Revised schedule of salary payments was put into effect January 1, 1945, which reverted to the former pay periods and resulted in a 6-day lag in the distribution of checks and cash on the sixth and twenty-first thereby eliminating considerable clerical work in making pay-roll adjustments and facilitating and reconciling pay-roll ceilings.







## THE CHILDREN'S BUREAU

With the fiscal year 1946, the Children's Bureau has completed 34 years of service. Created by act of April 9, 1912, the Bureau was for most of its first year in the Department of Commerce and Labor. On March 4, 1913, it became part of the newly created Department of Labor that was charged to foster the welfare of the wage earners of the United States, and for 33 years the Bureau grew in influence and in responsibilities as a branch of that Department.

For many years the Children's Bureau was the only branch of the Federal Government giving special consideration to the health of mothers and children, and the only Federal agency concerned with problems and programs in what has come to be known as the field of social welfare. It played an important part in the movement leading to the authorization of funds for the relief of unemployment and, later, in the development of the social-security program. It has done pioneer work in the development of Federal-aid programs for medical and hospital care. It was developing relations with child-welfare leaders of the other American Republics three decades ago, and with European leaders immediately after the First World War. These early experiences in international cooperation laid a foundation for the later more specialized international activities of the Bureau. The Children's Bureau administered the first Federal child-labor law, 1917-18, and the first program of Federal aid to the States for maternal and child health work, 1921-29.

Organized labor took an important part in the movement for the establishment of the Children's Bureau and was in the forefront of the fight for a child-labor amendment to the Constitution. Relations between organized labor and the Bureau have always been close, and especially so during the war years. The Children's Bureau has benefited immeasurably from the leadership of the Department of Labor and from close association with the other branches of the Department.

As of June 30, 1946, the functions of the Children's Bureau included the following:

1. To investigate and report upon all matters pertaining to the welfare of children and child life (act of 1912 creating the Children's Bureau).
2. To administer the maternal and child welfare provisions of title V, parts 1, 2, and 3, of the Social Security Act (1935, amended 1939 and 1946).
3. To administer the emergency maternity and infant care program for the families of men in the lowest four pay grades of the armed forces (appropriation acts, March 18, 1943, and succeeding years.)



4. To administer the child-labor provisions of the Fair Labor Standards Act of 1938.
5. To cooperate with other American Republics in activities relating to the promotion of maternal and child health and child welfare, under an interdepartmental program of scientific and cultural cooperation.

With the expansion of the general health and social security activities of the Federal Government, there were many reasons for closer association of the Children's Bureau with agencies responsible for those activities, and with the educational services that are so intimately related to the program of the Bureau. Accordingly, the provisions of the President's Reorganization Plan No. 2 of 1946, which became effective July 16, included the transfer of the Children's Bureau and its functions to the Federal Security Agency, except for the Industrial Division of the Children's Bureau and the Bureau's functions relating to child-labor administration under the Fair Labor Standards Act of 1938. In his message to the Congress transmitting this plan, the President said:

The reorganization plan here presented is a second important step in building a central agency for the administration of Federal activities primarily relating to the conservation and development of human resources; but, while this step is important in itself, I believe that a third step should soon be taken. The time is at hand when that agency should be converted into an executive department. \* \* \* The people expect the Federal Government to meet its full responsibilities for the conservation and development of the human resources of the Nation in the years that lie ahead. This reorganization plan and the legislation that I shall propose will provide the broad and firm foundation required for the accomplishment of that objective.

The reorganization plan provided for the transfer of the functions of the Secretary of Labor and the Children's Bureau under title V of the Social Security Act to the Federal Security Administrator. By the terms of agency and administrative orders the Children's Bureau has been placed in the Social Security Administration of the Federal Security Agency, where it continues to exercise all the functions for which it previously was responsible except for those left in the Department of Labor. By order of the Secretary of Labor, the Industrial Division has been transferred as an organizational entity to the Division of Labor Standards, where it functions as the Child Labor and Youth Employment Branch of that Division. Very close relations between that branch of the Department of Labor and the Children's Bureau of the Federal Security Agency will be maintained.

#### THE CHILDREN'S BUREAU IN RETROSPECT

In its annual report for the fiscal year 1940, the Children's Bureau gave a summary of the periods into which its history may be divided and of the chief events in its work or closely related to it. It seems appropriate to recapitulate and bring up to date that summary, in this last annual report of the Children's Bureau as a branch of the United States Department of Labor.

1912-15.—Organization of research and informational activities; studies of causes of infant mortality begun; first editions of Prenatal Care and Infant Care; development of cooperation with official agencies and lay groups; establishment, by the Bureau of the Census, of United States birth-registration area (1915).



*1916-20.*—Cooperation in national defense measures, children's year campaign, and second White House Conference on Children; administration, 1917-18, of the first Federal child-labor law; research activities extended; plan for public protection of maternity and infancy with Federal aid developed; beginning of inter-American and international cooperation in behalf of children.

*1921-29.*—First Federal-aid act for maternity and infancy, administered by the Children's Bureau, 1921-29; child-labor amendment submitted by Congress to the States; research and reporting activities extended and current series of statistics in certain fields developed; studies of effects of unemployment on child welfare, 1921-22; study of causes of maternal mortality; beginning of cooperation with League of Nations and International Labor Office, and continued inter-American work.

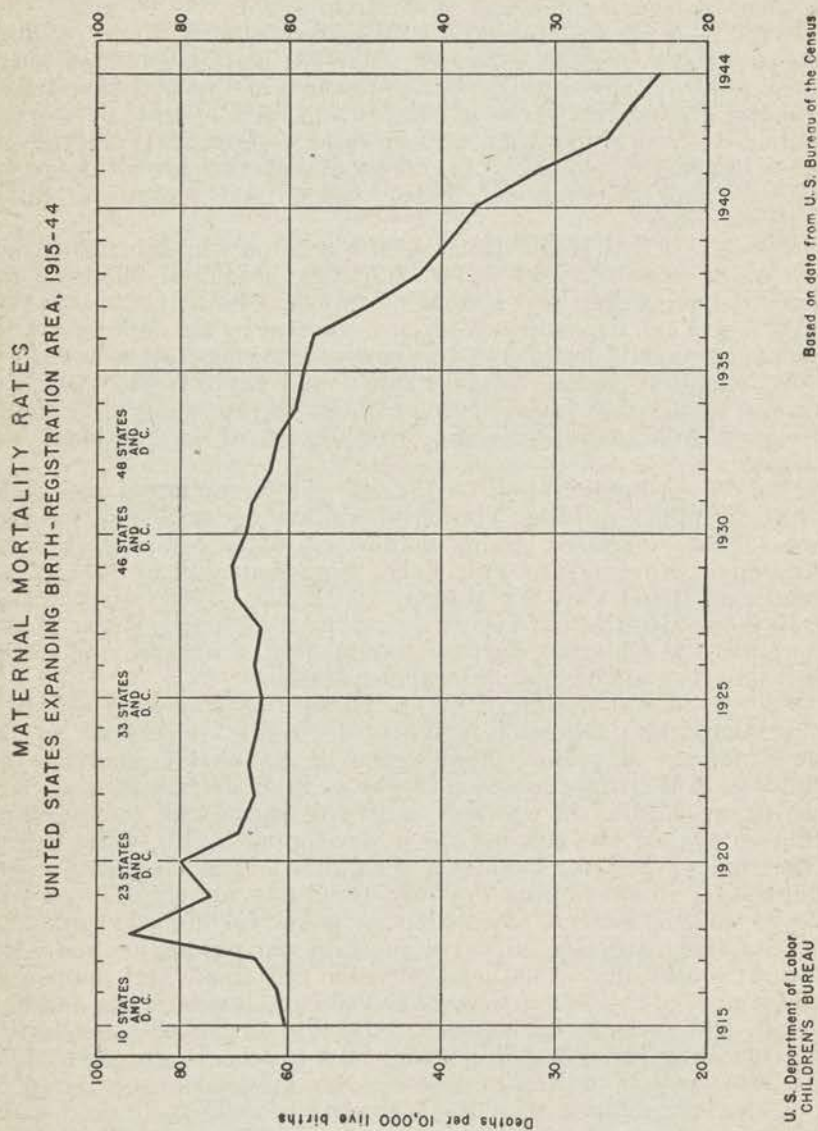
*1930-34.*—Third White House Conference on Children; extension of current series of child-welfare statistics; studies of effects of depression on children and studies of transient boys; conferences on child health and dependent children as affected by the depression; development of child-health-recovery program in cooperation with Federal Emergency Relief Administration and Civil Works Administration; cooperation in developing child-labor provisions of National Recovery Administration codes; continuance of international activities.

*1935-39.*—Administration of Federal aid for maternal and child health, crippled children, and child welfare under Social Security Act (1935); increased grants authorized 1939; administration of child-labor provisions of Fair Labor Standards Act of 1938; Conference on Better Care for Mothers and Babies (1938); cooperation in National Health Conference; organization of fourth White House Conference on Children; further development of research and statistical activities and of international cooperation.

*1940-44.*—Final session of White House Conference on Children in a Democracy; follow-up activities in States; cooperation in national defense programs; organization of National Commission on Children in Wartime; program service to State defense council committees on children in wartime; advice to parents on safeguarding children against war strains; aid in developing health, welfare, and recreation services, for mothers and children in war-congested areas; cooperation in developing day-care programs for children of employed women; issuance of a maternity policy for industry; development of safeguards for employed youth in war production and agriculture; cooperation in national nutrition conference and campaign; brief studies of children in defense and war production areas, children in jail, and juvenile delinquency; advisory service to communities on controlling juvenile delinquency; back-to-school campaigns, 1943 and 1944; review of British activities for safeguarding children in wartime; leadership in planning for safety of children in the United States; provision of guide for training volunteers in child care for civilian defense activities; development of emergency maternity and infant care program for wives and infants of men in the lowest four pay grades of the armed forces; organization of Eighth Pan American Child Congress; exchange of technical personnel and training of professional workers under program of cooperation with other American Republics; advice to Quartermaster Corps on feeding of



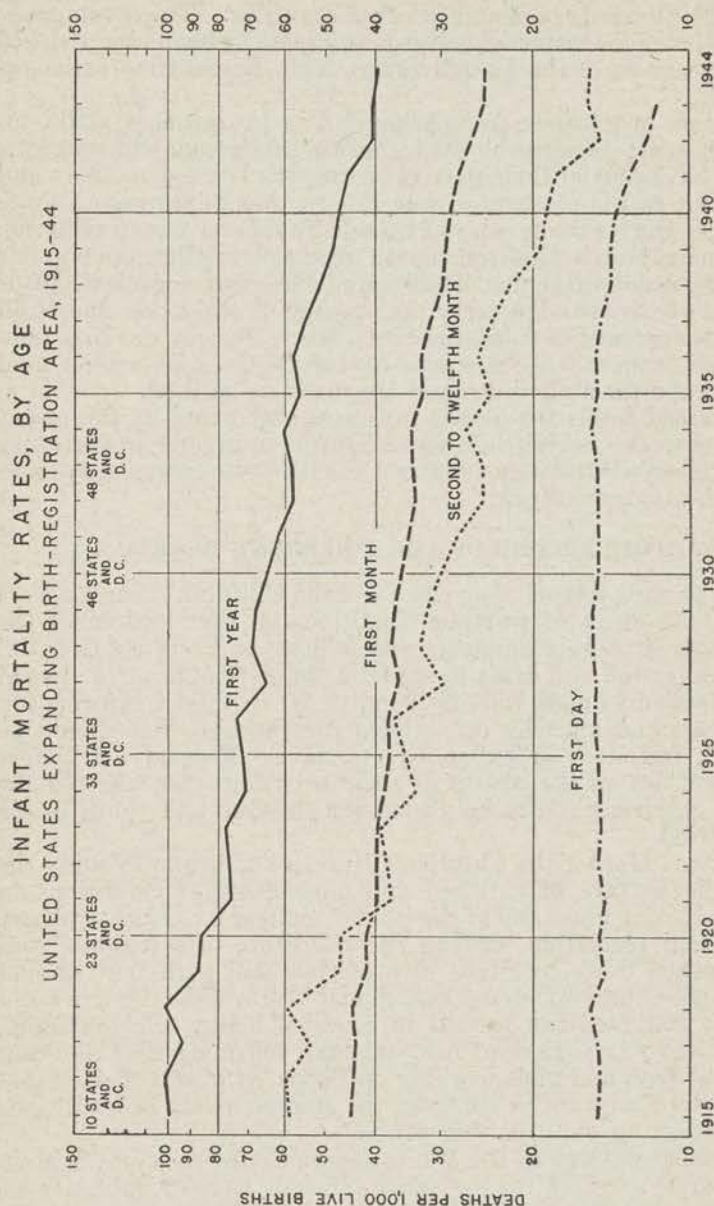
mothers and children in occupied territory; development of material on needs of children and services for mothers and children for Office of Foreign Relief and Rehabilitation Operations and United Nations Relief and Rehabilitation Administration; technical service to United Nations Conference on Food and Agriculture.



1945-46 (to July 16).—Postwar planning for children and youth under leadership of National Commission on Children in Wartime; organization of Federal Interagency Committee on Youth Employment and Education; back-to-school campaign, 1945; initiation of guardianship study; presentation to Congress of need for expansion



of Federal-aid programs for maternal and child health services, services for crippled children, and child-welfare services; participation in the work of the International Labor Organization, and in planning



Based on data from U.S. Bureau of the Census

U.S. Department of Labor  
CHILDREN'S BUREAU

for the activities of the United Nations in the health and social fields; consultation service to the Philippine Government on the health and social needs of children.



The first studies of the Children's Bureau, and the first impact of the new organization upon the child life of the country, related to infant mortality. A few years later the Bureau assembled the first material on maternal mortality in the United States and compared the maternity hazards here and in other countries. The accompanying charts show how maternal and infant mortality have been reduced in the 30 years since the United States birth-registration area was established.

Great gains in scientific knowledge and in professional skills, together with general improvement in health, sanitation, and economic conditions have played their part in saving the lives of mothers and infants. But to the mothers of our Nation themselves goes a large part of the credit for the savings of infant life that have been achieved. The Bureau has been in close touch with these mothers through popular publications, radio, magazine articles, and the great organizations of women and of parents who carry the message of child care and child welfare to the women in rural and city areas. Since it was first published, more than 18,000,000 copies of *Infant Care* have been used by mothers, and the annual demand approaches a million.

The increased funds for grants to States authorized by the recent amendments to the Social Security Act provide greater opportunity for the Children's Bureau, in cooperation with State agencies, to serve the children of our country.

#### WARTIME RECORD OF THE CHILDREN'S BUREAU

During the war, the primary efforts of the Children's Bureau were to discover the effect of wartime conditions on the children of the United States; to obtain agreement on policies and services essential for their protection and care; to share in the development of special programs needed to meet wartime conditions; to spread information to individuals and agencies on services for children that should be maintained, initiated, or expanded; to advise Federal and international agencies on the phases of their programs that affected the welfare of children; and to help plan for children and youth in the postwar period.

Before Pearl Harbor the Children's Bureau had begun to study the effect on the welfare of children and adolescents of conditions in defense production areas and of the lack of community health, welfare, education, and recreation services and facilities. Its regional consultants worked State by State with officials and with the regional councils of the Office of Defense Health and Welfare Services, to build up services and facilities needed in crowded areas. Brief studies, throughout the war period, of hospitals and infirmaries, of day-care programs, of boys and girls working on farms, of places of detention for juveniles, of migrant youth, kept the Bureau aware of conditions adversely affecting children and youth.

The recommendations of the White House Conference on Children in a Democracy, widely disseminated through Bureau publications, set the standards for community services for children—standards doubly important though hard to reach during the war. These recommendations were reinforced by the Children's Charter in Wartime adopted by the Children's Bureau Commission on Children in Wartime, in March 1942, and by subsequent Commission recommenda-



tions. In cooperation with the Office of Civilian Defense, national organizations, and State and local committees on children in wartime, State and local organizations were encouraged to maintain and where possible to expand maternal and child health services, child-welfare services, control of child labor, and protection of young workers. Personnel shortages and other war-born circumstances limited the achievements, but some important advances were made, notably in the care of maternity and infancy.

The Children's Bureau took part in the councils of the Office of Defense Health and Welfare Services and gave advice on the development of the programs of the Social Protection Division and the Recreation Division of the Federal Security Agency.

In 1941, the Children's Bureau called a conference on Day Care of Children of Working Mothers, issued its publication, *Standards for Day Care of Children of Working Mothers*, and later published *Food for Young Children in Group Care* and *Selection and Training of Volunteers in Child Care*. With increasing industrial production the employment of mothers increased, and many communities recognized the need for day care and extended school services to prevent serious neglect of children. For several months of the fiscal year 1943 the Children's Bureau and the Office of Education were given funds from the President's emergency fund to help State welfare and education agencies advise local communities on day-care programs and extended school services. Later, when Federal aid for local projects was supplied from Lanham Act funds for community facilities, the Office of Education and the Children's Bureau certified need. As the Lanham Act program approached its end on February 28, 1946, the two agencies developed a joint statement of policy to guide groups in local communities, in which the responsibilities of the schools and of child-welfare agencies for day-care services were defined and the essentials of a rounded community day-care program were outlined.

A maternity policy for industry was worked out with the Women's Bureau, and a folder, *Standards for Maternity Care and Employment of Mothers in Industry*, was issued which was welcomed by employers who needed the work of married women but did not want to cause injury to their health.

Fortunately, grants to States for maternal and child health services and services for crippled children had been increased somewhat in 1939, enabling the State agencies to strengthen these programs during the early part of the war and, in large part, to hold the line in the face of wartime shortages of medical and nursing service. The Children's Bureau advised on food for children in the national nutrition campaign and contributed, through consultation on health-department nutrition programs and through its publications, notably *The Road to Good Nutrition*, to the widespread instruction of adults and children in the use of available foods to get good nutrition.

Beginning in 1941, State health agencies requested and the Children's Bureau approved the use of Federal maternal and child health funds for maternity care of wives of enlisted men in the armed forces. In March 1943, Congress voted the first appropriation for emergency maternity and infant care for the wives and babies of men in the lowest four pay grades of the armed forces. The program, administered by State health departments under plans approved by the Chil-



dren's Bureau, grew month by month until almost 47,000 applications were received in June 1944. Before June 30, 1946, care had been given 872,482 maternity cases and 97,239 infant cases. Mothers received care during pregnancy, at childbirth, and for 6 weeks after; infants received care when necessary during the first year. As demobilization progressed, applications for care dropped off. The program will continue, presumably until the termination of the war emergency, for the families of men still in the service.

As production mounted, the Children's Bureau intensified enforcement of the child-labor provisions of the Fair Labor Standards Act. Although some relaxations were permitted under the Federal law and under State child-labor laws and though nonobservance of such laws increased as youth employment rose, the framework of child-labor laws and employment certification for young workers held and in large measure prevented the employment in manufacturing of youngsters too immature for wartime industry. The Bureau watched carefully the growing employment of 16- and 17-year-olds and of 14- and 15-year-olds in full-time or part-time work, and initiated measures to direct young workers into suitable occupations and to keep as many as possible in school.

The first hazardous-occupations order under the Fair Labor Standards Act, issued by the Chief of the Children's Bureau in 1939, in effect made illegal the employment of youth under 18 in the explosives industry. Other orders followed, covering motor-vehicle drivers and helpers, coal mining, logging and sawmilling, power-driven wood-working machines, and work involving exposure to radioactive substances. Because of wartime need for workers between the ages of 16 and 18, the Bureau in 1943 began the issuance of advisory standards for the employment of young workers in occupations not covered by hazardous-occupations orders. Thirteen of these standards had been issued by 1945, pointing out types of jobs too hazardous for young workers, and those in which they could work with comparative safety.

After a conference on young workers in agriculture called by the Children's Bureau, a statement of Policies on Recruitment of Young Workers in Wartime Agriculture, worked out by the Bureau with the Department of Agriculture, the Office of Education, and the United States Employment Service, was issued in March 1942.

A survey of the employment of youth on farms in 1942 made by the Children's Bureau and the Office of Education was the basis for recommendations by the Bureau's Advisory Subcommittee on Young Workers in Wartime Agriculture and for the pamphlet issued in 1943, *Guides to Successful Employment of Non-Farm Youth in Agriculture*. Cooperation in maintaining standards for the employment of youth in agriculture, with youth-serving agencies, and with the War Food Administration and the Extension Service of the Department of Agriculture continued throughout the war period.

In February 1942, the Bureau's General Advisory Committee on Protection of Young Workers developed a statement of principles to be observed in using and protecting young workers. After preliminary consideration with the Children's Bureau and the Office of Education, the War Manpower Commission in January 1943 issued a Statement of Policy on the Employment of Youth Under 18 Years



of Age which declared that youth under 18 could best contribute to the war program by remaining in school and, when their services were needed, by accepting vacation and part-time employment. This was followed in September by a statement of policies for part-time employment of in-school youth agreed upon by the Bureau, the Office of Education, and the War Manpower Commission. The War and Navy Departments, working closely with the Children's Bureau, established standards substantially in accord with the policies, for the employment of minors under 18 in military establishments; the Maritime Commission and the War Production Board also endorsed the policies. In November 1943 the Office of Civilian Defense issued a leaflet, *Protecting Junior Child Care Aides*, incorporating the recommendations of the Children's Bureau and the Office of Education.

As the number of boys and girls under 18, and even under 16, who had left school to go to work rose to approximately 3,000,000, the Children's Bureau and the Office of Education undertook to stem the tide through back-to-school drives in 1943 and 1944, with support throughout the country.

The Children's Bureau in 1940 shared in the forming of the United States Committee for the Care of European Children, to coordinate United States resources for the care in this country of child victims of the war in Europe. At the request of the Department of Justice the Children's Bureau maintained a register of information on European children coming to the United States without their parents, developed standards for their care, and with the aid of State departments of public welfare passed on the qualifications of agencies offering to care for these children.

To aid parents in protecting their children against fear arising from wartime conditions, the Bureau in 1942 issued *To Parents in Wartime*. Later in the war, when babies were almost as numerous on trains as soldiers, the Bureau issued *If Your Baby Must Travel in Wartime*.

Early in 1941 the Associate Chief of the Children's Bureau visited England as a member of the United States Civilian Defense Mission and subsequently reported to national-defense officials and groups throughout the country on British methods of protecting children against bombing and on other aspects of wartime child-care and child-welfare programs in the United Kingdom. When the Office of Civilian Defense and the Office of Defense Health and Welfare Services appointed a Joint Committee on Health and Welfare Aspects of the Evacuation Plan, the Associate Chief of the Children's Bureau was made secretary. Plans for health and welfare procedures for evacuation of cities in case of air attack were developed—which fortunately never had to be put into effect.

Before the invasion of the European continent, the Quartermaster General of the Army requested help from the Children's Bureau in evaluating basic rations proposed for feeding civilians in areas to be liberated. The Bureau evaluated the proposed rations with respect to the feeding of children and pregnant and lactating women, and offered suggestions for improving a ration if it fell below the level of safety. Information of this sort was provided for rations proposed for Yugoslavia, Greece, France, Belgium, Holland, Norway, Denmark, Albania, Rumania, Bulgaria, and Japan.



The Children's Bureau advised the War Production Board and the Office of Price Administration on food and materials needed for the care of children. It worked out with the Public Health Service designs for maternity, newborn, and pediatric wards that were included in hospitals constructed in war-congested areas. It advised States on the licensing and supervision of hospitals, maternity homes, and child-caring agencies, on services for unmarried mothers, and on the supervision of adoptions.

On recommendation of the National Commission on Children in Wartime, the Bureau issued Controlling Juvenile Delinquency as a guide to communities in dealing with the factors involved in the increase in juvenile delinquency. Leaflets were issued to aid parents and communities in providing home and community care and guidance to children and youth.

Grants to States for child-welfare services enabled the State public welfare agencies, though handicapped by personnel shortage, to help local communities deal with day-care needs and juvenile delinquency and to place child-welfare workers in many areas suddenly coping with large population increases.

With the Office of the Coordinator of Inter-American Affairs and the State Department's Interdepartmental Committee on Scientific and Cultural Cooperation, the Children's Bureau developed a program of cooperation with the other American Republics, including the exchange of public health and welfare officials and specialists. The Eighth Pan American Child Congress was held in Washington in 1942, with the Children's Bureau responsible for its organization. The Bureau worked with the American International Institute for the Protection of Childhood in improving the opportunities for children throughout the Americas.

On request, the Children's Bureau gave technical information and advice on child care to the Office of Foreign Relief and Rehabilitation Operations and later to the United Nations Relief and Rehabilitation Administration. It supplied a technical consultant to the conference that developed the plan for the Food and Agricultural Organization of the United Nations. It worked with the International Labor Organization on its recommendations on the protection of children and young workers.

#### PLANS FOR CHILDREN AND YOUTH; LEGISLATION ENACTED

Early in the fiscal year the Children's Bureau issued State and Community Planning for Children and Youth, companion to Building the Future for Children and Youth issued at the close of the previous year. Together these publications comprised the plans and recommendations of the National Commission on Children in Wartime. Both were widely distributed by national organizations; they guided State commissions and councils on children and youth already set up and contributed to the setting up of additional ones. By June 30, 1946, State commissions authorized by law or established by governors or interim legislative committees were at work in 23 States. These commissions deal broadly with the promotion of community services, or in special fields they prepare revisions of legislation affecting children or are concerned with the prevention or control of juvenile delinquency.



In July 1945 Senator Pepper for himself and nine other members of the Senate Committee on Education and Labor introduced a bill, the Maternal and Child Welfare Act of 1945, proposing Federal action in accord with the National Commission's recommendations for expanding maternal and child health services, services for crippled children, and child-welfare services until within 10 years they should be available in all counties of the United States. The Senate committee held hearings on this bill and on the bill for the National Health Act of 1945, which also included maternal and child health provisions. As the end of the session approached, the committee concluded that it did not have time to deal with all the issues but that some action was needed at once. Accordingly, it recommended approximately tripling the amounts authorized by the Social Security Act for grants to States. The House Committee on Labor had recommended a companion bill, and the House Ways and Means Committee had recommended amendments to the Social Security Act. The Senate amended the bill for the latter by adding the proposed increases for grants to the States. In conference the amounts agreed on for annual appropriation were approximately twice the amounts previously authorized, providing \$11,000,000 for maternal and child health services, \$7,500,000 for services for crippled children, and \$3,500,000 for child-welfare services. The Virgin Islands were made eligible for such grants for the first time, effective January 1, 1947.

Other measures enacted into law will contribute directly or indirectly to the program for children and youth recommended by the National Commission. The National School Lunch Act (1946) authorizes and defines Federal participation in the school-lunch program. The Hospital Survey and Construction Act will stimulate the building of health centers and hospitals essential for health programs for children and adults. The National Mental Health Act will provide for needed research and for grants to States for demonstration mental-health services, part of which will go to meet the needs of children. The Federal contribution to the aid to dependent children program under the Social Security Act was increased.

Though few State legislatures were in session during the year, several measures were passed that related to recommendations in Building the Future for Children and Youth. Georgia enacted a 16-year minimum age law. Kentucky passed a new adoption law. Mississippi created a Children's Code Commission, passed a juvenile-court law, and broadened the responsibilities of State and county public welfare departments for services for children.

In February 1946 the National Commission on Children in Wartime held its final meeting. It passed resolutions on food for children in war-devastated areas, on the establishment of international health and welfare organizations and the formation of a standing joint committee on children and youth, and on the welfare of the children on Pacific islands under United States control. The Commission recommended the appointment of a new commission to give continuing leadership to Nation-wide efforts to extend and improve opportunities for children and youth. Accordingly, the chairman and the Chief of the Children's Bureau in consultation with the officers of the wartime Commission appointed the National Commission on Children and Youth, its members drawn from national organizations and profes-



sional associations concerned with advancing the interests of children and youth, and from the ranks of State and local officials responsible for programs for their benefit.

#### SERVING CHILDREN IN THE FISCAL YEAR 1946

During this first year since the termination of hostilities, the Children's Bureau and the State agencies with which it cooperates have made progress in their programs for the children.

#### Payments to States

Federal-aid payments to States through the Children's Bureau during the fiscal year 1946 from appropriations for the fiscal year and balances from previous years were as follows:

|                                          |                   |
|------------------------------------------|-------------------|
| Maternal and child-health services.....  | \$5, 934, 539. 00 |
| Services for crippled children.....      | 4, 059, 216. 93   |
| Child-welfare services.....              | 1, 278, 261. 49   |
| Emergency maternity and infant care..... | 38, 049, 900. 00  |

State plans for these programs were in operation at the close of the year in all 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

#### Research in child development

The major activity of the Division of Research in Child Development during the year was cooperation in the American Academy of Pediatrics study of child-health services. The study is in four major fields of inquiry: (1) Pediatric education; (2) distribution, qualification, and activities of professional personnel; (3) hospital and clinic facilities; and (4) general health services for children. Schedules for the study were tried out in a pilot study in North Carolina. By June 1946, under the leadership of State chairmen of the Academy of Pediatrics, executive secretaries for the study in 39 States were collecting data. The Public Health Services as well as the Children's Bureau has cooperated in the planning and conduct of this study, and both agencies will participate in the analysis of the data.

Early in the year, an Interagency Committee on Health Programs for School-Age Children was formed, including representatives of the Office of Education, the Public Health Service, and the Children's Bureau. Agreement was reached on a policy for the use of Federal-aid funds in financing the training of teachers in health education. As a guide for legislation and for health and school administrators, a statement of principles, *Health Needs of School-Age Children and Recommendations for Implementation*, was agreed on and was published in the November 1945 issue of *School Life*. Information from 16 States on school-health programs showed confusion in legal authority and in operation, inadequate coverage, and almost universally poor quality.

In September 1945 a dental-services adviser was added to the staff of the Division of Research in Child Development, to carry on research and develop standards in dental health for children and to help the regional medical consultants of the Division of Health Services advise State health agencies on dental programs for children.

Experts in pedodontics, dental research, public-health dentistry, and dental economics, in conference with the Bureau on November 10, 1945, drew up a statement of six principles to define the services



needed for good dental care for children and to outline the procedures most likely to provide those services. The statement was approved by the Association of State and Territorial Health Officers on April 10, 1946, and was mimeographed and distributed by the Bureau as *Principles for Public Dental Programs for Children*.

The dental-services adviser took part in four regional conferences of public-health dentists in Boston, New York, Richmond, and Salt Lake City, and visited 16 State health departments to review State dental programs and consult on children's dental problems. On May 17, 1946, directors of State health department dental divisions met with the Children's Bureau to discuss administrative techniques. The Bureau was asked to call a 3-day conference on public-health dentistry for children.

Data on needs and costs of dental care for children have been assembled, together with data on dental manpower and facilities for training. Though the data are limited, they establish a base for continuing investigation to develop plans for expanding dental services for children. The fluorine studies in Connecticut were reviewed and a joint report on one study was published in the Connecticut Health Bulletin. Help was given three State dental directors in organizing and tabulating data and in improving record forms.

The Negro pediatrician on the Division's staff has given full time during the year to the organization of the Herman G. Morgan Health Center of Flanner House in Indianapolis. All the clinics—prenatal care, child health, dental health, and tuberculosis—of the Indianapolis Board of Health and Hospitals that are held for people in the vicinity will be conducted at the center.

A bulletin, *Standards and Recommendations for Hospital Care of Maternity Patients*, prepared by the Division's obstetric consultant with suggestions by the Bureau's Obstetric Advisory Committee, was issued. In cooperation with the hospital-facilities section of the Public Health Service, type plans were developed for a convalescent home and for a hospital maternity unit and milk room. The model of a hospital maternity unit completed during the year and the models of hospital units for newborn and pediatric units aroused great interest at meetings where they were shown.

Evaluation of centers that might be used for postgraduate training of physicians and nurses in the care of newborn and premature infants continued, and a report was prepared on centers available.

The new edition of *Your Child from One to Six* was welcomed by the *Journal of Pediatrics* as the "soundest and safest book in print to place in the hands of the average mother with a young child." The draft of a new bulletin long in demand, now called *Your Child From Six to Twelve*, was almost ready to be sent to the Pediatric Advisory Committee. Permission was obtained from the University of Minnesota Press to reprint two booklets on sex information, *Your Own Story* and *Understanding Ourselves*, written by a former faculty member now on the Bureau's staff. Extensive service has been given by the Division's consultant in parent education, through correspondence, interviews, and participation in organization meetings.

### **Health services for mothers and children**

The Division of Health Services, including its regional consultant staffs, administers grants to States for maternal and child health serv-



ices, emergency maternity and infant care for families of servicemen, and services for crippled children. State health agencies are responsible for the first two programs in all States; they are responsible for services for crippled children in 30 States. In the other States, the crippled children's programs are administered by public welfare departments in 10 States, by State crippled children's commissions in 5, by departments of education in 4, and by State university hospitals or medical schools in 3.

*Advisory committees.*—The Children's Bureau Advisory Committee on Maternal and Child Health Services and its Advisory Committee on Services for Crippled Children held a joint meeting November 8 and 9, 1945, to discuss the expansion of maternal and child health services and services for crippled children proposed by the President and in bills before Congress. The committees considered the availability of services, the philosophy embodied in the proposals, methods of remuneration for professional personnel, standards of care, the scope of the services, and methods of coordinating them with other medical-care programs. Copies of recommendations were sent to the members of the committee, to the National Commission on Children in Wartime, and to State health and crippled children's agencies, and were published in the *Journal of the American Medical Association*. They were also submitted to Congressional committees considering legislation.

The Subcommittee on Rheumatic Fever of the Advisory Committee on Services for Crippled Children met in April 1946 with representatives of eight State crippled children's agencies that administer rheumatic-fever programs. The conference discussed the status of State programs, methods for their evaluation, and needs for expansion, reviewed the principles and policies governing their administration, and made recommendations to the Children's Bureau on their development.

*Maternal and child health services.*—Maternal and child health programs have expanded as the return of doctors and nurses from war duty has made it possible for State and local health departments to build up their staffs. To the older health services are being added new mental-health programs and new programs of hospital consultation and supervision. The State agencies in March 1946 reported that additional funds were needed for maternity services, services for infants and preschool children, school health services, dental health services for children, nutrition, mental hygiene, biologics and drugs, health education, and postgraduate education.

A preliminary report by the Division of Statistical Research, on maternal and child health services administered by State health agencies for the calendar year 1945, showed totals little changed from the preceding year and still distinctly lower than in the prewar period when professional workers were more widely available. Approximately 438,000 infants and preschool children attended medical child-health conferences in 1945, a slight gain over 1944. About 118,000 mothers were reported as receiving prenatal medical service—the number does not include those who received service under the emergency maternity and infant care program. Some 1,115,000 school-hygiene examinations by physicians were provided in cooperation with school authorities. Public health nursing service reached about



1,028,000 infants and preschool children. It is anticipated that these figures will show a marked upward trend in 1946.

*Emergency maternity and infant care.*—The program for emergency maternity and infant care for the families of enlisted men in the lowest four pay grades of the armed forces completed its third year of operation in March 1946. During the fiscal year, care was authorized for about 320,000 maternity cases and about 65,000 infant cases. Statistical studies made during the year showed that in the calendar years 1944 and 1945, 97 percent of the deliveries under the program were by physicians. During the calendar year 1945, 91 percent of the deliveries were in hospitals, compared with 76 percent for the population as a whole. In 1945 approximately 48,000 physicians and 2,500 osteopaths, over 5,000 hospitals, and over 450 maternity homes provided care to patients under this program.

This program has extended the influence of State and local health departments by bringing them into direct touch with a large proportion of the physicians and hospitals in their States or communities. It has undoubtedly raised hospital standards of care, and by revealing the need for establishing and enforcing standards it has probably influenced State legislation for hospital licensing; 13 States now have such legislation with responsibility for administration in the State health departments.

Cooperation, involving interpretation of the program and consultation on complicated individual cases, has been maintained with the War and Navy Departments, the Veterans Administration, the Navy Relief Society, the military and naval service of the American Red Cross, and veterans' organizations.

Plans were developed to inform the war brides of servicemen coming to this country about the benefits of the emergency maternity and infant care program to which they or their children might be entitled. A supply of Infant Care was made available to the Red Cross to be distributed on ships transporting servicemen's wives and young babies.

*Services for crippled children.*—State registers for crippled children showed an increase during the calendar year 1945 of 22,634, making a total of 404,540 children registered. The District of Columbia showed the highest proportion, 16 per 1,000 children under 21 years of age, and Ohio the lowest, 3 per 1,000. There were 94,795 admissions to clinic service for diagnosis or treatment; 23,940 children were given medical or surgical care in hospitals, involving 1,227,323 days of hospital care. In general, the figures for these and other services given were at approximately the same level as in the preceding year. Increase in service was evident toward the end of the year.

The first separate count of services for children with rheumatic fever released early in the year showed that for the calendar year 1944 there were 2,617 admissions to clinics for diagnosis or treatment (14 States), 634 for hospital care (15 States), and 493 for convalescent care (17 States). Three additional States (Massachusetts, Nevada, New Jersey) initiated services for children with rheumatic fever and heart disease this year, bringing to 20 the number providing this type of care.

*Infantile paralysis.*—During the calendar year 1945 there were 13,514 cases of poliomyelitis reported as compared with 19,029 the year before. The States reporting the highest incidence of the disease



were Utah, New Jersey, Wisconsin, Vermont, Montana, Tennessee, Washington, Texas, District of Columbia, New York, Illinois, Iowa. The distribution was characterized by a relatively large number of small epidemic areas located in all sections of the United States. Before the close of the fiscal year it was evident that the summer of 1946 would have a high incidence of the disease.

There is continual need for professional guidance and leadership by the State crippled children's agencies and the Children's Bureau in the development of services and facilities for children with acute poliomyelitis. A statement was issued by the National Foundation for Infantile Paralysis, amended after review so as to assure satisfactory relations between the State crippled children's agencies and the State and local chapters of the foundation. The State agencies are responsible for administration of the services; the chapters of the foundation provide financial support for medical and hospital care for the victims of poliomyelitis.

*Cerebral palsy.*—There has been growing concern for children with cerebral palsy. During the year the Children's Bureau and the Office of Education, in cooperation, sought additional information from State crippled children's agencies regarding health services and educational services for this group of physically handicapped children. By the close of the year plans were ready for a field team of professional personnel from the two Federal agencies to visit selected services for cerebral-palsied children and analyze the special features of such programs.

*Cooperation in behalf of crippled children.*—The final report of the study of the Committee on Convalescent Care is ready for publication by the National Society for Crippled Children and Adults, which financed the study. The assistant director for crippled children, of the Bureau's Division of Health Services, has served as chairman of the study committee.

The American Red Cross and the Children's Bureau issued a joint statement on the care of physically handicapped children after disaster. The statement was sent to all State crippled children's agencies and to all local Red Cross chapters.

The Retraining and Reemployment Administration in April 1946 initiated a review of the policies previously agreed on by the Office of Vocational Rehabilitation and the Children's Bureau for providing physically handicapped persons between the ages of 16 and 21 with medical care and vocational rehabilitation. An additional joint statement was issued, designed to strengthen relations between State crippled children's agencies, and State vocational-rehabilitation services.

On recommendation of the Children's Bureau, the Council of State Government in its suggestions for postwar legislation 1946-47 again recommended the elimination of "court action" as a prerequisite to providing services for a crippled child. Because of State interest in eliminating court action, the Division of Health Services through its medical-social-work unit studied court commitment in Kansas, Ohio, and Tennessee. Evidence was found of delay, interruption, and refusal of care because of court requirements and procedures and because of personal and local attitudes toward the encumbrance of public funds. Many children failed to receive care at all.

*Indian children.*—Through the medical-social-work unit of the Division of Health Services, a conference was called of Federal agen-



cies administering grants to States for health and welfare programs providing services that might be made available to Indian children. This conference considered, as alternatives, extension of direct Federal services to Indian children, and expansion of community services under State programs financed in part by Federal funds. The Children's Bureau is giving particular attention to the situation in Arizona and New Mexico where the problem of providing maternal and child health and crippled children's services for Indian children is serious.

*Administrative methods.*—As a result of frequent requests for advice from State health and crippled children's agencies, the Division of Health Services toward the end of the fiscal year established an administrative unit to expand and strengthen consultative service to the State agencies. Bureau teams of regional consultants, including medical, nursing, nutrition, medical-social, and administrative-methods consultants, held 1-week round-table conferences with corresponding staff in several States.

*Nursing program.*—There is growing recognition of the need for specialized maternal and child health nursing consultative service in State health agencies, to train and guide the nurses carrying general nursing programs in communities. During the year, the nursing unit of the Division of Health Services emphasized staff-education programs for maternal and child health nursing service and preparation of local personnel and facilities to carry on continuous in-service training within a State or within a group of States. Through developing these programs and through demonstrations of nursing techniques in hospitals and public health agencies, the special consultants in the nursing unit have helped improve the quality of nursing care. Evidence of such help was to be seen in a maternal and nursing care conference for Negro nurses, conducted by Meharry College and the Tennessee State Department of Public Health, which was attended by some 300 nurses from 5 Southern States.

The National League of Nursing Education and the Maternity Center Association sponsored a study, initiated by the nursing unit, of postgraduate courses in maternity nursing. The 12 courses studied varied from a repetition of material usually included in basic nursing courses to a well-organized advanced program. The findings emphasized the need for developing an advanced curriculum in maternity nursing for the guidance of university teaching centers, a project now undertaken by a committee of maternity-nursing specialists financed by the American Journal of Nursing. A member of the nursing unit served on a committee of specialists in pediatric nursing appointed by the National League of Nursing Education to develop an advanced curriculum in pediatric nursing.

Estimates made in consultation with the National League for Nursing Education indicate how great the need is for nursing specialists in obstetrics and pediatrics if the nursing care of mothers and children is to be improved. In view of the trend toward the training of practical nurses for certain types of service in hospitals, studies should be started at once to differentiate the functions of graduate and practical nurses in services for mothers and children.

Emphasis in consultation on orthopedic nursing has been mainly on the improvement of nursing care of crippled children and the prevention of disability by local public-health nurses. The relation



of physical therapy to orthopedic nursing has been stressed in a number of State services. Two regional meetings and one State orthopedic nursing institute were held in the Midwest during the year, and a joint orthopedic nursing conference was held in Chicago in April. More help from the Children's Bureau in the development of State physical-therapy programs for crippled children is needed.

*Nutrition.*—Funds budgeted by State health agencies for nutritionists increased by more than a third for the fiscal year 1946, and every State but one provided for nutrition service in its budget. California, Hawaii, Illinois, Kentucky, Michigan, Maryland, New York, and Ohio increased the number of their nutritionists. The demand for qualified nutritionists was greater than the supply. Three States, Illinois, Michigan, and Maryland, appointed consulting dieticians to service institutions for which the State health agencies have administrative or licensing responsibility. Eight nutritionists from State staffs were given stipends for graduate study in public-health nutrition.

The director of the nutrition unit of the Division of Health Services helped draft a report on educational qualifications for public-health nutritionists, adopted by the governing council of the American Public Health Association. The director also served as chairman of a committee of the American Dietetic Association and the American Home Economics Association to formulate recommendations for the professional preparation of nutritionists for public health agencies, including academic courses and field experience. The nutrition consultants of the unit, on request, visited eight universities and schools of public health to observe and evaluate work or to discuss setting up graduate courses in public-health nutrition.

A comprehensive study of school lunches was undertaken by the Cooperating Committee on School Lunches, on which the nutrition unit represents the Children's Bureau. To plan for the study, the Children's Bureau and the Bureau of Human Nutrition and Home Economics shared responsibility for a conference, November 27-29, 1945, of consultants in child nutrition, educational administration, and school-lunch management.

*Medical-social activities.*—Consultative service to State agencies by the medical-social-work unit of the Division of Health Services has been concerned with policies and procedures affecting eligibility for preventive and therapeutic services; extension of services to minority groups, comparable in standards and availability to those given other groups; and cooperation between health, welfare, and educational agencies. Greater emphasis has been placed on the early recognition of symptoms of social and emotional difficulties affecting the ability of mothers and children to use and to benefit fully from health and medical services, and on the provision of integrated services from health, welfare, and educational resources to meet all the needs of mothers and children. In the increasing number of States employing medical-social consultants in more than one division of the health department, assistance has been given in planning for coordination of medical-social services and development of generalized consultative services in accordance with accepted principles of public-health administration.

Efforts have been continued to promote better preparation of medical-social workers for positions in public health and medical-care pro-



grams. Material illustrating the work of the Children's Bureau and of State maternal and child health and crippled children's programs has been sent to the medical-social faculty members of schools of social work. During the year, the Medical Social Work Unit arranged for periods of observation of State material and child health and crippled children's programs by medical-social faculty members.

Eleven representatives of various fields of medical-social work and training and related fields met with the Children's Bureau in April 1946 to consider education and experience requirements for medical-social workers entering public service, ways to improve professional preparation, and personnel needs of the programs and how to meet them. One proposal, for an advanced seminar, is to be tried out at the University of Southern California this year.

*Hospital care for mothers and children.*—State health departments have become more and more involved in relations with hospitals and hospital standards through responsibility for hospital care under programs administered by the Children's Bureau, and they have looked increasingly to the Children's Bureau for help and advice on broader problems of hospital care and hospital operation. During the year, the consultant on hospital administration, of the Division of Health Services, visited some 20 States to advise directors of maternal and child health in State health departments on problems relating to the purchase of hospital care. With encouragement from the Children's Bureau, 18 States have each added an accountant to the health-department staff to help hospitals prepare cost statements.

A group conference was held with accountants from several of the States and representatives of the Office of Vocational Rehabilitation, and established a pattern for other conferences for personnel of State agencies concerned with the purchase of hospital care under maternal and child health and crippled children's programs. The hospital consultant has met with hospital groups and associations to explain the Children's Bureau policy for purchasing care from public tax funds on a cost basis. The Veterans Administration, as well as the Office of Vocational Rehabilitation, has adopted the Children's Bureau policies for determining the rates of payment, at cost, for hospital care. Several directors and department heads from medical-school hospitals advised with the Bureau on policies concerning payment for medical services furnished by salaried staff members, through inclusion of the proper proportion of salaries in the hospital statement of costs.

Close contact has been maintained with the American Hospital Association and the Commission on Hospital Care concerned with a national survey of hospitals. An increasing number of States have enacted general hospital-licensing laws aimed at raising standards of hospital care. Assistance from the Children's Bureau has been sought by some of the State health departments in working out the organization and functions of a hospital division. The Bureau's advice has been sought, also, on methods for discharging responsibilities for inspecting and licensing hospitals.

### **Social services for children**

*Child-welfare services.*—At the close of the fiscal year all States and Territories were cooperating in the program of child-welfare services under the Social Security Act. Utah, which withdrew from participation in 1944, submitted a plan for the last 3 months of the fiscal year,



which was approved on May 29. Instructions and forms for the State plans for child-welfare services for the year provided for more comprehensive data than in earlier plans, to provide for considering the child-welfare program in each State as a whole. As of June 30, 1946, Federal funds were being used for full-time or part-time child-welfare workers in 96 urban areas of special need and in 543 rural counties.

In State and local programs of services to children, emphasis is increasingly placed on prevention of social handicaps. Protective services provided sufficiently early make it possible for children to remain in their own homes instead of being removed and placed under some type of foster care. Child-welfare workers are in a strategic position to see the gaps in community resources that contribute to the social handicaps of individual children. They work with citizens' groups to develop resources that will prevent dependency, neglect, and delinquency. The concept that social services should be available to every child who needs them, regardless of economic need, is an important element in the child-welfare program. The majority of the States are providing increased State funds for professional and clerical personnel to carry on their State child-welfare programs.

Though personnel shortage was still severe, encouraging reports from a number of States indicated that efforts to find workers for child-welfare positions were meeting with some success. State agencies have taken steps both to increase the supply of qualified workers and to improve their competence and skill. Practically every State has some provision for training on the job. State plans for 1946 showed that 37 States had provided for the use of part of their Federal funds for educational leave.

Reports as of December 31, 1945, showed over 200,000 children receiving service from State and local departments of public welfare in the 52 States and Territories. In the 40 States with substantially complete reports, the last quarter of 1945 showed more than two-fifths of the children (44 percent) living with parents or relatives and another 37 percent in foster family homes.

The first summary release on the characteristics of children being served shows that, as of January 1, 1945, in the 32 States reporting completely, 4 out of every 1,000 children under 21 years of age were receiving service from State or local public welfare agencies. The range from 1 per 1,000 children in Mississippi and Tennessee up to 17 and 18 per 1,000 in the District of Columbia and Minnesota, respectively, is probably related more to the differences in stage of development of the child-welfare programs and in adequacy of funds than to variation among the States in need for services.

Proportionately more Negro than white children were served in the North and West; proportionately fewer Negro children than white in the South. Even in the North and West, examinations of the types of services provided for Negro children indicated the limitations in the program for these children.

Federal funds have played an important part in extending and improving social services for children. The deficiencies that still exist in service and resources point to the need for more Federal, State, and local funds for these services for the children.

*Juvenile delinquency.*—Figures for the calendar year 1945 compiled by the Division of Statistical Research from 364 courts throughout the



country showed an increase of 6 percent over the preceding year in juvenile-delinquency cases disposed of by juvenile courts. Concern on the part of National, State, and local organizations about the problem of juvenile delinquency continued at a high level during the year and expressed itself in many States in the activities of commissions and planning groups working directly on juvenile delinquency or on a broad basis of home and community service to provide the best possible opportunities for children and youth.

The Children's Bureau approach to juvenile delinquency includes promotion of parent education, child-health services, mental-health services, constructive group experience, and social service to aid and protect children, in addition to services for the child or youth whose behavior has become a matter of concern to his family and the community. The extension of child-welfare services under the Federal-aid program is basic to early discovery of a child's difficulties and their adjustment if possible while the child remains in his home environment, and to stimulation of communities to provide the facilities that children need while growing up.

At the close of the year two reports on community demonstration projects were ready for printing. The St. Paul report will be mentioned later. The other report covers a joint project in Newport News participated in by the Children's Bureau, the Bureau of Public Assistance of the Social Security Board, the Virginia State Department of Public Welfare, and local officials and citizens. The project sought to organize a community for the treatment and prevention of juvenile delinquency in wartime. Accentuating local activity and responsibility for dealing with situations affecting the welfare of children, it developed methods of community organization of value to other communities.

Regional child-welfare consultants visited State training schools for socially maladjusted children and advised on improvements needed. The National Conference of Superintendents of Training Schools and Reformatories, meeting in February 1946, pointed out the need for a central source of information about training schools, and expressed particular interest in advice on buildings and State programs. A committee was authorized to confer with the Children's Bureau on a study and evaluation of training schools.

At the request of a West Virginia interim legislative committee to study State institutions, the Social Service Division undertook field work to bring up to date the study of the four State training schools in West Virginia made by the Bureau in 1942. The revised report was discussed with the committee in June.

Because of the responsibility of the Department of Justice for juveniles who violate Federal laws and the relation of such offenses to community conditions that produce juvenile delinquency and to the inadequacy of resources for dealing with the problem, the Attorney General called together an advisory panel on juvenile delinquency in February 1946. This panel recommended that a more representative conference be held to work out a program for action in the various fields that touch on juvenile-delinquency problems. A National Conference for the Prevention and Control of Juvenile Delinquency has been called for November 20-22, 1946. Members of the Children's Bureau staff have helped prepare material for this conference.



Inquiries reflect great concern about the foster care of children in relation to the responsibility of public agencies, the licensing and supervision of agencies providing foster care, the licensing of commercial boarding homes, and service and facilities for temporary care of children including study homes and subsidized foster homes. Fresh material on foster family care is being developed to replace Bureau publications now out of print.

A group met in November 1945 to discuss one of the recommendations of the National Commission on Children in Wartime that Federal child-welfare-service funds be made available to extend and strengthen the provision of foster care for children, primarily in foster family homes, and to pay part of the costs of such care when satisfactory care is not otherwise available. The discussion brought out that in all areas there were long waiting lists for foster-home placements, frequent replacements, a break-down in temporary-care facilities, low board rates, lack of staff and funds to provide the service needed, and a need for better understanding of what constitutes good foster care.

Advisory service was given National Society for Crippled Children and Adults on its study of foster-home programs for crippled children, and Bureau consultants obtained for the society information on programs in various States. Foster-home service is found mostly in the larger cities; almost none is available for such children in rural areas.

*Day care of children.*—Widespread concern was registered by public and private agencies, planning groups, and parents when the Federal Works Agency stated that Federal funds to help communities provide day-care centers would no longer be available after October 31 (later extended to February 28). A National Committee on Group Care of Children provided the means for disseminating information on current planning for continuance of day-care services. The Children's Bureau and the Office of Education issued a statement, "Some Principles for Consideration in State and Community Planning for the Needs of Children," to clarify the responsibilities of educational and social-welfare agencies in providing day-care services. Appropriation of Federal funds for day-care services was sought but the bill was not enacted. However, Congress appropriated funds to help maintain 14 day-care centers in the District of Columbia for 1 year. Social-service and health staff of the Children's Bureau participated in the project of the Child Welfare League of America to develop material on health, social-work, and education services in day care of children and methods of coordinating the three types of service in a given unit. The increase in Federal grants to the States for child-welfare services (August 1946) may be used by some State public welfare agencies in part to provide added consultation service to communities on day-care services for children.

*Adoption.*—On recommendation of the Children's Bureau, the Council of State Governments included revision of State adoption laws in its suggestions for postwar legislation sent out in December 1945. The recommendation was supported by an explanation based on the Bureau's Essentials of Adoption Law and Procedure. Kentucky reenacted its adoption law with amendments in 1946, and requests for advice on drafting adoption bills have come from several States.



*Unmarried mothers and their children.*—Over 80,000 babies are born out of wedlock each year; nearly half their mothers are under 20 years of age. These facts spotlight the need for specialized child-welfare services in local areas to protect these infants and their mothers—many scarcely more than children. Many requests for advice come to the Bureau. Two pamphlets were issued during the year, *Services to Unmarried Mothers and Their Children*, issued jointly with the Bureau of Public Assistance of the Social Security Board and the American Red Cross, and *Maternity Homes for Unmarried Mothers—A Community Service*. A news letter, *Birth Out of Wedlock*, was sent to State health and welfare agencies and other agencies and individuals concerned with the provision of services needed.

A group of children whose needs called for special consideration during the year are children born out of wedlock in other countries for whom American citizens are named as fathers. The size of this group is indicated by the fact that at one time 22,000 children born out of wedlock in England were receiving allowances from American men in the armed forces. Few continue payments after returning to this country. With reference to the need of these children for financial help, the Social Service Division has been in consultation with the Department of State, the American Red Cross, the Army and the Navy, the British Embassy, and the Child Welfare League of America. The Social Case Work Council of the National Social Welfare Assembly met on May 1, 1946, to discuss international social-case-work problems arising from the presence of American troops in foreign countries.

*Homemaker service.*—To handle requests, the Bureau's bulletin, *Supervised Homemaker Service; a Method of Child Care*, was reprinted. At a conference held in February 1946 on the call of the National Committee on Homemaker Service, reports from agency representatives indicated continuing interest in this type of service, increased availability of homemakers, and a trend toward placing full-time homemakers on agency staffs.

*Refugee children.*—Pursuant to the President's directive (December 22, 1945) to facilitate the admission to this country of eligible persons displaced from their countries by the war, with special emphasis on orphan children, plans were developed for bringing children to this country for care under the auspices of the United States Committee for the Care of European Children. As in the program developed for British children in 1940, a corporate affidavit guaranteeing care for each child is accepted as a basis for the issuance of quota visas. Care to be provided must be in accordance with standards prescribed by the Children's Bureau. With the aid of State departments of public welfare the Bureau designates agencies to give care and service to these children.

*Guardianship study.*—Ground work for a study of guardianship was completed during the year. The purpose of the study is to gather information about guardianship laws and procedures as they affect children, as a basis for defining the circumstances under which guardianship is desirable, the procedures by which the guardian should be appointed, and the supervision that should be provided to serve the best interests of the minors under guardianship. The information



should provide a basis for developing standards, administrative procedures, and legislation. The study is being focused on the social aspects of the guardianship procedures of courts having probate jurisdiction. An analysis of State laws on guardianship is being made. Field studies are to be made in Connecticut, Florida, Michigan, Missouri, Louisiana, and California.

*Group work and recreation.*—The group-work consultant in the Social Service Division advised private and public agencies, on organized camping, curricula for training recreation leaders, State organization for recreation, youth services, recreation in rural areas, and recreation in children's institutions. The consultant worked with the Health Division on organized camping and recreation for children with physical handicaps and with the Industrial Division on teenage problems of youth employment and on recreation for children in migrant work camps.

*Training and staff development.*—The Social Service Division consultant on training and staff development assembled and exchanged information on developments in the training of social workers, especially child-welfare workers, in schools of social work and in State and local public welfare agencies. The Special Committee on Training and Personnel, advisory to the Children's Bureau and the Bureau of Public Assistance, met twice during the year and appointed subcommittees on (1) agency-student-school relations and (2) field-work placements in public assistance.

### **Mental health of children**

The work of the mental health unit of the Children's Bureau developed during the year, both in the aid given the various Bureau divisions in understanding children's emotional and personality needs, and in the consultative service given State agencies through field visits or through advice to the Bureaus' regional consultants. The director of the unit (a psychiatrist) and the unit's psychologist together or separately visited 10 States desiring to start or to expand mental-health services for children.

The Children's Bureau objective is that mental-health programs shall become a part of health, welfare, and occupational-guidance services for children. Services are needed early to help children adjust themselves to other individuals, to their families, and to their communities. Emphasis is being placed, in the development of curative services such as child-guidance clinics, on joint planning, guidance, and financing by State and community health, welfare, and educational agencies. In some States the employment of a psychologist has been the first step toward a mental-health program in the preventive field; the individual appointed has been in a strategic position to influence the acceptance of more mental-health services. The mental health unit, on the basis of study of the experience of State agencies and other organizations employing psychologists, and with the aid of the American Psychological Association, has developed minimum standards of education and experience for psychologists to be used by States establishing such positions in their health or welfare departments.

Consultative service of the mental health unit's staff social worker has centered on (1) qualifications for psychiatric social workers in



State health and welfare programs, (2) training of psychiatric social workers and in-service training of social workers in child-welfare programs, and (3) special facilities for treatment, particularly residential treatment, and for study-home programs for socially maladjusted and emotionally disturbed children.

The mental health unit has held frequent conferences with the Division of Mental Hygiene of the Public Health Service, which will administer the new National Mental Health Act.

The Bureau's report, *Children in the Community—The St. Paul Experiment in Child Welfare*, in press at the close of the year, deals with the demonstration project conducted from 1937 to 1943 in a St. Paul neighborhood to develop coordination of services to discover and treat behavior problems in their early stages, and coordination of community resources to deal with problems of children and youth. At the request of several schools of social work, case records from the St. Paul experiment are being edited for use in teaching.

### **Employment of Children and Young Persons— Facts and Standards**

*Numbers of young workers employed.*—Although industrial reconversion has proceeded rapidly during the year, changes that affect the education and employment of youth will continue. The Industrial Division has sought to determine the factors affecting the employment of boys and girls, to foresee unfavorable developments, and to prevent such developments or to lessen their adverse effects.

The April 1946 figures show somewhat less than 2½ million boys and girls 14 through 17 years of age employed part time or full time as compared with 3 million during the war years and less than a million in 1940. The number obtaining employment certificates, which rose from 175,000 in 1940 to a million and a quarter in 1944, dropped to slightly more than a million in 1945, and early reports indicate a continuing drop in 1946.

Information from various sources indicate that since VJ-day changes in the employment situation have brought changes to young persons but not any considerable unemployment. Many boys of 18 and over have entered the armed forces, thereby lessening the number of boys in the labor market. The demand for girls in sales, clerical service, and some industrial occupations apparently remains strong. There has been a decline in part-time and vacation employment. Some manufacturing establishments have set a minimum age for hiring at 18 years or higher. Employers are expecting more in training, education, and personal qualifications than during the war and are offering less in wages, job security, and promise of advancement. Young veterans generally get preference. The high-school diploma is regaining its prewar position as a job prerequisite. The loss of educational opportunity during the war when boys and girls left school to work now constitutes a handicap to their future.

Release of high-school students for work on part-time jobs during school hours became a common practice during the wartime labor shortage. To obtain data on the educational and employment aspects of these work-school programs the Office of Education and the Children's Bureau made a study in the spring of 1945. If school-work programs become widespread under a peacetime economy they



will require continuing review of the relative value of schooling and employment in the development of the young person and supervision to insure the observance of child-labor laws and advancing educational standards.

*Legal child-labor standards.*—The study of child-labor laws and related laws and their interpretations has continued to supply the factual foundation for advisory service on proposed child-labor legislation and for the administration of the child-labor provisions of the Fair Labor Standards Act.

At the request of the Children's Bureau, the Council of State Governments included in its suggestions to the States for 1946-47 legislation the establishment of a 16-year minimum age for employment. The Children's Bureau issued explanatory material on this standard and on related provisions in State laws. *Why Child Labor Laws?* published at the close of the year, was designed both to help in securing understanding and observance of such laws by parents and boys and girls entering employment and to aid in obtaining better legislation.

Georgia made the outstanding gain of the year in child-labor legislation. Its law effective July 1, 1946, sets a basic minimum age of 16 years for employment, establishes an 8-hour day and a 40-hour week for children under 16, and limits the hours during which children may work in street trades.

New York passed a bill that should improve conditions for migrant workers and their families. It provides that persons responsible for bringing to the State 10 or more migrant farm or food-processing workers must submit in advance facts on wages, housing, and working conditions. New York extended until July 1, 1947, its law permitting children of 14 and over to leave school for farm work.

New York weakened its requirements for street-trades badges. Virginia provided certificates in place of the former street badges for boys of 12 and 13 distributing papers on regular routes. Puerto Rico provided that the relationship between any minor boy engaged in street trades and the person who furnishes him newspapers or merchandise is that of employee and employer.

Massachusetts provided that, except for children related to the farm owner or operator, no child under 14 may be employed on a farm more than 4 hours a day or 24 hours a week. Regulations relating to hazardous occupations were strengthened. Wartime relaxations of hours for night work for young workers were extended to July 1, 1947.

California repealed its minors' emergency war employment act.

Since VJ-day there has been renewed interest among the States in the improvement of child-labor standards. The Industrial Division received during the year more requests for advice than it could handle promptly. Requests for advice on drafting child-labor bills came from State labor departments, code commissions, and interested groups in 12 States and 2 Territories. Officials' and citizens' groups in many other States have called on the Bureau's regional child-labor consultants for advice on strengthening child-labor laws and safeguards for young workers.

*Community surveys.*—Brief surveys of community planning and resources for the guidance and assistance of young people were made by the Bureau's child-labor consultants in eight cities during the



early winter of 1945-46. It was evident from the attitude of most community leaders that unless special effort is made to include them in postwar programs the 16- and 17-year-olds who left school to speed war production as well as those leaving school currently are likely to be lost sight of in the effort to meet the more obvious needs of the returned veteran. The surveys brought out the unevenness of planning from community to community and the gaps everywhere in services available for young people. They brought to light undeveloped resources that might have been used for the benefit of these young workers had community interest produced the necessary leadership. There was anxiety on the part of individuals close enough to young people to recognize their needs. Their evaluation of present programs and facilities and their opinions on what should be done to improve them were of great value to the Industrial Division and to the Inter-agency Committee on Youth Employment and Education to which the Industrial Division gave staff service.

*Standards for children in agriculture.*—During the fiscal year the Industrial Division gave consultative service to Connecticut, Michigan, South Carolina, and Virginia on the victory farm volunteer program sponsored by the Department of Agriculture. In Hawaii, the Division's child-labor consultant worked with officials concerned with the employment of children in the production of sugar, pineapples, coffee, vegetables, and nuts, and succeeded in improving arrangements for school-work programs in agriculture so as to make them less detrimental to educational opportunities. Though voluntary standards developed for urban youth in wartime agriculture have no legal status, they have served to give those concerned with the programs a knowledge of the minimum acceptable standards of living and working conditions, supervision, safety, health, and transportation. Division consultants report that where these standards are observed they bring not only the best programs for the youngsters but also the best results for the farmers who employ them.

These standards for urban youth in agriculture have not been accepted everywhere. Where the need for the work of youth was greatest, community groups have been formed to discuss how to improve conditions and to put better standards into effect.

On visits to areas where migrant-family workers were employed in industrialized agriculture or where rural children have traditionally been found on farms, Division representatives found child labor and living conditions comparable to those found in the 1920's when the Division made its first studies of children in agriculture. Little children 7, 8, 9, and 10 years old were kept out of school to weed or pick vegetables. They carried heavy baskets or dragged great bags of cotton. They were often transported long distances standing up in rickety trucks. They lived in dirty, crowded shelters with little or no provision for sanitation. They belonged to no community and were deprived of health, welfare, and educational services available to community residents. The approach to the migratory child labor problem is difficult because there are few organized programs and few program managers to promote better standards. Efforts are being made to better conditions in some States and some areas. Division representatives advised groups in Colorado and Texas in their efforts to improve conditions for minority groups that will tend to help migratory child



workers; advised educators and others in Michigan experimenting with schools for the children of migratory workers; advised the director of the Farm Manpower Service and other agencies in New York on better labor standards for migrants and their children; and advised groups in Virginia, Florida, and Louisiana on community action to improve conditions for migrant workers.

### **Administration of child-labor provisions of Fair Labor Standards Act**

*Inspectors.*—New procedure for disposing of cases of minor child-labor violations under the Fair Labor Standards Act provides that such cases may be closed in the field by the inspector if he obtains a letter from the employer admitting coverage under section 12 (a) of the act, acknowledging the child-labor violations and promising future compliance. Cases involving more serious violations but with no evidence of willfulness may be closed by the regional child-labor consultant in cooperation with the regional attorney by obtaining a letter of stipulation or by uncontested civil action. When an element of willful violation is found, the case is referred for review and recommendation to the regional joint review committee representing the Industrial Division (after July 16, 1946, the Child Labor and Youth Employment Branch), the solicitor's office, and the Wage and Hour and Public Contracts Division. If criminal action is recommended the case goes to the solicitor's office for review and to the Industrial Division for final recommendation whether it shall be referred to the Department of Justice for prosecution. When the regional committee does not recommend criminal action it may recommend civil action. In any event, the case is referred to the regional child-labor consultant who advises with the regional attorney on the most effective method of closing the case.

The 9,538 children found illegally employed under the child-labor provisions of the Fair Labor Standards Act in the fiscal year 1946 were fewer than the 13,289 found in the fiscal year 1945 but more than the 8,436 in 1944. Illegal child labor is still a much greater problem than before war-production pressures developed. The findings for 1946 as compared with the figure (1,761) for the fiscal year 1941 show an increase of 441 percent in the number of minors employed contrary to the act and an increase of 323 percent in the number of establishments (from 579 to 2,449) employing under-age minors. Illegal employment or oppressive child labor is not confined to one part of the country or to a few industries; it is found in practically every industry and State.

*Court action.*—During the fiscal year 72 criminal child-labor cases were closed, more than twice the number in 1945. Convictions were obtained in 70 of the 72 criminal actions instituted. The industries represented in these cases showed wide variety, although the food industry, including canneries, packing sheds, bakeries, flour mills, stockyards, and poultry and egg establishments, was responsible for nearly one-fifth of all establishments in violation and for nearly one-third of the illegally employed minors.

Convictions under criminal proceedings were obtained in 23 States. Fines in most instances were substantial, indicating realization by the courts of the seriousness of oppressive child labor. A total of 29 of the fines were for \$1,000 or more, extending up to \$25,000 in the case of



a Chicago mail-order house where the violations were repeated after warnings and involved many children. Two criminal contempt actions were completed against employers who had signed decrees binding them to observance of the law and thereafter were found to be employing children contrary to the law.

With the increase in the number of criminal actions, the number of civil actions was reduced. In 55 civil suits closed during the fiscal year 1946, injunctions were obtained in 54 instances; 1 case was withdrawn. Fresh-vegetable packing sheds, wood containers for shipping vegetables, embroidery, sportswear, shoe factories, and paper bags, raw-shrimp packers, and fish packers were the industries against which civil actions were brought. In civil contempt actions brought against two fish-processing establishments whose operators in 1944 had signed consent decrees, one case resulted in a permanent injunction restraining the operator from violation of the child-labor provisions of the act, and in the other case the defendant was adjudged in contempt of court, but was allowed to purge himself of contempt by complying with the order previously signed.

In two cases the judge of the Fifth Circuit of the United States Circuit Court of Appeals reversed the action of the lower court refusing the issuance of injunctions on the ground of the general standing and reputation of the defendants. The judge of the circuit court stated:

That the Chief of the Children's Bureau exhibited patience and forbearance in dealing with defendants and resorted to court action only after her efforts failed to obtain compliance, may not be denied. \* \* \* The act places responsibility for its administration on the courts, as well as on the Children's Bureau. The courts should not treat lightly this responsibility. Congress passed the child-labor section of the Fair Labor Standards Act in the interest and the welfare of the children of the country. The courts are charged, therefore, with the duty to enforce the national policy.

*Age-certification program.*—The Industrial Division continued in effect in 44 States, Hawaii, Puerto Rico, and the District of Columbia, the cooperative plan whereby State employment and age certificates are accepted as proof of age under the Fair Labor Standards Act. In Alaska, for the time being, birth certificates and baptismal certificates are accepted for this purpose. In Idaho, Mississippi, South Carolina, and Texas, Federal age certificates are issued, since State laws do not provide for age-certificate programs.

The demand for employment and age certificates has decreased since the close of the war and may continue to decrease. Even so, certificate issuance for the country as a whole was six times as heavy in the calendar year 1945 as it was in 1940. Recognizing the value of the systems in the enforcement of State child-labor laws, State departments responsible for employment-certificate systems are seeking both better legislation and better administrative procedures to make the system more effective. To enable the issuing officer to give guidance to the boy or girl entering the labor market, one State has included, on the form for the employer's promise of employment, space for a job description and machinery description. One State agency is developing a better system of State review of all certificates issued, to determine legality of employment and to obtain uniformity of issuance. To strengthen its issuance procedures in Texas, the Industrial Division has discontinued seasonal certificates of age for work in canneries and



on packing fresh fruits and vegetables and now requires employers to sign the customary promise of employment and to have a certificate for each minor. In Mississippi letters are being written to all new industries coming into the State explaining the purpose of the Federal age certificates and how and where they may be obtained.

*Hazardous occupations.*—Two additional advisory standards in the series, *Which Jobs for Young Workers?* were issued: No. 14, Advisory Standards for the Converted Paper-Products Industries; and No. 15, Advisory Standards for Slaughtering and Meat-Packing Industries. Their distribution was industry-wide by direct mailing to all known plants.

With the advent of peace and lessened demand for young workers, the long-range program of the Bureau in investigating occupations to determine whether hazards involved are sufficient to warrant an 18-year minimum age was given top priority. Review of wartime exemptions from hazardous-occupations orders resulted in rescission of the exemption under Order No. 5 that permitted minors of 16 and 17 to work on certain machines in the manufacture of veneer fruit and vegetable containers. Rescission of exemptions to Order No. 4 that permit minors of 16 and 17 to engage in certain jobs in logging and sawmilling otherwise prohibited is under consideration, as is an amendment to the order that will bring pulpwood logging under its coverage. In this connection the Bureau of Labor Statistics, on request, has included the study of the hazards of pulpwood logging in its annual industry studies, and the Industrial Division has visited pulpwood operations in various parts of the country to study the hazards of pulpwood logging for young workers.

Investigations of the hazards of elevators and other power-driven hoisting apparatus were completed during the year, and on July 11, 1946, the Chief of the Children's Bureau issued Hazardous-Occupations Order No. 7, Occupations Involved in the Operation of Power-Driven Hoisting Apparatus, to become effective September 1, 1946. This will be the last hazardous-occupations order issued by the Chief of the Children's Bureau, since under the President's Reorganization Plan No. 2 the authority to issue these orders under the Fair Labor Standards Act was transferred to the Secretary of Labor.

At the close of the year, the Industrial Division had under investigation employment on cold-metal-working machines, limited to two primary classes of such machines—machine tools, and cold-metal forming, shaping, or shearing machines. Little information on hazards of work on these machines is available though they have often been singled out for coverage under hazardous-occupation prohibitions in State child-labor laws. This is one of the most comprehensive investigations ever undertaken by the Industrial Division.

*Order on employment of 14- and 15-year-olds.*—Under the Fair Labor Standards Act, the Chief of the Children's Bureau in 1939 issued Regulation No. 3, defining employment for 14- and 15-year-old children. During the war a few requests for relaxation of the order were granted with safeguarding provisions that permitted certain employment in fruit drying, in packing fresh fruits and vegetables, in shrimp packing, and in turkey picking, the last limited to the 1943 season. After the war, the special need for the use of children under 16 in these industries no longer existed. The Chief of the Children's Bureau



revoked as of October 31, 1945, the relaxations relating to fruit drying and fruit and vegetable packing, and as of November 30, 1945, the relaxation relating to shrimp packing.

### Bringing facts to light

Significant trends related to the welfare of children during the war period and since VJ-day are made evident by the statistics collected and analyzed by the Bureau's Division of Statistical Research. The Division's statistical service was tied closely to the operating programs of the Bureau, and much of the data obtained is included in the program sections of this report. The most urgent requests from State agencies were met, for field consultation on statistics relating to maternal and child health, child-welfare services, and juvenile courts. The Bureau's Advisory Committees on Child Welfare Service Statistics and on Juvenile Delinquency Statistics aided materially in planning future work in these fields. In keeping with the Bureau's interest in the welfare of all children, the Division of Statistical Research is obtaining data on children in the different population groups and services provided for them, and is obtaining data on races of children receiving service and of staffs giving service, in the current reporting series on child-welfare services.

*Births and maternal and child mortality.*—The birth rate rose steadily from 16.7 per 1,000 population in 1936 to 21.5 in 1943; it dropped in 1944 to 20.2 and again in 1945 to 19.8. The provisional infant-mortality rate for 1945, 38.1 per 1,000 live births, is the lowest on record and is 4.3 percent lower than the final rate of 39.8 for 1944. The maternal-mortality rate for 1944 was 22.8 per 10,000 live births, a new low; a further decline in 1945 seems probable.

Ten years of progress in reducing maternal and infant mortality was reported in *The Child* for November 1945 and in pictorial form. Despite the progress made, there is still needless loss of life during maternity in every State. Prevention of deaths among infants born prematurely now presents the greatest opportunity for reduction of infant mortality.

A detailed analysis, *Childhood Mortality From Accidents*, was published, and a similar study, *Childhood Mortality From Rheumatic Fever and Heart Diseases*, is ready for publication. Another study, of mortality from tuberculosis in childhood, was presented in brief in the Bureau's newsletter, *Our Nation's Children* (No. 5, June 1946).

*Statistics on health services for children.*—A preliminary report was issued on maternal and child health services administered or supervised by State health agencies during the calendar year 1945. The number of children on State crippled children's registers and the volume of services for crippled children under the State programs was reported. A new report showing separately the services for children with rheumatic fever during the calendar year 1944 was issued, including figures from 16 States.

The annual report of Public Health Personnel, Facilities, and Services, planned with the Public Health Service, was continued after an experimental period and its coverage was extended during the year to about two-thirds of the States.

The statistical work in connection with the emergency maternity and infant care program was heavy during the year; frequent changes in induction policy complicated the estimating of the armed forces



and hence the financial requirements of the program. In addition to current reports of case loads and financial statistics for administrative use, an analysis was made of the trends in case loads, cost of services, and physicians and hospitals participating since the beginning of the program.

*Statistics on social services for children.*—The major activity in social statistics was the extension of the revised reporting plan for child-welfare services initiated in July 1944. By the end of the year, 40 States and Territories were providing substantially complete service reports on children receiving noninstitutional services from public-welfare departments. With the addition of the complementary annual report on children receiving service from public institutions, now being tabulated for the first time, substantially complete data are provided on the number of dependent, neglected, and delinquent children served under public auspices. Because of the need for information on detention care it is planned to extend the coverage of this report to include detention homes.

On the characteristics of children receiving service, for which reports are optional, 45 State welfare agencies submitted some of the desired information as of January 1, 1945, and 32 of these States reported on all children served by public welfare agencies. Reports on characteristics of children receiving service as of January 1, 1946, are still coming in and will have added value because the new item "Date of last contact" will show recency of service.

The second annual report on personnel in the public child-welfare programs, now in preparation, includes substantially complete reports for 40 States and Territories and incomplete reports for 12 States. On June 30, 1945, less than 2,000 full-time child-welfare workers were reported; more than half were in eight States; more than two-fifths were in approximately 60 counties with large urban areas. The personnel reports for June 30, 1946, will include part-time employees.

In response to urgent requests for statistical data on adoptions, a special inquiry was sent to the State public-welfare agencies at the beginning of the fiscal year and a summary of the data appeared in the March 1946 issue of *The Child*. Twenty-two States reported more than 16,000 children involved in adoption petitions in 1944, giving a basis for an estimate of 50,000 throughout the country. Consideration is being given to an annual report, from State agencies, on adoptions.

The Division of Statistical Research developed a revised plan for juvenile-court statistics. The revision, effective January 1, 1946, included (1) extension to include all children's cases (dependency, neglect, delinquency) disposed of officially or unofficially by the reporting courts, (2) elimination of duplicate count of children, and (3) greater emphasis on State-agency collection of statistics. Assumption of responsibility for collection of juvenile-delinquency statistics by the State agencies is a recognition of the basic interest of State departments of public welfare in this area of child welfare. It should increase the number of courts covered and the data received from rural areas. The Children's Bureau will direct its consultative service to State agencies, and individual courts will be encouraged



to request advice on reporting procedures from the State agencies, which are in a better position to understand their problems.

The experimental registration of juvenile delinquent behavior carried on by the Bureau and the District of Columbia Council of Social Agencies for 1 year in 1943-44 was reported in the 1945 National Probation Association Yearbook. A manual on the registration of juvenile delinquency is being developed.

*Statistics on child labor and youth employment.*—Two series of records required in the administration of child-labor laws were analyzed by the Division of Statistical Research—(1) the reports from issuing officers on the number and types of age and employment certificates issued to minors, and (2) the reports of the child-labor inspections made under the Fair Labor Standards Act. Accident data were compiled for industries or occupations that may be hazardous to young workers, as a basis for hazardous-occupation orders and advisory standards for the employment of young workers. Statistics were collected and estimates prepared on the volume and type of youth employment.

The three statistical services used to determine the trend in youth employment each have their limitations. The Monthly Report of the Labor Force (Census Bureau) is based on a small sample of the population, and the reliability of any portion of the sample, such as data on children, is difficult to determine. Reports on applicants for social-security account numbers are limited to the coverage of the Social Security Act that does not include important segments of the child-labor market such as agriculture and domestic service. Reports on employment certificates are limited to the kinds of employment for which certificates are issued in the various States, and are influenced by a number of administrative factors. Comparisons of the various series and analyses of their interrelations are being carried on to determine the limits of the reliability of the present series and to obtain additional insight into their meaning.

The Industrial Statistics Section of the Division of Statistical Research was transferred with the Industrial Division to the Division of Labor Standards of the Department of Labor under the President's Reorganization Plan No. 2, effective July 16, 1946.

### **Reporting to the public**

The fiscal year 1946 was the first full year of operation of the Bureau's Division of Reports, in which the Bureau's informational and editorial facilities were consolidated in 1945. Through this Division the Bureau carried out its integrated program for reporting on its investigations and programs; for preparing and publishing its publications; for increasing public understanding of its work through the press, radio, magazines, and other popular media; for assisting professional groups and informing the public through visual-education materials; for liaison with other Federal informational services; and for professional counsel to State health, welfare, and labor agencies in their information programs.

The Bureau's printing fund for the fiscal year was apportioned among the various types of material published as follows: Publications for parents, 70 percent; publications for civic groups, 12 percent;



publications for professional and technical use, 8 percent; monthly periodical, *The Child*, 6 percent; miscellaneous, 4 percent.

The Children's Bureau bulletins for parents continued in wide demand both by parents and by professional people concerned with child development. Requests filled by the Bureau totaled 230,284 copies of *Prenatal Care*, 929,897 copies of *Infant Care*, and 322,697 copies of *Your Child from One to Six*. In addition, the Superintendent of Documents sold 114,000 copies of *Prenatal Care*, 135,000 copies of *Infant Care*, and 92,000 copies of *Your Child from One to Six*.

During the year 27 new and 5 revised publications were issued; 9 publications were in press at the end of the year. Reprints of 20 bulletins and 13 folders and leaflets were issued. Requests for 2,594,742 copies of publications were filled.

In its tenth year of publication, *The Child*, the Bureau's monthly magazine for individuals and agencies working with and for children, continued to provide a channel for information on current developments, activities, policies, and programs for maintaining the health of mothers and children, providing child-welfare services, and safeguarding youth from harmful employment. Two general information campaigns were conducted, on May Day—Child Health Day and Back to School. Through its visual services section, the Division designed five new exhibits, each being shown from one to four times.

### International cooperation

*Training programs for foreign visitors.*—The Inter-American unit of the Children's Bureau took an active part in planning programs of observation and study for officials and professional workers from other countries. Five students came on training grants from Bolivia, Brazil, Mexico, Panama, and Paraguay, and 64 other visitors came from some 30 countries. To meet the needs of these visitors, the help of professional persons in many communities in the United States was enlisted. In addition to those who came for planned study, many other foreign visitors came to the Children's Bureau for information on programs for children in this country, bringing with them invaluable information about what is being done for children in their countries.

*Inter-American cooperation.*—The Children's Bureau continued to work with the Interdepartmental Committee on Scientific and Cultural Cooperation of the Department of State in developing projects in the other American Republics. During the year the Bureau's Inter-American Unit sent staff consultants in pediatrics, administration of maternal and child-health services, public-health nursing, nutrition, and social work, on request of the respective governments, to Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Mexico, Paraguay, Peru, and Uruguay. Translations into Spanish of the new editions of *Prenatal Care*, *Infant Care*, and *Your Child from One to Six* have been made under the auspices of the American International Institute for the Protection of Childhood and are being printed by the Department of State for distribution through United States embassies.

An outgrowth of contacts made at the Third Border Health Conference in 1945 was an exchange visit in September 1945 of two child-labor-law enforcement officials of the Children's Bureau and two



similar officials from the Office of Women and Minors of the Mexico Federal Department of Labor. The cities of Austin, El Paso, and San Antonio, Tex., and Santa Fe, N. Mex., were visited in the United States; the State of Nuevo León and the city of Monterrey were visited in Mexico.

Maternal and child health was the subject of a round-table discussion at the Fourth Annual Border Health Conference, held in El Paso, Tex., and Ciudad Juarez, Mexico, April 29 to May 1, 1946. Representatives of health departments of the border States and of the Children's Bureau together with Federal and State health officials of Mexico took part. Eight recommendations were designed to strengthen existing programs and to increase cooperation between Mexico and the United States in promoting the health of mothers and children.

The Bureau is cooperating with the United States—Mexico Border Public Health Association on a midwifery project in Ciudad Juarez, and with the Inter-American Hospital Association on a dietetics project in Guatemala.

*Children in the Philippines.*—At the request of the Philippine Government and with a grant from the United States Department of State, the Children's Bureau sent two specialists to the Philippines during May and June 1946 to study maternal and child health and child welfare needs and resources.

*Cooperation with international organizations.*—The director of the inter-American unit attended the First Pan-American Congress of Social Service, in Santiago, Chile, in September 1945. Delegates from schools of social work and governments in most of the American Republics attended. Reports presented gave eloquent testimony to the broad vision and leadership of public and private agencies concerned with the health and welfare of mothers and children in the various American countries.

In March 1946 the director of the inter-American unit represented the Chief of the Children's Bureau at the meeting of the Council of the American International Institute for the Protection of Childhood.

The Chief of the Bureau, as a Government adviser to the United States delegation, attended the International Labor Conference in Paris in October 1945. She served as one of the reporters for the committee on protection of young workers that presented resolutions adopted by the Conference on the social protection, educational opportunities, admission to employment, and protection of young workers, and presented other resolutions for consideration at future conferences. The Director of the Industrial Division of the Bureau served as technical adviser to the United States delegation to the Conference of the American States Members of the International Labor Conference in Mexico City in April of this year.

The Chief of the Bureau served as secretary of the Temporary Social Commission of the United Nations, on whose recommendation in June 1946 the United Nations Economic and Social Council authorized the establishment of a permanent Social Commission.

The Associate Chief of the Bureau served as vice chairman of the United States delegation to the International Health Conference, which drew up a draft constitution for the World Health Organization.



## RECOMMENDATIONS

At the end of 34 years of service, the need for a bureau in the Federal Government that can be a focal point for the interest of citizens in children and for the development of governmental policies relating to their welfare is even clearer than in the years of effort to secure the establishment of such a bureau. The only way in which the United States can fulfill its central purpose—that of democratic living—and discharge its responsibilities in tomorrow's world is to make sure that every child has a fair chance to develop the qualities and capacities required for citizenship in that world. Yesterday's children are piloting the four-engine planes through the heavens and studying the secrets of atomic energy. Today's children not only will be called on to develop the steadiness of the pilot and the skill of the scientist, but they must learn far better than their elders the science and the art of organization and coordination of social forces.

At the beginning of the new fiscal year, the Children's Bureau has been weakened by the splitting off of its Industrial Division, and strengthened by the virtual doubling of its appropriations for grants in aid to the States and by additional funds made available for the administration of these grants. In the Federal Security Agency the Bureau has been brought into closer association with the Social Security Administration of which it has become a part, and with other branches of the Agency. Its position in the new Agency should be strengthened both through Cabinet status for the Agency and through enlargement of the resources of the Children's Bureau for research and reporting activities and for cooperation with the States in the development of services for children and young people.

The integrity of the Bureau's Industrial Division has been maintained through the status given it as the Child Labor and Youth Employment Branch of the Division of Labor Standards. That unit and the Children's Bureau must maintain the closest ties of joint planning and cooperative effort, with the Child Labor and Youth Employment Branch continuing to carry on a unified and comprehensive program for the protection of child workers, and the Children's Bureau continuing to be concerned about the protection of youth from any hazard or curtailment of opportunity, and the assurance of full opportunity for all young people. The combined effort of all Federal agencies dealing with youth problems will be needed in the future, even as it has been found essential in the past. Both Federal and State child-labor legislation should be extended so as to afford full protection and secure universal observance of a 16-year minimum age for employment in any occupation during school hours and at any time in manufacturing.

It is becoming increasingly clear that we must have in this country health protection and medical care for mothers and children and social services for children, in every county or other administrative unit of government, with State leadership and assistance and Federal aid. Together with a comprehensive program of Federal aid for general education and expansion of coverage and benefits of our social-security program, these measures furnish an essential basis for the happiness and self-reliance of citizens and for the future of the Nation. There must be no barriers of race, color, creed, or economic status between a child and the service required for his health and full development.



The increased grants made available for maternal and child health and child-welfare services should be succeeded as soon as possible by programs that can become Nation-wide as trained personnel become available.

Resources for research must go hand in hand with expansion of administrative programs, for the direction and effectiveness of the programs depend on full knowledge of the facts and demonstration of the best methods of giving service.

Full cooperation is needed between the various official agencies of Federal, State, and local government whose programs affect children, and between government and citizens represented in advisory committees and voluntary associations and agencies. The National Commission on Children and Youth, and State and local commissions or councils, are promising efforts in this direction.

The program of international cooperation through exchange of skills and information as well as through cooperation in the work of agencies and commissions of the United Nations should become world-wide.

### UNITED STATES CONCILIATION SERVICE

During the fiscal year 1945-46 the United States Conciliation Service replaced the National War Labor Board as the Government agency having the principal responsibility for handling labor disputes.<sup>1</sup>

With VJ-day and the subsequent discontinuance of the NWLB, this Service inherited the tremendous dispute load which the Board had been carrying. At this same time labor withdrew the no-strike pledge made at the beginning of the war. The Government, with the agreement of the majority of labor and management representatives, announced a return to free collective bargaining.

The result was the heaviest year's work in the 33 years of the Conciliation Service. Disputes were more complex and took longer to settle.

Because of the more difficult nature of the reconversion disputes, the statistical record of 18,840 disputes handled, involving more than 8,573,000 workers (see table I below), is only part of the story. During the war years it was frequent practice on the part of both labor and management to engage in perfunctory bargaining and to call upon a commissioner of this Service as a step toward referral of their dispute to the National War Labor Board. (See Appendix Table C.) With the end of the war and the removal of this final court of appeal large numbers of relatively minor disputes were settled by collective bargaining without Government assistance of any kind.

TABLE I

| Labor disputes            | Number  | Workers involved |
|---------------------------|---------|------------------|
| Work stoppages.....       | 3, 206  | 2, 534, 000      |
| Threatened stoppages..... | 5, 088  | 2, 518, 000      |
| Controversies.....        | 8, 140  | 3, 237, 000      |
| Arbitration.....          | 959     | 138, 000         |
| Technical.....            | 123     | 29, 000          |
| Special services.....     | 1, 324  | 117, 000         |
| Total.....                | 18, 840 | 8, 573, 000      |

<sup>1</sup> The National Mediation Board is responsible for the handling of railroad and airlines disputes.



As the above table shows, the great majority of disputes were settled without resort to work stoppages. The Service was particularly effective in adjusting disputes where strikes were threatened. The record shows that, where the Service was called in before a strike, 88.9 percent of the threatened stoppages were averted. However, the strike record for the past year was serious and had a significant influence on production during the postwar period.

### **The President's Labor-Management Conference**

Realizing that the reconversion period would present more serious labor relations problems than had ever faced the country, the President, on November 5, convened a conference of labor and management representatives in Washington. The conference, composed of representatives of the American Federation of Labor, Congress of Industrial Organizations, United Mine Workers of America, Railway Brotherhoods, National Association of Manufacturers, and Chamber of Commerce, unanimously recommended:

1. Reorganization and strengthening of the United States Conciliation Service.
2. Collective bargaining undertaken promptly and in good faith following recognition of a properly established bargaining agent.
3. Provision in all contracts for the settlement of grievances without resort to strike or lock-out.
4. Nondiscrimination in employment opportunities.
5. The appointment of a labor-management advisory committee to advise the Director of the Conciliation Service.

### **Director's office**

In September 1945 the Secretary of Labor appointed Edgar L. Warren as Director of the Conciliation Service and assigned him the task of reorganizing the Service and equipping it with whatever tools were necessary to handle industrial labor relations problems for the Government.

The new Director initiated a program for reorganizing and improving the Service. A new Program Division was set up to train new commissioners of conciliation and to provide all commissioners with the necessary background and current information on labor relations problems. The Arbitration, Technical Services, and Field Operations Divisions were reorganized and new personnel added. A labor-management advisory committee was appointed to advise the Director on policies and procedures of the Service. Until 1943 all operations were conducted from Washington, but in that year an unprecedented case load dictated the need for decentralization. The Service now operates through seven regional offices in Boston, New York, Cleveland, Atlanta, Kansas City, Chicago, and San Francisco.

### **Advisory committee**

Pursuant to a recommendation of the Director, the Secretary of Labor on October 18, 1945, appointed a tripartite advisory committee to work closely with the Director on policy, procedures, and organization to be used in strengthening the machinery within the Department for the peaceful settlement of labor disputes.

This committee was subsequently reconstituted, as the result of action taken at the Labor-Management Conference, and is now com-



posed of eight members selected from a list of nominees submitted by the AFL, the CIO, the Chamber of Commerce, and the National Association of Manufacturers. The committee was delegated the responsibilities enumerated by the conference of making recommendations to the Secretary of Labor or to the Director of the Conciliation Service with respect to the policy, procedures, organization, and the development of adequate standards and qualifications for the personnel of this Service.

The present committee has met five times and has been of great assistance to the Director in advising him concerning new policies and methods of operation.

### **The training of conciliators**

A Program Division has been set up during the last year to assist commissioners of conciliation and to provide them with adequate training, basic information on labor relations problems, and current developments in governmental policies, labor law, and industrial relations practice.

The need for a greatly expanded program to train and equip commissioners has been increasing during the last decade as labor-relations problems have grown in complexity. The Labor-Management Conference dealt in greater detail on the development of this work than on any other subject. Specifically the conference report recommended:

Provision should be made for practical training for newly appointed conciliators. During such training, the newly appointed conciliators should be assigned as observers in the course of actual conciliation of a variety of cases.

Adequate facilities should be made available to assure thorough knowledge on the part of conciliators of the policies of the Service, techniques of conciliation, labor laws, and industrial relations practice. Information services should be made available to all conciliators to keep them currently abreast of developments in the Conciliation Service, and to provide them with up-to-date information on current labor law and industrial relations practice. In addition, periodic refresher courses should be conducted in the interest of maintaining high standards of service.

Functions of the Program Division have been carried out through a staff in Washington and by regional service coordinators in the field offices. The coordinators are on the staffs of the regional directors and are responsible respectively to each regional director as a part of his program of building up the Service to its maximum effectiveness. Regional directors and coordinators secure such assistance and leadership as the Program Division in Washington is able to provide.

Information and training is provided for commissioners through four major methods: (1) training and current problems conferences; (2) training with experienced commissioners; (3) dissemination of information on labor relations matters; (4) liaison work with other Government agencies.

### **Fact-finding boards**

In the last 6 months 10 fact-finding boards have been appointed, 8 of them by the Secretary of Labor and 2 by the President. All of the boards have been serviced by the Department of Labor. The responsibility for the appointment and servicing of the boards has centered in the Conciliation Service although staff assistance has been secured from other bureaus of the Department and other Government agencies. It is difficult to estimate the number of cases in which it will



be found desirable to appoint fact-finding boards but it is contemplated that the Secretary will, in cases affecting the national economy, particularly those involving public utilities, continue to appoint boards which will make findings of fact and recommendations to him concerning the settlement of the dispute.

### Voluntary arbitration

There has been a decided increase in the use of voluntary arbitration in the settlement of grievances between industry and labor during the past few years, as is indicated by the increase in the number of arbitration appointments made by the United States Conciliation Service and shown in the following tabulation:

| Fiscal year: | Arbitrators<br>Appointed |
|--------------|--------------------------|
| 1940-41      | 192                      |
| 1941-42      | 453                      |
| 1942-43      | 1,009                    |
| 1943-44      | 1,185                    |
| 1944-45      | 1,151                    |
| 1945-46      | 959                      |

The above figures reflect only the number of arbitrators appointed by the Conciliation Service and do not include cases in which arbitrators were otherwise selected. The "No Strike—No Lockout Pledge" was largely responsible for the great increase during the war years in the use of voluntary arbitration as a final means of adjusting employer-employee disputes. Great impetus was given the use of arbitration by the NWLB's policy of ordering the inclusion of arbitration clauses in contracts wherever this issue was raised. It is reasonable to believe that once having realized the benefits flowing from the use of voluntary arbitration, this method of adjusting grievances will become even more widespread throughout labor and industry.

The Arbitration Division is undergoing a complete reorganization. Labor-management advisory committees have been set up in each of the seven conciliation regions to pass upon the experience, ability, educational background and impartiality of arbitrators (including those incumbents who desire to remain on the staff of arbitrators) who are residents in the respective conciliation regions. Soon, the Service will have a larger staff of approved arbitrators from which selection may be made.

### The National Trucking Commission

In January 1946 the Local Cartage National Conference, representing employers in the local trucking industry, and the International Brotherhood of Teamsters, representing employees in this industry, entered into an agreement to establish a tripartite commission which would provide permanent voluntary machinery to settle labor disputes resulting from negotiation, renegotiation or renewal of collective-bargaining agreements and other labor disputes of major importance. This commission was established within the Service in March 1946 with a staff member as chairman and public member and one representative of industry and labor respectively. Both the labor and industry members serve without compensation.

This commission acts both as a mediation board and as an arbitration board, hearing disputes in the trucking industry, and its services are available both in Washington and in the field. Its use is



purely voluntary, the parties stipulating, however, that the arbitration award to be issued is final and binding on both parties.

A variety of cases have been mediated or arbitrated by the commission since its inception covering various segments of the trucking field, local, over-the-road, contract carriers, dairy, coal, etc.

### Technical Division

The Technical Division was established after the demise of the NRA in 1934 to supply highly technical information on wages and worker-productivity to management and labor to be used in individual negotiations as a basis for reaching agreements.

In response to an increasing number of requests based on agreements to pay comparable wages for comparable work, the Technical Division has made work-load wage surveys. Each of these surveys has been "tailor made" for each set of mill conditions. These studies have proved to be of invaluable assistance in preventing strikes.

During the war years as production needs became greater, techniques were devised to secure greater employee productivity. Wage incentive plans were placed in operation, as were various systems for the evaluation of jobs and the development of job classification in the pay scale. For these reasons a new interest in piecework rates and production quotas developed. Labor demanded that a normal operator working at a normal speed could make or exceed the requirements. With this change in emphasis, it became necessary to make detailed studies of operations in individual plants; to assist in the adjustment of problems of job classification and evaluation; to study production quotas; and to study relationships between quotas, piece rates, and earnings.

As directives of the War Labor Board became effective, it became necessary for management to develop factual bases for their wage schedules, especially when it became necessary to adjust intraplant inequities. When job-evaluation systems were installed, grievances arose that required that studies be made by a representative of the technical staff in order to provide the facts on which adjustments could be based. Thus it can be seen that there has been a gradual shift in the type of work performed by the Technical Division.

An analysis of the statistics reported by the Service does not reflect the extent of the Technical Division's work, since the number of situations grouped as "technical" refer solely to cases wherein studies were made and formal written reports made to the parties. In situations where technical advice was given one or both parties, the type of situation was classified as special services or consultations and grouped for the Service as a whole and not broken down between technical and general.

With the end of the war and reconversion to peacetime production there is again the demand for greater production. Again labor is claiming overloads, insufficient personal time allowances, etc. Management is tightening up loose standards that developed during the war. The setting of quotas and piecework rates on newly developed items and the rating of newly established jobs is causing friction.

In order to render more efficient service to the field staff and to management and labor, the Technical Division has been decentralized, with representatives in regional offices.



Certain unions customarily write into their contracts a provision that the Technical Division be called for studies and advice before a grievance goes to arbitration. Many such contracts are written without the knowledge of the Service, so the staff is obligated without their knowledge or consent. So far, it has been possible to service all requests under such contracts.

In accordance with the recommendation of the National Labor-Management Conference a Technical Advisory Committee composed of labor-management representatives has been appointed which regularly advises the Director of the Division on Policies and Procedures.

TABLE I.—*Disputes disposed of by the U. S. Conciliation Service, classified by type of situation for the fiscal years 1940-41 through 1945-46*

| Labor disputes            | 1940-41 |                               | 1941-42 |                               | 1942-43 |                               | 1943-44 |                               | 1944-45 |                               | 1945-46 |                               |
|---------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|
|                           | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> |
| Work stoppages.....       | 1,535   | 1,239                         | 1,781   | 769                           | 2,086   | 1,292                         | 2,843   | 1,264                         | 3,207   | 1,709                         | 3,206   | 2,534                         |
| Threatened stoppages..... | 1,319   | 1,048                         | 2,238   | 2,115                         | 2,347   | 2,094                         | 2,217   | 1,505                         | 2,017   | 2,017                         | 5,088   | 5,518                         |
| Controversies.....        | 851     | 664                           | 2,448   | 1,987                         | 9,911   | 7,067                         | 16,638  | 9,014                         | 17,731  | 10,369                        | 8,140   | 3,237                         |
| Arbitration.....          | 192     | 62                            | 453     | 168                           | 1,009   | 240                           | 1,185   | 223                           | 1,151   | 304                           | 959     | 138                           |
| Technical.....            | 114     | 47                            | 76      | 27                            | 148     | 104                           | 213     | 151                           | 166     | 30                            | 123     | 29                            |
| Special services.....     | 1,588   | 385                           | 1,515   | 509                           | 2,058   | 178                           | 1,701   | 85                            | 1,469   | 78                            | 1,324   | 117                           |
| Total.....                | 5,599   | 3,445                         | 8,511   | 5,575                         | 17,559  | 10,975                        | 24,797  | 12,242                        | 25,907  | 14,507                        | 18,840  | 8,573                         |

<sup>1</sup>In thousands.

APPENDIX TABLE A.—*Disputes disposed of by the U. S. Conciliation Service, classified by States for the fiscal years 1940-41 through 1945-46, by region*

| States, by region         | 1940-41 |                               | 1941-42 |                               | 1942-43 |                               | 1943-44 |                               | 1944-45 |                               | 1945-46 |                               |
|---------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|
|                           | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> |
| <i>Region I—Foston</i>    |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Connecticut.....          | 33      | 41                            | 77      | 91                            | 156     | 192                           | 216     | 215                           | 277     | 188                           | 259     | 156                           |
| Maine.....                | 13      | 13                            | 15      | 9                             | 36      | 98                            | 47      | 62                            | 40      | 24                            | 62      | 26                            |
| Massachusetts.....        | 86      | 35                            | 139     | 186                           | 379     | 213                           | 703     | 416                           | 782     | 365                           | 590     | 305                           |
| New Hampshire.....        | 5       | 1                             | 8       | 2                             | 41      | 11                            | 65      | 17                            | 93      | 25                            | 57      | 10                            |
| Rhode Island.....         | 19      | 9                             | 25      | 33                            | 74      | 60                            | 96      | 92                            | 139     | 46                            | 105     | 42                            |
| Vermont.....              | 4       | 1                             | 7       | 2                             | 10      | 4                             | 30      | 8                             | 45      | 11                            | 29      | 7                             |
| Subtotal.....             | 160     | 100                           | 271     | 323                           | 696     | 578                           | 1,157   | 810                           | 1,376   | 659                           | 1,102   | 546                           |
| <i>Region II—New York</i> |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Delaware.....             | 6       | 1                             | 28      | 9                             | 25      | 37                            | 50      | 71                            | 66      | 65                            | 29      | 8                             |
| Maryland.....             | 41      | 46                            | 79      | 124                           | 147     | 374                           | 218     | 189                           | 386     | 131                           | 202     | 121                           |
| New Jersey.....           | 152     | 107                           | 236     | 147                           | 568     | 393                           | 697     | 457                           | 776     | 815                           | 627     | 414                           |
| New York.....             | 228     | 224                           | 506     | 430                           | 1,305   | 2,056                         | 1,665   | 1,337                         | 1,680   | 998                           | 1,270   | 1,153                         |
| Pennsylvania.....         | 335     | 224                           | 550     | 370                           | 1,183   | 1,100                         | 1,644   | 1,584                         | 1,629   | 897                           | 1,186   | 678                           |
| District of Columbia..... | 98      | 15                            | 68      | 16                            | 84      | 57                            | 97      | 37                            | 103     | 427                           | 86      | 87                            |
| Subtotal.....             | 860     | 617                           | 1,467   | 1,096                         | 3,312   | 4,017                         | 4,371   | 3,675                         | 4,640   | 3,333                         | 3,400   | 2,461                         |

<sup>1</sup>In thousands.



APPENDIX TABLE A.—Disputes disposed of by the U. S. Conciliation Service, classified by States for the fiscal years 1940-41 through 1945-46, by region—Con.

| Labor disputes                  | 1940-41 |                               | 1941-42 |                               | 1942-43 |                               | 1943-44 |                               | 1944-45 |                               | 1945-46 |                               |
|---------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|
|                                 | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> |
| <i>Region III—Cleveland</i>     |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Indiana.....                    | 136     | 91                            | 251     | 127                           | 503     | 250                           | 909     | 337                           | 733     | 287                           | 646     | 207                           |
| Kentucky.....                   | 82      | 33                            | 63      | 33                            | 160     | 63                            | 246     | 55                            | 234     | 53                            | 186     | 58                            |
| Michigan.....                   | 300     | 669                           | 492     | 753                           | 1,129   | 1,011                         | 1,572   | 1,334                         | 2,048   | 1,956                         | 1,248   | 874                           |
| Ohio.....                       | 324     | 139                           | 603     | 524                           | 1,361   | 817                           | 1,901   | 866                           | 2,130   | 977                           | 1,543   | 768                           |
| West Virginia.....              | 57      | 423                           | 100     | 86                            | 172     | 62                            | 232     | 76                            | 288     | 90                            | 212     | 73                            |
| Subtotal.....                   | 899     | 1,355                         | 1,509   | 1,523                         | 3,325   | 2,203                         | 4,860   | 2,668                         | 5,433   | 3,363                         | 3,835   | 1,980                         |
| <i>Region IV—Atlanta</i>        |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Alabama.....                    | 114     | 37                            | 183     | 117                           | 211     | 102                           | 243     | 107                           | 333     | 166                           | 251     | 104                           |
| Florida.....                    | 113     | 24                            | 200     | 78                            | 190     | 82                            | 176     | 329                           | 142     | 85                            | 121     | 39                            |
| Georgia.....                    | 47      | 10                            | 74      | 16                            | 110     | 35                            | 155     | 27                            | 208     | 145                           | 179     | 60                            |
| Louisiana.....                  | 110     | 94                            | 132     | 72                            | 101     | 90                            | 181     | 95                            | 217     | 362                           | 211     | 71                            |
| Mississippi.....                | 27      | 9                             | 36      | 40                            | 76      | 61                            | 45      | 22                            | 52      | 26                            | 41      | 13                            |
| North Carolina.....             | 91      | 57                            | 116     | 89                            | 146     | 88                            | 231     | 114                           | 237     | 79                            | 151     | 36                            |
| South Carolina.....             | 18      | 19                            | 48      | 35                            | 50      | 24                            | 73      | 36                            | 91      | 50                            | 63      | 34                            |
| Tennessee.....                  | 73      | 30                            | 174     | 58                            | 281     | 97                            | 367     | 124                           | 487     | 145                           | 350     | 95                            |
| Virginia.....                   | 72      | 33                            | 97      | 59                            | 160     | 74                            | 246     | 86                            | 264     | 104                           | 285     | 83                            |
| Cuba.....                       |         |                               |         |                               |         |                               |         | 1                             | 1       | 1                             | 1       | 1                             |
| Puerto Rico.....                |         |                               | 22      | 62                            | 120     | 295                           | 193     | 321                           | 192     | 393                           | 145     | 209                           |
| Virgin Islands.....             |         |                               |         |                               | 1       | 1                             | 3       | 3                             | 2       | 1                             | 2       | 1                             |
| Subtotal.....                   | 665     | 313                           | 1,082   | 626                           | 1,536   | 949                           | 1,914   | 1,265                         | 2,226   | 1,557                         | 1,800   | 746                           |
| <i>Region V—Kansas City</i>     |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Arkansas.....                   | 28      | 7                             | 43      | 25                            | 74      | 22                            | 114     | 17                            | 97      | 14                            | 90      | 14                            |
| Iowa.....                       | 52      | 14                            | 80      | 15                            | 204     | 94                            | 447     | 89                            | 395     | 65                            | 297     | 73                            |
| Kansas.....                     | 27      | 6                             | 48      | 6                             | 114     | 29                            | 178     | 90                            | 179     | 63                            | 92      | 42                            |
| Missouri.....                   | 145     | 33                            | 188     | 93                            | 481     | 197                           | 1,147   | 267                           | 973     | 306                           | 590     | 218                           |
| Nebraska.....                   | 12      | 2                             | 41      | 17                            | 80      | 19                            | 136     | 33                            | 124     | 40                            | 106     | 39                            |
| Oklahoma.....                   | 14      | 3                             | 56      | 26                            | 95      | 23                            | 186     | 30                            | 187     | 130                           | 184     | 19                            |
| Texas.....                      | 61      | 21                            | 108     | 53                            | 253     | 144                           | 316     | 200                           | 423     | 260                           | 357     | 153                           |
| Subtotal.....                   | 339     | 86                            | 564     | 235                           | 1,301   | 528                           | 2,524   | 726                           | 2,378   | 878                           | 1,716   | 558                           |
| Illinois.....                   | 165     | 103                           | 410     | 299                           | 1,226   | 629                           | 2,429   | 903                           | 1,874   | 745                           | 1,160   | 753                           |
| Minnesota.....                  | 48      | 17                            | 75      | 13                            | 237     | 81                            | 508     | 104                           | 527     | 82                            | 314     | 58                            |
| North Dakota.....               | 6       | 1                             |         |                               | 10      | 1                             | 27      | 1                             | 20      | 1                             | 29      | 1                             |
| South Dakota.....               | 4       | 1                             | 7       | 3                             | 14      | 4                             | 18      | 3                             | 18      | 1                             | 18      | 4                             |
| Wisconsin.....                  | 91      | 31                            | 147     | 68                            | 440     | 136                           | 711     | 281                           | 738     | 249                           | 555     | 176                           |
| Subtotal.....                   | 314     | 153                           | 639     | 383                           | 1,927   | 851                           | 3,693   | 1,292                         | 3,177   | 1,078                         | 2,076   | 992                           |
| <i>Region VII—San Francisco</i> |         |                               |         |                               |         |                               |         |                               |         |                               |         |                               |
| Arizona.....                    | 12      | 2                             | 66      | 15                            | 76      | 40                            | 113     | 60                            | 101     | 20                            | 110     | 14                            |
| California.....                 | 268     | 189                           | 507     | 470                           | 1,195   | 723                           | 1,484   | 958                           | 2,042   | 2,822                         | 1,287   | 636                           |
| Colorado.....                   | 13      | 7                             | 33      | 7                             | 120     | 76                            | 217     | 25                            | 207     | 52                            | 196     | 49                            |
| Idaho.....                      | 2       | 1                             | 15      | 8                             | 45      | 17                            | 109     | 18                            | 72      | 14                            | 51      | 14                            |
| Montana.....                    | 10      | 3                             | 27      | 13                            | 82      | 22                            | 118     | 30                            | 108     | 16                            | 77      | 22                            |
| Nevada.....                     | 3       | 1                             | 13      | 8                             | 18      | 11                            | 34      | 11                            | 35      | 3                             | 12      | 3                             |
| New Mexico.....                 | 13      | 6                             | 27      | 13                            | 47      | 17                            | 41      | 13                            | 53      | 11                            | 21      | 3                             |
| Oregon.....                     | 35      | 22                            | 92      | 22                            | 272     | 203                           | 508     | 100                           | 525     | 105                           | 246     | 68                            |
| Utah.....                       | 13      | 7                             | 22      | 21                            | 47      | 16                            | 86      | 19                            | 79      | 21                            | 72      | 23                            |
| Washington.....                 | 79      | 82                            | 115     | 107                           | 312     | 195                           | 429     | 110                           | 601     | 154                           | 369     | 158                           |
| Wyoming.....                    | 3       | 3                             | 4       | 1                             | 25      | 3                             | 21      | 1                             | 26      | 2                             | 9       | 2                             |
| Alaska.....                     | 10      | 4                             | 6       | 1                             | 7       | 5                             | 16      | 1                             | 16      | 1                             | 33      | 11                            |
| Hawaii.....                     | 7       | 1                             | 8       | 2                             | 1       | 1                             | 3       | 1                             | 26      | 7                             | 22      | 4                             |
| Subtotal.....                   | 468     | 328                           | 935     | 688                           | 2,247   | 1,329                         | 3,179   | 1,347                         | 3,891   | 3,228                         | 2,505   | 1,005                         |
| Total—all regions.....          | 3,706   | 2,952                         | 6,467   | 4,874                         | 14,344  | 10,455                        | 21,698  | 11,783                        | 23,121  | 14,096                        | 16,434  | 8,288                         |

<sup>1</sup> In thousands.



APPENDIX TABLE B.—*Disputes disposed of by the U. S. Conciliation Service, classified by industries for the fiscal years 1940-41 through 1945-46*

| Industries                         | 1940-41 |                               | 1941-42 |                               | 1942-43 |                               | 1943-44 |                               | 1944-45 |                               | 1945-46 |                               |
|------------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|
|                                    | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> | Number  | Workers involved <sup>1</sup> |
| Ordnance.....                      |         |                               |         |                               |         |                               |         |                               | 776     | 512                           | 146     | 59                            |
| Food.....                          | 367     | 116                           | 619     | 373                           | 1,328   | 563                           | 2,060   | 726                           | 2,173   | 802                           | 1,681   | 636                           |
| Tobacco.....                       | 24      | 30                            | 33      | 71                            | 63      | 55                            | 85      | 83                            | 101     | 70                            | 81      | 47                            |
| Textile.....                       | 211     | 142                           | 388     | 336                           | 733     | 560                           | 989     | 635                           | 762     | 344                           | 596     | 421                           |
| Apparel.....                       |         |                               |         |                               |         |                               |         |                               | 255     | 52                            | 150     | 28                            |
| Lumber.....                        | 136     | 96                            | 223     | 122                           | 425     | 330                           | 719     | 154                           | 958     | 186                           | 390     | 137                           |
| Furniture.....                     | 130     | 25                            | 228     | 59                            | 550     | 137                           | 643     | 114                           | 587     | 112                           | 489     | 91                            |
| Paper.....                         | 63      | 12                            | 105     | 30                            | 189     | 52                            | 289     | 68                            | 381     | 97                            | 306     | 74                            |
| Printing.....                      | 50      | 5                             | 76      | 8                             | 295     | 62                            | 475     | 51                            | 393     | 43                            | 271     | 34                            |
| Chemicals.....                     | 94      | 43                            | 221     | 82                            | 527     | 198                           | 749     | 222                           | 764     | 227                           | 631     | 176                           |
| Petroleum.....                     | 23      | 10                            | 84      | 42                            | 210     | 71                            | 287     | 102                           | 417     | 125                           | 305     | 94                            |
| Rubber.....                        | 63      | 64                            | 78      | 110                           | 166     | 153                           | 274     | 264                           | 475     | 432                           | 307     | 408                           |
| Leather.....                       | 37      | 12                            | 94      | 38                            | 272     | 102                           | 364     | 116                           | 369     | 107                           | 213     | 57                            |
| Stone, clay, and glass.....        | 168     | 54                            | 272     | 95                            | 580     | 184                           | 787     | 264                           | 793     | 202                           | 684     | 149                           |
| Iron and steel.....                | 500     | 282                           | 961     | 702                           | 2,291   | 1,631                         | 2,972   | 1,505                         | 2,707   | 901                           | 2,168   | 742                           |
| Nonferrous.....                    | 125     | 113                           | 262     | 217                           | 589     | 352                           | 778     | 717                           | 795     | 357                           | 553     | 272                           |
| Machinery.....                     | 285     | 181                           | 442     | 283                           | 709     | 438                           | 1,090   | 784                           | 1,242   | 535                           | 1,248   | 572                           |
| Electrical machinery.....          | 105     | 57                            | 248     | 147                           | 404     | 781                           | 486     | 639                           | 566     | 429                           | 514     | 654                           |
| Transportation equip-<br>ment..... | 106     | 193                           | 302     | 933                           | 939     | 2,282                         | 1,774   | 3,494                         | 2,183   | 5,884                         | 834     | 1,051                         |
| Automobiles.....                   | 150     | 573                           | 120     | 121                           |         |                               |         |                               | 138     | 303                           | 263     | 601                           |
| Miscellaneous.....                 |         |                               |         |                               |         |                               |         |                               | 278     | 58                            | 320     | 88                            |
| Agriculture.....                   | 10      | 7                             | 13      | 4                             | 43      | 140                           | 70      | 255                           | 47      | 18                            | 47      | 196                           |
| Mining.....                        | 52      | 428                           | 69      | 61                            | 189     | 643                           | 279     | 61                            | 320     | 566                           | 185     | 160                           |
| Construction.....                  | 336     | 284                           | 481     | 431                           | 643     | 453                           | 725     | 210                           | 500     | 135                           | 491     | 173                           |
| Trade.....                         | 175     | 46                            | 246     | 48                            | 838     | 172                           | 1,978   | 103                           | 1,772   | 200                           | 907     | 121                           |
| Finance.....                       |         |                               |         |                               |         |                               |         |                               | 94      | 67                            | 48      | 7                             |
| Transportation.....                | 215     | 77                            | 452     | 260                           | 850     | 459                           | 1,466   | 482                           | 1,850   | 990                           | 1,473   | 566                           |
| Communications.....                | 16      | 29                            | 48      | 107                           | 115     | 242                           | 129     | 214                           | 85      | 110                           | 142     | 387                           |
| Utilities.....                     | 35      | 41                            | 83      | 79                            | 197     | 82                            | 246     | 78                            | 200     | 60                            | 188     | 146                           |
| Services.....                      | 150     | 11                            | 168     | 74                            | 489     | 120                           | 1,147   | 165                           | 985     | 130                           | 642     | 123                           |
| Government.....                    |         |                               |         |                               |         |                               |         |                               | 25      | 5                             | 30      | 12                            |
| Nonclassifiable.....               | 89      | 21                            | 171     | 37                            | 710     | 210                           | 837     | 188                           | 40      | 39                            | 31      | 7                             |
| Total.....                         | 3,705   | 2,952                         | 6,467   | 4,870                         | 14,344  | 10,452                        | 21,698  | 11,784                        | 23,121  | 14,098                        | 16,434  | 8,289                         |

<sup>1</sup> In thousands.



APPENDIX TABLE C.—Disputes disposed of by the United States Conciliation Service, July 1940 through July 1946

|                                        | 1940-41     |                           | 1941-42     |                           | 1942-43     |                           | 1943-44     |                           | 1944-45     |                           | 1945-46     |                           | July 1946   |                           |
|----------------------------------------|-------------|---------------------------|-------------|---------------------------|-------------|---------------------------|-------------|---------------------------|-------------|---------------------------|-------------|---------------------------|-------------|---------------------------|
|                                        | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> | Num-<br>ber | Work-<br>ers <sup>1</sup> |
| <b>Work stoppages.</b>                 | 1,535       | 1,240                     | 1,781       | 770                       | 2,086       | 1,292                     | 2,843       | 1,256                     | 3,207       | 1,709                     | 3,206       | 2,534                     | 368         | 115                       |
| Agreement reached between parties.     | 1,350       | 746                       | 1,567       | 632                       | 1,677       | 787                       | 2,463       | 1,016                     | 2,743       | 1,339                     | 3,056       | 2,014                     | 347         | 113                       |
| Referred or certified to NLRB or NDMB. | 27          | 471                       | 65          | 103                       | 282         | 440                       | 290         | 31                        | 444         | 337                       | 62          | 95                        | 17          | 2                         |
| Referred to NLRB or other agencies.    | 81          | 16                        | 94          | 27                        | 103         | 52                        | 73          | 31                        | 6           | 2                         | 37          | 373                       | 4           | 1                         |
| Unable to adjust.                      | 77          | 7                         | 55          | 8                         | 24          | 12                        | 17          | 2                         | 14          | 1                         | 31          | 31                        | 1           | 1                         |
| <b>Threatened work stoppages.</b>      | 1,319       | 1,048                     | 2,238       | 2,115                     | 2,347       | 2,094                     | 2,217       | 1,505                     | 2,183       | 2,017                     | 5,088       | 2,518                     | 553         | 108                       |
| Agreement reached between parties.     | 1,237       | 789                       | 1,931       | 1,030                     | 1,795       | 1,161                     | 1,764       | 1,040                     | 1,813       | 1,118                     | 4,935       | 2,393                     | 535         | 159                       |
| Referred or certified to NLRB or NDMB. | 17          | 238                       | 171         | 1,018                     | 371         | 852                       | 317         | 27                        | 356         | 899                       | 70          | 82                        | 15          | 8                         |
| Referred to NLRB or other agencies.    | 49          | 18                        | 114         | 64                        | 137         | 75                        | 87          | 27                        | 7           | 1                         | 66          | 39                        | 3           | 1                         |
| Unable to adjust.                      | 16          | 4                         | 22          | 3                         | 44          | 6                         | 49          | 13                        | 7           | 1                         | 17          | 3                         | 1           | 1                         |
| <b>Controversies.</b>                  | 851         | 604                       | 2,448       | 1,987                     | 9,911       | 7,067                     | 16,638      | 9,014                     | 17,731      | 10,369                    | 8,140       | 3,237                     | 419         | 160                       |
| Agreement reached between parties.     | 773         | 651                       | 2,185       | 1,476                     | 7,451       | 3,716                     | 12,068      | 4,080                     | 10,870      | 4,793                     | 7,070       | 2,402                     | 406         | 159                       |
| Referred or certified to NLRB or NDMB. | 59          | 10                        | 215         | 480                       | 1,886       | 3,052                     | 3,965       | 4,737                     | 6,794       | 5,557                     | 91          | 26                        | 12          | 1                         |
| Referred to NLRB or other agencies.    | 19          | 2                         | 48          | 31                        | 167         | 277                       | 421         | 20                        | 23          | 5                         | 91          | 15                        | 1           | 1                         |
| Unable to adjust.                      | 3,705       | 2,932                     | 6,467       | 4,872                     | 14,344      | 10,453                    | 21,694      | 11,775                    | 23,121      | 14,085                    | 16,434      | 8,289                     | 1,340       | 443                       |
| Total.                                 |             |                           |             |                           |             |                           |             |                           |             |                           |             |                           |             |                           |

<sup>1</sup> In thousands.



## OFFICE OF THE DIRECTOR OF PERSONNEL

The Office of the Director of Personnel, created by order of the Secretary in December 1936, entered the defense and war period as a functioning organization with most of the basic departmental personnel policies, relationships, and procedures established.

The war activities of the Department caused, of course, a tremendous increase in the activities of the personnel office. As various units of the Department undertook new war functions and as existing structures were recast to meet war needs, it became necessary to review organizational structures and to establish and allocate, under the standards laid down in the Classification Act, many new positions. Accompanying this need to investigate the duties and responsibilities of new and changing positions and to allocate them to the proper grade and service in order to reflect organizational changes and the creation of new units, was a need for a greatly accelerated recruiting program. The expansion of the Department and the marked increase in turn-over rate, which, although among the lowest of all Federal agencies, reached as high as 50 percent, necessitated positive steps to attract qualified personnel. In turn, the processing of appointments of persons recruited to fill the jobs established more than doubled.

Peacetime recruiting methods were of little use in the tight wartime market. The Civil Service Commission relaxed its written examination requirements, and during the entire war period the staff of the Office of the Director of Personnel carried on extensive recruiting efforts throughout the country to help staff the Wage and Hour Division, Bureau of Labor Statistics, Division of Labor Standards, and other bureaus whose programs were expanding, and to fill vacancies caused by turn-over and the induction of employees into the armed forces. Representatives of the office worked directly with regional directors of the Department and with officials of the Civil Service Commission and War Manpower Commission in the field in recruiting, selecting, investigating, and inducting new employees. Several thousand persons were recruited in this manner for the Wage and Hour Division alone.

At the same time, increased emphasis was placed on a policy of promotions from within to fill the Department's needs in higher grade positions, and a program to emphasize greater utilization of employees already on the staff was begun. The office made every effort to foster the conservation of the existing labor force in the Department by a most careful placement and by attention to the adjustment to Washington of persons recruited from the field. The program of exit interviews of persons contemplating leaving the Department was begun and proved generally successful.

The policy of the Department to make careful selection of the most qualified persons available and to investigate the character and work records of applicants tentatively selected for appointment was continued and was, in part, responsible for holding the turn-over to a comparatively low rate. As the labor supply became shorter, an increase in the number of rejections because of unsatisfactory work histories was noted.

The office was, of course, faced with the same problem as all other offices in the loss of a considerable portion of its technical staff. Twenty-two employees of the staff of the Office of the Director of Personnel entered the armed services during the period 1941-45. During



1942, however, the office had begun to recruit qualified women to serve as replacements. By 1943 most of these women had received thorough grounding in the personnel procedures of the Federal Government and the Department of Labor and were able to fill positions vacated by members of the staff inducted or commissioned.

The fiscal year 1946 marked the beginning of the Department's transition to a peacetime basis with accompanying reorganizations as the war programs were discontinued.

In the autumn of 1945, the transfer of the United States Employment Service, Apprentice Training Service, Retraining and Reemployment Administration, and the Shipbuilding Stabilization Committee brought about 26,000 employees into the Department. The personnel aspects of the integration of these units occupied a major portion of the time and attention of the staff of the Director of Personnel during the following months.

The fiscal year 1946 also marked the return of the majority of the 1,700 employees of the Department (exclusive of the United States Employment Service, field service) who had been in the armed services.

Just prior to the beginning of the year, the position of Veterans Placement Officer was established in anticipation of the need for a specialist to facilitate the speedy return, orientation, and adjustment of employees. The most rapid rate of return occurred during January, February, and March of 1946. In those 3 months 407 veterans were restored to positions they had left. In many cases the restoration of one veteran set off a chain of displacements of employees who had moved up that his place might be filled. The element of speed in returning a veteran to his job was emphasized during this period.

As the fiscal year drew to a close and the peak of restoration was passed, the emphasis was shifted from the restoration of veterans to the carrying out of the Department's obligation to these men and women to assure that they would reach as quickly as possible the level they reasonably would have expected to attain had they not entered the armed services. The problem is still not completely solved, but the issuance of a clear-cut veterans policy, preliminary drafts of which were discussed during May and June, will help in its solution.

Shortly before the end of the fiscal year the program of decentralization of activities in the Department was begun. This program is predicated on the belief that the decisions on individual personnel actions are primarily the responsibility of operating officials, who are responsible for the successful carrying out of the programs which they have been assigned, and that the role of the central personnel office in an agency the size of the Department of Labor is to set standards in the interest of uniform and sound personnel administration, to assure compliance with those standards, to advise and counsel the line officials, and to promote through all levels effective personnel administration. The present personnel program of the Department is in accord with thinking generally in the Federal Government and in large employing units in private industry.

Plans had been laid for the placing of the functions of the review and processing of individual personnel actions at the bureau level, and preliminary drafts of a manual of personnel office operations were completed. The development of standards to serve as guide lines for



bureau operating officials and personnel technicians under a decentralized program was begun.

In addition to the program of development of standards for decentralized operations, work on several major personnel policies for the Department was initiated. The preliminary drafts of the Department's policy for training and promotion of veterans were prepared and discussed before the close of the fiscal year. An affirmative employee relations policy was drafted and the first steps taken toward its installation. A plan for the granting of rewards for superior accomplishment in accordance with section 7 (f) of the Classification Act of 1923, as amended, was developed and should represent a major step in the improvement of employee morale throughout the Department and in the stimulation of suggestions for the improvement of work methods of the Department.

During all the work on the standards and review program, as well as major policies of the Department, the views of the operating officials and employee organizations were sought. Policies have been issued only after full discussion of their effect and desirability with representatives of both management of the Department and employee groups.

By the end of the fiscal year all but four of the members of the technical staff of the Office of the Director of Personnel who had been serving in the armed forces had returned to duty as replacements for the substitutes which had been employed during the war. The adjustment of these men and women presented no difficult task since with three exceptions, the members of the technical staff had been using the skills developed in this office in the armed services. The staff at the end of the fiscal year was, therefore, equipped to continue the program of work with the bureaus in the maintenance of sound personnel management policies and procedures throughout the Department.

### DIVISION OF LABOR STANDARDS

The first year of peace found the Division of Labor Standards striving to convert to permanent usefulness its wartime experience in preserving basic labor standards for the wage earners of America and in conserving scarce manpower from the needless waste of industrial accidents. Demands for much of its wartime service continued from State labor departments and labor organizations even though the expanded activities of its emergency staff were terminated. Modest increases in congressional appropriations and rigorous reorganization to coordinate its services closely with those of State labor departments give rise to hope that the positive results of its wartime experience may be preserved.

Basically the Division's functions remain the same in peace and war as when they were established in 1934 in the Office of the Secretary of Labor. They are to promote industrial safety and health, sound labor legislation and administration, and labor education. The Division serves as the Secretary's arm in maintaining harmonious Federal-State relationships, and in acting as a national clearing house of sound experience throughout the country in the fields of its activity. It works to strengthen State labor departments, and service labor organizations, industrial management, civic, and other groups.



### SAFETY AND HEALTH IN INDUSTRY

VJ-day brought to America's safety conscience both gratification and concern. Never had there been such widespread interest in the prevention of job accidents. Accident prevention was made a part of the war production effort on a scale never before approached. This included a Nation-wide safety training program for thousands of plant supervisors, foremen, union representatives, and for millions of American workers. Despite wartime needs for production at all costs and the multiplication of hazards involved, the rising tide of accidents was stayed during 1944 and then turned downward. The sheer necessity of conserving manpower furnished the driving force. The coordination of safety know-how and its application on an industry-wide scale brought results.

But victory ended the wartime safety effort. Emergency safety agencies were terminated. What the experts feared began to occur. Industrial accidents started to creep up. In the last 3 months of 1944, 16.9 disabling injuries occurred for every million man-hours worked in manufacturing. A year later, after victory, this figure had risen to 17.9—in the first 3 months of 1946, it had increased to 18.2.

Although its own emergency safety staff had been dissolved, the Division of Labor Standards' reconversion job has been to forge the Government's war experience into peacetime tools to stem the rising accident toll anew. The effectiveness of the Division's safety work may be judged by wartime results.

#### Establishment of National Committee

Early in the defense program, in 1940, the Division of Labor Standards was called upon to organize and develop a Nation-wide safety program which would hold to a minimum the increased industrial casualties anticipated from speeding up production.

The Division enlisted the voluntary services of over 600 safety engineers employed by industrial firms to supplement and extend the work of its small staff. The country was divided into nine regions, each under the direction of a top ranking safety engineer whose employer donated his services for this purpose. The services of the volunteers working under him were similarly donated—a half day or more per week each. The effort was organized under the name of the National Committee for the Conservation of Manpower in War Industries.

The Committee carried to small plants the accident prevention experience of well-managed industrial units. Volunteer dollar-a-year special agents acted as safety consultants and advisers and technicians for these small plants. Since the Government was the main customer of all industrial plants, practically all war plants were subject to the Walsh-Healey Act. Lists were therefore obtained from the Public Contracts Division, which administered this act, and sent to the respective regions where plants were assigned to the volunteer agents for contact. After operating for 8 months strictly with a voluntary field force, Congress authorized the addition of full-time field personnel to augment and direct the work of the volunteer special agents, thus making possible a more systematic and effective program.

Perhaps the Committee's most effective activity was the direct, personal contact of the dollar-a-year specialists with industrial plants.



They assisted plant managements by outlining the need for constant attention to safety, and helping to develop a program to fit plant needs. They had behind them the consultant service of experts in various specialized phases of safety and health and the full-time services of the safety and health staff of the Division of Labor Standards.

### Safety training

As more progress was made, there was an insistent demand for training of key production personnel in the fundamentals of accident prevention. The Division, therefore, arranged with the United States Office of Education during the spring of 1941, to include a 96-hour course in safety engineering as a part of the engineering, science, and management war training program. More than 116 engineering colleges throughout the United States participated in this program by offering safety courses. The special agents and full-time field men of the National Committee recruited supervisory personnel from war plants for enrollment in these classes and assisted the colleges in securing the services of competent safety engineers as instructors. In many cases the special agents themselves taught classes.

The Division's full-time Washington staff developed the text of this course, teaching aids, and supplementary material. This basic material is now recognized as a standard safety engineering text. Up to the close of the war, over 70,000 enrollees completed the instruction in this 96-hour course, including approximately 5,000 military personnel from the various Army and Navy establishments throughout the country.

An additional demand developed for a short safety course for foremen. The Division developed a 20-hour course based on 10 sound film strips and standardized written material in cooperation with the National Safety Council. The Council provided an outlet for the sale of the film strips throughout industry. Many of these are still sold.

### Safety drives

During 1944 and 1945 the Division organized coordinated safety drives, industry by industry. These safety drives made use of the combined safety services of State labor departments, insurance companies, trade and labor organizations, the United States Chamber of Commerce, national safety groups, and Federal agencies. Three industries were chosen in 1945 because of their high-accident frequency. The reduction in frequency rates in these industries through the first quarter of 1945 were:

|                                    | <i>Percentage<br/>reduction</i> |
|------------------------------------|---------------------------------|
| Slaughtering and meat packing..... | 34.9                            |
| Paper and pulp.....                | 10.9                            |
| Woodworking.....                   | 21.3                            |

The success of these drives is indicated by production and financial savings at the end of 6 months for the first two of these drives of more than \$3,000,000. Continued benefits are assured through stimulation of safety activities of the industry groups and participating unions. For example, a permanent safety committee of the American Paper & Pulp Association developed for the use of its members a comprehensive method of analyzing and recording lost-time accidents. The association is pushing the use of this material by its members. The



meat packers' union has organized union safety committees to work with management in accident prevention and has instituted local safety training courses for its union representatives.

### **Safety achievement awards**

At about this same time a national campaign was inaugurated by the Division in cooperation with the National Committee to reduce industrial accidents by 40 percent, with the ultimate goal of preventing a million accidents each year. A safety achievement award was given to all enrolled plants which showed a reduction of 40 percent or more in their accident experience during a 6-month period as compared with the previous 6-month period.

From the beginning of this program in 1944 to July 1946, awards were made to 1,048 firms with an average reduction of 68.6 percent in the frequency rate. In most cases a joint presentation of the award was made to both management and labor. These awards were discontinued as of July 1946, but under our new program of close cooperation with the States, it is expected that the individual States will establish a similar system of achievement awards.

### **Training factory inspectors**

The supreme need for conservation of war manpower highlighted the importance of competent State factory inspectors. For the past 10 years, the Division has been conducting short intensive safety training courses for anywhere from 20 to 35 factory inspectors at a time. Members of the Division's staff discuss the essentials of safe and healthful working conditions in industry, including the best methods and techniques of accident prevention. In many cases, these training schools are conducted at the request of a group of States with somewhat similar industrial problems.

There is widespread demand from State labor commissioners for further courses of this type. During the past year we were able to give this service to nine States—about half of the number who asked for it. As a part of our peacetime program of cooperation with the States, it is our aim to extend this type of service.

### **Safety codes**

The observance of adequate safety standards is the necessary basis for an effective accident prevention program. Unless the physical plant is made safe, the educational and promotional side of the prevention program can be only partly effective. The development of an adequate system of State safety requirements by means of codes or regulations is now recognized as of prime importance. For this reason, the Division has worked continuously since its establishment to promote improved safety methods.

State safety regulations vary from practically nothing in a few of the less industrialized States to extensive systems in some of the more heavily industrialized ones, such as New York and Pennsylvania. The development of safety codes that are practical, adequate and reasonably certain to be upheld by the courts in case of contest is difficult and highly detailed work. Our advisory services are continuously sought by the States in setting up, expanding, and revising their code systems. During the year very substantial services were rendered to Illinois, Rhode Island, Washington, Oregon, and the District of Columbia.



A large part of the State code systems has been built up on an individual basis and there are numerous conflicts in the requirements among the various States. We have been called upon to aid in resolving these conflicts and staff members participate in the program of the International Association of Governmental Labor Officials. Under this program the provisions of the various codes will be studied and existing conflicts worked out by group action of the State authorities.

The Division has continued to participate in the development of standard safety codes under the American Standards Association procedure. The need for standards of national acceptance led to the formation of this association, which has during a 20-year period developed a system of industry safety codes that are increasingly used. They serve as a guide not only for management and technicians but also for State agencies. Division staff members serve on some 30 of the association's technical and administrative committees.

### **Technical assistance**

In every State problems arise in respect to difficult phases of work hazard control, demanding specialists and technical knowledge in remedial approach. These include ventilation and exhaust problems, fire and structural hazards, lighting requirements, handling and storage of chemicals and explosives, hoisting apparatus and elevator installations. Requests have been received from a number of States for the assignment of competent technicians to assist in meeting special problems of this kind.

At the 1943 National Conference on Labor Legislation, the Division was requested to prepare and issue information on the prevention of occupational diseases due to toxic or other harmful work exposures. The problem of preventing these occupational injuries has greatly increased, due to the rapid development of hazardous substances and exposures in industry and the widening field of their use. Eight bulletins have been prepared on this subject. Both the State labor departments and representatives of organized labor are finding this subject increasingly serious and are continually asking for more help. We received and answered some 1,500 requests for assistance in this field.

### **Services to labor and management**

Responsibility for the prevention of injuries in industry rests with three groups—management, workers, and Government. The combined efforts of these three groups was what turned the rising tide of increasing accident rates during the war. The national accident frequency average in 1944 fell 8 percent over 1943, and 10 percent again in 1945 as a result of these combined efforts.

The most successful safety programs, as shown by war experience, result from cooperation between management and labor. Management must develop and improve safe methods of performing the various processes in a plant and train workers in safe practices. At the same time workers can participate in plant safety committees, make suggestions to foremen and superintendents, and promote worker safe practice.

The safety training courses and the educational safety programs carried on during the war greatly increased the interest of organized labor in accident prevention. The Division realized before the war that union participation could add great strength to the safety move-



ment but the war emergency made it possible to develop definite plans for cooperation. The unions are increasingly requesting aid in adapting these cooperative procedures to the needs of peacetime industry.

### State accident prevention programs

During the war, a large part of the responsibility for accident prevention was borne by the Federal Government. After VJ-day, however, the major burden of safety work fell once again on State labor departments.

The effectiveness of breaking down the general safety problem into manageable parts through industry drives led States to request the Division's assistance in inaugurating State safety programs. A small additional appropriation made this year by Congress will enable the Division to assign members of its staff to aid State labor departments in their accident prevention work.

Already the Division has agreed to assist 10 States in setting up and maintaining State-wide programs to prevent industrial accidents. In these programs our services are as consultants, advisers and technicians to the State labor departments. This service includes strengthening the State labor department's safety work; developing an adequate State safety advisory service; developing specific safety courses; setting up and training worker safety committees; and developing community interest in accident prevention.

### SAFETY AND HEALTH OF FEDERAL WORKERS

"The Federal Government should lead, not lag, in the important field of employee safety."—President Truman, November 20, 1945.

The President's statement climaxed Uncle Sam's growing recognition that he must practice on his own employees what he preaches to American industry. Although the great majority of Federal activities are only moderately hazardous, Federal employment brought death to 2,852 workers and injury to 327,926 others during the 5½-year period ending December 31, 1945. The direct costs of these accidents, including compensation and medical expenses, amounted to nearly 20 million dollars each year. The indirect costs involved add at least 30 to 40 million dollars per year, making a total cost of between 50 and 60 million dollars per year or an average of \$20 per year for each employee.

A beginning was made in accident prevention for Federal workers when the President in 1939 issued an Executive order establishing the Federal Interdepartmental Safety Council. The Division of Labor Standards was directed to furnish a secretariat for the Council and to render other suitable assistance. It now requires the full-time work of one staff member and a substantial amount of the time of three other staff members. For example, our principal safety engineer serves as vice chairman of the Council and as a member of the executive committee. In addition he serves on the technical board and is frequently placed on other committees. Our industrial safety engineer is chairman of one important committee and a member of others.

President Truman's personal interest in reducing the serious waste of preventable accidents gave the Council the support it needed to undertake a much more extensive safety program. This involved a reorganization and strengthening of the Council, including the de-



velopment of closer cooperation in safety work among the various agencies and aiding individual agencies to initiate safety programs or strengthen those under way. Safety programs are now in operation in at least 10 Federal departments and agencies and other similar programs are being developed. These programs vary from basic activities to highly organized and comprehensive safety programs. The Division has a major part in these expanded activities.

Most of the work of the Council is now carried on by means of personnel loaned by other agencies and the part-time services of already overloaded technicians. Even with this limited staff substantial progress is being made in the development of an adequate safety program for Federal employees. It is evident, however, that a full-time professional staff responsible to the Council is essential if an adequate accident prevention program is to be carried on in the Federal Government.

### LABOR LEGISLATION

The progress of labor legislation within the States, and the effectiveness of its administration, are of vital importance to the wage earners of America. Created to "foster and promote the welfare of the wage earners of America," the United States Department of Labor has responsibility for aiding States in building soundly the legislation they sponsor and in achieving a practicable degree of uniformity, particularly in administration.

Established by the Secretary of Labor in 1934 to perform this job, the Division of Labor Standards uses several methods in carrying out this function: National Conferences on Labor Legislation annually for all States, regional conferences of State agencies administering labor laws, and assistance to labor organizations in analyzing problems that confront their members.

#### National conferences on labor legislation

Each year the Secretary of Labor invites the governors of the States to send representatives to a national conference to appraise various types of laws, to exchange experiences in administration, and to plan improvements in labor legislation. Governors generally designate their State labor commissioner and representatives of organized labor.

These conferences have worked on all aspects of labor legislation and State labor laws now reflect to a considerable extent the standards worked out and recommended by the successive national conferences on labor legislation. For example, the use of war relaxation of labor laws rather than repeal or changes in labor standards followed, in the main, recommendations made by these conferences.

The Twelfth National Conference on Labor Legislation met in Washington on December 5 and 6, 1945, at the invitation of Secretary of Labor Schwollenbach. The Conference was composed of governors' representatives from 42 States as well as representatives from the District of Columbia and Puerto Rico.

#### Conferences on specific problems

Special conferences are frequently held to deal with specific problems on labor legislation and administrative methods. For example, such a conference during the past year was held to discuss the training of labor law inspectors and a revision of the standards for inspectors.



A number of conferences were held with the staff of the Retraining and Reemployment Administration with respect to the employment of disabled war veterans. The principal subject of discussion at these conferences was the establishment of second injury funds under State workmen's compensation laws.

In the past, regional conferences have been held on the subjects of occupational diseases, migratory workers and their problems, and, during the war period, on the general subjects of hours of work, child-labor and protection of women.

### **Legislative services**

Good labor laws are a help, not only to workers and fair employers, but also to the public as a whole. Although Federal laws, such as the Fair Labor Standards Act, the National Labor Relations Act, and the Social Security Act, have been in the spotlight in recent years, it is the States which have the major responsibility for labor legislation because their authority extends over a broader field. One of the main functions of the Division is to assist in the adoption of the best possible labor standards. This is accomplished through analysis of labor laws, reports of State labor departments and field visits to State administrative agencies. Federal and State agencies, trade-unions, management groups, educational institutions and individuals call upon the Division for this material.

During the past year the Division issued biweekly reports on pending State and Federal legislation which were distributed to over 1,500 State and Federal agencies, labor, employer, and other groups interested in improvement of labor legislation. In view of the fact that only a few State legislatures met in 1946, only 8 of these reports were published. As has been the case since 1935, an annual bulletin analyzing all labor laws, both State and Federal, enacted during the legislative year, was also published.

The Division publishes and makes current revisions of bulletins on specific types of labor laws. Among the important bulletins published are those relating to wages and hours, wage payment and wage collection, industrial home work, organization of State labor departments, private employment agencies, and workmen's compensation legislation.

Additional service includes assistance upon request in drafting labor bills such as bills on wages and hours, wage payment and wage collection, apprenticeship, regulation of private employment agencies, regulation of industrial home work, and second injury funds. In addition, draft bills have been prepared with respect to migratory labor camps, as well as basic provisions to be included in bills creating State labor departments. This year revision of the State wage and hour bill was undertaken and the bill regulating labor camps was revised.

Special technical field service is also given to States. For example, a staff member, specializing in workmen's compensation, made visits to eight States in order to assist State labor departments and labor unions. A special trip was made by a member of the staff to Ontario. In 1946, at the request of a labor union, a complete workmen's compensation law was prepared for presentation to the legislature of Mississippi. Assistance was also given to groups in Delaware and Missouri in the preparation of bills to organize the State labor department.



Staff members of the Division also conferred with the District of Columbia in connection with the creation of a District department of labor, and aided the State labor department of Rhode Island in revising the Industrial Home Work Act. The Division assisted a private organization in Illinois interested in improvements in the State labor department, as well as a labor group in Alabama in attempting to strengthen the labor department there.

### **Migratory labor**

Living and working standards for migratory labor offer a serious problem and for years the Division has taken an active interest in arriving at some solution. Some 2 million migrant workers and their families move annually from State to State, citizens of none, in search of seasonal labor. They render invaluable service in harvesting crops, in lumbering, and in railroad and other employment which is seasonal or which changes its locale. Their return for such service is a low wage scale, irregular and insufficient earnings, inadequate housing, deficient educational opportunities for the children, lack of medical care and almost complete lack of coverage under State and Federal laws.

This year the Department's Retraining and Reemployment Administration by Executive order established a Federal Interagency Committee on Migratory Labor. The main function of this committee is to coordinate the facilities of all Federal agencies to bring about better employment, health, housing and working conditions for these workers. The Assistant Director of the Division serves as a member of the committee. In addition, the Assistant Director is chairman of a subcommittee on the housing and health of migrants. Staff members of the Division give technical services to the general committee and to various subcommittees.

The services of the Division in connection with the Federal Interagency Committee are a continuation of its activities in this field for the past 10 years. The subcommittee on housing and health has spent considerable time reviewing two draft bills earlier prepared by the Division, a proposal to authorize the State labor departments to set up standards for labor camps, and a suggested labor camp code.

### **Special services**

Approximately 5,000 written and over 3,000 verbal inquiries on the application of existing labor legislation were answered during the past year. Although most of these inquiries come from State labor law administrators, labor and management groups, and individuals, an increasing number of requests for assistance are received from foreign countries.

### **EXPERIENCE OF STATES WITH WAR RELAXATIONS OF LABOR LAWS**

The wise use of emergency relaxation of specific labor laws when necessary for total war production has preserved protective labor legislation as a permanent social gain. This was indicated in a summary made by the Division of the experience of the States with this type of modification based on appraisals from the States themselves.

In the early months of 1941 there were numerous demands from some quarters for repeal, either permanently or for the duration of much beneficial State labor legislation. Recognizing the hazard of



setting aside unnecessarily standards which offer real protection to workers, the Secretary of Labor called a conference of State labor commissioners who met in Washington in January 1942 with the Department of Labor and with the procurement agencies, the War and Navy Departments, and the War Production Board. At this conference it was shown that no repeal, or setting aside, or exemption of labor laws for the duration of the war was necessary. On the other hand, it was agreed that temporary modifications of certain labor laws might be essential in specific instances. It was recognized, however, that excessive hours of work would interfere with sustained production.

At this same conference a method of modifying labor standards was worked out so that some parts of the labor laws might be dispensed with under a regular procedure after a hearing and the investigation of need. Policies and procedures, in general, followed suggestions made by the 1941 National Conference on Labor Legislation. In accordance with these recommendations a program of variations or dispensations, as it was called, was set up on the advice of the Department of Labor in most of the State departments of labor. Generally, employers were required to file a written application, after which an investigation was made and if need was established a written permit was issued. Usually provision was made for issuing temporary permits in urgent cases, pending investigation. An arrangement was also made for clearing problems which could not be handled at a local level through the United States Department of Labor and the War and Navy Departments.

Closely related to this program of relaxation was the action taken by the Division to secure agreement among the Federal procurement agencies as to a standard of hours of work which would result in maximum production. In accordance with this agreement, a statement of policy was issued by the War, Navy, Commerce, and Labor Departments, the Maritime and War Manpower Commissions, and the War Production Board in July 1942. This policy provided for a weekly day of rest, a 30-minute meal period, and an 8-hour day and a 48-hour week.

#### FEDERAL-STATE COORDINATION

The peacetime need to avoid duplication of inspection became increasingly important during the war, both because of the shortage of qualified personnel for inspectors, and because it was desirable to have as few persons as possible going into war plants. After the passage of the Federal Fair Labor Standards Act in 1938, cooperative Federal-State programs were developed by the Division to increase economy of operation by reducing to a minimum the number of Federal and State employees inspecting industrial establishments. The purpose of these programs was also to provide for the most effective use of Federal and State staffs, promote uniform standards of administration, and provide for an exchange of ideas and information.

As one method of Federal-State cooperation, the Division worked out basic plans of operation for reimbursable types of agreement now effective between the Secretary of Labor and the States of Minnesota and North Carolina. Under these agreements State inspectors who meet the qualifications set by the Federal Government are authorized to inspect for compliance with the Federal Fair Labor Stand-



ards Act as well as the Walsh-Healey Public Contracts Act with respect to wage, hour, child labor, industrial home work, and safety and health standards at the same time they inspect for comparable State laws. The Department of Labor reimburses the State for its services.

In addition, the Division has worked out informal arrangements between State and Federal agencies for cooperation in the enforcement of their overlapping laws. Under these programs information is exchanged, joint inspection scheduled and arrangements made to avoid duplication of inspection whenever possible. The most recent of these informal agreements was made with Puerto Rico. A staff member of the Division spent several weeks in Puerto Rico in working out this cooperative plan and an agreement was made both with the Insular Department of Labor and the Minimum Wage Board.

A second plan of coordination is in the field of safety. In order to avoid the overlapping of State and Federal inspections, the Division of Labor Standards negotiated safety agreements with a number of States. During the war these agreements were made between the Wage and Hour and Public Contracts Divisions of the Labor Department, the National Committee for the Conservation of Manpower in War Industries, and State labor departments. More than 20 such agreements have been negotiated. Under these agreements State safety and health inspectors inspect simultaneously for compliance with State safety and health regulations and with the safety and health provisions of the Walsh-Healey Act.

By means of these agreements, State labor departments and the National Committee were able to cooperate in the promotion of safety programs in war plants. At the end of the war it was necessary to revise these agreements as the National Committee was terminated shortly after VJ-day. However, they have been continued with State labor departments for safety inspection on Government contracts.

#### WORKERS' EDUCATION

The year 1945-46 was marked by an increased recognition by labor, management, and other groups of the importance of the experimental work of the Division of Labor Standards in the field of labor education. As a result Congress in its 1945 appropriation gave the Division a small sum to assist unions and universities in the training and development of capable union leadership and a membership well informed in the rights and responsibilities of unionism.

Soon after the beginning of the war, the Division started receiving requests from union leaders for assistance in training stewards, committeemen, and other representatives in techniques of collective bargaining. Although the Division had neither staff nor facilities available specifically along these lines, the urgency of the problem was so great that, acting in accordance with its general responsibility for promoting labor education, it undertook to meet a few of these requests in the hope that they might prove useful precedents. Between 1942 and 1946 union after union undertook steward training courses, preparation of stewards' manuals, classes in grievance procedure, and other aspects of labor education. The Division's role in this movement was largely one of setting standards and acting as a clearing house for an exchange of information.



Parallel to this development within the labor movement there came an increasing awareness on the part of institutions of higher learning, especially State-supported universities, that such institutions had an educational responsibility to organized labor as one of the most important sections of the American community. Working with representative advisory committees, universities developed extension courses, trade-union fellowship, special conferences and seminars for labor leaders and otherwise attempted to bridge the gap between the campus and the needs of the labor movement.

In the fall of 1945 the Secretary of Labor called a conference of union and university representatives to discuss the advisability of increasing the Department's activities in the field of workers' education. A month later the President's National Labor-Management Conference adopted unanimously a recommendation that both management and unions should provide basic training in collective bargaining procedures for their representatives.

At the Twelfth National Conference on Labor Legislation held shortly thereafter, a resolution was adopted endorsing the educational program of the Division of Labor Standards. It was pointed out in this resolution that the successful practice of collective bargaining requires that the union leadership be fully informed and technically trained in the principles and procedures of collective bargaining as well as the many union and community problems with which they are confronted. The resolution also urged the Secretary of Labor to establish a labor education advisory committee to assist in the development of this program.

In accordance with this resolution, the Secretary, on February 25, appointed an advisory committee on labor education composed of five representatives each of the AFL and the CIO. This committee has been most helpful in guiding the Division's activities in the preparation of teaching materials in the field of collective bargaining and in assisting unions and universities. These projects included preparation of a sound-film strip on the history of the United States Department of Labor for the University of Michigan Workers' Extension Service; preparation of manuals dealing with the President's 1945 National Labor Management Conference; a Digest of Federal Labor Laws, and a Guide to the National Labor Relations Act. In an effort to disseminate information and to stimulate thought regarding labor education programs as a whole, the Division also undertook a new series of articles summarizing existing programs which were sent to directors of workers' education programs in both unions and universities.

The programs discussed in these articles included that of the Kentucky State Federation of Labor's Department of Research and Education, the University of Wisconsin Workers' School, the educational department of the CIO Textile Workers Union, and the Institute of Social Order of Rockhurst College, Kansas City, Mo.

#### INTERNATIONAL COOPERATION

Uninterrupted advances in industrial techniques were made in the United States during the war. Other nations are now turning to this country as a leader in industrial safety and improved working conditions. Even before VJ-day the Division of Labor Standards began



hearing from new governments of liberated countries urgently requesting "everything you have published since 1940." Also less industrialized countries, particularly in this hemisphere and Asia, are beginning to realize that production efficiency and sound labor standards go hand in hand.

The sharp increase in requests from foreign governments, organizations, individuals, and visitors for information, publications and special assistance in the fields of industrial safety, labor law administration, labor education, and industrial relations, was due to at least two factors: Relaxing of international communications and travel restrictions following the end of the war, and logical development of a program of international cooperation which has outgrown the experimental stage.

The international activities of the Division were continued in cooperation with the Interdepartmental Committee on Scientific and Cultural Cooperation of the State Department. Emphasis in 1946 remained on the Western Hemisphere because congressional authorization and appropriations did not provide for cooperative projects with countries other than the American Republics, and because efforts were made to follow up initial work in a number of these countries that had been deferred during the war years.

The Division's international work for the year included three major types of activities: (1) A training program for Government labor officials from the other American Republics, (2) technical consultation in other countries on industrial safety and labor law administration, and (3) exchange of special information.

### **Training program**

Three government officials from Peru, Mexico, and Cuba were awarded training grants for 6 months of study and observation in the United States in specialized fields of labor problems. The training program for these foreign officials combined study and consultation with factory visits in 14 States. The Division planned and supervised the over-all program and secured the cooperation of 9 State labor departments, several Federal agencies, unions, and private organizations in these and other States for the field studies. Training programs of this kind for mature responsible officials would seem to meet a serious desire of the other governments to improve the technical competence of their labor departments' staffs and offer opportunities for the practical interchange of experience looking toward the solution of common problems in labor administration.

### **Technical consultation in other countries**

An unusually successful experiment in inter-American collaboration was carried out in 1946 with the Republic of Uruguay when a former member of the Division's safety field staff who spoke Spanish worked for 4 months with government and management officials in that country organizing and directing safety training. At the request of the Uruguayan Government, this safety specialist helped to train Uruguayan Government personnel responsible for accident prevention, the expense of the project paid by the United States and Uruguay. The safety specialist has been asked to return for 3 months to 1 year with all expenses paid by Uruguay.



### **Exchange of special information**

Services to foreign visitors have become an increasingly important activity, ranging from single interviews, making available publications, safety photographs and other graphic materials of special interest, scheduling conference and field visits, showing safety films, to preparing special data to answer specific problems. The Division has cooperated with other bureaus and departments whose trainees or special foreign guests request a brief introduction to some of the labor matters for which the Division is responsible.

Short orientation courses have been arranged for State Department foreign-service personnel prior to their assignment to foreign posts, particularly labor attachés, economic analysts, and cultural-relations attachés.

Written inquiries from other countries asked for everything from a single publication to specific recommendations for the proper installation of machinery in a textile mill. Most of the requests were for information on United States labor laws and accident-prevention methods. Publication of two short bulletins in Spanish explain the background for the system of labor law as found in the United States. Quantities of these publications were also supplied to United States Embassies in Spanish-speaking countries. Three of the Division's safety bulletins have been edited for translation into Spanish and Portuguese and will be printed by the Department of State during the coming year.

### **International labor organization**

Since 1938, the Division of Labor Standards has actively taken part in the general conferences of the International Labor Organization and in special and regional conferences. The director and assistant director of the Division have served as Government representatives or advisers and staff members have been assigned to assist the conferences and special committees.

The third conference of American States, members of the International Labor Office was held in Mexico City in 1946. At this conference the director of the Division served as Government representative and also as chairman of a committee to report on standards for labor inspection. A staff member gave technical assistance to this committee.

As a direct outgrowth of our work in the field of safety standards, a staff member serves on the committee on safety standards of the International Labor Organization. During the past year meetings of this committee were held at London and Montreal. A safety code for factory machinery is one of the principal subjects considered by this committee and such a code will be recommended to the next general conference of the International Labor Organization.

At the request of the International Labor Organization, the Division in 1945 prepared a reply to a questionnaire on labor inspection. The information we furnished in response to this request brought together the enforcement practices in connection with the Fair Labor Standards Act, the Public Contracts Act, and procedures for enforcement of State labor laws. We also made a study of the workmen's compensation laws of nine coal-mining States at the request of the International Labor Organization.



### EXHIBITS

The exhibit unit was established by the Division of Labor Standards in order to present labor problems graphically. It plans, produces, and distributes visual materials for the entire Department of Labor. It makes use of such techniques as modeling, painting, lighting, dioramics, drawing, lettering, sign writing, cabinet work, and photographic work. Thus economic problems with which the Department and the State labor departments deal can be analyzed in the form of simple graphs, charts, and posters with vivid captions. These exhibits are installed at national labor conventions, State federations of labor, industrial management conferences, National and State safety conventions, international and national expositions, and specialized groups and meetings. Each year the number of requests has increased.

In the past few years labor organizations have taken an increasing interest in exhibits as a means of reaching both their own members and the general public. It is significant that international unions and State labor organizations are now developing their own exhibits. In this work we are able to be of assistance with our technical experience and with the actual construction of the exhibits. In many cases we send exhibits to these organizations for use in combination with their own exhibits.

### RETRAINING AND REEMPLOYMENT ADMINISTRATION

The Retraining and Reemployment Administration is the medium created by law to effect coordination during the reconversion period among the activities of those agencies of the Government charged with the functions of retraining, reemployment, vocational education, and vocational rehabilitation. The objective of its work is the reintegration into community life of all Americans whose lives have been disrupted by the war.

RRA was constituted first by Executive order in 1944 and later by law in title III of the War Mobilization and Reconversion Act of 1944. It was transferred to the Department of Labor by Executive order, September 19, 1945. The functions of the Retraining and Reemployment Administration are defined in title III as follows:

1. To have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provision of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire.
2. To confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.
3. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.



The term "executive agency" is defined in title V of the War Mobilization and Reconversion Act as "any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States."

### **Reorganized and revitalized**

During the past year, the Retraining and Reemployment Administration has been reorganized and revitalized under the administration of Maj. Gen. Graves B. Erskine, USMC, who assumed the duties of Administrator on October 26, 1945. His appointment was confirmed by the Senate on February 26, 1946. While this report covers the fiscal year 1945-46, it actually represents work that has been accomplished since the appointment of the new Administrator.

The term "coordination" in the sense of the authority given to RRA by Congress was early interpreted to mean careful planning as to how an objective could be reached as quickly and effectively as possible, and then considerable follow-through work to see that it was carried out. This, together with the fact that the first half of the fiscal year brought release from the armed forces of millions of men and women desiring a quick return to normal life, which multiplied and intensified human reconversion problems, necessitated a reorganization of RRA after its transfer to the Department of Labor and an increase in its staff to a point regarded as essential to accomplish the general objectives.

Since RRA is a coordinating agency, it does not, in most instances, seek its objectives by direct administrative operations. Instead, its procedure, generally speaking, is (1) to identify the field of action or problem requiring coordination, (2) consult with the agencies concerned and develop proposals for coordination, (3) obtain the adoption of approved proposals and reports regarding the operating results, (4) in cases of duplication issue orders providing for the elimination of functions, and (5) when gaps in the governmental structure develop, make recommendations through appropriate channels for remedial action. The formulation of detailed plans and the operation of programs generally continue to be the responsibility of existing executive agencies.

### **Interagency committees**

One of the most effective working techniques of the RRA is that of interagency committees. At the close of the fiscal year five interagency committees were operating and two were in process of formation. These committees were created by order of the Administrator, and their titles give a quick over-all picture of some of the major problems on which the RRA has been working:

Interagency Committee for Development of Criteria and Standards for On-the-Job Training.

Interagency Committee on Disposal of Federal Property for Educational Purposes.

Federal Interagency Committee on Migrant Labor.

Interagency Committee on Rehabilitation Services for Severely Disabled Persons.

Interagency Committee to Expedite the Production from Surplus Fabrics of Men's Clothing by Small Manufacturers.



The two committees in process of formation are:

Interagency Committee on Employment of the Physically Handicapped.

Interagency Committee on Federal Employment.

The work accomplished by these committees will be discussed in the body of the report.

#### FIELD SERVICE

##### Community advisory centers

One of the first responsibilities assumed by RRA was that of developing a program through which adequate and correct information and assistance might be made available to veterans throughout the country.

RRA Order No. 1, issued May 17, 1944, set up a plan providing for a committee in each State, consisting of a representative of Selective Service System, the Veterans' Administration, and the War Manpower Commission, to sponsor and activate such an information program. Some steps were taken in this direction but it became apparent that this type of organization was not resulting in widespread and coordinated community effort.

Beginning in November 1945, the following steps were taken to organize and revitalize the program of assistance to veterans at the community level:

A conference was held in Washington attended by directors of some 40 successful community advisory centers, who were asked to submit constructive recommendations as a basis for community action. One result of this conference was the preparation and issuance of a manual entitled "Your Community Advisory Center," containing concrete and comprehensive information as to how such a center should be organized and operated. This booklet was given wide distribution and has served as a stimulus and guide to communities in the development of a veterans' service program.

A small staff of advisory center field representatives was set up to visit States and communities and assist in the organization of community advisory centers.

RRA Order No. 3 was issued February 13, 1946. This order superseded RRA Order No. 1, and placed the responsibility for developing information and service programs for veterans on the States and local communities. It also directed Federal agencies to render full cooperation and aid in these efforts. This shift in the responsibility for the development and operation of advisory centers was well received throughout the country and resulted in an immediate stimulus to the entire center program.

As a medium for providing accurate and up-to-date information to advisory centers and other agencies, RRA began the issuance of a weekly bulletin containing information of general interest to veterans, material regarding activities of advisory centers, and other items pertinent to human reconversion. The need for such an instrument for disseminating accurate information was readily demonstrated by the acceptance of the bulletin by the centers and the constantly growing numbers of requests from other organizations and individuals. The distribution list for the bulletin has continued to expand and it was necessary to make reprints of the first six issues in order to meet the demand.



In response to requests on the part of many of those in charge of advisory centers, there was made available to all centers and others interested a booklet entitled, "The Interview in Counseling." Well-known experts on counseling collaborated in the preparation of this booklet, and it has been enthusiastically received by agency and organizational groups over the country.

In order to determine with some measure of accuracy the use being made of advisory centers by those for whom they were intended, a preliminary analysis of trends and activities of centers was made.

This analysis disclosed a continuing need for centers already established; that many repeat visits to centers were being made by veterans seeking additional assistance; and that there is a need for additional centers to meet reconversion requirements. It was also indicated that the centers in operation are helpful to veterans on many types of problems, which might be grouped in the following broad classifications: Earning a living, establishing a home, getting an education, military benefits, personal affairs, and special services covering a wide variety of miscellaneous, nonadvisory services.

While centers reported that their programs have been largely for veterans, the analysis revealed that nonveteran problems are similar to those of veterans, and that a substantial proportion of public school, high school, and college graduates need competent counseling to gear their educational plans to the realities of tomorrow's economics. Moreover, it was indicated that more than a million disabled non-veterans require some form of counseling assistance, and that families of veterans, the too-old group, those in need of psychiatric and medical aid, and others can benefit from a broad community advisory center program.

At the instance of RRA and through the cooperation of the Advertising Council, Inc., of New York, a Nation-wide radio campaign was conducted during the year at no expense to the Government in which veterans were informed as to the services available at community advisory centers in operation over the country.

Groundwork was laid during the year for another Nation-wide radio campaign and for the production of one or more motion pictures, as public service contributions and at no expense to the Government, emphasizing the work of community advisory centers. Plans called for stress to be laid upon the value of these centers to veterans and other civilians in the general reintegration program, and upon the advisability of their utilizing the facilities to the fullest extent.

The Retraining and Reemployment Administration has no administrative control of the community center program, nor have any Federal funds been allotted for community centers. This activity is sponsored and supported entirely by the States and communities with RRA acting as a coordinating and service agency. Community service centers have developed in different forms and organizational types, depending on the size and needs of the community. They range from a small office, operated by one person and conducting mainly an information and referral service, to a building of several floors, with complete counseling and service facilities.

In every case, an attempt is made to bring together in one place, not only accurate information, but also the representatives of the various agencies, public and private. Many centers have, in addition



to their own staff, provided space for representatives of Federal and State agencies and such private agencies as veterans' organizations, the Red Cross, welfare agencies, and the like. This has resulted, not only in public service to veterans and other civilians, but also in a needed coordination of efforts at the local level.

The Retraining and Reemployment Administration has not attempted to secure regular reports from all advisory centers throughout the country. There has been, however, a steady increase in the number of advisory centers in operation. At the end of the fiscal year RRA lists included some 3,000 centers, including one or more in every State. This was about double the number in existence before the intensive program outlined above was instituted.

### **Expansion of the field service**

By May 1946 it became apparent that the coordination activities of the agency at the Federal level would have to be followed up by regular contacts at the State and local level. Accordingly, a Field Service Branch was set up, which incorporated the activities of the Advisory Center Division. On May 28, 1946, the Field Service Branch was activated. The objectives of this branch are as follows:

1. Operation of field services for the Retraining and Reemployment Administration as a whole.
2. Coordination at the State level of programs carried on by Federal agencies in the fields of reemployment, retraining, vocational education, and vocational rehabilitation.
3. Coordination of services made available to veterans and others at the community level, and assistance in the promotion and establishment of advisory centers pursuant to RRA Order No. 3.
4. Development and operation of a system of reports from the field for use of the Retraining and Reemployment Administration.

Some over-all procedures in attaining these objectives at State levels include:

Obtaining the best judgment of State officials as to the effectiveness of Federal programs; ascertaining areas of overlapping or gaps between Federal and State programs and discussions, and suggestions as to better coordination; and suggesting, arranging, or assisting in conferences of Federal, State, and private agencies for a discussion of problems and for determination of methods which might be employed to reduce overlapping or effect changes where indicated.

Conferring with officials of appropriate public and private agencies at the State level to implement State-wide programs for encouraging community action; through the medium of State agencies, encouraging community organization for service to veterans and others; rendering assistance, when requested, to center directors and their boards in connection with problems arising out of the establishment and operation of a center; participating actively, where possible, with State officials in their programs for stimulating community action; and seeking to encourage development of advisory centers which may serve as examples of the way in which RRA Order No. 3 can be carried out effectively in various types of communities.



A complete coverage of the country was provided for through the setting up of the following geographical areas and assignment of a field representative to cover each:

Region I—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island.

Region II—New York.

Region III—Pennsylvania, New Jersey, Delaware.

Region IV—Maryland, West Virginia, Virginia, North Carolina.

Region V—Tennessee, Alabama, Georgia, South Carolina, Florida.

Region VI—Michigan, Ohio, Kentucky.

Region VII—Indiana, Illinois, Wisconsin.

Region VIII—North Dakota, South Dakota, Iowa, Nebraska, Minnesota.

Region IX—Missouri, Arkansas, Oklahoma, Kansas.

Region X—Mississippi, Louisiana, Texas.

Region XI—Washington, Oregon, Idaho, Montana.

Region XII—California, Nevada, Arizona.

Region XIII—Wyoming, Utah, Colorado, New Mexico.

No regular field offices are maintained. Each field representative has established, through the assistance of other governmental agencies, a temporary headquarters in the region through which he may be reached and where some communications and stenographic services may be available.

Field representatives are briefed from time to time, as required, in special assignment for the Administrator or in specific projects developed by the branches through general meetings in the Washington office, or through smaller group meetings at central points by the Assistant Administrator in charge of the Field Service Branch.

By the end of the fiscal year the Field Service Branch had been completely organized and had begun its expanded activities. It was found that at the State level, there existed much lack of understanding as to where Federal responsibility left off and State responsibility began. In such cases, the field representatives have been able to clarify working relationships between Federal and State agencies, sometimes pointing out shortcomings in Federal performance, and in others, stressing the State's obligation over and above the Federal program.

The program of the Field Service Branch provides for a direct contact by field representatives with each State capital, including offices of the governor and other State agencies, not less than once each month. In addition, special visits will be made, as indicated, to the Territories. Thus, the Administrator of RRA will be in regular contact with the problems of human reconversion as they appear from the standpoint of the States and communities, and be in a position to present this viewpoint to the Federal agencies concerned, at the Washington level.

In order that RRA might have a more thorough understanding of the plans which each State had adopted for the reintegration of its veterans into civilian life, as well as others whose lives had been disrupted by the war, a conference of State Directors of Veterans' Affairs was held in Washington, February 4 and 5, 1946. At this meet-



ing, much valuable information was gained as to the manner in which RRA could be of most assistance to the State programs and State representatives gained an insight into one another's problems and methods of operation.

The field of Federal-State coordination is an immense one, which might require the services of an agency many times the size of RRA over a long period of time. It is believed, however, that the necessity for such coordination at this time is particularly great, and RRA will make every effort to advance it through the Field Service Branch.

#### TRAINING AND VOCATIONAL EDUCATION

The response of veterans to the educational provisions of the Servicemen's Readjustment Act, the thousands of disabled veterans taking training under Public Law 16, and the shift of hundreds of thousands of workers from war industries into training for peacetime jobs precipitated a tremendous additional load upon the Nation's educational and training facilities. It became obvious that far-reaching efforts would be necessary if the demands for training were to be satisfied.

Training programs were of two major types: those conducted as noninstitutional training and those conducted in educational institutions.

##### **Noninstitutional training**

Although progress had been made during the war in developing methods of instruction on the job there still remained much to be done in the area of job analysis, and the development of methods of teaching skills in practical sequence for the simplification and acceleration of the learning process. Standard programs of training were needed for the teaching of skills on the job in scores of occupations.

However, a more urgent need asserted itself before work on this subject could be undertaken. The educational benefits provided veterans under Public Law 346, 78th Congress, and Public Law 16, 78th Congress, were causing an unpredicted expansion of on-the-job training programs. The law provided that the appropriate agency of each State should prepare a list of educational and training institutions (including industrial establishments) which were qualified and equipped to furnish education and training to veterans who were eligible for subsistence allowances under Public Law 346.

The governors of the States designated either some State agency such as the department of education or the department of labor or appointed a committee to approve establishments offering on-the-job training programs to veterans. While it was apparent that no uniform procedure would be suitable for all States, the sudden growth of on-the-job training caused such a wide diversity of practices in different States that confusion resulted. Therefore, the RRA issued Order No. 4, which provided for the establishment of a committee which was representative of those Federal agencies directly interested in the development of criteria and standards for on-the-job training. This committee was known as the Interagency Committee for the Development of Criteria and Standards for On-the-Job Training and was composed of representatives of the following Federal agencies: Departments of Agriculture, Commerce, and Labor; the War and Navy Departments; Civil Service Commission; and Federal Security



Agency. Consultants representing education, labor, management, veterans' organizations, agriculture, and other interested groups were also included.

The function of the committee was to develop minimum criteria and standards for on-the-job training which could be recommended for use by appropriate Federal and State agencies in their approval of institutions and establishments undertaking to set up programs of on-the-job training. Three sets of on-the-job criteria were developed in the fields of nonagricultural, agricultural, and State and local government employment. These were transmitted to the governors of all States and Territories with a view to assisting State approving agencies in the development or revision of their own criteria. The interagency committee criteria as issued by RRA were afforded a genuinely favorable reception. Although in some States standards had already been developed for approval of on-the-job training programs, in others the Federal criteria proved to be of real assistance in the formulation of standards.

Certain abuses developed in connection with the administration of on-the-job training programs, largely as a result of the fact that the States were inadequately equipped with trained personnel to police the programs adequately. It was recommended, in February of 1946, that the Veterans' Administration make funds available to reimburse the States for expenditures incurred in approving and supervising establishments offering on-the-job training programs. Such funds would have made it possible for the States to employ an adequate number of trained personnel to carry on the inspection and approval functions. The Veterans' Administration indicated at that time that it lacked authority to reimburse the States for moneys expended on this work.

Proposed corrective legislation was later prepared which was designed to authorize the Veterans' Administration to reimburse Federal, State, and local agencies for such expenditures as might be incurred in connection with the administration of this program. This proposal provided that State or local agencies, in order to obtain the benefits of appropriations, must comply with such minimum standards and regulations for on-the-job training programs as might be promulgated by an agency to be designated by the President. The RRA also requested the Office of Education to establish a unit whose function would be to prepare standards for evaluating the course content of training programs in various occupations. This project, acting as a clearinghouse, would provide for the review of existing training programs, effect distribution to the States of desirable training aids, and prepare such new material as might be needed.

### **Institutional training**

The Nation-wide rush of veterans and nonveterans to the colleges developed in the closing months of 1945 and in the early part of 1946. The 4-year lapse in building programs, the loss of faculty personnel to the armed forces and to more lucrative professions, and the general shortage of training equipment worked a particular hardship upon the colleges at a time when they were facing the greatest training assignment in their history.

It was evident that immediate action was necessary in order to meet the staggering load which reconversion had thrust upon the



colleges and schools. It seemed expedient to attempt immediate temporary solutions while planning at the same time for long-range attacks upon this problem. Recommendations were made, therefore, along two lines. First of all, it was proposed that the United States Office of Education establish a clearinghouse which would provide a continuing source of information as to the college and trade-school vacancies existing in all sections of the country. The Veterans' Administration joined with the Office of Education and the Retraining and Reemployment Administration in this enterprise and by June 30, 1946, the framework had been laid for this service and the Nation-wide reporting system was expected to be under way in time to assist with fall registration.

It was obvious that any effective large-scale aid for the schools and colleges would have to be developed from the sources immediately at hand. Consequently, it was decided that RRA should seek to expand training facilities through aiding the schools and colleges in the immediate procurement of excess Federal installations, adaptable to housing and nonhousing purposes. At the suggestion of the Director of the Office of War Mobilization and Reconversion, RRA Order No. 5 was issued establishing the Interagency Committee on Disposal of Federal Property for Educational Institutions.

As a result of the work of this Committee, the War and Navy Departments substantially increased the amount and type of donations of materials to educational institutions and the War Assets Administration entered into a period of active cooperation with the United States Office of Education in order to expedite the acquisition of needed equipment by the schools and colleges. The next step in this development occurred on June 13, 1946, when the director of OWMR requested the RRA Administrator to assume full authority for the expediting work involved in the effective operation of this (expansion of college and university capacity) program and to serve as the central point of contact in Washington between the educational institutions and the agencies disposing of surplus property. As a result, the Administrator effected a further liberalization of the donation policy of the War and Navy Departments, and urged extension of the nominal price policy of the War Assets Administration to provide for a 95 percent discount from fair value on purchases made by educational institutions. On June 30, 1946, however, such discounts had not been granted.

As the fiscal year drew to its close, it became more and more apparent that overlapping authority and the lack of clear understanding among agencies dealing with the disposition of surplus property were seriously affecting the program of transferring this equipment to schools and colleges. To clarify this situation and to make clear to the colleges the procedures whereby they might initiate requests for surplus property, it was decided to undertake the preparation of an inter-agency pamphlet designed to show the initial steps to be taken in applying for the various types of Federal property available to the schools. The decision to issue such a pamphlet was reinforced by the many communications received by this Administration from school and college officials who have, without exception, indicated their lack of information with regard to the procedures for initiating requests for surplus property.



In the months ahead, this Administration proposes to press for interagency clarification of responsibilities in the matter of disposing of surplus property and further to make every effort to eliminate unnecessary delays in the disposition process. A further major objective is that of continuing to encourage War Assets Administration to adopt a nominal price policy with regard to educational institutions.

During the year, a Nation-wide radio campaign also was conducted in the interest of obtaining for veterans accreditation in schools and colleges of the Nation for in-service training. This campaign was conducted in cooperation with the Advertising Council, Inc., of New York at no expense to the Government.

A report from the Council indicated that during the first 30 weeks of 1946, network and national spot radio allocations made an estimated 515,750,000 listener impressions on the veteran assets campaign.

### EMPLOYMENT

It should be emphasized that RRA was established to give assistance through its coordination activities not only to veterans, but to all persons whose lives were disrupted by war. Its responsibility both to veterans and other civilians is clearly defined in the Presidential directive creating it, and in the subsequent act of Congress giving it statutory authority.

The terms "employment" and "reemployment" which have been so dominant during the reconversion period have been interpreted to mean the entrance into, or return to, gainful work commensurate with their skills and capacities of all persons in the labor force, and action has been taken in accordance with that interpretation.

The first full fiscal year of the reconversion period brought a peacetime high in employment over the country, and there was grave danger that prevailing optimism might operate against an impartial evaluation of conditions existing in certain areas where a surplus of labor existed. It was especially necessary that consideration be given those factors contributing to the continued unemployment of previously employed or potential workers.

Consequently, preliminary field studies were initiated to determine how local needs might be met through a better coordination of Federal statistical programs, including their more direct application to local uses, and also the introduction of supplementary programs that might be required.

Emphasis was also given from time to time to the necessity for a more comprehensive listing with public employment offices of all job vacancies so that the labor market might be kept currently informed as to employment opportunities. The active support of field offices and staffs of all Federal agencies, national associations of employers, and veterans' organizations was enlisted in the realization of this objective.

### Priority on surpluses

Many returning veterans of World War II indicated a desire to go into business for themselves, both those who formerly had been in the ranks of employers, and those who had never worked before. This enterprise on their part was encouraged to the fullest extent by RRA, not only through the media of informational material as to loan



procedures, but also through action taken to make available to them as quickly and reasonably as possible, surplus war materials on hand at the close of hostilities. Recommendations were made for a higher priority to individuals on these surpluses, and a part of this recommendation was incorporated in Public Law Number 375 of the Seventy-ninth Congress.

### **"Committee of Nine"**

Steps were taken to revive a so-called Committee of Nine for the purpose of formulating a statement of principles to guide both management and labor in the employment and reemployment of returning veterans and other civilians so that injustices and inequalities would not result.

This committee, appointed in 1945, is composed of representatives of the American Federation of Labor, Congress of Industrial Organizations, and Railway Labor Executives' Association, representing labor; the Business Advisory Council to the Secretary of Commerce, National Association of Manufacturers, and United States Chamber of Commerce, for industry; and the American Legion, Disabled American Veterans, and Veterans of Foreign Wars, representing veterans' organizations.

Specifically, this committee was commissioned with the task of handling such broad matters in the fields of employment and reemployment as the recognition which industry might give to service-acquired skills, and also what is being done by agriculture, labor, industry, and veterans' organizations to promote gainful and stable employment opportunities for veterans and other workers.

In addition to the reactivation of this committee, RRA sought advice and assistance of veterans' organizations and labor-management groups as to the desirability of coordinating and stimulating efforts to encourage employment planning by communities and to expand business and employment opportunities. The cooperation of all concerned was pledged in this program.

### **Migrant labor**

On the move today and every day in this country is a large segment of its labor force in search of work. They are America's migrant laborers—chiefly those employed on farms in peak production seasons, who move on to other areas in search of work when the peak season passes.

It is estimated that of a total of 4 or 5 million persons who leave their homes in 1946 in search of employment, at least 2 million will be migrant. There is no adequate protection for these people on a Federal, State, or community basis. Not only is their employment usually of a highly temporary nature, but they are also victims of inadequate housing, transportation, and health and medical service.

It seems elementary to say that these workers, and they now include many World War II veterans, are entitled to treatment at least comparable with that given those brought into this country under international agreements to relieve the manpower shortage during the war, and who were given certain guaranties and considerations not accorded migrant laborers.

With this objective in mind, RRA established a Federal Inter-agency Committee on Migrant Labor for the purpose of developing



authentic material and information to be used as a basis for administrative action in the establishing of standards and recommendations for Federal and State legislation designed to assist these migrant groups.

### REHABILITATION

No one will dispute the fact that a tremendous responsibility of this country today is the welfare of those receiving injuries to body and mind while in military service, as well as other persons who are mentally and physically disabled.

War, accidents, and disease have brought handicaps to some 28 million persons. Approximately 350,000 are permanently disabled by accidents each year, and one in seven among the male working population requires physical or vocational rehabilitation, or special placement aids if he is to be successfully employed.

Seventeen thousand persons in the armed forces and 120,000 civilians suffered amputations during World War II. At the close of the fiscal year 1945-46, a quarter of a million disabled veterans were looking for employment and another 100,000 were training for skilled employment under the Veterans' Administration.

Despite the fact that during the war many industries turned to the handicapped as a source of labor supply and were gratified with the results in points of ability, industriousness, punctuality, and productiveness, as of June 1946, a total of 228,400 applications of disabled veterans was on file at the United States Employment Service and only 10,800 placements, or only 5 percent of the total, had been made.

### Interagency committees

In recognition of the urgency of this situation and of the responsibility confronting the Nation with respect to these citizens, RRA approached the problem on several fronts. It established an Interagency Committee on Rehabilitation Services for Severely Disabled Persons, and laid the groundwork for the establishment of an Interagency Committee on Employment of the Physically Handicapped.

The Committee on Rehabilitation Services for Severely Disabled Persons is composed of representatives of the Departments of Labor, Agriculture, and Commerce, and the Federal Security Agency. The Committee on Employment of the Physically Handicapped includes representatives of these agencies and of the Civil Service Commission.

The Committee for the Severely Disabled is charged with the work of studying and evaluating all existing facilities in the United States to meet the needs of the severely handicapped; proposing plans and methods for the improvement and extension of such services; and recommending to the Administrator the development of additional facilities to the extent determined essential to their future welfare.

Functions of the Committee on Employment of the Physically Handicapped will include establishment of policies for the coordination of all agencies active in the fields of counseling, rehabilitation, training and education, and placement of physically and mentally handicapped persons.

In plans for the establishment of this committee, it was also emphasized that the public should be made aware of the potentialities of handicapped persons, and of the various restorative and placement services designed to fit them for useful employment.



The Committee on Employment of the Physically Handicapped was to be given the added responsibility of planning a Nation-wide informational campaign to bring about observance of National Employ the Physically Handicapped Week, which was set aside by Congress in an act signed by the President August 11, 1945, and otherwise increasing public awareness of the economic position of the disabled. In this campaign, attention will be called to the restorative services for, and employment potentialities of, handicapped persons in an effort to break down obvious resistance on the part of many employers to the employment of handicapped persons.

### **Cooperative agreements**

Four Federal agencies engaged in services to the handicapped, including the Veterans' Administration, Office of Vocational Rehabilitation of the Federal Security Agency, Children's Bureau of the Department of Labor, and United States Employment Service, were brought together for the purpose of establishing at the Federal level a set of broad basic principles of cooperation designed to speed up the handling of vocational rehabilitation among the Nation's thousands of veterans, civilians, and youth who are eligible for such services.

These principles, embodied in separate agreements reached between the Veterans' Administration and Office of Vocational Rehabilitation, affecting veterans; Office of Vocational Rehabilitation and United States Employment Service, applicable to eligible civilians; and OVR and the Children's Bureau, relating to services provided for physically handicapped youth up to 20 years old, call for closer cooperation and greatly improved working relationships in the handling of applications for rehabilitation. The agreements were communicated to State and local agencies with the request that they be placed in operation immediately. They are designed to eliminate much of the confusion and duplication of effort prevailing in the past, thus advancing the general program of human reconversion.

In addition, 15 States were visited by RRA representatives, and joint conferences were held to promote cooperation at operating levels among regional, State, and local officials engaged in rehabilitation work.

### **Second injury fund**

Cooperation and assistance were given to the Division of Labor Standards of the Department of Labor, the Department of Justice, and the United States Employees Compensation Commission in efforts to obtain the possible enactment at some future date of legislation designed to further employment opportunities for the handicapped in States which do not now afford these people full protection. While some States have such laws which appear to be adequate, at least 13 have no second injury fund legislation at all. The legislation proposed would supplement the present Workmen's Compensation Act under which employees receive compensation for injuries sustained while at work.

### **CLOTHING**

War and the reconversion period brought a critical shortage in men's clothing. Contributing factors included:

1. Manpower shifts to more remunerative employment in war plants.



2. Employment shifts within the industry itself from the manufacture of men's clothing to the production of women's clothing.
3. Shortages in outer fabrics, cotton pocketing, and rayon linings. Consequently, reduced stocks brought increasingly bare shelves as millions of veterans returned from military service, a situation which delayed their reintegration into community life.

RRA established an Interagency Committee to Expedite the Production From Surplus Fabrics of Men's Clothing by Small Manufacturers. One result of this action was the formulation of plans for the production of a million additional men's suits and overcoats to supply the trade and, in turn, veterans whose civilian clothing which they had left behind upon entering the service had become either outmoded or outgrown. This committee, which included representatives of the Civilian Production Administration, War Assets Administration, Office of Small Business of the Commerce Department, Reconstruction Finance Corporation, Office of Price Administration, and War and Navy Departments, succeeded in having cataloged 8,000,000 yards of fabrics and linings which lay idle in Government warehouses. Provision was made for channeling these goods to small garment-making establishments on condition that the clothing be used only in the manufacture of men's suits and overcoats.

Priorities were obtained for veterans in the retail purchase of men's clothing and at prices lower than ceilings established by the Office of Price Administration. Some manufacturers advanced the priority-to-veterans plan for the disposal of this merchandise by agreeing to replace stocks sold by retailers to servicemen.

### COORDINATION OF PUBLICATIONS

In a move to conserve time and money, and to eliminate confusion and misunderstanding, the Bureau of the Budget designated RRA to coordinate Federal publications relating to veterans, veterans' activities, and displaced workers. It was found that a number of Government agencies were concerned in one way or another with publications of that nature, and that to avoid duplication or inadvertent misstatement or misunderstanding regarding the responsibilities and functions of those agencies in relation to these problems, careful liaison work would be necessary. All publications intended for direct distribution to the public must be cleared through RRA before issuance.

### LEGAL ACTIVITIES

In order to accelerate the work of obtaining State cooperation in the general plan of coordinating Federal and State programs at State and local levels, approximately 5,000 State laws applicable to the four fields of retraining, reemployment, vocational education, and vocational rehabilitation were reviewed and compiled. Federal laws dealing with these matters were also compiled and both compilations are being utilized for guidance in the performance of RRA's functions of coordination.

### THE FUTURE

While the Retraining and Reemployment Administration is a war agency whose present date of termination is June 30, 1947, it should



be emphasized that the problems of retraining, reemployment, and vocational rehabilitation with which the agency deals will not be solved by that date. There is a continuing need for a concerted attack on these problems either through this Administration or through some other executive agency of the Government.

### SHIPBUILDING STABILIZATION COMMITTEE

The Shipbuilding Stabilization Committee, formerly an agency of the War Production Board, was transferred to the Department of Labor on November 15, 1945. Since the activities of the committee have not previously been reported here, it is considered desirable to present a complete report rather than confine this report to the activities of the Committee during the past year. In order better to understand the circumstances which influenced labor relations in the shipbuilding industry during the recent war years, it would be well to trace briefly the growth and development of the industry since the First World War.

The shipbuilding industry, as one of the Nation's foremost arsenals of defense, has heretofore been subject to a building boom during time of war, and relative inactivity during time of peace. Beginning with the late 1930's, a very substantial part of all shipbuilding output was under Government contract, with the Government owned and operated naval shipyards producing an appreciable part of this output. The year 1933 found the shipbuilding industry at its lowest point in vessel output since the First World War. The Federal Government that year extended a public works appropriation to the shipbuilding industry and later, in 1936, further revived the shipbuilding industry through the Merchant Marine Act, which provided for the construction of several hundred merchant ships under the authority of the United States Maritime Commission. The United States Navy, and foreign governments, provided further impetus to a shipbuilding revival which was occasioned by the start of the war in Europe, so that by 1939 the industry had regained a large percentage of its employment lost during the late 1920's and early 1930's. A full year before Pearl Harbor, the ship-construction programs of the Navy and Maritime Commission had become so extensive that existing shipbuilding facilities, both federally owned and private, were heavily overburdened, and the construction of a number of new shipyards on all coasts was begun.

The tremendous increase in the number of workers in the shipbuilding industry from 1939 to late 1943 is now a matter of record. By 1943 the industry employed over 1,700,000 people, and stood first in employment among all manufacturing and construction industries. It is interesting to look ahead from this point and contrast this peak figure with that of May 1946, by which time employment in the shipbuilding industry had dropped to 400,000.

Acutely aware of its experience in the First World War, in which the shipbuilding industry had found itself handicapped in coping with the labor problems presented by the extremely rapid increase in employment, the industry prepared to meet its present crisis by the establishment of a labor policy, comprehensive in its scope, which would serve to stabilize conditions of employment during the industry's expansion. The First World War had produced all those things which



the industry now hoped to avoid—labor pirating, frequent strikes, high rates of labor turn-over, and inadequately trained personnel. In order to avoid repeating this experience, the late Sidney Hillman, then director of the Labor Division of the National Defense Advisory Commission, invited representatives of shipbuilding labor and management and the Government procurement agencies to form a tripartite committee to study the labor problems facing the shipbuilding industry, and to recommend means for their solution. This group—the Shipbuilding Stabilization Committee—held its first meeting in Washington, D. C., in December of 1940, and met frequently during the ensuing several months to adopt procedures through which it planned to stabilize employment in the shipbuilding industry. By January 1941 the Shipbuilding Stabilization Committee declared itself as favoring the adoption of voluntary labor agreements, general in character, which would cover all major privately owned shipbuilding facilities in each of four shipbuilding zones—the Atlantic coast, the Pacific coast, the Gulf coast, and the Great Lakes.

It is interesting to note that the group which made up the Shipbuilding Stabilization Committee, and which had adopted this recommendation, was representative of labor and management in the shipbuilding industry. The committee's membership included John P. Frey, president of the Metal Trades Department of the American Federation of Labor; John Green, president of the Industrial Union of Marine and Shipbuilding Workers of America, CIO; and H. Gerish Smith, president of the Shipbuilders' Council of America (then known as the National Council of American Shipbuilders). Those agencies of the Government primarily interested in shipbuilding were represented on the committee by Rear Adm. Emory S. Land, Chairman of the Maritime Commission; and Joseph W. Powell, special assistant to the Secretary of the Navy. The chairman of the group was Morris L. Cooke, of the National Defense Advisory Commission.

In adopting the recommendation for the zone standards agreements, the committee agreed that certain basic conditions of employment should be dealt with specifically. These were the basic hourly wage rate for standard skilled mechanics, hours of employment and overtime rates, a clear definition of shift premiums, provision for apprentice training, and provisions for employee health and safety. It was not the intention of the committee, however, that agreements as a result of the committee's recommendation should replace collective bargaining. On the contrary, the committee expected the zone standards to supplement those collective-bargaining agreements entered into between shipbuilding management and labor by incorporating the provisions of the zone standards into the individual collective-bargaining contracts.

In February of 1941, west coast management, representatives of shipbuilding labor, and representatives of the Government procurement agencies met in San Francisco to draft the first zone standards agreement. Government participation in the working committee was at that time regarded as neither necessary nor desirable, and labor and management met independently of the Government to draw up the provisions of the zone standards agreement. It became evident however, that Government participation in the zone standards would be unavoidable in view of the tremendous interest, financial and otherwise, which the Government had in the shipbuilding industry. Gov-



ernment representatives therefore were invited to participate in drawing up subsequent zone standards agreements.

Zone conferences were convened in the other three shipbuilding zones during the first half of 1941, by which zone standards agreements, similar in all essential respects to that adopted on the Pacific coast, were drawn up. The process of arriving at the provisions incorporated in the zone standards was one of three-way collective bargaining. The Government's interest in the bargaining procedure was largely a financial one, in which the procurement agencies agreed as their part of the bargain to reimburse the shipbuilders, under the terms of their contracts, for labor costs incurred under the zone standards agreements.

Since the AFL and the CIO were not equally represented in all zones, a question of procedure arose in designating labor representatives to the various zone conferences. On the Pacific coast the metal trades department of the AFL held collective-bargaining contracts in almost all major shipyards. On the Atlantic coast the Industrial Union of Marine and Shipbuilding Workers of America, CIO, was the predominant accredited bargaining agent. On the Gulf coast and in the Great Lakes the two organizations were more nearly evenly divided. The problem of labor representation in the zone conferences was made more real by the natural spirit of rivalry which existed between the two major labor organizations in their efforts to organize the new shipyards around the country, and the existence of several independent unions on the Atlantic coast further complicated the picture. It was agreed in view of these facts, that labor on the Pacific coast would be represented at the Pacific coast zone conference by the metal trades department of the AFL, and that the Industrial Union of Marine and Shipbuilding Workers of America, CIO, would have representatives present as observers but would take no active part in the bargaining. For the Atlantic coast zone conference it was agreed that the Industrial Union of Marine and Shipbuilding Workers of America, CIO, would represent labor, and on the Gulf it was agreed that both the AFL and CIO would actively participate.

Concurrently with the Pacific coast zone conference, shipbuilding labor and management were meeting independently to draw up a master agreement for new construction to cover conditions of employment not covered by the more general zone standards. Thus, where the zone standards stipulated only the basic hourly wage rate for "standard skilled mechanics," the master agreement went beyond this, and set forth for the unions and management signatory thereto, wage rates for intermediate classifications. The master agreement also provided for a closed shop in all shipyards in which the AFL was the accredited bargaining agent.

On the Atlantic coast, Gulf and Great Lakes, management declined to enter into a master agreement, similar to that adopted by the Pacific coast, with either the AFL or CIO. Atlantic coast zone employers in fact, in many instances, did not even participate in the adoption of the Atlantic coast zone standards agreement, but accepted the terms of the agreement when its negotiation was completed.

The Pacific coast, Great Lakes, and Atlantic coast zone standards agreements provided a basic hourly wage of \$1.12 for "standard



skilled mechanics." In the latter two zones, this rate was applied to "standard first-class skilled mechanics" in order to conform to local practice in most yards in these zones, where three or more rates of mechanics were recognized. In the Gulf coast, the zone standards agreement provided for a rate of \$1.07 for standard skilled mechanics. Shift premiums conformed for the most part to practices which were in effect in the respective zones at the time of drawing up the zone standards agreements. On the Great Lakes and on the Gulf, shift premiums were 5 cents an hour; on the Atlantic coast, the shift premium was 7 percent, and on the Pacific coast 10 percent for the second shift and 15 percent for the third. On the Pacific coast, in addition to the shift premium, 8 hours' pay was adopted for 7½ and 7 hours' work on the second and third shifts, respectively.

Labor and management on the Pacific coast drew up a master repair agreement which provided for an 11.6 percent differential in excess of the basic wage rate for those yards, exclusive of southern California, doing ship repair work. With these relatively minor differences, the zone-standards agreements were alike in all essential respects for the four shipbuilding zones.

Since it became one of the most important single provisions in the zone-standards agreements, the method adopted for adjustment in wage rates may be given special attention here. All four zone-standards agreements originally provided for automatic escalation in the basic hourly wage rate for standard skilled mechanics in proportion to stipulated increments of change in the cost of living. The various zone standards named different base dates from which the change in the cost of living would be computed and in the case of the Gulf zone an index was adopted which differed from that named for the other three zones.

It became apparent within a relatively short time that automatic escalation, if it were to keep pace with the rapid rise in the cost of living, would greatly minimize the stabilizing effect of the zone-standards agreements. Furthermore, since the provisions of the escalation clauses of the four Zone Standards Agreements were not uniform, the adjustment of wages under those provisions would have upset any national uniformity in basic wages paid to shipyard workers. In recognition of this, the shipbuilding industry, at the invitation of the Shipbuilding Stabilization Committee (which was then under the War Production Board) met in Chicago, Ill., in April 1942, to consider changes in the wage-adjustment provisions of the zone-standards agreements, and other matters which would bring greater national uniformity to stabilization in the shipbuilding industry.

The keynote of the conference was this message from the President of the United States:

The situation that now confronts you is that the full percentage wage increase for which your contracts call and to which, by the letter of the law, you are entitled is irreconcilable with the national policy to control the cost of living. Moreover, I understand that the literal application of the contract would result in unjustifiable regional inequalities in wages in the shipbuilding industry.

Under these circumstances I suggest to the stabilization conference that you put your heads together, and try to work out a plan by which this may be resolved, so that the wage standards of the workers in the shipbuilding industry and in other industries, and the living standards of all persons of modest income may be preserved against an inflationary rise in the cost of living.



The participants in the Chicago conference did put their heads together and wrote the Chicago amendments which complied with the spirit of the request made by the President. A uniform national rate for the shipbuilding industry in all zones was set at \$1.20 per hour for standard (first class) skilled mechanics. Automatic escalation of wages was abolished by mutual consent of the parties to the zone standards, and in its place the conference adopted a wage review to be held annually on or about the first of June, by procedures to be developed by the Shipbuilding Stabilization Committee. The Shipbuilding Stabilization Committee was named by the conference as the means for administering the newly amended zone standards-agreements. Specifically, the committee was responsible for the "interpretation, application, and coverage of the zone-standards agreements and for the securing of compliance therewith."

In addition, the Chicago amendments provided for the abolishment of calendar premium days, and substituted in their place the sixth and seventh shifts worked by an employee in his regularly established workweek as those shifts for which a premium of time and one-half and double time, respectively, would be paid. It was further agreed that the zone-standards agreements and their amendments would remain in effect until the end of the national emergency as proclaimed by the President.

The decision by the Chicago conference to adopt the Shipbuilding Stabilization Committee as the instrument by which the zone-standards agreements would be interpreted and applied, and through which matters of coverage and compliance would be determined, was an important one. Prior to that time, the zone-standards agreements for the respective zones were not necessarily interpreted uniformly even within a given zone; matters in dispute could only be settled, so far as zone-wide application was concerned, by reconvening the zone conference. Since such a means for administering the zone-standards agreements was thoroughly impractical, matters of interpretation had been settled locally according to the best lights of the union and shipyard concerned.

Following the Chicago conference and the ratification of the Chicago amendments by shipbuilding labor and management and by the Government procurement agencies, the membership of the Shipbuilding Stabilization Committee was increased to 31 in order that greater representation of the three parties to the zone standards could be realized. Committee members chosen were:

*Representing management*

George H. French, president, Maryland Dry Dock Co.  
Lt. Col. Kenneth Gardner, New York Shipbuilding Co.  
W. H. Gerhauser, president, American Ship Building Co.  
Joseph Haag, Jr., vice president, Todd Shipyards Corp.  
Harry Hill, vice president, Gulf Shipbuilding Co.  
A. B. Homer, vice president, Shipbuilding Division, Bethlehem Steel Co.  
Henry J. Kaiser, president, Kaiser Co., Inc.  
L. H. Korndorff, president, Federal Shipbuilding & Dry Dock Co.  
Monro B. Lanier, president, Ingalls Shipbuilding Corp.  
W. S. Newell, president, Bath Iron Works.  
Alden G. Roach, president, Consolidated Steel Corp.  
Charles C. West, president, Manitowoc Shipbuilding Co.



*Representing labor*

## American Federation of Labor:

John P. Frey, president, Metal Trades Department.  
Harvey W. Brown, president, International Association of Machinists.  
Charles J. MacGowan, vice president, International Brotherhood of Boiler makers, Iron Ship Builders and Helpers of America.  
Ed J. Brown, president, International Brotherhood of Electrical Workers.  
Robert Byron, president, Sheet Metal Workers International Association.  
George Masterton, president, United Association of Plumbers and Steam fitters.

## Congress of Industrial Organizations:

John Green, president, Industrial Union of Marine and Shipbuilding Workers of America.  
George W. Wright, vice president, Industrial Union of Marine and Shipbuilding Workers of America.  
Philip Van Gelder, secretary-treasurer, Industrial Union of Marine and Shipbuilding Workers of America.  
John H. Flaherty, general executive board member, Industrial Union of Marine and Shipbuilding Workers of America.  
John Grogan, general executive board member, Industrial Union of Marine and Shipbuilding Workers of America.  
Gerald Millen, general executive board member, Industrial Union of Marine and Shipbuilding Workers of America.

*Representing Government*

## War Production Board:

Paul R. Porter (chairman of the committee).  
E. A. McMillan (deputy chairman).

## Navy Department:

Rear Adm. C. W. Fisher, USN.  
Capt. L. M. Atkins, USN.

## U. S. Maritime Commission:

Capt. Edward Macauley, USN (Ret.).  
John E. Schmeltzer.

## War Department:

James P. Mitchell.  
Capt. Luke W. Finlay.

Thus, with the ratification of the Chicago amendments by labor, management, and Government, the shipbuilding industry had attained national uniform stabilization of employment a full 6 months before the enactment of the Economic Stabilization Act in October 1942. In all respects, the shipbuilding stabilization program was one achieved voluntarily, and in many respects it pointed the way for general economic stabilization of industry which was to follow. In an industry so affected as is the shipbuilding industry by the demands of a nation at war, it is reasonable to predict that without shipbuilding stabilization the wages of shipyard workers would have risen out of all proportion to rates for similar employment elsewhere in American industry as the shipyards competed with industry generally for the available supply of skilled workers. But through voluntary controls over wages and other conditions of employment, the shipbuilding industry was prepared in this respect for any wartime demands which could reasonably be anticipated, and proved itself to be in a position to administer its labor problems in large part independently of the controls provided for by the Economic Stabilization Act. The Government procurement agencies, through the administration of the terms of their various types of ship construction, conversion, and repair contracts, exercised certain supplementary



controls beyond those adopted by the industry through the zone standards agreements, but on the whole this supplemental control applied more to the small yards which were not parties to the zone standards and to special classifications of workers not covered by the zone standards.

The President, in Executive Order 9250, required the shipbuilding industry to submit to the National War Labor Board for approval, any further adjustments in wages after October 1942, but recognized the industry's competence to administer its own affairs by leaving all other functions which would not be inconsistent with the policies expressed in Executive Order 9250 in the hands of the Shipbuilding Stabilization Committee. Anxious that the Shipbuilding Stabilization Committee should not lose its voluntary character, the committee, at the behest of its management members, rejected the tentative offer of the War Labor Board that the Board delegate its powers, so far as the shipbuilding industry was concerned, to the Shipbuilding Stabilization Committee, subject to the review of the Board.

The Shipbuilding Commission was established within the War Labor Board in the early part of 1943, and was made responsible for the determination of disputes in the shipbuilding industry coming before the War Labor Board and not falling within the framework of the Zone Standards Agreements. The chairman of the Shipbuilding Stabilization Committee was also made chairman of the Shipbuilding Commission as the latter was originally set up, and representatives of the procurement agencies on the Shipbuilding Stabilization Committee also served as public members of the Shipbuilding Commission. It was held by the labor members of the Shipbuilding Commission, however, that the procurement agencies' representatives would be concerned with the need for holding down labor costs for their respective agencies and that they were, therefore, poorly qualified to serve as impartial public members. It was thought best to divorce the Shipbuilding Commission entirely, not only from the procurement agencies, but from the Shipbuilding Stabilization Committee as well, and in August 1943 new public members were appointed to the Commission and the position of chairman was taken by William E. Simkin, an arbitrator of considerable experience in the hosiery industry.

In anticipation of the annual wage review of 1943 called for by the Chicago amendments to the zone standards, the Shipbuilding Stabilization Committee elected to submit the entire question to the War Labor Board, rather than conduct the wage review without any assurance that the committee's recommendations would be approved by the Board. The labor unions, parties to the zone standards, contended that a substantial increase in wages was warranted in view of the increase in the cost of living since the previous wage adjustment of April 1942. In spite of strong representations from labor, however, the War Labor Board, as the result of its conduct of the 1943 wage review, took the position that a wage increase would not be consistent with the Little Steel formula and therefore ruled that no wage increase was warranted.

In July 1943, a zone conference convened on the Pacific coast met to consider questions of change in classifications of shipyard workers and also a question of far-reaching importance, that of interchangeability



of workers within the boilermakers trade. The latter question is sufficiently interesting to warrant special attention. The boilermakers union, embracing as it does some dozen separate classifications in shipyard employment, dominated the west coast AFL shipyards. Within the boilermakers classification come plate welders (this classification alone constituted a large proportion of AFL union members in the west coast shipyards), shipfitters, riggers, chippers, riveters, etc. With the heavy influx of shipyard workers which had accompanied the expansion of the shipbuilding program it was literally unavoidable that a high degree of specialization should have resulted within the various classifications of shipyard workers. It was apparent, however, that this specialization had proceeded to the point of unproductive man-hours, as in the case of shipfitters, who, because of jurisdictional restrictions, were not permitted to perform their own tack-welding. In return for some concessions—the designation of the grade of standard skilled mechanic to several new classifications—it was agreed that any man within the boilermakers trade could perform any function of that trade for which he was qualified.

The War Labor Board, through its Shipbuilding Commission, initially took a dim view of the changes in classifications, including those for which the interchangeability within the boilermakers trade had been granted, on the basis that they represented wage increases where the 1943 wage review had specifically provided that none was warranted. The War Labor Board, however, in reviewing the Shipbuilding Commission's findings, ruled that the savings which would accrue to the Government through the interchangeability clause would more than compensate for the modest increase in wages. It has been estimated by the office of the chairman of the Shipbuilding Stabilization Committee that the total net savings to the Government resulting from this interchangeability of workers within the boilermakers trade was at least \$70,000,000 a year.

Since management on the Atlantic coast had declined to enter into a master agreement with the Industrial Union of Marine and Shipbuilding Workers of America similar to that drawn up by labor and management on the Pacific coast, some classification changes to apply to the east coast zone were undertaken by the Shipbuilding Commission of the War Labor Board. On the Gulf coast and the Great Lakes, management was similarly disposed against a master agreement which would include rates of pay for intermediate classifications, and zone conferences convened in these zones by the Shipbuilding Stabilization Committee were adjourned without this controversial subject reaching the respective agenda. In shipbuilding, therefore, the Pacific coast master agreement remains unique. In addition to the wage rates included in it for classifications other than that of standard skilled mechanic, the new construction master agreement deals in some detail with such matters as safety and sanitation, vacation with pay, selection and pay of foremen and leadingmen, travel pay, and other matters of common interest to labor and management.

There were many other questions of importance nationally or locally which were successfully disposed of under the terms of the zone standards agreements through the machinery of the Shipbuilding Stabilization Committee. Labor was not convinced during the war years that the Government's wage policy was altogether equitable.



Management at times may have felt that certain of its prerogatives in the conduct of its affairs had been compromised. But in spite of any differences which may have existed, labor, management, and Government alike, participated wholeheartedly in the shipbuilding stabilization program.

There is no question that the experience of the shipbuilding industry, and that of the Government, with the zone standards agreements during the war years, has completely justified their decision to enter voluntarily into the shipbuilding-stabilization program in an effort not to repeat the industry's labor experiences of the First World War. During the period which saw employment in the shipbuilding industry increase from something over 100,000 to over 1,700,000 in the space of only 4 years, and shipbuilding facilities increase similarly, production became ever faster, ever more efficient, as the new employees entered into an industry which was totally mobilized for war. There were no strikes authorized by the national unions in the shipbuilding industry, and those unauthorized few which did occur amounted to approximately six-hundredths of 1 percent of the total working time. Apprentice training, necessarily fast, and by peacetime standards probably inadequate in some respects, was nevertheless accomplished quickly and on unprecedented scale. Many hundreds of thousands of inexperienced people were given specialized training within the industry.

The shipbuilding industry, during the war years and during the years immediately preceeding the war, showed itself to be possessed of foresight and courage in anticipating its share of the burdens of war. Government has been privileged to have an equal share with shipbuilding labor and management in the determination and administration of the industry's labor policies.

### POSTWAR ACTIVITIES

Having presented in the previous section a brief review of the activities of the Shipbuilding Stabilization Committee from its inception to the termination of hostilities, it seems appropriate to devote the following section of this report to a more specific review of the Committee's post VJ-day activities.

The Shipbuilding Stabilization Committee has continued to hold its regular quarterly meetings since the termination of hostilities, and has considered, since VJ-day, nearly two score problems of zone or national significance to the shipbuilding industry.

#### National referendum

One of the first acts of the Committee after VJ-day and the consequent reduction of overtime hours worked in the Nation's shipyards, was the restoration of the prewar practices of payment for overtime. This involved in particular the reestablishment of calendar days as premium days and the restoration of time and a half and double time, which had been conceded by labor as a result of 7-day per week wartime operations.

This change was brought about by a national referendum conducted by the chairman's office in late August 1945, acting on instructions of the Shipbuilding Stabilization Committee. The referendum showed labor and Government unanimously in favor of the restoration of calendar premium days, and a substantial majority of management



similarly disposed. The change to prewar practices in overtime payments became effective on October 6, 1945.

### **Executive committee**

From the committee's point of view, a most important functional change was adopted late in August 1945, in the creation of the executive committee of the Shipbuilding Stabilization Committee. The executive committee, composed of seven members from the full committee (the chairman, two representatives each from management and the procurement agencies, and one representative each from the AFL and CIO), was given primary responsibility for action on all matters relating to the interpretation of the zone standards and amendments.

Until the creation of the executive committee, matters requiring interpretation of the zone standards agreements had been acted upon by the chairman and the procurement agencies in a manner prescribed by the Shipbuilding Stabilization Committee. The establishment of the executive committee and the placing of the responsibility for interpretation of the zone standards with the executive committee enabled the full committee to extend its influence to matters of an administrative nature and still did not impose upon the committee any modification of its position as a policy group.

Since its creation by the Shipbuilding Stabilization Committee, the executive committee has made some 20 interpretive rulings on the application of the zone standards agreements. Although appeal to the full committee of executive committee decisions is provided for, and although this privilege has been exercised, no ruling of the executive committee has yet been reversed.

### **National conference**

The Chicago amendments to the four zone standards adopted on May 16, 1942, require the Shipbuilding Stabilization Committee to conduct a wage review on or about June 1 of each year under procedures to be developed by the committee. As a practical measure, the 1943 and 1944 annual wage reviews had been submitted to the National War Labor Board, and the committee, in keeping with this precedent, again submitted the annual wage review to that agency in 1945. The National War Labor Board, however, declined to conduct the 1945 wage review, and the Shipbuilding Stabilization Committee subsequently voted to call a national shipbuilding conference for the purpose.

The National Shipbuilding Conference was convened in Colorado Springs, Colo., on December 4, 1945, and after a few preliminary meetings to establish a procedure, named a working committee to study the problem of the 1945 wage review and to recommend appropriate action to the conference. The meetings of the working committee were interrupted on December 18 in order that the conference might recess and reconvene in Washington, D. C., on January 1, 1946, in response to an invitation from the Executive Office of the President.

Out of the subsequent deliberations of the working committee and later the full National Shipbuilding Conference, the following resolution was adopted by the conference on February 18, 1946, by a two-thirds vote, the management delegation casting the dissenting vote:

Effective as of December 4, 1945, the wage rate for standard skilled mechanics and for standard first-class skilled mechanics in the shipbuilding industry shall be increased by 18 cents per hour. A corresponding increase of 18 cents per hour



shall also be placed in effect as of December 4, 1945, for all other employees and classifications of employees in the shipbuilding industry.

That such increase be submitted to the National Wage Stabilization Board for approval, and should the National Wage Stabilization Board fail to approve the increase of 18 cents per hour as proposed above, or the effective date of December 4, 1945, this wage review shall be deemed not to have been completed and the conference shall be reconvened for the purpose of acting on the wage review.

The recommended increase was submitted to the National Wage Stabilization Board, in accordance with the terms of the resolution, and was formally approved, without change, by that agency and by the Director of Stabilization on February 26, 1946.

It is a significant commentary on the success of the stabilization program in the shipbuilding industry that during the 77 days the National Shipbuilding Conference was in session only one strike occurred in the industry, and that one was without the approval of the international union. It is equally significant that although management voted against the resolution of February 18, a great majority of the Nation's shipyards have complied in whole or in major part with the provisions of that resolution, and even among those yards which have not complied in whole or in major part, there has not been a single day's work lost due to strikes.

### **Zone conferences**

In response to requests submitted jointly by labor and management, the Shipbuilding Stabilization Committee has called two Pacific coast conferences since VJ-day, and set forth the conditions under which those zone conferences were to be held.

By their nature, zone conferences are permitted to discuss matters of zone and not national significance; it is within the meaning of this definition that the zone conferences may not discuss any basic wage rates which are within the purview of the Shipbuilding Stabilization Committee.

The Pacific coast zone conference of October 1945 adopted resolutions amending the new construction and repair master agreements to conform to the provisions of the national referendum relative to the restoration of calendar premium days; and the Pacific coast conference of November 1945 discussed apprentice training, safety and health, vacation plans, and other matters of regional interest.

### **Termination policy**

The four original zone standards agreements had various termination provisions. However, the Chicago amendments to the zone standards made the termination provisions uniform for all zones, to the extent that the zone standards agreements would remain in full force until the President of the United States declared the national emergency to be ended. It was recognized that an earlier termination date might be unanimously agreed upon.

In the regular quarterly meeting of the Shipbuilding Stabilization Committee convened in New York on July 16, 1946, a resolution was introduced jointly by the procurement agencies and the Department of Labor calling for unanimous approval of early termination of the national zone standards agreements and amendments thereto. The motion was introduced in order to test the sentiment of the three parties to the zone standards with respect to this question.



The labor members of the Shipbuilding Stabilization Committee declared themselves to be vigorously opposed to early termination of the zone standards agreements. They contended that the country as a whole had benefited under the shipbuilding-stabilization program, and that labor felt that the stabilizing influence of this program must still be continued. Although management and Government voted in favor of the resolution, the motion to provide for early termination of the zone standards was defeated by a dissenting vote from labor.

### CONCLUSION

Stabilization is more than a set of rules imposed from the top. In its broader meaning, it is a continuing living relationship between management and labor on terms generally acceptable to both. It must rest on a mutual willingness on the part of labor and management to cooperate not only with each other, but with the Government as well in the attainment of the objectives conceived in the public interest. This willingness to cooperate is demonstrated by participation in the formulation and execution of the program of stabilization. Such joint participation is the keynote of the stabilization program in the shipbuilding industry. The zone standards were voluntary agreements. Their application was placed in the hands of a tripartite committee. Amendments, which were later to bring them in line with objectives sought by the President and subsequently made public policy by Executive Orders Nos. 9240 and 9250, were achieved in the shipbuilding industry by voluntary agreements in advance of these Executive orders.

The basis for cooperation between management and labor is the collective-bargaining relationship, without which the pioneering venture in shipbuilding stabilization would not have been possible. Collective-bargaining agreements represent constitutional government in industrial relations. They permit orderly, democratic, and mutually responsible procedures and standards governing conditions of work. In themselves a reconciliation of conflicting interests, they foster a recognition of a larger common interest and establish a joint authority for the maintenance of industrial discipline and order derived from the consent of the governed. They afford an opportunity for every workman to seek, in an effective way, redress of a grievance, real or fancied. In short, they are the foundation of friendly and productive industrial relations. To the Government they are an avenue for obtaining the maximum consent to the program of stabilization.

### UNITED STATES EMPLOYMENT SERVICE

The fiscal year ending June 30, 1946, was by far the busiest in the history of the United States Employment Service. With the end of the war the USES work load was in no sense diminished. There were 128,102,860 reception contacts in the 1,800 local USES offices. These included applicants for jobs, seekers after job information in their own or other communities and concerning a great variety of industries.

After VJ-day the number of applicants increased in direct proportion to the discharges from the armed services which for several



months was at the rate of a million or more, in addition to the millions of civilians freed from war production. Month by month, visits to USES offices were:

|           |            |          |            |
|-----------|------------|----------|------------|
| July      | 4,919,315  | January  | 14,262,289 |
| August    | 5,889,805  | February | 13,933,548 |
| September | 7,389,876  | March    | 14,499,103 |
| October   | 9,193,085  | April    | 13,821,840 |
| November  | 9,607,518  | May      | 13,033,631 |
| December  | 10,039,271 | June     | 11,513,578 |

From this table it may be seen that the USES work load closely followed the tide of demobilization. Not all of the veterans, of course, contacted the Employment Service upon discharge. Many of them returned to prewar jobs and quickly resumed their peacetime activity. Others found jobs without applying through the USES. Of the total of 11,129,187 new job applications filed with the Employment Service during the fiscal year, 6,106,376—more than half—were veterans. Table B in the supplement shows, month by month, total applications for jobs, the number of veterans applying, and the number of placements made, other than in agriculture.

Immediately after the end of the war in Japan, the President, by Executive order, transferred the United States Employment Service to the Department of Labor. The USES was originally a bureau of this Department, but had for a number of years been responsible to other agencies of government.

In July of 1939, President Roosevelt's Reorganization Plan No. 1, as approved by the Seventy-sixth Congress, became effective. Section 201 (a) of the plan transferred the United States Employment Service to the Social Security Board and consolidated its functions with the unemployment-compensation functions of the Bureau of Employment Security.

The United States Employment Service remained responsible to the Social Security Board until September 1942, when by Executive order it was transferred to the War Manpower Commission. With this transfer, the United States Employment Service became the operating arm of the war agency for civilian mobilization. It continued so until dissolution of the War Manpower Commission in September 1945.

Under the War Manpower Commission the Employment Service at headquarters, regional, and State offices lost specific identity, but local employment offices were identified as offices of the United States Employment Service. With the transfer to the Department of Labor, the United States Employment Service again became a separate, identifiable bureau, administering the local offices through regional and State offices of the United States Employment Service.

### Operating experience of the employment service

During the first 6 years following its establishment under the terms of the Wagner-Peyser Act, the USES had carried on an extensive occupational-research program. This research had produced an imposing body of knowledge which had been published in comprehensive job descriptions for numerous industries and in the Dictionary of Occupational Titles. These publications represented invaluable tools for the use of State employment services in the performance of their functions.



In September of 1939, after the administrative adjustments entailed by its transfer to the Social Security Board had been made, the USES turned its attention to active assistance of State agencies in properly installing the occupational tools and in evaluating and improving operating procedures. To this end, a new series of handbooks on standards and methods for operation of the various employment service functions was prepared as a basis for staff training. These handbooks covered all areas of operation but particular emphasis was placed upon special services, such as services to juniors, selective placement of the handicapped, veterans' placement, farm placement, and interstate placement.

Clearer understanding of the problems and deficiencies of employment-service performance led to a conviction on the part of both headquarters and field operating personnel that there was a need for a more thoroughgoing treatment of methods than the handbooks and other published materials afforded. These materials had provided a fairly detailed picture of *what* the employment services should do, but they rarely showed *how* it was to be done. Accordingly, work was begun, in continuing consultation with field operating personnel on the preparation of a comprehensive manual of operating procedures.

In the midst of its efforts to assist State agencies in achieving high standards and uniform methods of operation, the USES had to assume other responsibilities. The demands of production of the national-defense program, following as they did upon the heels of a severe economic depression, almost at once revealed severe stringencies in the supply of skilled labor available in the labor market. This was the natural outcome of the depression period during which many older workers had reached the age of retirement from skilled employment, younger workers had experienced deterioration of their skills because of disuse, and apprenticeship programs and other training had been neglected during the depression. Means of coping with the problem of shortages of skilled labor were slow to develop.

The upsurge of industry in 1939 and 1940 due to the Defense Program, and later the War Production Program, sharpened a need for labor-market information. At first, knowledge of the labor market was based on such diversified sources as unemployment compensation claims statistics, Employment Service registrations and placement statistics, sporadic special studies covering very limited time periods and topics—mere fragments of the total labor market picture. No attempt was made to synthesize all of this information into a comprehensive picture of the labor market because too many significant factors were unknown: expansion of employment and proposed hiring schedules, and changes in the trend of migration.

Initially, management tended to regard employment office visits and the reports based on them as statistical surveys having little relationship to actual labor-market problems. As the volume of defense contracts grew and labor supply became more and more stringent there developed an increasing recognition in industry of the problems to be faced in meeting labor needs.

Inauguration of the national defense program in June 1940 marked a new stage in the labor market as well as an important stage in the development of the USES as a genuine labor exchange. The USES



recognized the responsibilities which would be placed upon it for the recruitment and placement of workers in defense industries. Immediately it became concerned with the volume and character of labor requirements as well as with labor supply problems. In August 1940 the USES initiated a reporting program based on visits by its representatives to defense-industry employers. This program, using the ES-270 Report on Current and Anticipated Labor Requirements, provided a new device for discussing with management and obtaining from selected employers information on their future labor requirements.

Steps had already been taken to overcome some of the deficiencies in the supply of workers with needed skill by teaching employers how to train workers while on the job. This work was speeded up and great progress was made through breaking jobs down into their elements and quickly training workers to perform simplified tasks.

As the labor market situation began to be characterized by local stringencies during 1940 and 1941, there began to be discussions of actions to control hiring through the public employment service. Community control programs on a Nation-wide scale did not occur until some 2 years later, but from 1940 until its transfer to the War Manpower Commission in 1942, the USES was continually involved in planning for the recruitment and training of labor on a national scale.

The USES subsequently undertook to arrange directly with State agencies for interstate recruitment for manufacturers whose labor requirements were on a national scope, such as aircraft manufacturers. In addition, the USES took steps to encourage State agencies to seek out and to secure utilization of unused or underused labor reserves, including women, youth, the physically handicapped, and members of minority groups. After the passage of the Selective Service and Training Act in 1940, the USES arranged with military authorities for the registration and voluntary referral to defense employment of persons rejected for induction into the armed services and persons discharged from active duty with these services.

Following actual entrance of the United States into the war, and federalization of the USES as of January 1, 1942, it became necessary for the national office to assume even more direct leadership of the field operating organization. The USES immediately issued a policy statement requiring the referral of labor to employers engaged in war production prior to referral to other employers. It initiated action to eliminate or curtail all activities of local employment offices which might detract from the required priority of service to essential employers. The USES cooperated with the Selective Service System to obtain an occupational questionnaire from registrants.

The procedure for interstate placement to provide for direct recruitment of workers by employers or their representatives in local employment offices was revised early in 1942. In June 1942, the USES issued mandatory instructions to the field organization to promote full utilization in war production of occupationally qualified members of minority groups. Also in June, it initiated instructions for the guidance of local offices in planning and conducting women's registration programs.



### **Participation in War Manpower Commission programs**

In April 1942, the President had established by Executive order the War Manpower Commission to be responsible for recruitment and utilization of labor in war production. Early in July the WMC issued its "antipirating policy," the purpose of which was to reduce turnover of labor in war production industries by curtailing uncontrolled migration of skilled workers. The policy named the Employment Service as one of the agencies with which regional representatives of the WMC should confer in attempting to insure concurrence of all affected agencies in a cooperative plan for recruitment and utilization of workers and for elimination of undesirable recruiting practices. The policy depended for implementation upon hiring principally through public employment offices. For this reason, it was decided to transfer administration of the Employment Service from the Social Security Board to the WMC. The transfer was accomplished by Executive order, September 17, 1942.

### **Manpower utilization**

Promoting maximum utilization of labor also required increased familiarity by local employment office staff with the operations of local employers. This was another area in which the USES became the chief source of information as to the need for application of manpower utilization techniques, as well as the chief channel for securing acceptance of these techniques by employers.

### **Manpower stabilization plans**

The WMC attacked the problem of acute labor shortages in the mining and lumbering industries of the west and southwest by declaring 12 western States a critical labor shortage area and instituting in this area the first employment stabilization plan. This plan required employers not engaged in mining or lumbering in Alaska or any State west of the Mississippi to refrain from hiring any workers whose most recent employment had been in the mining or lumbering industries.

This was the earliest beginning of what became, as the war progressed, Nation-wide area employment stabilization programs administered locally with management and labor cooperation.

The employment stabilization programs of the War Manpower Commission were established by a directive of the Chairman in August 1943 after consultation with the Commission's National Advisory Committee representing management and labor. Under this directive the conditions whereby workers could transfer employment were outlined. Prior to the issuance of this directive the War Manpower Commission had instructed the USES to prepare and keep current for its own use and the use of appropriate departments and agencies of the Federal Government the following: (a) A List of Essential Activities; (b) A List of Essential Occupations; (c) A List of Critical Occupations.

### **List of essential activities**

The list of essential activities, composed of 35 groups, was approved by the War Manpower Commission in July 1942, and was transmitted to the local boards of the Selective Service System and the local offices of the USES. An Inter-Departmental Committee on Essential Activities was appointed by the Chairman of the War Manpower Commission



and was authorized to make a continuous review of activities and occupations classified as essential and to make recommendations as to the content and use of the lists. The recruitment, interviewing, and referral of workers to job openings for which they were qualified was carried on in accordance with the relative importance of such jobs to the war effort as determined by the War Manpower Commission Lists of Essential Activities and Occupations, and the War Manpower Commission Critical List of Occupations. Arrangements for the voluntary transfer of workers from less essential to essential jobs were made under the stabilization programs. As far as possible, the effort was made to obtain employment and utilization of workers with war needs and without regard to restrictive or discriminatory hiring practices.

### **Classification of areas**

Labor-market areas were classified by the War Manpower Commission into groups I, II, III, IV in accordance with the determination of labor needs in the areas as revealed by the reports of employer needs made to the local employment offices and forwarded to the national headquarters.

On July 1, 1944, a system of manpower priorities and manpower ceilings was established to control the hiring of all male employees in group I and group II areas. Extension of the priority referral program by local adoption in all classified areas gradually occurred.

Excluded from the local manpower stabilization were certain types of workers, including part-time workers, veterans for a 60-day period after discharge, and sometimes women.

### **Development of service to veterans**

The increasing number of men being discharged from the armed forces for disability focused attention on the problem of utilization of maximum skills of these veterans in war industries. A program was initiated to register disabled servicemen at Army and Navy hospitals prior to their discharge. The philosophy of this program recognized that basic to proper placement of disabled individuals is full knowledge of their physical capacities and limitations. Registration of veterans while they were still in service hospitals allowed the Employment Service to obtain information about their physical capacities from hospital records or medical personnel. This was a valid expansion both of service to veterans by the Employment Service and of application of physical capacities techniques for selective placement of the handicapped.

Late in 1942 the War Department began to release men 38 years of age and over whose usefulness to the Army was less than it would be to industry. In March 1943 arrangements were made to facilitate the registration for employment of such men who were seeking discharge. Local office managers in whose areas Army camps or posts were located arranged with commanding officers to station Employment Service interviewers at the camps or to have men seeking discharge report at the local office for registration. An agreement was reached between the WMC and the War Department to consider the character of employment for prospective discharges as certified by the Employment Service in deciding whether to grant releases to soldiers.



As the number of World War II veterans grew ever larger, objections began to be voiced to the streamlined local employment office operations as they affected veterans who sought jobs through the Employment Service. In response to these objections, the USES called a conference of field operating personnel in November 1943 to consider proposals for modification of streamlined procedures to provide an expanded service to veterans. This conference resulted in the establishment of experimental procedures for service to veterans in several local offices selected as demonstration veterans centers.

Special services made available to veterans through these employment centers included individualized placement service, employment counseling, selective placement of the handicapped, and information service through which veterans were informed of the benefits and services available to them through other agencies. Each demonstration office designated a staff member to be responsible for interviewing veterans with special placement problems and for developing suitable job openings for all veterans. Experience in the demonstration veterans employment centers formed the basis for expansion of services to veterans in all local offices of the Employment Service. The new expanded procedure was formally installed in local offices in May 1944.

Later development of the program for expanded service to veterans was accompanied by development of a policy of preferential treatment of veterans in referral. This policy was adopted by the Veterans Placement Service Board in August 1945. The Veterans Placement Board, composed of the Administrator of Veterans' Affairs, the Director of the Selective Service System, and the Secretary of Labor, as administrative head of the United States Employment Service, under the terms of the Servicemen's Readjustment Act, establishes policy for the conduct of the Veterans Employment Service of the USES.

During the year the Veterans Employment Service was materially expanded in both personnel and operations. One or more assistants were added to the staff of each State veterans employment representative. One assistant in each State was given responsibility for planning and supervising the services to disabled veterans as well as promoting the interest of employers in their employment. With this expansion, both headquarters and field staffs of the Veterans Employment Service assumed greater responsibilities for developing opportunities for veterans in gainful employment. Job development activities, coordinated with the over-all program of the Employment Service, were intensified in behalf of veterans.

#### **Development of employment counseling and placement of the handicapped**

The Servicemen's Readjustment Act passed in June 1944, directs that an effective job counseling as well as placement service shall be provided by the USES to veterans. In the same month in which the act was passed, the USES set up a committee consisting of headquarters personnel, field personnel with experience in counseling, experts in the field of employment counseling, and representatives of outside organizations interested in counseling to develop a comprehensive employment counseling program.



This program was introduced on an experimental basis in three local offices in Ohio in October 1944. After analysis of operations in these offices, a final program was devised and training material developed. Between December 1944 and March 1945 the program was introduced to regional and State USES personnel through a series of regional conferences. Following these conferences, the USES instructed each State to introduce the counseling program in three pilot offices and to bring personnel from various parts of the State to these offices for on-the-job training. This created a nucleus of trained staff for the purpose of initiating State-wide programs for employment counseling.

In connection with the employment counseling program, the USES prepared a number of tools for use in the counseling process. These included a comprehensive manual on counseling, area and industry labor market information statements for the use of USES counselors, and special aids for placing Army and Navy personnel in civilian jobs.

The need to provide an effective placement service for physically handicapped veterans was a major incentive in improving and expanding the program for selective placement of the handicapped. With the cooperation of the personnel in the field, the USES prepared in December 1943 a revised handbook covering the techniques of selective placement. The basic technique described in this handbook was the physical demands approach. This technique involves careful determination of the physical demands of individual jobs in conjunction with careful appraisal of the physical capacities of the applicant. The approach emphasizes the specific capacities of workers rather than their limitation and has made possible better utilization of the total capacities of the handicapped workers.

The counseling and selective placement programs received major stimulus for their development from the need for providing adequate service to veterans. These services are, however, available through the USES to all applicants, whether veterans or nonveterans, who require them.

### **The postwar program**

Well before the end of the war, the Employment Service at the national level of administration had planned a postwar program in considerable detail. This program was launched immediately after VJ-day. It comprised six points for comprehensive service built upon the best prewar and war experience in the operation of public employment offices throughout the Nation.

The Employment Service, in reconverting itself from war- to peacetime operations, has formulated its program to meet the needs of a peacetime free labor market. During the past 8 months this country has witnessed greater instability in labor market conditions than has ever previously existed. In the face of the displacement of millions of war workers and the necessity for absorbing into civilian life millions of returning service men and women, this country has emerged with a higher level of employment than prevailed even during the war years. When we take into account the widespread uncertainties of price and wage relations, the frequent occurrence of labor disputes, the vast migration of workers from one section of the country to another, I am sure that we all agree that the American people have once again displayed an amazing capacity to adjust to changing con-



ditions. The activities of the public employment offices have contributed in no small measure to these achievements. The Employment Service can well be proud of the vital role it has played.

During the past 8 months the employment offices each month have been called upon for service and assistance by well over half of the returning servicemen. The Employment Service has seen the total number of service calls upon it rise from less than 5 million per month to 14 million. Employment counseling of veterans has risen from 58,000 per month to approximately 130,000. At the same time, the employment offices have given yeoman service to the State unemployment compensation agencies in meeting emergency loads of millions of unemployment compensation claims.

The peacetime program of the United States Employment Service is a sound one, without regard to whether public employment offices are operated under Federal or Federal-State administration. This program consists of six coordinated functions which are the minimum requisites of a sound public employment Service. (1) An effective placement service facilitates the employment and reemployment of returning service men and women, displaced former war workers, youths entering the labor market, disabled veterans and other handicapped workers, old workers, women, and all other persons seeking jobs. (2) Workers are assisted through employment counseling to determine their present or potential occupational abilities and interests in the light of realistic information about job requirements and employment opportunities. (3) Special services to veterans includes employment counseling and preferential service by the local offices, as well as priority of referral to any job for which they are qualified. (4) Employers and labor organizations through personnel management services may receive assistance in the use of personnel tools and techniques which have been developed by the Employment Service for effective selection, assignment, and transfer of workers. (5) Labor market analysis and information of the Employment Service is widely used by workers for choosing among various employment opportunities or planning their vocational careers; by employers in locating plants or in scheduling production to best utilize available labor resources; and by training authorities and community groups and other agencies whose programs are affected by manpower considerations. (6) In its cooperation with community organizations and government agencies, the Employment Service participates in activities and programs for increasing economic activity and maintaining high levels of stabilized employment.

#### **Local office administration returned to States**

In a rider attached to the Department of Labor appropriation bill, Congress provided for a joint Federal-State administration of the public Employment Service after November 15, 1946. Management of the local Employment Service offices on that date reverted to direction of State government agencies.

Organizationally, the Employment Service thus became a Federal-State system with the Federal Government responsible for the promotion and development of a Nation-wide system of local employment offices. To achieve this objective, the Federal Government is obligated to establish and maintain minimum standards for State employment service operations; engage in program development for improvement



of the services; obtain the best current experience of each State and make it available promptly to all States; provide technical assistance; maintain a uniform reporting system and exchange of labor market information among local offices; review and approve State plans of operation; allocate funds and audit expenditures of moneys; and evaluate State operations to determine effectiveness of performance.

The war emergency placed upon the Employment Service a heavy responsibility. The successful performance of this responsibility and the public recognition and acceptance which developed as a result have perhaps advanced the maturity of the Employment Service by a decade. It is certain to continue this progress and remain a vital force in the economic and social progress of the Nation.

## APPENDIX

TABLE 1.—United States Employment Service activities, fiscal years 1940-46

Until after VJ-day, complete operating statistics, as in the 1946 tables which follow, were not maintained by the local offices. Records available for the years 1940-46 show:

## RECEPTION CONTACTS

|           | Applications | Placements |
|-----------|--------------|------------|
| 1940..... | 14,143,382   | 3,411,541  |
| 1941..... | 16,174,271   | 3,978,832  |
| 1942..... | 17,844,420   | 4,613,302  |
| 1943..... | 18,894,010   | 5,985,210  |
| 1944..... | 15,511,731   | 8,135,878  |
| 1945..... | RNA          | 9,987,316  |
| 1946..... | RNA          | 12,457,190 |

| VETERANS <sup>1</sup> |            | HANDICAPPED PERSONS <sup>2</sup> |            |
|-----------------------|------------|----------------------------------|------------|
|                       | Placements |                                  | Placements |
| 1940.....             | 147,638    | 1941.....                        | 37,940     |
| 1941.....             | 128,052    | 1942.....                        | 68,097     |
| 1942.....             | 154,634    | 1943.....                        | 141,588    |
| 1943.....             | 203,931    | 1944.....                        | 226,398    |
| 1944.....             | 249,519    | 1945.....                        | 362,864    |
| 1945.....             | 649,577    | 1946.....                        | 192,303    |
| 1946.....             | 1,010,662  |                                  |            |

<sup>1</sup> Complete placements through 1941. Placement of World War II veterans began in August 1944.

<sup>2</sup> Includes agricultural placements through 1942.

TABLE 2.—USES activities, by month, July 1945-June 1946

|                   | Reception contacts | Applications |              | Referrals <sup>1</sup> |              | Nonagricultural placements |              |
|-------------------|--------------------|--------------|--------------|------------------------|--------------|----------------------------|--------------|
|                   |                    | Total        | All veterans | Total                  | All veterans | Total                      | All veterans |
| Total.....        | 128,102,859        | 11,129,187   | 6,106,376    | 13,379,418             | 3,815,927    | <sup>2</sup> 6,508,090     | 1,631,508    |
| July 1945.....    | 4,919,315          | 315,901      | 141,714      | 1,640,165              | 210,459      | 1,014,327                  | 100,739      |
| August.....       | 5,889,805          | 565,626      | 159,595      | 1,450,595              | 213,395      | 824,953                    | 96,241       |
| September.....    | 7,389,876          | 679,942      | 210,378      | 1,267,015              | 224,126      | 614,410                    | 86,832       |
| October.....      | 9,193,085          | 911,925      | 432,074      | 1,327,220              | 328,577      | 601,337                    | 119,134      |
| November.....     | 9,607,518          | 1,016,006    | 597,618      | 1,096,165              | 358,423      | 484,159                    | 134,602      |
| December.....     | 10,039,271         | 997,067      | 657,283      | 814,403                | 290,417      | 380,295                    | 122,214      |
| January 1946..... | 14,262,289         | 1,504,159    | 941,392      | 952,953                | 346,469      | 412,325                    | 142,423      |
| February.....     | 13,633,548         | 1,304,369    | 816,734      | 799,359                | 299,267      | 358,796                    | 128,829      |
| March.....        | 14,499,103         | 1,168,179    | 696,878      | 931,135                | 364,414      | 420,542                    | 162,381      |
| April.....        | 13,821,840         | 965,637      | 544,129      | 1,012,432              | 408,552      | 400,628                    | 185,242      |
| May.....          | 13,033,631         | 892,097      | 487,703      | 690,164                | 393,695      | 457,471                    | 180,628      |
| June.....         | 11,613,578         | 808,339      | 420,878      | 1,097,812              | 378,133      | 478,848                    | 172,243      |

<sup>1</sup> Includes nonagricultural referrals through 1945. <sup>2</sup> All placements, including agricultural, total 7,650,000.



TABLE 3.—*USES activities, by month, July 1945-June 1946*

|                   | Handicapped           |              |                      |           |                      |                                 |                      |
|-------------------|-----------------------|--------------|----------------------|-----------|----------------------|---------------------------------|----------------------|
|                   | Reception<br>contacts | Applications |                      | Referrals |                      | Nonagricultural place-<br>ments |                      |
|                   |                       | Total        | Disabled<br>veterans | Total     | Disabled<br>veterans | Total                           | Disabled<br>veterans |
| Total.....        | 128, 102, 859         |              | 478, 905             |           |                      | 192, 303                        | 113, 139             |
| July 1945.....    | 4, 919, 315           |              | 23, 496              |           |                      | 25, 710                         | 11, 529              |
| August.....       | 5, 889, 805           |              | 24, 832              |           |                      | 20, 790                         | 10, 154              |
| September.....    | 7, 389, 876           |              | 27, 935              |           |                      | 15, 054                         | 8, 789               |
| October.....      | 9, 193, 085           |              | 40, 205              |           |                      | 18, 639                         | 11, 409              |
| November.....     | 9, 607, 518           |              | 41, 804              |           |                      | 14, 179                         | 8, 823               |
| December.....     | 10, 039, 271          |              | 40, 755              |           |                      | 10, 424                         | 6, 481               |
| January 1946..... | 14, 262, 289          | 74, 776      | 54, 093              | 22, 598   | 13, 210              | 10, 894                         | 6, 397               |
| February.....     | 13, 983, 548          | 74, 530      | 55, 557              | 24, 606   | 15, 510              | 10, 291                         | 6, 520               |
| March.....        | 14, 499, 103          | 74, 445      | 53, 967              | 32, 977   | 21, 039              | 14, 482                         | 9, 293               |
| April.....        | 13, 821, 840          | 66, 142      | 44, 536              | 38, 592   | 24, 450              | 17, 425                         | 11, 234              |
| May.....          | 13, 033, 631          | 56, 702      | 38, 072              | 38, 838   | 24, 426              | 17, 675                         | 11, 416              |
| June.....         | 11, 513, 578          | 50, 051      | 33, 653              | 37, 342   | 23, 732              | 16, 740                         | 10, 894              |

<sup>1</sup> Excludes N. Y. INA.<sup>2</sup> Excludes N. Y. and D. C. INA.

### WAGE ADJUSTMENT BOARD

Wage stabilization in the building and construction industry was voluntarily initiated by agreement between the Government agencies charged with defense construction and the building and construction trades department of the American Federation of Labor. This agreement was entered into May 22, 1942, some 4 months prior to the promulgation of over-all stabilization controls, responsive to the recognition by the parties of the exigencies of the war construction program and the tendency of wages to spiral upward at an alarming rate.

Although this agreement was made applicable only to work essential to the successful prosecution of the war, under wartime materials allocation it substantially covered the construction field and so represented a counter-inflationary move throughout the industry.

The agreement provided that on all war construction done for or financed by the United States, the wage rates paid under collective bargaining agreements as of July 1, 1942, were to remain in full force and effect for a period of at least 1 year after that date subject to annual renewal of the agreement or until such rates were modified by a wage adjustment board which was to be created under the terms of the agreement. This agreement was approved by the President of the United States and was effectuated through the issuance by the Secretary of Labor at the President's direction of Administrative Order 101, May 29, 1942, creating a Wage Adjustment Board in the Department of Labor. The Board was composed of the Assistant Secretary of Labor as chairman, the Assistant Solicitor in charge of the Wage Determination and Wage Adjustment Branch of the Department of Labor as co-chairman, three representatives of con-



tracting agencies of the United States and three representatives of labor organizations in the building and construction industry.<sup>1</sup>

The Board was given power to investigate and recommend the adjustment of wage rates in the building and construction industry, based upon the criteria set out in the Wage Stabilization agreement, as follows:

(a) The rates were fixed at a time so long before July 1, 1942, as to be out of line with the general wages then prevailing; (b) the rates were applicable in a locality where changing conditions in the building construction industry require a revision of wage rates; or (c) the rates do not sufficiently take into account any abnormal conditions.

The Wage Adjustment Board started functioning soon after the beginning of the Government fiscal year on July 1, 1942. Personnel of the Wage Determination Section of the Solicitor's Office which administers the Davis-Bacon Act (46 Stat. 1494) were drawn into the newly formed Wage Adjustment Section to compose the legal staff of the Board.

During the first phase of the Board's activities, its major problem was that of administering its policies to the end that Government projects would be adequately manned and the orderly prosecution of war construction assured. A serious problem was encountered in the attitude maintained by the Government agencies toward wage adjustments granted upon union request. The adjustment would be given effect on a going project only if the agencies considered it advisable to place the adjustment in effect. The result of this attitude was to transform a sincere joint attempt at stabilization to a one-sided agreement, to partially oust the board of jurisdiction, and to discriminate against the unions' interests.

Before the conflict was determined, however, the Emergency Price Control Act of October 2, 1942, was passed by Congress and Executive Order 9250, dated October 3, 1942, promulgated by the President providing for the stabilization of the national economy. Under the Executive order, the Wage Adjustment Board was authorized to continue its functions, except insofar as they might be inconsistent with the terms of the stabilization policies enunciated therein, for which the

<sup>1</sup> The regular members were as follows:

Daniel W. Tracy, Assistant Secretary of Labor, chairman.  
Lt. Col. C. D. Barker, War Department, agency member.  
Lt. Charles D. Pennebaker, Navy Department, agency member.  
Morton MacArtney, Reconstruction Finance Corporation, agency member.  
Harry C. Bates, Bricklayers, Masons and Plasterers' International Union, labor member.  
Robert Byron, Sheet Metal Workers' International Association, labor member.  
Herbert Rivers, building and construction trades department of the American Federation of Labor, labor member.

The alternate members were as follows:

Arthur D. Hill, Jr., Assistant Solicitor of Labor, vice chairman.  
Lt. Col. J. J. McEwan, War Department, agency member.  
Maj. Robert F. Jacobs, War Department, agency member.  
Lt. (j. g.) L. B. Kromer, Navy Department, agency member.  
B. H. McNeal, Reconstruction Finance Corporation, agency member.  
John Padden, Reconstruction Finance Corporation, agency member.  
Michael Garrett, United Association of Journeymen Plumbers and Steam Fitters, labor member.  
John J. McCurry, International Brotherhood of Electrical Workers, labor member.  
John W. Garvey, International Hod Carriers, Building and Common Laborers Union, labor member.  
Edward J. Brown, International Brotherhood of Electrical Workers, labor member.  
John E. Rooney, Operative Plasterers and Cement Finishers International Association, labor member.  
Maurice Hutcheson, United Brotherhood of Carpenters and Joiners, labor member.



National War Labor Board in the same instrument was given primary responsibility.

The scope of the Wage Adjustment Board was slightly altered when the Secretary of Labor issued supplement No. 1 to Administrative Order No. 101, November 13, 1942, providing that adjustments might be sought by any group of workers, whether represented by unions and whether rates were prescribed by collective bargaining agreements or not.

The National War Labor Board subsequently issued General Order No. 134, December 14, 1942, authorizing the continuation of the duties previously ascribed to the Wage Adjustment Board, within the limits of the national stabilization policy. The Board was, in addition, empowered under the order to issue rulings in cases involving rates to be paid on Federal construction, which rulings had the same legal incidence as the rulings of the National War Labor Board. Under this mandate, the Government contracting agencies now had no choice but to comply with the Wage Adjustment Board's actions.

With respect to the Emergency Price Control Act and Executive Order 9240, it is worthy of note that the Wage Stabilization Agreement of May 22, 1942, stabilizing wages at the July 1, 1942, level, was more restrictive than the aforesaid legislative and executive actions stabilizing wages at levels prevailing on September 15, 1942.

In order to delineate the problems of the Board in administering stabilization principles, it is thought necessary to discuss the nature of the building and construction industry and contrasts existing between conditions in this and other industries.

Employers in the building and construction industry must organize their working forces on the basis of specific construction projects. The need for the various classifications of mechanics and laborers employed thereupon varies greatly throughout the course of the project, but the particular crafts must be on hand when needed or progress on the project will be hampered.

The building trades have been organized on a craft or horizontal basis for many years, each bargaining on the basis of the particular skill possessed by the membership of a local union, such as carpenters, electricians, or plumbers. Generally, the individual craft unions have an over-all local organization known as a building trades council, and such organizations possess authority to act for the various affiliated local unions in matters of mutual interest. The local craft unions are chartered by the national union organizations which, in turn, are affiliated with the Building and Construction Trades Department of the American Federation of Labor.

Management in the industry has its own organization based upon the type of work undertaken by the membership of particular groups. For example, in the performance of a large building project there is what is known as a prime or general contractor who performs a substantial part of the contract. Usually this general contractor sublets portions of the work to subcontractors such as the excavation work, electrical installations, plumbing work, and tile work. The general contractors' organization is known as the Associated General Contractors' Association and there are several subcontractors' associations such as the Electrical Contractors' Association, Plumbing and Heating Contractors' Association, and the Tile Contractors' Association.



A stabilization body for the building industry must deal with considerations affecting all of the unions in an area, whereas in the vertical type industrial union one bargaining agency represents the employees of an entire plant, as a rule, and stabilization may be effected on this inclusive basis.

Industry in general offers continuity of employment and this factor in and of itself provides a firm foundation for the administration of stabilization principles. The construction industry, however, must depend upon migratory workers for the completion of large projects often located in remote areas and is also subject to intermittent employment due to weather conditions, delays in delivery of materials, shortage of mechanics in particular classifications causing lay-offs of workers in other classifications, and other conditions peculiar to the industry. Moreover, workers in the construction industry do not enjoy the advantages of so-called fringe benefits such as vacations with pay, promotions, upgrading, or incentive pay of any kind.

It can be seen that the problems of the construction industry under stabilization could be minimized only through the creation of a separate commission; also that the effective functioning of a wage adjustment board for this industry which was charged with constructing the facilities necessary for global warfare, required an adaption of stabilization principles to existing practices in the industry. Since the distinctive character of the industry is not readily apprehended by those unfamiliar with its functions, at times, especially in the early days of the Board, it was not always easy to obtain cooperation at a staff level between the personnel of the Wage Adjustment Board and the National War Labor Board, although the members of both Boards cooperated whole-heartedly on policies considered in the best interests of the building industry.

The Wage Adjustment Board was still hampered by the fact that its jurisdiction did not extend to non-Federal construction which was vested in the regional war labor boards. The same craftsmen would engage on both Federal and non-Federal work in a single area, yet the matter of their wages and working conditions were within the province of two governmental boards. No method existed for the coordination of action by the Wage Adjustment Board and the respective regional war labor boards. It was found, too, that the regional war labor boards were considerably more liberal in granting wage increases than the Wage Adjustment Board. This condition resulted in the dissatisfaction of the parties affected and in the creation of wage-rate inequities, counted to the purpose of the stabilization program.

To continue the chronology of events affecting the Board:

On April 8, 1943, Executive Order 9328 was issued instructing the National War Labor Board "to authorize no further increase in wages or salaries except such as are clearly necessary to correct substandards of living provided that nothing herein shall be construed to prevent such wages or salary adjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board, for the rise in the cost of living between January 1, 1941 and May 1, 1942."

This Executive Order was followed by a clarifying policy directive of the Director of Economic Stabilization on May 12, 1943, which pro-



vided that the National War Labor Board could make wage increases deemed necessary "to aid in the effective prosecution of the war or to correct gross inequities" within the bracket principle. In his statement accompanying the release of the May 12, 1943 policy directive, the Director of Economic Stabilization stated that the directive "does not permit adjustments to correct 'inequalities' which were permitted by the Executive Order of October 3, 1942." It became clear under the documents mentioned above that the authority of the Wage Adjustment Board was definitely limited by the Little Steel formula.

Centralization of the stabilization program in the building industry was eventually achieved through the issuance by the National War Labor Board of General Order No. 13 on October 13, 1943 which provided for the composition of the Board on a tripartite basis, with three members from the public, three members from labor and three from industry,<sup>2</sup> the extension of the jurisdiction of the Board to include voluntary requests for wage adjustments on all non-Federal building and construction involving laborers and mechanics employed directly on the building sites, and all labor disputes arising in the industry which affected covered employees. The Secretary of Labor, on the same date, issued Administrative Order No. 101, implementing the Board's reconstitution.

The general principles embodied in General Order No. 13 which were to be followed by the Wage Adjustment Board are as follows: (1) The Wage Adjustment Board is subject both to the provisions of the Wage Stabilization Agreement of May 22, 1942, and the requirements of the National Wage Stabilization Policy; (2) adjustments in the rates of workers on building construction projects cannot be appraised in terms of "brackets of sound and tested going rates"; and (3) the benefits of the "Little Steel" formula are available to the employees in the building construction industry on the same basis and in the same manner as to all other employees; (4) the Wage Adjustment Board may approve adjustments which are clearly necessary to correct substandards of living; (5) all adjustments which are not permissible within the above principles but which, in the opinion of the Wage Adjustment Board, are necessary to the successful prosecution of the

<sup>2</sup> Public members:

Daniel W. Tracy, Assistant Secretary of Labor.  
Arthur D. Hill, Assistant Solicitor of Labor.  
John T. Dunlop, National War Labor Board.

Alternate members:

John T. Daly, Conciliation Service, Department of Labor.  
Pearce Davis, National War Labor Board.  
Louis C. Berman, Office of Solicitor, Department of Labor.  
Morton Rowen, Office of Solicitor, Department of Labor.

Labor members:

Harry C. Bates, Bricklayers, Masons and Plasterers International Union.  
Herbert Rivers, building and construction trades department of American Federation of Labor.  
Robert Byron, Sheet Metal Workers International Association.

Alternate Labor members:

James Reilly, International Brotherhood of Electrical Workers.  
John W. Garvey, Hod Carriers, Building and Common Laborers.  
William McCarthy, Marble, Slate, Stone Polishers, Tile, Marble Setters Helpers.  
O. William Blaier, Carpenters and Joiners of America.  
Carl Sickles, International Association of Heat and Frost Insulators and Asbestos Workers.

Industry members:

Everett W. Dunn, Associated General Contractors.  
J. D. Marshall, Associated General Contractors.  
Paul M. Geary, National Electrical Contractors Association.

Alternate industry members:

H. R. Cole, Tile and Mantle Contractors Association.  
T. B. Carmichael, Associated General Contractors.



war should be submitted through the National War Labor Board for the approval of the Economic Stabilization Director.

While the representatives of the contracting agencies who sat on the old Board had a definite interest in stabilization, as such, their primary interest was to get their particular projects completed to aid in the successful prosecution of the war. The new tripartite Board on the other hand had no special interests but was representative of the entire building industry—an industry with a complicated and ramified structure—to an unusual degree. The labor members were drawn from both the basic and subtrades and the industry members were from both the general contracting and subcontracting groups. The unique problems of the construction industry were a matter of daily experience to these men who, together with the public members, were able to maintain a fine balance between inequity and stabilization. It is felt in the function of this body, labor and management passed over their immediate interest to the accomplishment of the objectives of the nation as a whole.

With the expansion of the Wage Adjustment Board's jurisdiction to include non-Federal work, the volume of Board applications increased manyfold. For example, in addition to request for wage adjustments, contractors engaged upon or planning to start non-Federal projects began writing the Board for authorized wage schedules. Many of these applications have been processed by the staff through correspondence without the necessity of formal Board action. Under Board policy, contractors customarily paying the prevailing rate in an area and new contractors therein could legally pay the rate recognized by the Secretary of Labor, and verification of the correct rate is transmitted by letter. Contractors who have previously established rates in an area, however, may alter such rates only upon Wage Adjustment Board approval. This approval has generally been held to increases permitted under the "Little Steel" formula. In July of 1945, however, the National War Labor Board relaxed the stringency of General Order No. 13 by permitting the Wage Adjustment Board to authorize increases in excess of the "Little Steel" formula but within the framework of approvable increases established by the National War Labor Board in its review of Wage Adjustment Board cases, namely, increases to correct inter-craft and inter-area inequities.

The Board during the industrial reconversion phase of the Nation's economy has continued its functions without material change under National War Labor Board General Order No. 41, August 18, 1945. This has been in accordance with the concerted request of industry and labor to continue the stabilization controls over the building and construction industry which would have expired on December 31, 1945, in accordance with amended General Order No. 41. In response to the request of the public, industry and labor members of the Board, the National War Labor Board unanimously extended the December 31, 1945, deadline for the Board's existence to an indefinite time in the future. The fact that both industry and labor requested the continuation of the Wage Adjustment Board signified the unanimity of the Board's aims regarding the fundamental interest of the industry. Thus it would seem that the building and construction industry, perhaps more than any other industry, has realized the importance of stabilization by agreeing voluntarily to stabilize itself prior to the



promulgation of a national stabilization program and by requesting the continuance of the Board during the reconversion period.

The prime weakness in the functioning of the Wage Adjustment Board has been the lack of enforcement. The Board itself has had no enforcement powers and integration with the Regional Boards for this purpose has been lacking. Also the Wage Adjustment Board was not possessed of an adequate staff or fund to broaden its activities in this regard, had it the power. In the absence of a widespread program imposing penalties for violations, an unusual degree of compliance has been obtained through the cooperation of the International unions and contractors associations on what may be termed a moral basis.

The Board in July 1943 did investigate and report to the War Labor Board the demoralization in the labor market in the Norfolk-Newport News area, which resulted in the stabilization of this area and the pursuit of a vigorous enforcement action. Similarly, the Wage Adjustment Board conducted an investigation of the black market labor conditions prevailing in Detroit and through action of the National War Labor Board obtained a more stabilized wage pattern in this area.

The Board has at all times been cognizant of its responsibilities in the matter of the reconversion of the building and construction industry to a peacetime economy, as well as its mission in war construction. Policies tending toward these dual objectives may be summarized as follows:

- (a) The encouragement of collective bargaining.
- (b) The maintenance of existing rate structures.
- (c) The limitation of rates authorized for "rare and unusual cases" to particular projects.
- (d) The adherence to uniform principles in determining the right of workers to travel expense and subsistence.
- (e) The maintenance of consistent interpretations regarding specialty workers.

The dispute cases processed by this Board have been processed in accordance with the standard National War Labor Board procedure and again, through the cooperation of the international associations of the unions and contractors, maximum cooperation of the parties in the matter of panel hearing waivers and compliance with the succeeding Board's directive orders have been obtained.

Of invaluable assistance to the Wage Adjustment Board have been the well-stocked files of the Wage Determination Section, containing data on wage rates and labor conditions throughout the country. The information contained in the files has been resorted to for the purpose of solving complex jurisdictional claims of unions, for determining wage practices and collective bargaining customs in effect prior to stabilization and for a multiplicity of other purposes relevant to wage and stabilization problems presented to the Board.

Illustrative of special projects which have been the subject of Board action are, the following:

- (a) Pipe line and allied construction involving the transmission of petroleum and natural gas in connection with war production. The pipe lines usually cover a large area, frequently traversing a number of States.



(b) The approval of schedules for highway work throughout an entire State.

(c) The stabilization of an entire State-wide wage schedule on the basis of investigations and public hearings such as the establishment of authorized rates for North Carolina and South Carolina.

(d) The establishment of uniform schedules of wage rates for dredging, river, harbor and flood-control work in broad areas of the United States, such as the territory including the Mississippi River and its tributaries.

(e) "Rare and unusual" cases involving the effective prosecution of the war. For example, the atomic bomb projects at Oak Ridge, Tenn., and Pasco, Wash. These War Department projects involving an expenditure of \$1,500,000,000 were beset with manpower and other labor problems and numerous cases involving wage adjustments for mechanics and laborers on these projects were processed by the Board. Despite their magnitude, the projects were constructed with a minimum of work stoppages and wage structures were set up for the most part on the basis of local prevailing wages conformably with stabilization principles.

(f) Railway construction, including tunnel and bridge work, construction involving mining facilities, compressor pump stations, electric power transmission lines, municipal street and sewer construction and heavy construction, such as dam and utility contracts.

The wartime record of the construction industry, as well as the Wage Adjustment Board, is evidenced to some extent by the appended chart of the Bureau of Labor Statistics showing the strike record for the construction industry in comparison with the strike record for other industries.

A statistical chart indicating the work load of the Board and cases disposed of is also appended. Note the small number of dispute cases in comparison with the total.

The evolution of the Board and its accompanying historical pattern are considered worthy commendation of the principle of tripartism on an industry basis as the best manner of handling industrial relations problems. In a special sense, also, the achievements of the Board are the achievements of the organizations and members which carried its work forward and a proper evaluation of its success must include an acknowledgment of the individual contributions.

During the year from July 1, 1945, through June 30, 1946, the Wage Adjustment Board for the Building and Construction Industry handled 6,915 cases as compared with 3,049 cases in the previous year. Through the efforts of the Board a degree of stability has been established in the construction industry which many people believed impossible after the experiences of the industry during and immediately after World War I. Prior to VJ-day the Board was, for the most part, able to confine increases in the high-wage construction industry within the limitations of the "Little Steel" formula and the international unions were able to enforce acceptance of these increases in spite of the fact that industrial unions had received substantially larger wage adjustments. After VJ-day, in order to prevent a chaotic condition in the building and construction industry, the Wage Adjustment Board requested the National War Labor Board to continue



wage controls in the construction industry regardless of increased price and, therefore, since that time the Board has been the only effective and continuously functioning wage stabilization unit in existence. While the Board has liberalized its policies to a considerable degree since VJ-day, it has still been able to keep increases within the bounds of reason and consequently the cost of housing to veterans has not risen excessively because of high wage rates. A far more serious deterrent to the housing program and the general building program has been the shortage of building materials and a lack of skilled mechanics caused by the break-down of the apprenticeship system during the war.

It is also significant that work-stoppages in the construction industry have been held at a minimum during the period from July 1, 1945, to June 30, 1946. This is particularly significant since prior to the establishment of the Wage Adjustment Board strikes in the construction industry represented a fairly substantial portion of the total number of strikes in the country. The existence of the Board in conjunction with the splendid cooperation of both industry and labor unions in the construction industry has been a major factor in this situation.

Since the war with Japan ended and the transition toward a peacetime economy began, the principal criterion applied by the Board in determining the validity of wage increases is the equalizing of intercraft and interarea inequities. The Board continues to authorize adjustments in cases where it is necessary to eliminate substandards and maladjustments. The Board utilizes no hard and fast percentage rule in applying inequity standards. In dealing with maladjustment, however, the Board has established a ceiling of \$0.375 per hour over the early 1941 wage rate. This amount is by no means static and must be warranted in the light of an entire area wage structure. For example, in areas where all of the wages are relatively high, the maladjustment ruler is conservatively used and the increase approved on the basis of local factors.

Preliminary estimates show that the average increase for all on-the-job building construction workers during the past year was 10 percent. The greatest number of increases authorized for laborers and related classifications followed the issuance of a resolution of the National Wage Stabilization Board in April 1946, in which a minimum rate of \$0.65 per hour was approved for workers in all industries. The Wage Adjustment Board thereupon placed this minimum in effect in the building industry.

In the manufacturing industry, one-quarter of the workers have received wage increases during the past year of 18.5 percent or more and that the general average of wage increases in the manufacturing industry is 14.5 percent. A sample break-down in the industry indicates that the wages of petroleum workers have been advanced 18.7 percent, textile workers 14.7 percent and rubber workers 14.4 percent. These figures are not offered as comprehensive or conclusive, but they have a significant import in pointing to the comparative trend of wage rate increases in construction.

The Stabilization Act expired June 30, 1946. At the time, the stabilization officials of the Government had no advance or inside knowledge of the ultimate fate of stabilization.



## APPENDIX

## STATEMENT OF BOARD FROM INCEPTION TO JUNE 30, 1946

|                                                     |        |
|-----------------------------------------------------|--------|
| Total cases received this period.....               | 14,126 |
| Total cases closed by Board during this period..... | 13,227 |
| Approved.....                                       | 3,891  |
| Denied (in full or in part).....                    | 7,223  |
| Administrative action.....                          | 2,113  |
| Total actions.....                                  | 13,227 |

## UNITED STATES DEPARTMENT OF LABOR

## BUREAU OF LABOR STATISTICS

*Strikes and lock-outs in all industries and in the construction industry, 1941 through 1945*

| Year                   | Number of strikes and lock-outs | Workers involved | Man-days idle |                                   |
|------------------------|---------------------------------|------------------|---------------|-----------------------------------|
|                        |                                 |                  | Number        | Percent of available working time |
| All industries:        |                                 |                  |               |                                   |
| 1941.....              | 4,288                           | 2,363,000        | 23,048,000    | 0.32                              |
| 1942.....              | 2,968                           | 840,000          | 4,183,000     | .05                               |
| 1943.....              | 3,752                           | 1,981,000        | 13,501,000    | .15                               |
| 1944.....              | 4,956                           | 2,116,000        | 8,721,000     | .09                               |
| 1945.....              | 4,750                           | 3,467,000        | 38,025,000    | .47                               |
| Construction industry: |                                 |                  |               |                                   |
| 1941.....              | 395                             | 186,000          | 923,000       | .22                               |
| 1942.....              | 239                             | 31,000           | 164,000       | .04                               |
| 1943.....              | 188                             | 36,000           | 141,000       | .04                               |
| 1944.....              | 168                             | 22,500           | 120,000       | .06                               |
| 1945.....              | 206                             | 45,800           | 447,000       | .20                               |

1946 figures have not been compiled.

RESOLUTION OF THE WAGE ADJUSTMENT BOARD WITH RESPECT TO PAYMENT OF TRAVEL EXPENSE IN THE BUILDING AND CONSTRUCTION INDUSTRY, PASSED NOVEMBER 17, 1943

It shall be the policy of the Wage Adjustment Board to approve payment by contractors or subcontractors to their employees of actual travel expense incurred by the employees in those instances where (1) there was in existence prior to October 3, 1942, a properly negotiated collective-bargaining agreement providing for the payment by contractors or subcontractors of such travel expenses, or where the local union's working rules provided for the payment of travel expenses by the contractors or subcontractors prior to October 3, 1942, and (2) where prior to October 3, 1942, it was an established practice in the area involved, for contractors or subcontractors to pay such travel expenses and where evidence proves that contractors or subcontractors actually paid such travel expenses.

Payments to workmen for travel expenses shall be limited to actual cost of travel.

Where contractors or subcontractors furnish adequate transportation, no travel expenses shall be allowed regardless of whether or not an individual workman uses such furnished transportation.

Approved by NWLB—November 22, 1943.



INTERPRETATION OF RESOLUTION BY THE WAGE ADJUSTMENT BOARD,  
DATED NOVEMBER 17, 1943, COVERING PAYMENT OF TRAVEL EXPENSE  
IN THE BUILDING AND CONSTRUCTION INDUSTRY

The attached resolution shall be considered authority to pay travel-expense allowances without prior specific approval from the Wage Adjustment Board, if the conditions therein have been met. In the event a dispute or question arises as to the existence of the above conditions provided by the resolution, the dispute or question shall be referred to the Wage Adjustment Board for its consideration and determination.

Dated: January 19, 1944.

RESOLUTION OF THE WAGE ADJUSTMENT BOARD WITH RESPECT TO  
PAYMENT OF SUBSISTENCE IN THE BUILDING AND CONSTRUCTION  
INDUSTRY, PASSED JANUARY 6, 1944

It shall be the policy of the Wage Adjustment Board to approve payment by contractors or subcontractors to their employees of subsistence in those instances where (1) there was in existence prior to October 3, 1942, a properly negotiated collective-bargaining agreement providing for the payment by contractors or subcontractors of such subsistence, or where the local union's working rules provided for the payment of subsistence by the contractors or subcontractors prior to October 3, 1942, and (2) where prior to October 3, 1942, it was an established practice in the area involved, for contractors or subcontractors to pay such subsistence and where evidence proves that contractors or subcontractors actually paid such subsistence.

INTERPRETATION OF RESOLUTION BY THE WAGE ADJUSTMENT BOARD  
DATED JANUARY 6, 1944, COVERING PAYMENT OF SUBSISTENCE IN THE  
BUILDING AND CONSTRUCTION INDUSTRY

The attached resolution shall be considered authority to pay subsistence allowances without prior specific approval from the Wage Adjustment Board, if the conditions therein have been met. In the event a dispute or question arises as to the existence of the conditions provided by the resolution, the dispute or question shall be referred to the Wage Adjustment Board for its consideration and determination.

Dated: January 19, 1944.

RESOLUTION OF THE WAGE ADJUSTMENT BOARD ADOPTED FEBRUARY 14,  
1945

INTER-AREA IMPORTATION OF RATES IN THE BUILDING CONSTRUCTION  
INDUSTRY

It has been the consistent policy of the Wage Adjustment Board to refuse to authorize the payment of any rate within a specific wage area other than the rate legally determined for that area. Thus, if a contractor shifts regular members of his working force from one area to another, he may pay not more than the wage rates prevailing in the area in which the work is to be done.

The Wage Adjustment Board is convinced that the adoption of this policy has contributed materially to the wage stabilization program.



Under the stress of manpower shortages, many contractors have desired to transfer men already in their employ between areas with different wage structures at uniform rates of pay, without conforming to local conditions. It is apparent that the authorization of this practice would result in the spread of rates from high wage areas to lower wage areas, introducing dual scales within the latter and threatening to impair the entire program of wage stabilization in the building construction industry. Moreover, such practice would be contrary to the custom that generally prevailed in the industry before the war, when work was done on a lump-sum basis.

The Wage Adjustment Board recognizes, however, that in particular branches of the industry it has long been the practice to transfer men from area to area at the rates prevailing at the contractor's hiring office. This practice has usually been limited to a few key men of exceptional training and skill who could not be obtained readily from local sources. Since this arrangement prevailed under normal competitive conditions it is assumed that it represented the most economic method of performing work and will promote the most effective utilization of specialized manpower without contributing to wage inflation.

The Wage Adjustment Board resolves, therefore, that it will authorize any contractor who customarily employed specialized workers, before October 3, 1942, to work in different wage areas at the rates prevailing in the area where the men were hired, to continue such practice if the following conditions are met:

1. The contractor must prove in each specific case for which he requests such authorization that the request is in accord with his customary practice before October 3, 1942, in that the specific job under consideration would have been manned by importation of labor rather than local recruitment.

2. The contractor must show that the ratio of the number of men involved in the request to the total crew on the job is not greater than the customary ratio prior to October 3, 1942.

3. Ordinarily, authorization to pay rates in excess of locally prevailing rates will be limited to highly specialized workers.

4. In all cases the burden of proof as to the conditions and practices prevailing prior to October 3, 1942, shall be on the petitioner.

This resolution is not to be construed as a blanket grant of authority to pay excessive wage rates in any area. Approval of the Wage Adjustment Board must be obtained separately for each wage area in which it is desired to exceed the legally established wage rates for imported workers.

Notwithstanding the fulfillment of the previous conditions, the Wage Adjustment Board will withhold authorization to pay outside rates wherever, in its judgment, such authorization tends to endanger the wage-stabilization program within the area.

#### RESOLUTION OF THE WAGE ADJUSTMENT BOARD ADOPTED FEBRUARY 15, 1944

##### WAGES OF HOURLY BASIS FOREMEN IN BUILDING-CONSTRUCTION INDUSTRY

An examination of employment practices in the building-construction industry throughout the United States indicates that wage rates for craft foremen are based upon fixed, recognized differentials above



wage rates for craft journeymen. These differentials are founded on custom and usage and in many instances on collective wage agreements.

It shall be the policy of the Board to approve wage payments to craft foremen where such payments conform to prevailing practices and established wage differentials in the locality or area involved. Where wage adjustments are authorized for journeymen, corresponding wage increases for foremen shall be allowed in order to preserve previously existing differentials. Evidence in the form of collective wage agreements and actual employment practices shall be determinative of whether wage payments to foremen are proper.

The cochairman of the Board shall have authority to issue administrative rulings as to whether wage payments to foremen are in conformity with the policy enunciated above.

## WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

After more than 4 years of extensive participation in the war program, the Wage and Hour and Public Contracts Divisions returned, during the last year, to almost exclusive concentration on their normal enforcement and educational activities in administration of the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act, two basic statutes which set standards designed to promote the welfare, health, and general well-being of workers.

The Fair Labor Standards Act requires that every employee, unless otherwise exempted, engaged in interstate commerce or the production of goods for interstate commerce, or in any process or occupation necessary to the production of goods for interstate commerce, be compensated at a minimum rate of pay not less than 40 cents an hour, with time and one-half the regular rate of pay for all hours worked in excess of 40 during any workweek.

The Public Contracts Act requires that almost all Government supply contracts in excess of \$10,000 contain provisions for the payment of prevailing minimum wages, time and one-half the basic rate of pay for all hours over 40 in a workweek or eight in a day, whichever is greater, certain safety and health standards, and restrictions on child labor and convict labor.

Before the entrance of the United States into the war, throughout the conflict itself and extending into the reconversion period, the inspection staff of the Divisions was called upon by six other governmental agencies to accomplish urgent tasks that needed to be done expertly and quickly. With their administrative staffs strategically placed throughout the country, the Divisions were especially fitted by training and experience to carry out the special assignments efficiently, speedily, and at much lower cost than would have obtained had the other agencies themselves been compelled to set up exclusive organizations, with large overhead, and then to select and train inspection-type personnel for the various tasks.

A telephone call from Mr. Lloyd Garrison, of the National War Labor Board, to L. Metcalfe Walling, Administrator of the Divisions, late in October 1942, brought the Divisions into the important program to stabilize the Nation's economy. Within less than a week the Divisions had received their instructions and their staffs were



handling the thousands of inquiries resulting from the opening of the wage stabilization program. It is not a simple thing to try to slow down without stalling the delicate operations under which thousands of wage changes are made daily. That it was done so smoothly is a tribute to the patience and patriotism of both labor and management—but it also was due to the fact that they had an immediate place to go in their communities to ask for information, the local wage-and-hour headquarters in more than 150 cities.

Following their policy of reducing operating costs and eliminating duplication and unnecessary inspections of war-production plants, the Divisions made many of the inspections for war agencies simultaneously with inspection for compliance with the Fair Labor Standards Act and the Public Contracts Act. This plan of operation used the over-all supervisory force of the Divisions—a going concern; it saved many millions of dollars in actual cost of inspections, eliminated the possibility of repeated visits to busy manufacturers and dealers from representatives of several Government agencies, and conserved valuable tires, gasoline, and manpower.

In addition to the War Labor Board, succeeded after VJ-day by the Wage Stabilization Board, the agencies for which the Divisions carried on war assignments were the Office of Production Management, the Office of Price Administration, the War Manpower Commission, and the War Production Board. Special funds were allotted to the Divisions by the war agencies for which they performed these war assignments so that they could perform without interruption their normal administrative and enforcement work under the Fair Labor Standards Act and the Public Contracts Act.

### **Nation-wide inventories**

As early as 1941, when the Office of Production Management directed that only 1,000,000 pounds of aluminum a month could be used for production of civilian goods, the Divisions were asked to check up on possible bootlegging of that then number one critical material, with the result that 1,917 establishments were inspected to ascertain where they purchased their aluminum, the authority for each purchase, and the amount of aluminum on hand.

### **Office of Price Administration**

At the request of the Office of Price Administration, inspectors of the Divisions undertook the prosaic but highly important job of counting the tires and inner tubes on hand in America. In 2 weeks' time, wage-hour inspectors had checked automobile tires and tubes in 36,737 establishments, thus furnishing data on which the OPA based its rationing program.

### **War Manpower Commission**

When inequities in wage schedules and other factors in the shipyards at Portland, Ore., had dislocated the distribution of manpower in November 1943, the War Manpower Commission asked the Divisions to undertake an experimental survey to determine how best to control and direct the flow of manpower. The survey was so successful that, early in 1944, the Divisions were requested to undertake similar tasks in areas around Seattle, San Francisco, Los Angeles, and San Diego. And, in September of the same year, they were asked



to undertake the same type of job in Pennsylvania, New Jersey, and Delaware. Beginning in 1945, the Divisions' activities on behalf of the WMC were broadened further in an effort to check on industries throughout the Nation for compliance with the Commission's 48-hour week directive. In all, the Divisions made more than 20,000 inspections for the WMC.

### War Production Board

The Divisions engaged in three phases of work for the War Production Board. They conducted surveys under the various orders issued by the Board either to control the use of material or to restrict the production of nonessential goods, they assigned 200 inspectors to check compliance of manufacturers, shipyards, and other concerns which were given priority assistance under the production requirements plan, and they made thousands of inspections as an aid to the Board in its efforts to control three essential materials—copper, steel, and aluminum—under the controlled-materials plan. Statistics gleaned from meager available reports on these activities in no measure tell the most significant part of the war work of the Divisions for WPB, since the publicity attendant upon the series of plant-inventory inspections, of course, had an immeasurable salutary effect in the national program to promote the best use of strategic, short-supply materials.

A quick appraisal of the figures shows, however, that for the War Production Board, the Divisions—

Uncovered tons of vitally needed copper for war purposes;

Checked privately financed defense housing to ascertain compliance on the part of builders and suppliers with Preference Rating Order P-55;

Discovered that many steel warehouses had obtained products in excess of their steel quotas, and found that some firms had received steel without any quota at all. (Such violations of the restrictive provisions of the Board's orders had so impaired even distribution that many firms were not able to meet emergency demands for vital products);

Gave the Board, after a check on 11,994 used-machinery dealers, an up-to-date inventory of idle industrial machinery which could be, and quickly was, put to work in furtherance of the Nation's war effort;

Determined the extent to which food canners, operating plants, were complying with the Board's Food Canners Order;

Found that 291 firms obtained or delivered 2,335,896 feet of brass-mill and wire-mill products in violation of the Board's restrictive orders and found that 367 firms were not reporting properly to the Distribution Branch of the Board;

Discovered 13,995 pounds of rubber yarn, latex yarn, and elastic thread which had been unreported, and were instrumental in having 16 manufacturers sell their stocks of these materials totaling 95,332 pounds to the Defense Supplies Corporation; found that 24 manufacturers with a total stock of 63,117 pounds of rubber yarn and scrap material had not offered these inventories for sale or had refused to sell them to the Defense Supplies Corporation because prices were considered unsatisfactory; and discovered that 1,140 pounds of rubber yarn, latex yarn, and elastic thread had been used in violation of restrictive orders;



Made 944 inspections of national retail chain stores to determine their compliance with various orders covering retail sales of plumbing and heating equipment, copper wire, and domestic electric ranges;

Made a survey of fiber-box manufacturers for the Forest Products Bureau of the Board, because of the serious pulp shortage and because of the need for high-grade kraft paper for the manufacture of V-boxes for Army, Navy, and lend-lease overseas shipments;

Surveyed 40 large rayon plants in the Paterson, N. J., area to determine compliance with the Board's rayon control order;

Aided the Board's efforts to avert rationing of civilian clothing, by checking firms in this industry for compliance with conservation orders relating to the manufacture of men's clothing;

Surveyed hardware, electrical, and mill suppliers in the New York area to determine compliance with Supplier Inventory Limitation Order L-63;

Uncovered 545,552 pounds of copper and copper scrap and 31,038 pounds of solder and solder foil through inspections of electrotype and photoengraving plants and found that 44.3 percent of the inspected establishments were shown in violation of the Board's conservation orders limiting the use of copper and tin;

Reported 28,132 yards of elastic fabric hitherto unreported by firms in the suspender and garter industry and discovered that 372,432 yards of elastic fabric were used in violation of restrictive provisions of M-174. (Percentage-wise, 44 percent of the manufacturers inspected were found to be in major violation of the Board's orders);

Surveyed manufacturers to check compliance with orders governing domestic cooking appliances, metal signs, kitchen, household, and miscellaneous articles, caskets, shipping cases and burial vaults, lawn mowers, and oil burners;

Made 27,905 audits to determine whether firms had complied with priority regulations of the Board.

### **War Labor Board**

The most continuous and exhaustive work of the Divisions for any war agency was performed for the War Labor Board, in the conduct of its special wartime activities in wage stabilization. This came about when the Office of Economic Stabilization, created by the President by Executive Order on October 3, 1942, to implement the Price Control Act (OPA), delegated its control over wages and salaries to the WLB, the Bureau of Internal Revenue, and the Department of Agriculture.

Originally created to arbitrate and mediate disputes, the WLB in its new capacity was called upon to administer the wage-stabilization program as it affected the largest group of workers—wage earners and salaried employees, with some exceptions, whose earnings did not exceed \$5,000 per year. Functions of the Board in the program to keep wages at the September 15, 1942, level were to grant wage and salary adjustments only for (a) the correction of maladjustments in accordance with the "Little Steel Formula"; (b) the elimination of substandards of living; (c) the correction of gross inequities; and (d) the effective prosecution of the war.

Although the Board established 10 tripartite regional boards throughout the country, the regional set-ups were unable, without assistance, to handle the tens of thousands of inquiries with which



they were immediately confronted in the form of personal callers, mail and telephone inquiries. It was logical, therefore, that the Wage and Hour and Public Contracts Divisions, which through their more than 150 regional and branch offices throughout the country had become recognized as local points for the guidance in labor matters of both industry and labor, were called upon by the Board to render assistance in the administration of its program.

Moreover, the strategic location of offices of the Divisions throughout the country afforded both industry and labor convenient sources from which could be obtained authoritative assistance.

Thus, in addition to carrying on their own administrative and enforcement program, as well as aiding other war agencies, the Divisions were named special agents of the Board for the following purposes: (1) to furnish information to all inquirers on jurisdiction, policy statements, general orders and regulations of the Board; (2) to issue written rulings on these subjects; (3) to distribute, receive, and screen applications for voluntary adjustments; (4) to refer to the U. S. Conciliation Service disputes which came to the attention of the Divisions in the course of their activities.

The huge task of the WLB and the Divisions was materially reduced and streamlined by the Board's adoption of two forms to handle adjustments voluntarily desired by employers. The forms were NWLB-1, "Request for Ruling as to Whether a Proposed Wage or Salary Adjustment is Subject to Approval of the National War Labor Board," and NWLB-10, "Application for Approval of a Wage or Salary Rate Adjustment or Schedule." Their value in reducing the Board's total volume of applications and in channelizing pertinent applications immediately were obvious. The Divisions undertook the responsibility of handling inquiries, issuing rulings as to the necessity for Board approval and processed applications, decentralizing the work among the Divisions' more than 150 offices.

In addition, the Divisions further reduced the Board's, and their own, work load through intensive Nation-wide educational activities, which brought essential details of the program to the public through newspapers, trade magazines, labor publications, the radio, and other media. Also, members of the Divisions' staff spoke before various employer and employee groups in every State, making special efforts to hold such "clinics" in communities where no office of the Divisions was maintained.

Despite the general stabilizing effect of the program on the Nation's economy, the President felt that the existing regulations were not holding wages as successfully as was desired and, on April 8, 1943, issued the Executive Order which became popularly known as the hold-the-line order. The immediate aim of the new order was the stabilization of most wages and salaries, and the WLB authority to grant adjustments for the purpose of correcting interplant inequities was withdrawn until a new basis, involving a new concept of wage brackets and rate ranges was established for the Board's action in these cases.

The new concept involved determining the sound and tested going rates by occupational and labor market areas and the setting up of wage rate brackets embracing these rates, and the Board was charged with the responsibility of gathering the necessary data and carrying



out this new function. Here, again, the Board immediately found it necessary to obtain the aid of another Government agency, this time the Bureau of Labor Statistics of the Department of Labor. However, responsibility for the field work was placed upon the Divisions, since the BLS found its field staff inadequate to do this work, which had to be completed rapidly in order to be effective.

The assistance of the Divisions' inspectors on the BLS assignment helped make it possible for the Board to issue, within less than 2 months' time, a general order incorporating the new concept of rate ranges under which adjustments were granted in the operation of individual establishments. Within somewhat less than 3 months, the tremendous backlog of requests for rulings and applications which had accumulated, were eliminated.

When it became apparent that the stabilization program had to be enforced vigorously in order to be really effective, the Board again looked to the Divisions to render the necessary assistance. The investigation and pay-roll auditing experience of the Divisions' inspectors on wage and salary matters, together with the established fact-finding techniques developed in connection with the inspectors' own work in employer-employee relationships, fitted them particularly well to assist in this phase of the stabilization program.

Since their own functions under the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act constantly brought them into the vast majority of significant establishments in the country, it was an ideal arrangement for the Divisions' inspectors to combine their activities with the Board's inspection requirements. The Bureau of the Budget highly approved of this concept of integrated activity, since it represented a substantial saving in time, money, and manpower for the Government. In addition, it was sound public relations to send a single inspector into an employer's establishment, thus obtaining on one visit all the essential information required both by the Divisions and the Board.

These joint inspections led to the formulation of a complete program for conducting wage stabilization inspections. Two types of activity were adopted. The first was a "test check," conducted without exception as an automatic adjunct of a regular inspection by the Divisions and designed to obtain information from which it could be determined whether there was need for a complete wage stabilization investigation. The second, or "full dress" type of investigation, was made upon the express request of the WLB regional attorney when he had reason to believe, either through complaint, previous test check, or as a result of analysis of particular industries or areas, that violations were being committed.

The evolution of new techniques on the part of the Board as it probed for more effective means of enforcement, plus the advice furnished by the Divisions resulting from their field experience with the Board's procedures, resulted in a further change in inspection procedure in 1944, with concomitant savings in manpower both for the Divisions and the Board. Since 1944, inspectors of the Divisions have been doing a more thorough job of inspection for the WLB and its present successor, the Wage Stabilization Board. Throughout, inspectors of the Divisions, from their knowledge of practical operating problems, were able to furnish the Board attorneys with valuable



assistance in arriving at workable interpretations of various orders, presenting the need for general orders and eliminating loopholes and inadequacies. The administrative work of the Board, also, benefited from the experience of the Divisions.

Speed, of course, was of primary importance in the handling of inquiries, requests for rulings, and applications for the Board; employers, when they had occasion to seek advice or authorizations for wage changes, desired prompt action to avert possible work stoppages. Rulings were issued by the Divisions in from 3 to 4 days from receipt, while actual applications were examined and forwarded to the Board within 2 or 3 days.

In addition to handling approximately 250,000 formal requests for rulings and about 500,000 applications for wage changes, the Divisions during the period between undertaking this work in late 1942 and the close of the last fiscal year, June 30, 1946, aided employers and employees in obtaining better understanding of the stabilization program through an estimated 3,000,000 personal interviews, telephone conversations, and letters. Special inspection cases completed for the Board approached the 100,000 mark at the close of the fiscal year.

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#### INFLUENCE OF WAR ON FLSA AND PCA ADMINISTRATION

Coincidentally with their performance of assignments for the various war agencies, the Divisions during the war years were confronted with and successfully overcame many problems of administration of the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act which arose from the tremendous pressure of plant conversion and labor shortage which those years brought about.

Problems of Public Contracts Act liaison with procurement agencies of the Government became much more complicated as the Nation increased its war production efforts. The vast increase in the number and dollar value of contracts meant the constant need for consultation between officials of the armed services, many of them new and unfamiliar with procedures, and the Divisions as to the applicability of particular minimum wage determinations under the Public Contracts Act.

Contracts of a confidential or secret character by their very nature raised problems which had to be overcome. In such instances, special arrangements were made to maintain the security of the work performed, while at the same time making certain that the Act's standards were not being disregarded. In most cases, it was possible to obtain inspections by representatives of the Divisions, but in a few instances, as in the top secret Manhattan Project, officers of the armed forces were delegated to obtain the desired information, on the basis of which the plant's compliance status was determined and corrective measures, where necessary, ordered adopted.

#### Cost-plus-fixed-fee contracts

The letting of great numbers of cost-plus-fixed-fee contracts for expansion of existing facilities and construction of new facilities by private enterprise under Government contract created an administrative problem for the Divisions, but the solution neither compromised the administration of the acts nor the war effort. The problem was



brought to light when inspections by the Divisions revealed that some employees of such contractors had not been paid in accordance with the provisions of the Fair Labor Standards Act and that restitution by violating employers was hindered by the terms of their contracts which restricted retroactive payments. However, a satisfactory agreement with the contracting agencies for settlement was established.

### Wartime exemptions

While it is true that the rising wage levels of the war period simplified some aspects of handling exemptions under both the Public Contracts Act and the Fair Labor Standards Act, new questions arose from the special conditions of war production thus requiring the Divisions to develop new policies and procedures, issue interpretations applying to temporary situations, and make some changes in regulations. The Secretary of Labor found it necessary to use only sparingly the special powers extended him by the Congress, which passed the Walsh-Healey Public Contracts Act in 1936, and the President at no time during the war years found it necessary to use the power, granted by the Congress in an amendment to the Act in 1940, to suspend the Act's operations.

The primary purpose of the exceptions granted during the war, of course, was to bring into the war effort much-needed resources, as well as to afford additional workers, not normally a part of the labor force, the opportunity to contribute their share toward victory. However, despite relaxation under the Public Contracts Act for these purposes, and despite the huge volume of the contracts, more than 95 percent of the dollar value of the contracts of the type covered by the Act were let subject to the minimum wage, overtime, and safety and health requirements of the Act.

The following table shows how the number and value of contracts under the Walsh-Healey Public Contracts Act increased from the time of its passage through the last fiscal year.

| Fiscal year          | Number of contracts  | Value                        |
|----------------------|----------------------|------------------------------|
| 1937 (9 months)..... | 3,223                | \$177,788,704                |
| 1938.....            | 5,158                | 294,952,682                  |
| 1939.....            | 6,396                | 528,392,756                  |
| 1940.....            | 9,324                | 799,732,540                  |
| 1941.....            | 24,333               | 5,085,693,733                |
| 1942.....            | 59,536               | 15,867,769,189               |
| 1943.....            | 101,224              | 30,935,631,889               |
| 1944.....            | 98,167               | 30,216,662,189               |
| 1945.....            | 131,733              | 35,965,367,880               |
| 1946.....            | <sup>1</sup> 35,596  | <sup>1</sup> 5,443,078,853   |
| Total.....           | <sup>1</sup> 474,690 | <sup>1</sup> 125,315,070,415 |

<sup>1</sup> Preliminary—subject to revisions.

Perhaps the most far-reaching exception was the order of the Secretary of Labor permitting the employment of girls between 16 and 18 years of age on Government contracts, at first limited to 15 specified industries, but later extended to all industries. This concession, which was of immense value in alleviating the strained national manpower problem, nevertheless contained safeguarding restrictions covering night work, length of the work day, and a minimum lunch period, thereby helping to minimize the admittedly undesirable consequences of factory work for girls of that age.



Immediately following VE-day, May 7, 1945, the Secretary of Labor took steps to terminate the exemption order for 16- and 17-year-old girls, with the result that an order of revocation was issued on June 30, 1945, ending the employment of such minors on contracts awarded on or after October 1, 1945, but permitting completion of contracts beyond that date with affected minors previously at work on the contracts. The sudden end of the war with Japan and the resulting cancellation of war contracts, in August 1945, prompted the Secretary to amend the revocation order, moving the cut-off date up to September 4, 1945.

As was anticipated, in addition to those minors who entered the Nation's labor force under the exception above cited, the number of minors who illegally entered industry increased during the high war production period, with the result that the Divisions were confronted with constantly mounting violations of this type. It is estimated that more than three times as many minors were in the labor force during the war years than before.

Among other exemptions granted under the Public Contracts Act as a direct result of the war production effort were those permitting: The qualification of certain groups of individuals or corporations, not otherwise eligible to accept contracts under the Act; the canning of certain fruits and vegetables exempt from the provisions of section 1; and the production of war materials in railroad shops along with the normal work on railroad equipment, without disturbing the labor standards which customarily governed all work in the shops. In addition, State and Territorial prisons were permitted to take direct contracts from the Government for the supply of needed war materials. Under this exception 75 State prisons furnished approximately \$60,000,000 worth of clothing, rope, twine, and other items to the armed forces. The Administrator served as the departmental representative with the Director of Federal Prisons and a representative of the War Production Board on a committee set up by order of the President to facilitate war production by the prisons. The record which the prison population made—not only in production of needed goods but also in buying war bonds—is one of the astounding side stories of the war.

Numerous problems arising out of changed conditions in industry were encountered during the wartime period in connection with regulations issued by the Administrator under the Fair Labor Standards Act, which provided for the establishment of general standards to enable employers to determine which of their employees may come within the exemption for executive, administrative, and professional employees. Some of the new problems were the result of the tremendous expansion of the supervisory staffs in war industries, the rapid upgrading of employees, and the breaking down into specialized tasks to be performed by several employees those functions previously performed by clearly exempt executive, administrative, and professional employees. Other problems stemmed from the rise in the wage and salary levels of white-collar employees to points where the salary requirements of the regulations no longer had the selective effect originally intended.

In attempting to solve problems which rose from these classification standards, primary consideration was given by the Divisions to any possible action which would further the war effort. In almost all such instances, it was possible to find practical solutions for the prob-



lems through the exercise of administrative discretion in enforcement policy. Only one change was made in the regulations dealing with these exemptions during the war period; this was the amendment of the administrative regulations early in 1942, initiated at the request of the War Department, to provide an exemption for pilots engaged in ferrying planes across the Atlantic and elsewhere.

### **Revision of learner tolerances**

The drastic changes in the conditions of employment brought on by the war, particularly with respect to the need for rapid expansion of plants, labor turn-over, composition of the labor force, and wage levels, and the impact of the demand on the part of many employers for greater learner allowances, necessitated a revision of the Divisions' established learner tolerances which were designed primarily to meet the training needs experienced by employers under normal peacetime conditions. In a number of conferences with representatives of labor and management in the apparel, hosiery and textile industries, data were submitted to show that labor turn-over was occurring substantially in excess of peacetime experience, and that the learner tolerances were inadequate to cope with this labor turn-over and were operating, in some instances, to restrict employment opportunities and expansion of production. Employers working on Government contracts contended that a denial of increased learner allowances was actually curtailing production and, as a consequence, was impeding the war effort. Regulations under both Acts, therefore, were coordinated and liberalized to permit the employment of learners to the extent of actual and proved need.

A total of 11,776 certificates was issued to establishments from the beginning of the fiscal year 1942 to June 30, 1946. A large percentage of these certificates were issued under the industry learner regulations which now cover 11 industries or branches of industries. Learner applications received from employers in industries not covered by these industry-wide learner regulations are processed under the general learner regulations. In such cases, special investigations are made to establish the proper learning periods, the authorized learner occupations, and wage rates to be paid learners; and individual plants are permitted to employ a fixed number or proportion of learners at subminimum wage rates to the extent necessary to prevent curtailment of opportunities for employment.

It is interesting to note that, since the fiscal year 1942, when 5,115 learner certificates were issued, there has been a progressive decline in the number of certificates issued, as follows: 3,313 in the fiscal year 1943; 1,753 in 1944; 1,002 in 1945, and 526 in the fiscal year 1946. This marked decline is due principally to the difficulty of obtaining learners at rates less than 40 cents an hour, particularly in highly developed industrial areas, and to the general rise in wage levels which made a subminimum rate for learners unnecessary to prevent curtailment of opportunities for employment.

### **Training programs**

The basic minimum wage and overtime provisions of both Acts played an important part in establishing suitable and workable minimum standards for the wartime training programs undertaken throughout the Nation, under which more than 8 million men, women,



boys, and girls were trained by the public schools for jobs in war industries. Since much of the training conducted by vocational schools was on actual war goods, the Divisions worked in close cooperation with the various Federal agencies involved to establish policies designed to bring these programs into conformity with the Acts.

A procedure was developed by the Office of Defense Training, the War Manpower Commission, and the United States Office of Education, in agreement with the Divisions, which provided that trainees, who were being trained by the schools on actual production work for interstate commerce, were to be employed by the contractor on the same basis as other employees in the plant and under the same working conditions that prevailed in the plant or were specified in the training program. They were to be paid at least the applicable minimum rate under the Fair Labor Standards Act or the Walsh-Healey Public Contracts Act, whichever was higher, during the time they were engaged in production work to which those Acts were applicable.

Certification was made by the Divisions also in special cases where student learners—students who spent part of their time in actual production in plants—were engaged in work covered by the Acts. In addition, it was necessary for the Divisions to take into consideration and provide for the conduct of in-plant programs conducted by industry to meet war needs.

### **Apprentices**

Although Federal training agencies found it necessary in the war years to emphasize short-time training programs for specific operations, an appreciable number of new apprenticeship programs were instituted for the training of highly skilled workers. During this period, the Divisions were concerned mainly with the issuance of certificates for apprentices in training programs centered in small establishments in small communities. Cooperating with the Federal Committee on Apprenticeship and the various State and local apprenticeship committees, the Divisions assisted these agencies in developing and approving procedural machinery to meet the needs of these areas and in establishing wage rates and standards for apprenticeship agreements.

### **Wage-order program**

During the war years, the wage-order program for the United States outside of Puerto Rico and the Virgin Islands was accelerated; and one of the most important goals set by the Congress in the Fair Labor Standards Act, namely, the establishment of a universal 40-cent minimum hourly wage rate for all workers subject to the Act, was completed more than a year in advance of the date fixed by statute. This wartime achievement is clearly revealed by a comparison of the results of the wage-order program during the war period with those of the prewar period. Thus, during the course of approximately 2½ years between the American entry into the war and the completion of the program, 36 wage orders covering an estimated 18,686,600 employees became effective, while in a comparable period prior to the war, 34 wage orders covering an estimated 6,097,200 employees became effective.

The fact that the average wartime wage order covered approximately three times as many workers as those of the prewar period is



attributable to the much broader scope of the definitions of the industries considered in the later period. Prior to the war, for example, a single committee was appointed for each individual industry, such as the hat industry or the enameled utensil industry, whereas during the war a comparable committee was appointed for a group of related industries, such as the meat, poultry, and dairy products industry, or the stone, clay, glass, and allied industries.

The decision to expedite the industry committee program was made feasible by a significant rise in the general wage level and by the fact that many of the industries for which the later orders were issued enjoyed relatively high wage structures. These factors are clearly reflected in the proportion of workers who were directly affected by the wage orders. Thus, it is estimated that approximately 25 percent of the workers covered by wage orders issued in the prewar period obtained increases in their wage rates as a direct result of those orders, while about 6 percent of the workers covered by wage orders issued during the war years obtained such increases. The policy of expediting the industry committee procedure was adopted in order to carry out the mandate from the Congress to reach the ultimate objective of a 40-cent minimum as rapidly as economically feasible, and resulted not only in very substantial economies in administration but also in considerable savings in manpower and travel at a time when the Nation was severely strained by the demands of war.

Since hostilities had materially changed the normal economic and competitive relationships between Puerto Rico and the continental United States and had produced an exceptionally steep rise in the cost of living for Puerto Rican workers, a new Special Industry Committee was appointed during the war to investigate existing conditions in all industries on the Island and to recommend such minimum wages as it deemed appropriate to meet the standards provided in the Act. As a result, higher minimum wages were recommended for a majority of the industries considered by the committee, with increases ranging from 10 to 44 percent. In a few instances, however, no change in the existing rate was recommended, while in the case of two new industries a reduction below the statutory rate which otherwise would have been applicable was considered appropriate. These changes in rates, with minor exceptions, subsequently were approved by the Administrator and incorporated into wage orders.

#### THE FISCAL YEAR 1946—THE RECONVERSION YEAR

During the fiscal year ending June 30, 1946, total victory crowned the war efforts of the Nation against its enemies and the efforts and energies of the country were directed from the problems of war production to the problems of reconversion to a full peacetime program for the satisfaction of consumer wants. As during the war years, the Divisions were called upon again to furnish their experienced personnel for other agencies of the Government, particularly for the War Labor Board and its successor agency, the Wage Stabilization Board. Almost 22,000 inspections were completed during the year for these agencies.

The fiscal year also saw the Divisions complete the inspection of 43,832 establishments under the two Acts they administer and enforce. Of this number, 6,107 involved concurrent inspections for com-



pliance with the provisions of the Walsh-Healey Public Contracts Act, as well as the Fair Labor Standards Act.

More than 52 percent of the covered establishments inspected under both Acts were found to be in violation of the minimum-wage, overtime or child-labor provisions. Restitution in the amount of \$13,360,826 in illegally withheld wages was agreed to or ordered paid to 271,478 employees in 17,082 establishments. As a result of the action taken to enforce the child-labor provisions of the Walsh-Healey Public Contracts Act, 430 establishments were assessed liquidated damages amounting to \$563,470 for illegally employing 3,163 minors. It is interesting to note that there has been an almost steady decline in assessments made for child-labor violations each month of the past fiscal year, indicating that, with the termination of hostilities, the manpower situation improved to the point where illegal employment of minors diminished noticeably and that there is hope for its eventual elimination.

The 43,832 establishments inspected under the Acts during the last fiscal year comprise only 8 percent of the 550,000 covered establishments in the Nation. The present 8-percent inspection coverage is below the safety level necessary to insure all covered workers the benefits intended by the Acts and to provide the business which complies with the Acts adequate protection against unfair competition from other firms which do not comply. Furthermore, it is estimated that there is a turn-over, in this group, of 50,000 establishments which go in and out of business each year. The House Appropriations Committee, which indicated in 1941 that there should be inspection coverage of 14 or 15 percent of covered establishments, has agreed that inspections should be concentrated in those industries and areas where spot checks indicated a high incidence of violations.

### Supreme Court decisions

During its October 1945 term, the United States Supreme Court handed down significant decisions in seven cases involving the provisions of the Fair Labor Standards Act. Three of these decisions concerned an exemption which excludes from the minimum wage and overtime benefits of the Act "any employee engaged in a retail or service establishment the greater part of whose selling or servicing is in intrastate commerce." In the cases of *Roland Electrical Co. v. Walling*, *Martino v. Michigan Window Cleaning Co.*, and *Boutell v. Walling*, the Court held that a sale or service to an industrial or commercial customer for business use, as distinguished from a sale or service to an ultimate consumer for his personal or family use, does not constitute a retail sale or service within the meaning of the exemption. The Court further held in the *Boutell* case, that the servicing of transportation equipment moving in interstate commerce was servicing in interstate rather than intrastate commerce. In the *Roland Electrical* case, the Court held covered under the Act employees engaged in selling and repairing electrical motors and generators for use within the same State by firms engaged in the production of goods for commerce; in the *Martino* case, the Act was held applicable to employees of an independent window-cleaning firm engaged in cleaning windows on the premises of firms producing goods for commerce.

In the cases of *Oklahoma Press Publishing Co. v. Walling* and *News Printing Co. v. Walling*, the Supreme Court upheld the Adminis-



trator's right to judicial enforcement, without a prior showing of coverage, of a subpoena duces tecum issued for the purpose of ascertaining whether the employer, a newspaper publisher, was in violation of the Act. In *Mabee v. White Plains Publishing Co.*, a suit involving another publisher, the Supreme Court held, in a significant decision, that coverage under the Act is not dependent on the volume of interstate business carried on by a firm. The Court held that a newspaper publishing company which regularly sends one-half of 1 percent of its circulation out of the State, was engaged in the production of goods for commerce and was thus subject to the Act, since the Act extends to all regular shipments in commerce, irrespective of size. The maxim *de minimis non curat lex* was held inapplicable.

In the case of *Schulte v. Gangi*, it was held that the settlement of a bona fide dispute as to coverage under the act, through full payment by the employer of statutory overtime compensation, but not of liquidated damages, and the execution of a release by the employee of all claims arising under the Act, does not bar an employee from bringing suit for such unpaid liquidated damages. The Court further held that producers of goods for sale within the State are engaged in production for commerce if they have reasonable grounds to anticipate that their products will be moved to other States after sale. In this connection, the Court stated that producers may be held to know the usual routes for distribution of their products.

Another decision of great public interest was that handed down in *Anderson v. Mt. Clemens Pottery Co.* Reaffirming and extending principles previously laid down in the Tennessee Coal and Jewell Ridge cases involving portal-to-portal pay, the Supreme Court held that time necessarily spent by employees in walking between time clocks and working places on the employer's premises, as well as time spent in make-ready activities, constitutes compensable hours worked under the Act. The Court also held that time-clock records were an appropriate basis for measuring hours worked under the Act only where they accurately reflected the period worked. Settling an important question as to the burden of proof resting on an employee in a suit under section 16 (b) of the Act, the Court held that an employer's failure to carry out his statutory duty of keeping and preserving proper records should not defeat the employee's right to recover "even where the lack of accurate records grows out of a bona fide mistake as to whether certain activities or nonactivities constitute work." In such circumstances, the employee's burden is satisfied, the Court held, "if he produces sufficient evidence to show the amount and extent of [the uncompensated overtime] work as a matter of just reasonable inference."

### **Program planning**

Following the launching of a thorough study of their program over the last few years, the Divisions were able in the fiscal year 1946 to begin more fully to utilize economic data analyzing and planning their program with the objective of making the program as completely scientific as possible. During the previous years, the large backlog of uninspected complaints made the introduction of such a program impossible, since the primary concern of the Divisions in the early



years was to service the complaint backlog and to put the Divisions on a current operating basis. The complaint file is now on a current basis and it is therefore possible to approach the problem of national enforcement of the Acts on a more scientific basis.

The principles and formulas for the guidance of operating offices in the field are prepared by the national office. Estimates of the number of covered establishments and covered noninspected establishments in all industry groups are furnished to each region, together with the substantial monetary violation ratios revealed by the most recent inspections in each industry.

This method of programing, which is administered on a regional basis, brings about the following results: (1) Emphasis on inspections in industries whose history points to a high ratio of violations; (2) Emphasis on inspections in the less fully inspected groups with the aim of bringing about wider compliance, forestalling complaints, and preventing accumulation of liabilities for employers; (3) Provision for the so-called "priority inspections," such as complaint inspections; (4) Continuing check inspection of all industries, thus providing up-to-date violation experience data which will serve as guides in planning future enforcement action.

As an aid to efficient planning and control, each region is required to draw up and submit to the national office a quarterly operating schedule which shows the number of inspections it intends to make in each industry during the next quarter.

The results accomplished thus far under program planning justify the soundness of this approach, and, with the experience obtained, should enable the Divisions to undertake the problem of national enforcement on a still more scientific basis in subsequent years.

### **Homework**

As was true during World War I, every effort was made during the recent war to induce women who had never worked, and both women and older men who had retired from the labor force, to help further the war effort by accepting jobs. Nevertheless, in both periods the uncontrolled use of homework was deemed to be a deterrent to maximum production rather than a solution to war manpower shortages.

During World War I, the waste and abuses of the homework system were so great that the Quartermaster's Corps and the Chief of Ordnance issued orders to arsenals and manufacturers prohibiting homework on materials produced for the Government. In World War II, when the labor market was exceedingly tight, Chairman McNutt of the War Manpower Commission, following receipt of reports from various parts of the country that a revival of homework was being considered as a method of increasing war production, stated that homework was a type of work the WMC did not desire even in labor shortage areas.

The WMC required minimum standards of working conditions for women and minors, but found that the encouraging of homework would have been in contradiction of its policy, since it had been proved extremely difficult to regulate working conditions in homes. Moreover, the WMC had found that homework programs had proved to be far less productive than work done in plants under proper supervision.



and more efficient working conditions, and that there was no evidence that recruitment and utilization of manpower would be assisted by the encouragement of homework.

The restriction under the Fair Labor Standards Act of homework in seven industries which previously had engaged large numbers of homeworkers, therefore, had the indirect effect of furthering the War Manpower Commission policy of forcing a more efficient utilization of our manpower sources in the prosecution of the war, while at the same time maintaining labor standards prescribed in the Act.

At the request of unions and manufacturers' associations, the administrator now is considering restricting further the practice of homework in certain other industries in which it may be found to represent a threat to the labor standards under the Act, of factory workers, and which may result in unfair competition with employers who have been attempting to maintain proper labor standards.

### Veterans

The end of the war with Japan in August 1945, with the subsequent release of millions of men and women from the armed forces and their entry into the labor market, increased the work load of the Divisions in connection with their cooperation with the Veterans' Administration. The expeditious placement of disabled veterans into gainful occupations is aided by the Divisions through an arrangement with the Veterans' Administration under which the Veterans' Administration issues on-the-spot certificates for the first 90 days of the vocational rehabilitation training of veterans with service-connected disabilities at rates of pay less than the 40-cent minimum provided under the Fair Labor Standards Act. This arrangement, under Public Law 16 adopted in 1944, places sole responsibility for the veterans' rehabilitation program on the Veterans' Administration, which must approve training programs and employing establishments. Possible extension of such certificates beyond the original 90 days is the responsibility of the Divisions.

In connection with this program, it has been the constant aim of the Divisions to inform and caution employers that this deviation from the Divisions' previously issued and still existing regulations for the employment at subminimum rates of apprentices, learners, or student-learners is not permitted in instances—few as they are—not involving veterans with service-connected disabilities. Concerted efforts have also been made by the Divisions to inform all employers of veterans that Government subsistence allowances to veterans under any conditions are not considered wages under the Fair Labor Standards Act, and that the receipt of such subsistence allowances by veterans in their employ does not relieve employers from compliance with the Act's minimum wage and overtime pay provisions.

### RECOMMENDATIONS

When the Fair Labor Standards Act was passed in 1938, it established a broad base for applying the new concept of wage and hour regulation by means of its statutory minimum providing a floor under which wages of covered workers could not fall and its overtime provision which was designed to eliminate excessive hours of work and to spread employment by establishing a 40-hour workweek beyond



which premium pay of time and one-half the regular rate must be paid.

It must be remembered that the Act was passed in a period of peace and that the peacetime era ahead is the period during which it is destined to play its most important role for the benefit of the working men and women of the Nation, especially in the lowest income groups. In that connection, it is well to remember also that the present 40-cent minimum rate provided by the Act in 1938 is equal in value to only 27 cents an hour in these days of higher prices. It is imperative that the minimum be raised to a level which reflects current prices and the economic progress achieved during the last several years and, in addition, that a slight step forward be taken by establishing a wage which will more nearly provide for a decent standard of living.

Emphasizing the fact that 40 cents an hour for a 40-hour week brings the worker only \$16 a week or \$800 for full employment of 50 weeks in a year, the Administrator of the Act has testified before congressional committees, talked before employers and employee groups, and has been quoted in the public press and on the radio on numerous occasions as to the inadequacy of a 40-cent minimum wage. He has recommended a 65-cent minimum with provisions to raise that figure to 75 cents by successive statutory step-ups within a specified time and, where it is economically feasible before that time in any industry, by industry committee action. He has pointed out that working for even 65 cents an hour a worker could earn approximately \$1,300 a year. On such an income a family of four could buy only three-fourths of the essential items of food, clothing, and shelter necessary to meet a budget of minimum adequacy. He has further emphasized that even the emergency subsistence budget developed by the WPA in 1935 would require at the present time earnings at the rate of more than 65 cents an hour for a family of four. Raising the minimum wage to 65 cents, with latitude for further increases, is not only practicable, the Administrator points out, but absolutely necessary to carry out the Congressional intent of eliminating, as rapidly as economically feasible, labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers. In addition, the 40-cent minimum is so far below the prevailing standards, even in the traditionally low-wage industries, that it offers little or no protection to either employees or employers against unfair wage competition and possible future wage cutting.

It is significant also that, since January 1946, the Wage Stabilization Board has considered any wage below 65 cents an hour as substandard and has permitted employers to raise the wages of their employees to 65 cents an hour without prior approval of the Board. As a result of this decision, many low-wage industries have already adjusted their wage structures to a minimum wage of at least 65 cents an hour and comparatively few employees subject to the minimum wage provisions of the Act now are receiving less than that rate. The Administrator therefore has consistently urged the Congress to bring the minimum wage under the Act into line with current economic conditions.

#### **Lack of administrative powers**

The Administrator considers the lack of rule-making powers for the Administrator is a definite weakness in the Fair Labor Stand-



ards Act. At present, for example, the Administrator may issue rules and regulations concerning certain matters, such as those pertaining to executive, administrative, and professional employees, but for the most part, he is limited to advisory opinions generally about what he thinks the courts probably will hold in a given situation. This, however, does not afford complete protection to employers who comply with his interpretations. In other words, a situation can arise where an employer is guided by the opinion of the Administrator only to be faced later with an employee suit challenging that opinion in light of latest court decisions. In such an event, there would be no protection for that employer. The certain knowledge of what the Act means is in the interest of both employer and employee, who now have to resort to litigation to find out.

### **Recovery of wages**

Because of recent legislation in some of the States, with the resultant hodgepodge of laws on this point, the Administrator has urged the Congress to amend the Fair Labor Standards Act to include a reasonable 3-year statute of limitations on claims brought by employees, or, in the event the Administrator were so empowered, where requested by employees, claims brought by him on their behalf. Illustrative of the present inequitable situations is the fact that an employee who lives in Tennessee, for example, will have 3 years in which to bring a suit for back wages, but if he works across the line in Arkansas he will have up to 5 years. And there are a number of States in which an employee would have less than 2 years to file such a suit. Certainly, the right of an employee to bring a suit for back wages to which he is legally entitled under a Federal statute should not be determined by an accident of geography. This right is a basic part of the enforcement provisions of the Act and should be protected and preserved. At the same time, the employers in States having statutes of limitations of reasonable periods should not have to be in unequal competition with employers in nearby States where such statutes provide for much shorter periods. The remedy is an amendment to the Act. (Both Houses of Congress passed such an amendment during the last session, the House bill calling for a 2-year statute and the Senate for a 3-year limit, but the two bills did not reach the conference stage.)

### **Coverage**

To correct inequities among employers in the same field and even among employees in the same plant, the Administrator has recommended that the Congress extend coverage of the Act in terms consistent with the scope of Federal power to include employees, working for employers in any place where they engage in activities "affecting" commerce, either by adopting language similar to that used in the National Labor Relations Act or by establishing coverage on the basis of industries which "affect interstate commerce." The Act now applies to employees engaged "in commerce" or in "the production of goods for commerce," with the result that employers who are able to operate on a local intrastate basis enjoy advantages over competing employers who are subject to the Act because of operations in interstate commerce. The present basis of coverage also creates inequities within plants, since employees protected by the Act may be working side by side with other employees who are engaged in identical tasks but are not pro-



tected by the Act because their work is not "in commerce" or necessary to the production of goods for commerce, even though the operations of the establishment are essentially of an interstate nature.

The Administrator further recommended that the minimum wage provisions of the Act be extended to cover seamen. He has urged that this large body of wage earners should receive minimum wage protection equal to that afforded to other workers engaged in interstate pursuits. He frequently has asserted also that the special conditions inherent in the calling of seamen justify the exclusion of cost of board and lodging from their minimum wage.

The Administrator has endorsed extension of the protection afforded by the child-labor provisions of the Act by making the coverage of those provisions coextensive with general wage-and-hour coverage. At present, section 12 (a) prohibits shipments in commerce of goods which were produced in an establishment in or about which oppressive child labor had been employed within 30 days prior to the removal of such goods. Thus, the prohibition controls the shipment but not the production of such goods. It is especially inadequate in such industries as logging and canning where goods may be withheld for shipment for more than 30 days. The present prohibition also is inadequate because it fails to protect children who are employed "in commerce" in the telegraph, telephone, railroads and shipping industries. There are many occupations in these industries, the Administrator frequently has pointed out, where the use of "oppressive child labor"—employment of children under 16, in general, and under 18 in hazardous occupations—is detrimental and should be prohibited. The Supreme Court's decision that Western Union messengers are not covered by the child-labor provisions of the Act emphasized the need to extend protection in order to safeguard the welfare of minors.

### Exemptions

The Administrator has recommended to the Congress that the complex system of exemptions now available to the agricultural processing and handling industries be reexamined with a view toward adjusting them, within the framework of the needs of industry, to the basic objectives of the Act. When the Act was written in 1938, the full effects of imposing wage-and-hour standards in these industries were not known and Congress proceeded cautiously. Experience gained since then, however, indicates that the workers employed in these industries can obtain the benefits of the Act without ill effects on the industries generally.

To achieve these objectives, the Administrator recommended that the exemption from the minimum-wage and overtime provisions of the act contained in section 13 (a) (10) and the exemption from the overtime provisions in section 7 (c) be eliminated from the Act. These exemptions, which depend in part on the concept of "area of production," have proved extremely difficult to administer and in many cases have created discriminations between plants in the same industry or in directly competitive industries. All indications at the present time are to the effect that these processing and assembling industries are economically able to move along with other industries toward improved standards for their workers.

It was recommended that section 7 (b) (3) be broadened in scope to provide overtime exemptions for the affected industries during the



periods of seasonal activity and of sharp fluctuations in volume in moving and processing agricultural commodities. This would place all such industries of a seasonal nature on a single basis both in respect to the overtime provisions of the Act and to the requirement that all industries pay the statutory minimum wage. Under such a provision, no special compartments would be provided for specific industries, and all industries would be treated alike as far as feasible. Individual consideration could be given to each branch of an industry whose details of operations differed from the general pattern of the industry. Every industry which processes crops and which has marked peaks in the flow of product due to climatic or other natural conditions would receive at least a 14-week exemption from the overtime provisions of the Act, up to 12 hours a day or 56 hours a week. All of the industries which now have the section 7 (c) and 13 (a) (10) exemptions appear to be seasonal in nature and would thus be entitled to the seasonal exemption proposed.

With respect to the fish industries, the Administrator recommended that the complete exemption from the minimum wage and overtime provisions now applicable to many employees in the fish processing and handling industries be eliminated, and that section 7 (b) (3) be broadened in scope to provide an overtime exemption in its place. This would extend to the workers in these industries the same benefits as those proposed for workers in the agricultural processing and handling industries.

The present exemption for actual fishing operations would be retained, as it was felt that it is impracticable at the present time to regulate hours of work and, lacking a measure of hours worked, to establish minimum hourly wages in the fishing industry.

The Administrator has also supported the principle of narrowing the minimum wage and overtime exemption for employees of retail and service establishments by bringing within the Act employees of huge enterprises whose activities affect interstate commerce. Analysis of the effect of this proposal has not been completed, however, and the Administrator has not therefore prepared a specific recommendation on this matter.

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The Fair Labor Standards Act, a twentieth century economic charter for the wage earners of America, especially for those in the lowest income groups, will have been in effect for 8 years on October 24, 1946. In those 8 years, it has come of age; it has been accepted by workers as an instrument designed to guarantee a measure of security and as a means toward attainment of adequate, decent living standards, and by employers as a fair piece of legislation in the American tradition. In the words of President Truman, however, "it has now become obsolete" with respect to its modest statutory minimum wage of 40 cents an hour, and it is time to revise the charter in line with present economic conditions so as to broaden the scope of the Act and afford covered workers earnings which would more nearly provide adequate clothing, shelter, and food.

### WOMEN'S BUREAU

The Women's Bureau, established during World War I as the Woman in Industry Service to protect the interests of women engaged



in wartime production, in 1940 was again emphasizing national defense, and its twenty-fifth year of service, 1943, found it representing the employed women of the United States in another universal war. A high degree of competent advice in matters of woman employment was essential to avoid wasteful trial and error in meeting war needs. Created specifically to that end, backed by nearly a quarter century's experience, the Bureau was called on heavily to exercise its unique and significant function in the years that have intervened.

The economic upheavals between two World Wars had complicated and accentuated the problems of women workers. World War I labor shortages increased the demand for them; conditions that accounted for nearly 11,000,000 women in industry in 1930 were retrogressive during the "depressed" years. Women became particular victims of discrimination and dismissal policies, were almost invariably paid less than men doing the same work; in many establishments men were replaced with lower-paid women less able to safeguard themselves through collective bargaining against exploitation. Thousands of women faced for the first time the responsibility for self or family support.

Just prior to the period of "defense industry," measures such as FLSA, NLRA, SSA, advances in State labor legislation, including minimum wage and control of industrial home-work, were operative in improving women's industrial lot. But 1,770,000 were still unemployed in March 1940; progress in legislation had been woefully inadequate to meet the needs of some of the most exploited groups; early 1939 attacks on the employment of married women and attempted legislation to prohibit their employment, while not widely successful (thanks in no small measure to the fact that the Women's Bureau kept before the public the economic and political dangers of such action) represented a tendency which is not yet moribund.

Over 22 percent of all gainfully occupied persons in 1940, women represented a practically unlimited reserve of defense labor. Many already had a high degree of skill (thousands were registered for technical jobs); large numbers of more or less skilled could be absorbed after a little training; an untold number would be available after adequate general and specialized training. Almost 2 million were available immediately; about half a million more had only part-time jobs; another large group were in jobs less skilled than those they had previously performed.

*Labor advisory committee.*—The Women's Bureau's first action to aid in the most effective employment of these women was to establish a labor advisory committee representing international unions having active women members in defense industries. With their aid, information was compiled and issued as "Effective Industrial Use of Women in the Defense Program," and followed by investigations into where women were being and could be effectively used in occupations new to them or new to industry, conditions of work surrounding such occupations, availability of women for jobs, adequacy of training facilities. (This committee cooperated with the Women's Bureau throughout the war, advising on the most effective use of women's services, and counseling on publications of value to Government, employers, and workers toward that end and for the maintenance of standards.)



*The need for vocational training.*—This was recognized as of such importance in 1940 that the Women's Bureau called a joint conference of its regular and special labor advisory committees November 7, which was addressed by representatives of the Office of Education, Advisory Commission to the Council of National Defense, National Youth Administration, and Work Projects Administration, and passed resolutions calling for training of women and appointment of a woman to the staff of the Council of National Defense to be responsible for women's participation in the emergency program. Necessary steps were taken to present the request, groups concerned with training were conferred with, and shortly thereafter the Commissioner of Education requested officers of the Defense Program of Vocational Education in their planning to take into consideration the facts on women workers, and the Director of Training Within Industry on the Advisory Commission to the Council of National Defense directed the facts to the attention of his district representatives.

*War Department plans called for utilization of women in war industries.*—Several arsenals pioneered in extending women's employment to many processes. Private employers, however, still having available masses of men during 1940 and 1941, showed lack of interest in women workers. In full awareness that women not only had a right to share employment in defense industries but would be essential in the probable labor shortage, the Bureau sent agents to 40 factories and arsenals in which women were or could be employed, including aircraft and machine-tool plants, metal, ammunition and firearms, gas mask, electrical and rubber products plants. Numbers of workers, processes on which engaged, possibilities of expanded employment of women, health and safety provisions were ascertained and the information made immediately available in mimeograph. Recommendations were made to the managements interviewed that women be given a place in the defense training program which would initiate them in manipulative skills of machine operators, bench workers, inspectors, and in related skills such as blueprint reading, use of scales, micrometers, speeds and feeds of cutting tools, working familiarity with shop mathematics—a beginning at the hundreds of skills women were in fact called upon to exercise before the war was over.

*Women's family responsibilities.*—In fulfillment of its commitment to show the need of women, including married women, for a job, the Bureau prepared for the press a study of family responsibilities of women and, at the request of Utah's Labor Commissioner, made because of the State legislature's joint resolution militating against the employment of married women, the Bureau had underway a study of the family's economic need of the employment of women.

1941.—March 15, 1941, Under Secretary of War Robert P. Patterson wrote the Secretary of Labor “\* \* \* I shall take measures to see that the services in the War Department take up all matters of concern to women workers with the Women's Bureau,” giving formal recognition to the Women's Bureau as the official agency for all matters relating to women's employment in the war effort—a natural move having as its basis the fact that the Bureau had recorded World War I experience in the use of woman labor and during ensuing years had been consulted by the War Department's Planning Division on employment of women in any future war.



*Priority unemployment.*—The Bureau's dollar-a-year women, stationed in strategic communities, and the Office of Production Management's National Labor Supply Committee, of which the Director was a member and of whose subcommittee on woman labor she was chairman, grappled with 1941's major problem of "priority unemployment," especially acute among women; they urged training and absorption of these workers in defense industries.

Visits that year to aircraft plants in California, New York, and Connecticut made it clear that women on production were so few as to be negligible. The Bureau pointed out that women could profitably constitute at least one-fourth of the workers in aircraft assembly plants and should be offered the same sort of training as men in preparation for jobs in the industry. Up to June 30, all aircraft plants had such training programs for men but none of these had admitted women. In July, following the Bureau's report, classes in two localities were opened to them (and others, and in other industries, of course later followed suit).

In contrast, munitions plants—the Government arsenals of Picatinny and Frankford and certain Connecticut plants—employed 40 percent women on small-arms ammunition: Women worked on most of the principal operations, and their employment could be extended to many other processes and operations at need. New ammunition plants constructed in many sections by the fall of 1941 were employing large numbers of women, and increasing numbers were working in plants making small motors, screw-machine products, gages, brass parts, electrical machinery and supplies; thousands worked in rubber plants, making tires, tubes, balloons, gas masks, blimps, small plane parts. The Bureau offered its services to their managements, to secure effective use of women and to safeguard the interests of the women employed.

*Forecasting imminent shortages.*—As no agency had made such a study since the Women's Bureau's in 1925, the Bureau completed and sent to press a much needed report on employment of women in the Federal service throughout the country, which included the varied duties women performed and compensation paid. Because of the lack of knowledge of wages and opportunities in the general clerical field, a survey was made of such jobs in cities representative of various business conditions, to measure present needs, future demands, supply of graduates and their types of training, rates of pay, annual earnings. To meet the steady demands throughout the year for material on household employment, the Bureau continued its role of national clearinghouse for information on this important phase of women's work.

*"Defense" publications.*—The Bureau that year studied housing and recreation facilities in defense areas in which industry was concentrated and produced a handbook on standards and policies in relation to such needs. It added "Lifting Heavy Weights in Industry" and "Safety Clothing for Women in Industry" to its special defense bulletins. Analyses of recent British and both British and United States World War I experience in the employment of women were released. An important series of handbooks, one for each State, summarized the chief labor laws, Federal and State, under which women were employed; assembled at the request of the Commissioner of Education for use in vocational-training classes, these handbooks served the vital function of informing women and girls making their first entry into



industry during the defense emergency of their rights and duties under such laws.

*The question of exemptions* of defense plants from State laws protecting women was referred to the Bureau by State departments of labor, War Department, OPM. The Bureau recommended that no exemption be granted without investigating the specific need; that in such investigation the availability of labor for another shift, enlargement of facilities, and other possible solutions be borne in mind; and that relaxation, if found justified, be granted only to the firm requesting it and only for the duration of the Government contract in effect.

Immediately after December 7, the War Department called for Women's Bureau aid in visits to war plants. Close cooperation was established with several War Department services to bring about the most effective employment of women in war industries.

1942.—Formulation requested by the War Department of policies on women workers' health and safety appeared early in the year, to be applied by the War Department in plants under its supervision. The Bureau maintained close cooperative relations also, that year and throughout the war, with other key agencies and individuals promoting war production and war services—the Navy Department, Civil Aeronautics Board, Office of Vocational Education for National Defense, National Housing Authority, National Labor Supply Committee and its local branches, Office of Defense Health and Welfare Services, National Labor Relations Board, War Production Board, War Manpower Commission, State labor departments, women in labor unions, United Service Organizations, war contractors.

The Bureau's 1942 Advisory Committee Conference was participated in by over 30 organizations concerned in furthering war production and the utilization and conservation of women's labor, and staff took part in conferences to the same end throughout the country—e. g., conferences of the American Management Association, National Safety Council, National Consumers' League, Industrial Hygienists, American Federation of Labor, national women's organizations.

*Distribution of manpower* had become a major problem, and demand and supply of women workers a major concern of the Bureau. Its dollar-a-year women in key communities and staff members stationed in various regions throughout the country aided in the solution of the problem through USES regional labor supply committees. Earlier investigations, made for the purpose of recommending processes women could best perform in war plants, were continued in aircraft assembly plants (which employed nine times as many women as at the time of the previous survey) and artillery ammunition plants. Plant policies and practices in Canadian gun and rifle plants were also observed and reported for their applicability here; woman-employment experience in Canada and Great Britain was reported, and staff regularly exchanged information with advisers to the British Government on war employment of women, as policies developed there were of tremendous value to this country for its efficient utilization of women's labor. Reports were issued on plant adjustments necessary before women could be taken on, and on the adequacy of arrangements for women in converted plants. Reports on machine-tool, cannon, and firearms industries were prepared, and an investigation of shipbuilding undertaken. Study was continuous of trends in women's



employment and occupations, using as a basis census figures and all available current and periodic data. The survey of office workers in five cities was completed, providing background data for forming policies for a group of workers urgently needed in the war program.

*Formulation of standards and policies for women's work*—the Bureau's charge under the law—led it after first-hand investigation and conference with authorities to issue this year standards and policies significant to efficient utilization of the increasing war labor force of women. Recommendations to meet the needs of war-plant workers were made on such matters as lunch and rest periods, night work, rotation of shifts, washing and toilet facilities, work on abrasive wheels, recreation and housing, and recommendations were also issued with respect to agricultural work.

Research continued that year and throughout the war on other phases of health and safety, including incidence of and methods of prevention of accidents and occupational diseases among women. In fact the great variety of types of service demanded by officials and the public required long, arduous, and continuous research. Increasing acuteness of the manpower and womanpower shortage made the Bureau's surveys and advisory services on women's specific operations and plants' specific needs, its studies of the extent to which women could perform heavy work with safety, and of adjustments that must be made for their effective employment, increasingly urgent and significant to the war program.

Equal pay for women and men in comparable occupations, responsibility of women for family support, demand and supply of white-collar workers, union contracts and union activities in woman-employing industries, status of household and other service workers—these also were among matters, immediately connected with the war effort to which the Bureau was required to devote its research and advisory facilities.

Relaxation of State labor laws continued to be one of the most serious and urgent problems before the Bureau, which continued to advise exemptions only to specific firms, only after investigation of need, only for duration of the Government contract.

The *Woman Worker*, issued bimonthly heretofore, and only three times this year because of paper shortages, had produced immediate special reports, reprinted for wider circulation, on women in industry, including processes performed, trends in employment, conditions necessary for their work, the woman labor supply, training, experience in other countries. Thousands of photographs of women on war jobs were collected during the war and used for educational purposes, together with innumerable posters and other graphic materials.

1943.—In 1943, although industry had already absorbed 17 million women, factories became almost completely dependent on women for new sources of desperately needed labor. The Bureau was the key source of information on the many kinds of industrial jobs women could do; its expert advice was sought on working conditions that would effect the highest production output. It taxed already strained facilities, focusing on two critical issues:

1. The need for labor. It made further analyses of jobs suitable to women, issued data on best methods of selecting women for jobs, methods of enlisting the services of women, means of arranging plant schedules for part-time utilization of women.



2. The need for the best utilization of labor. It obtained and disseminated scientific data on effects of new techniques and new substances in industry on women workers, on effects of varying hours of work, on effects of relaxing established standards of work, and on a multitude of other particular health and safety problems.

*To meet the need for labor.*—The Bureau worked closely with Federal and State agencies, education authorities, employers, employees and unions, labor relations groups, health and welfare agencies, housing, child-care, and other community activities, Federal and commercial information services. Its New England regional representative was its farm-labor authority and member of the Advisory Committee of the Women's Land Army, working closely with its director, particularly in relation to standards for the health and safety of women and girls.

Detailed job analyses, to give war-plant employers a better knowledge of jobs on which women could work, were continued in the cannon and small arms, machine-tool, shipbuilding industries and in ordnance depots, and analyses were begun of jobs in airplane-engine factories, copper, brass and steel mills, oil refineries, planing and plywood mills, railroads, and so on. Navy yards on the Atlantic, Pacific, and Gulf coasts were visited. As a further aid in developing the woman labor supply, the studies inquired also into recruitment, selection, induction, training of women; their hours of work; methods and rates of pay; reclassification and upgrading; food, medical, and other services; uniforms and safety clothing; plant personnel policies, etc.

To meet more quickly the urgent requests for resolving difficult local labor shortage problems and for counseling services to management, and to obtain immediate information on plant and community labor situations, the Bureau assigned its field staff to regional offices, each restricted to three to five States, but covering the whole country. Staff were available on short notice to local, Federal, and State authorities; to plant superintendents, personnel directors, training supervisors, medical advisers; to employer, employee, and citizen groups:—to attend conferences, advise with employers, make addresses, comply with requests for inspections, and to furnish needed data. They established cooperative relationships with regional offices of the Ordnance Department, Bureau of Aeronautics, Signal Corps, Quartermaster Depot, WMC, NWLB, Wage and Hour Division, Office of Defense, Health, and Welfare, navy yards, and other Government agencies, for the purpose of counseling on problems growing out of the employment of women, and in order that plant supervisors be referred for assistance to the representatives. They familiarized themselves with specific plant conditions and aided improvements through working with plant officials, staff, women workers, on problems dealing with the job, engineering of the job, specific and general working conditions, worker selection, plant supervision and personnel, wage problems, absenteeism, turn-over.

Booklets issued by the Bureau and called for by thousands included one summarizing the best known principles for choosing the right woman for the right job; a six-page folder suggested ways in which women could use their skills in war-industry jobs; a small



bulletin indicated how employers could utilize an available force by providing suitable schedules and conditions of work for part-time women workers.

To aid in recruitment, two pamphlets were broadcast, addressed specifically to housewives, one comparing the detail of housework with jobs in war factories, the other indicating the opportunity for patriotic service through work in laundries, grocery stores, hotels, restaurants, telephone exchanges. Throughout the war the Bureau's extensive photographic and other graphic materials, illustrating utilization and conservation of women's labor, and in particular its posters were used by Federal and State agencies, worker, employer, civic, and other organizations. USES offices throughout the country made conspicuous use of the Bureau's recruitment posters.

*To meet the need for the best utilization of labor.*—Managements with expanding woman labor forces turned to the Bureau for information on plant physical requirements and work assignments necessary for women's efficient performance. In addition to personal visits to advise on such problems and advice by telephone and telegraph, over 1,500 individual firms were corresponded with that year on such matters as preventive measures in plants using dangerous chemicals; incidence of industrial injuries to women and of absences due to illness; types of shoe soles impervious to cutting oils; extent to which women can handle heavier work; methods and necessary time for training and up-grading women workers; measures of women's skill; characteristic medical needs of women workers. Leaflets were issued on some of these matters—type and introduction of safety caps; standards for lighting industrial plants; importance of good posture and seating to effective work; suitability for women of work on abrasive wheels; proper washing and toilet facilities; night work and shift rotation for women; employment policies for women if pregnancy occurs.

At the request of the Office of Defense Transportation, the Bureau drew up standards for the employment of women in the transportation industry, and, for the information of employers, prepared a leaflet on the application of State and Federal hour laws to the transportation industry and one for bus transportation alone.

Evidence coming to the Bureau that increasing fatigue among women workers was contributing to high accident rates, absences from work, and a slowing down of production rates, showed the need for investigating effects of war-plant conditions on health and efficiency. As a bite on this problem, 137 plants in a major industrial State were surveyed and 700 homes of the plants' women workers visited to study effects of lengthened hours, night work, overtime, shift rotation, and other working conditions. Resulting recommendations were appreciated by the plants which in many instances made the indicated changes and improvements.

Closely allied to conditions on the job were those in the communities, where housing, food facilities, transportation, recreation, and opportunities for child care influenced the availability and effectiveness of women workers. Bureau agents this year studied these situations in 26 communities in 15 States. Leaflets were issued making pertinent suggestions for women workers living away from home and for boarding-house managers.



*Secretary's Conference.*—Initiated and organized by the Women's Bureau because of the great concern over extensive exemptions of employers from legislation limiting hours of work for women, this conference of labor officials from 12 industrial States and representatives of the War and Navy Departments, the Maritime Commission, and other Federal agencies, met in March to discuss the necessity and wisdom of wide and wholesale relaxation. The conference put itself on record as continuing to endorse the best standards on hours; as approving exemptions only where temporary modification was demonstrably necessary to insure maximum production; as holding that the basic principles must be observed of a 48-hour week, 8-hour day, 1 day's rest in 7; adequate rest and meal periods must be provided, hours and working conditions adapted to age and sex of the worker (except that standards should not be relaxed for minors under 16), proper safeguard for health and safety furnished, and the same wage rates established for women as for men.

*Equal pay.*—Equal pay, a principle which had been advocated by Federal agencies for over 40 years and always furthered by the Bureau when recommending standards for the employment of women, was particularly important in a war period, when women were performing processes formerly done by men, in order to maintain wage rates. In 1943 a Bureau expert devoted most of her time to this issue. Studies were showing that time and again women were being paid a rate lower than that paid men on comparable operations on the same machine and same part. The Bureau worked closely with the National War Labor Board to make the principle a reality. It made basic job evaluations to aid in setting equitable pay rates in plants making ammunition and lumber, steel, and aluminum products; co-operated with the War Department in adjusting women's rates in Government arsenals; aided equal pay action for unions by investigating specific cases and in some instances preparing factual material for briefs, as for electrical, rubber, bakery, and textile workers, bookbinders, boilermakers, telephone workers, and retail clerks; met public demands by drafting a bill to eliminate wage discrimination against women, which was introduced into several State legislatures; responded to repeated requests from employers and union officials by preparing a bulletin setting forth official Government support of the equal-pay principle and its inclusion in union agreements, and summarizing data on related subjects, e. g., standards of women's output and their special skills.

Owing to war restrictions, the Bureau had to give up entirely this year its journal, *The Woman Worker*. To meet demands, it mimeographed materials most urgently needed, e. g., on absenteeism, women's wartime occupational hazards, women in personnel and industrial relations, factory food facilities.

In the knowledge that peace would fail of fulfillment to the extent that the United States fell short in meeting economic issues, the Bureau began to direct some of its thinking and research to the problems of transition to a peacetime economy, particularly those affecting women workers, for women inevitably, because of traditional attitudes and general failure to grasp the extent of their economic responsibilities, would suffer most under inadequate planning.



1944.—Industrial conditions confronting women in 1944 showed many similarities to those of 1918. Probably the most disturbing was the persistence of discrimination—at both periods disapproved in theory by the Government and the people. The Bureau continued through the year its program for “the rate for the job regardless of the sex of the worker.” Contracts were reviewed at the request of unions to avert discriminatory wage provisions. The Bureau drafted the resolution on equal pay adopted by the Philadelphia International Labor Conference. Federal agencies, several times during the year, modified official policy at the request of the Bureau in the interest of more equal wage practices for men and women. For example, the War Department, following analysis of jobs in arsenals, enunciated this policy; on Bureau representations, a proposed lower rate was not set under the Public Contracts Act for auxiliary workers in sugar refining, all of whom were women; the National War Labor Board gave blanket approval of all wage increases made in compliance with State equal-pay laws and ordered adjustment to this end by certain of its regional boards. The Bureau issued and distributed widely a leaflet setting forth the current status of equal pay: gains made, NWLB decisions, recommendations made by seven Federal war agencies, equal-pay laws operating in five States, attitudes of unions and management.

*Still focusing on the need for women in war industries.*—The Bureau continued throughout the year to examine further particular processes adapted or adaptable to performance by women, and to recommend changes conducive to efficiency of the work and welfare of the workers. It published reports based on earlier surveys of steel, shipyards, and foundry industries. It began, at the request of the traffic panel committee of the National Federation of Telephone Workers, a study of jobs in the traffic, commercial, and accounting departments of the industry, to assist the NWLB in establishing sound wage rates for operators, whose jobs had never been studied. A study of women's jobs in Army supply depots was in progress.

A pamphlet to aid management, *When You Hire Women*, summarized popularly paramount needs in the efficient employment of women, especially of women new to the job, stressing particularly administrative supervision of women workers and the necessary qualifications and effective functions of women personnel executives and their assistants.

The industrial nurse's increasing responsibility in matters, for instance, of good plant working conditions, accident prevention, service and food facilities, women's personal and family problems, resulted in a bulletin of useful suggestions to the industrial nurse and required information on causes and prevention of fatigue, importance of good health habits, special health problems of women, occupational diseases, methods for educating the workers on health and safety, etc.

As hours of work adapted to women's best performance are of a piece with safety and health conditions, the Bureau undertook a special investigation of the effects of various hour standards on women's work in particular jobs, consulting plant records of establishments that had worked two or more schedules for data on hours, earnings, production, and extent and causes of lost time. As such data have significance only in relation to women's over-all work



load, including responsibilities for maintenance of the home and care of children, and as home, children, and recreative activities (including sleep) suffer under too great an over-all load, women were interviewed in their homes for information on the time required to meet these needs. This study, of major significance for the worker, for management, and—because of its social implications—the public, was continued throughout the war, and the findings are now in press.

*Community services.*—Attacking the general problem from another angle, the Bureau had surveyed 37 war-industry communities to be able to provide information and constructive suggestions on those services communities must provide if women were to continue to carry the double load of job and home: a place where children could be cared for during working hours; shopping facilities during off-the-job hours; adequate housing, transportation, recreation facilities. The Bureau issued its printed report this year.

The importance of satisfactory living arrangements and suitable conditions of work were emphasized in a report on New York and New Jersey women migratory cannery workers and recommendations made particularly of standards on location and construction of housing facilities, water supply, sanitation, recreation, and supervision.

Earlier publications on women war workers' housing were supplemented by a progress report. The Bureau published its report on successful practices the previous year in the employment of nonfarm women on farms on the Pacific coast and in the Northeast. It also issued further data on employment opportunities in industrial occupations, on British wartime policies and methods in employment of women, a supplement on safety shoes for women workers, a special bulletin on an effective system for women counselors in war industries, a leaflet on suggested standards for union-contract provisions affecting women, and another, Attack Turn-Over—Help Her Stay on the Job.

*A basis for reconversion policy measures.*—Initiated to serve the prosecution of the war, an important study of census material, *Changes in Women's Employment During the War*, was published, showing the extensive occupational and industrial shifts in women's employment, the extent to which they had entered or left the labor market, sources of new labor supply, age and marital data.

War production shifts were already causing lay-offs, and requests were coming in in quantity for advice and suggestions on postwar policy for women, and the Bureau, in fact, gave an important part of its attention to the transition and postwar years. It presented a forecast of what might be anticipated in a special bulletin; over 12,000 copies were absorbed immediately. It pursued an investigation into women's industrial experience before the war, migration during the war, extent to which their earnings were necessary for support of their families and might continue to be.

A concerted program of necessary research in several areas was laid out in consultation with the Bureau of Labor Statistics, the Women's Committee of the War Manpower Commission, women in unions, and major women's organizations, and work was begun to provide data for further policy recommendations. The Bureau began a major forward-looking and dynamic project of research in the out-



look for women in specific occupational fields, to result initially in a series on the prospects for employment in the medical and other health services.

**1945.**—The war activities of the Bureau were carried on into the first months of 1945—its cooperation with Federal War and State agencies, employers, and employer organizations, education officials, health and welfare agencies, women's organizations—through its regional as well as its home office. The benefits of its experience and extensive and intensive war-period investigations, transmitted during the war through personal visits, consultations, mimeographed and printed publications, were now more extensively in print or being prepared for printing. Employment of Women in Army Supply Depots in 1943 and Women's Wartime Jobs in Cane-Sugar Refineries came off the press, as did Negro Women War Workers, background information and data on which it was based having furthered during the war the availability of an important source of labor supply and the opportunity of Negro women for jobs, both of which it is anticipated the bulletin will continue to do.

*Postwar plans of women workers.*—In May the actual survey was completed of women in 10 war-congested areas to determine their previous industrial experience and war-acquired skills, war migrations, economic responsibilities and postwar plans. Based on interviews with 13,000 women, representing some 1,250,000 women workers, in war plants, consumer-goods manufacture, trade and service industries (except household employment), Government, professions—the data, released widely to the public but not yet in print, showed that about 75 percent planned to continued working after the war and that about 70 percent would want to work in the same locality. Of every 10 living with their families, 9 contributed regularly to the support of their families, and of these, well over half contributed 50 to 100 percent of their earnings; one in 9 was the sole wage earner in the family group. One in 6 of those living apart from their families contributed regularly to the support of others.

*Aid to union women.*—A special study, begun the previous year, of selected local unions in war industries to ascertain to what extent women participated in union activities and received equal treatment with men on rate for the job and seniority, was completed. Women union members, at a conference with the Bureau in the spring, suggested action in which cooperation of the Bureau would be helpful during and after reconversion. As they had a special interest in clauses in union contracts which would result in discrimination against women, such as hiring and lay-off policies, rate for the job, and working conditions, the Bureau during the year visited plants and union offices, to assemble data on these matters, and also on activity of women in union affairs, and the information has been made available through various channels. Another phase of the Bureau's program with unions was educational and dealt with their participation in community programs and development of workers' education projects. Three leaflets in a union series were issued: Seniority Status of Women in Unions in War Plants, Rate for the Job, and Union Provisions for Maternity Leave for Women Members.

*Reconversion blueprint.*—An important conference convened by the Bureau late in 1944 to develop a coordinated program for safe-



guarding the interests of women workers was attended by 25 representatives of large national organizations—labor, social, civic, religious, racial—who drew up a reconversion blueprint embodying essential standards, policies, and procedures for the readjustment to a peacetime economy. It set forth the main points for achieving community understanding and action, in order that these organizations, and others working toward the same end, would be in a position to further a fair adjustment of employment problems facing women in the period ahead. Such a program was in 1945 initiated in one midwestern State, and a permanent State conference on postwar readjustments of women workers established through meetings participated in by Bureau regional and Washington staff.

A leaflet, designed particularly to serve the white-collar worker in the competitive postwar period, *Retool your Thinking for Your Job Tomorrow*, gave suggestions on job attitudes, adjustments to the job, training for the job. At the request of the Social Security Board, a report was undertaken of the feasibility of extending old-age and survivors insurance to household employees. Taking on impetus to meet imminent reconversion needs, the Bureau's project of investigating and reporting opportunities in specific occupations resulted in six bulletins issued within the fiscal year.

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The foregoing account covers only those activities amenable to "dramatization," and space permitted no more than a spotlight on some each year. All were representative of continuous, arduous projects extending over several years; some, throughout the defense and war years. All, in fact, were simply facets of the Bureau's continuing, routine functions. Even such obvious war services as counseling with employers, promoting community services for employed women, farm-labor advisory activities, supplying a great variety of promotional leaflets, posters, charts, films to war organizations and committees, have not received just emphasis. Less obvious and therefore stressed even less, yet immediately significant to the prosecution of the war, both for the light thrown on war-industry problems and for the preservation of social, human values, were such routinely investigated, recorded, and reported matters as standards and policies for women's work, occurrence and prevention of occupational disease, plant safety and health, special problems in specific industries or occupations, trends in actual and potential employment, in earnings and hours, in job opportunities. Almost no reference has been made to the whole range of activities concerned with legislation affecting women, nor to those in the inter-American and international field; a brief summation of war experience in these areas will therefore appear in the account of the postwar period, when public interest was focused on these activities.

**Postwar.**—Peak war needs commanded the employment of 19,000,000 women. In July 1946, nearly 17½ million women are in the labor force. They are 32 percent of all adult women. By a specific public act the Women's Bureau is charged with their welfare. It has the responsibility to aid this nearly one-third of the working population to avert the war's-end backwash into jobs paying low wages under socially undesirable working conditions, to reinstate standards sacrificed to war-production exigencies, to salvage some of the gains made during the war when women's services were at a premium. Tradition-



ally an economically disadvantaged segment of the working population, women—many of whom carry the double responsibility of job and homemaking, often unaided—have been hardest hit by the loss of wartime wages and increased cost of living. The most obvious means of protecting those millions of women not covered by FLSA, conspicuously those in intrastate trade and service industries, is through a legal floor to wages.

*Minimum wage legislation* has been adopted in some form by the majority of States and is generally administered through industry wage orders. Though acting individually, the States share common problems and have long relied on Women's Bureau leadership in coordinating their activities and to provide expert advice from its extended experience.

The prewar years witnessed considerable activity in issuance of new wage orders and in improving administrative and enforcement techniques. The States repeatedly turned to the Bureau to draft wage orders, grown more complicated; to review wage board recommendations; to act as technical consultants in revising cost-of-living budgets and in planning factual studies of industries for which wage orders were contemplated. Through the ninth, tenth, and eleventh annual minimum wage conferences in 1940-42, called by the Bureau, minimum wage administrators availed themselves of this proven central forum for the interchange of experience and techniques, centering their attention primarily at that time on problems of enforcement. Issuing bulletins on minimum wage laws and orders, the Bureau continued to act as a central agency publicizing the progress of all States in this field.

Even during the war years, when the normal emphasis placed by States on minimum-wage activity was often preempted by more impelling problems, almost every State that did issue a wage order submitted the wage board's recommendation to the Bureau for review and suggestions before final issuance. Already in 1944, the Bureau began to look toward the postwar period with the inevitable return of hundreds of thousands of women workers to the low-paid trade and service industries where the need for wage protection is urgent. Through published leaflets and consultations with State officials, the Bureau stimulated renewed interest in the need for new legislation, in revision of outmoded wage rates and living-cost surveys, and in issuance of orders for industries not yet covered. Substandard wages, even in the war period, demonstrated the need to revise previously established rates no longer sufficient to cover the wartime increase in living costs.

Realization of these facts with the advent of peace precipitated a wave of State activity in bringing up to date and extending minimum wage protection, with the Bureau in the forefront. The 1946 Minimum Wage Conference, the first since 1942, highlighting as it did the need to find new methods of coping with the multitude of technical problems involved in establishing cost of living budgets, called upon the Bureau to set up a joint State-Federal Cost of Living Committee. In connection with the usual State law requirement that consideration be given cost of living in establishing wage standards, special assistance was given Connecticut, the District of Columbia, and Utah in revising their living-cost surveys. In 1946 no less than 13



States and the District of Columbia called upon the Bureau and its regional representatives for substantial service on minimum wage programs. California requested aid in revising wage orders, North Dakota called for assistance with a new mercantile order, the District of Columbia leaned heavily on the Bureau's resources in issuing its laundry order, New Jersey sought advice on legal questions involved in calling a wage board. This increased minimum wage activity meant increasing requests for assistance on draft legislation, in preparing cost of living budgets, in providing factual data States have long been accustomed to obtain from the Bureau as a central source.

*Other laws affecting women as workers and citizens.*—On all types of legislation affecting women workers, such as hour laws, industrial homework control, plant facility laws, the Bureau has served the States and civic and worker groups during the past years. A continuing series of comprehensive bulletins presenting and analyzing and bringing up to date such present laws has been issued. The war experience, notably the extensive surveys of war plants, forced realization of the need for extending activity in this area. Many employers came to see the interdependence of health and production and formal rest periods; yet no State has a rest period law, only a few include rest period provisions in minimum wage orders for specific industries. Meal periods and provisions for adequate meals are in almost similar case. There is need for technical revision and extension of seating laws to eliminate needless fatigue. Maximum hour laws need review in many States to bring them in line with current knowledge of effects of fatigue on efficiency. Night-work laws, often suspended during the war, are an active concern of union and other worker groups and are being reappraised by the States; the Bureau has summarized this legislation, a comprehensive bibliography of pertinent American, English, Australian, and ILO literature is in press, and research and field investigation of the problem and its merits has been undertaken. Prohibition of homework, the extension of various labor laws to domestic and agricultural workers, are also areas in which the Bureau has a major responsibility, reemphasized by the close of the war.

Although women are not yet legally recognized in all aspects of life as first-class citizens, their status in relation to Government, property, family, and other individuals has been appreciably reshaped in the last decade, during which the Bureau has served as authoritative clearing house, collating and analyzing both State and Federal laws relating to women's political and civil status, and serving as consultant, primarily to women's groups concerned with this field. Reports on this type of legislation, first published in 1938, have been brought up to date.

*Equal pay legislation*, and equal pay, the achievement of which is a fundamental *raison d'être* for the existence of a Women's Bureau, became a publicly prominent issue during the war. Five of the seven States in which there are now equal-pay laws enacted them since Pearl Harbor. The movement for their extension is coordinated and co-operative—one area in which those concerned in achieving a more equitable social pattern are not working at cross purposes. Opposed by men's unions and men in general during the previous war, the principle—the rate for the job—during this war was supported by



them as basic to the national wage structure. The Bureau's work with NWLB in this area throughout the war has been indicated. Again, early this fiscal year, a statement on differentials in pay for women was prepared at the request of unions of electrical workers and presented in support of union demands for equal pay in cases before the Board. Extensive research was done in preparing testimony supporting State equal-pay measures, in setting up administrative procedures, and furnishing information on practices in various States. As the only agency with a substantial body of information on present practices and how far they fall short of their goal, the Bureau was asked by unions and women's groups to aid in drafting an equal-pay bill, which became S. 1178 of the Seventy-ninth Congress. The Senate Committee on Education and Labor reported the bill favorably June 21, but it failed to be called on the floor to vote. A similar bill will doubtless be proposed in the Eightieth Congress, when again, as during the last year, the Bureau will be required to prepare and present supporting data and testimony for the agencies concerned with its passage. As legislatures will hold regular sessions in 1947 in 44 States, many of which are contemplating equal-pay measures, the Bureau will be called upon for similar service to States.

To implement its work in this field, the Bureau this year undertook an intensive field study of existing wage and employment practices designed to eliminate discrimination, and, as a necessary concomitant, investigation of hiring and promotion policies.

*Trends in employment.*—Following, studying, and interpreting all available indications of trends and fluctuations in women's occupations and employment, also an outstanding, continuous function of the Bureau, has necessarily been specially stressed in a year of economic readjustment, the results put to a wide variety of uses, and interpreted in response to many demands. Significant among demands for data on the immediate postwar situation was that from the women's section of the ILO for use in its investigation of effects of the war on women in various countries and of problems posed by peace. As demands for such a summary are frequent, the material has been prepared for press. Another vital request for similar information came from the YWCA to be used at its national conference in planning an immediate program related to job needs likely to arise among its membership. Still other typical requests for similar data were filled to supply background data for use when the Director served as Adviser to the American delegation to the UN Assembly in London; to aid States in furthering minimum wage programs, unions in furthering better job conditions for women, organizations promoting women's occupational opportunities; to reply to a questionnaire sent all American Republics by the Inter-American Commission of Women; to aid equal pay programs.

Four million women dropped out of the labor force after the war (July 1945 to January 1946), without, however, a corresponding increase in unemployment, as many left when jobs, taken for the duration, ended. Nevertheless, in 1946, more women were in the labor force than before the war, irrespective of the normal increment. The increase, especially marked among the middle-aged or older—owing to some extent to ageing in the general woman population, more especially to women beyond the ages of heaviest household responsi-



bilities entering employment—has enlarged a group of women who too frequently find it hard to get a job. During postwar readjustments women in general have found a dearth of jobs suited to skills they developed in war employment. New entrants to jobs of these skills, they lacked seniority when lay-offs came. Few are entitled to job preferences afforded veterans. The tendency is to refer them back to types of jobs which do not utilize, nor pay a wage commensurate with, their highest skills. War casualties had a profound influence on many women's permanent need for a job, as shown by a Bureau study published in the *Monthly Labor Review*: pensions are insufficient for family support, and many widows of servicemen and wives of the permanently injured must work to support themselves and often others, which is true also of many who now will not marry.

A long-time trend study, 1870-1940, undertaken by the Bureau aided by the Census Bureau, reveals that, war or peace, historically determined world social and economic forces have created a labor force inherently composed in large part of women—in the United States, very nearly one-third of women. Socially, economically, it is a force no government in its planning can afford to ignore or neglect.

*Expanded employment opportunities.*—It is basic to such planning, of course, to provide data on where promising employment opportunities for women lie and to expand opportunities in arable fields. To meet the former mandate, the Bureau has extended its function of carefully analyzing the many and varied factors which determine present and future demand for women in specific occupations, has indeed, created a section within its Research Division to carry out this function. The series of 1945 publications on job opportunities has been followed up by opportunities for women physicians, women dentists, X-ray technicians, dental hygienists, physicians' and dentists' assistants, and a summary of opportunities in the entire medical and other health services field. A series on the scientific and technical field is in preparation and will be succeeded by one on the social services and one on food services. Providing, as they do, down-to-earth information on where, when, how, at what cost, training may be obtained in the indicated fields, evaluating the types of training available, defining the personal characteristics that govern fitness for the field, where and what the jobs are, these publications are of very widespread value to individuals and agencies seeking workers in these fields and to those seeking employment, and are of particular significance to young women entering or preparing to enter the labor market for the first time.

A specific field offering reemployment to dismissed war workers is the power-laundry industry, abandoned by thousands of women for better-paying war jobs because it continues among those industries that in many areas pay depressed wages under adverse working conditions. As part of its program to promote salvaging wartime gains for women and to raise wage and employment standards in traditionally woman-employing, low-paying industries, the Bureau completed in 1945 a survey of 258 power laundries in 38 localities in 11 midwestern and southern States. The findings, now in preparation and based on such data as women's earnings, working conditions, prices, and productive labor costs, show in city after city the practi-



cability of good wages and employment standards practiced by progressive employers, demonstrating that this industry need not be synonymous with substandard conditions.

Household employment, the war exodus from which will doubtless result in a magnified Pied Piper legend (the industry, the only one to decrease in absolute numbers, lost about half a million workers), is the outstanding example of an area in which opportunity may be expanded—if the Women's Bureau and the national and community organizations with which it has worked during the past year are able to realize their program for improved employment standards for household workers, improved training and placement facilities to meet employer and employee needs, and recognition of the status of household worker as having the dignity and meriting the respect owed other workers. Various Bureau investigations are implementing this program; a report on the need and value of extending old-age insurance to household workers has been completed; "Household Employment—a Digest of Current Information," is in press.

An even more extensive program on the community level is illustrated by the survey undertaken at the request of the Community Advisory Service Center and YWCA of Bridgeport, Conn., to determine the employment needs of local women and help formulate a community program to meet these needs. In this, local USES and State unemployment compensation records were made available, as they will be for other like projects.

Adequate counseling services, preparing the worker for competence at a job, improved training and retraining facilities, bringing together the right employer and the satisfactory employee, as already indicated, are variously in the Bureau's program, including a study undertaken in cooperation with the USES of public and private training and placement services toward improved methods of training and placement to meet employers' needs.

*Family responsibilities.*—The already mentioned study, undertaken during the close of the war and gone to press this year, of women's postwar plans, gives ample warrant of the economic necessity women and their dependents are under when women seek and hold jobs. The joyous months of "Now the boys are coming home!" led to recrudescence among some of the public and in the too facile government mind that women are under no need for remunerative employment. To combat this unwarranted assumption, frequently the basis for official action, the Bureau has undertaken in cooperation with the Bureau of Labor Statistics an investigation of women's earnings in relation to total family income.

*The International Program.*—The growth of the Inter-American program in the Women's Bureau paralleled the intensified expression of the good neighbor policy. Active mutual interest made evident the lack of information in the United States on the status and progress of women in the other American republics, and the need to establish a separate division in the Bureau where Inter-American activities could be centralized.

Created in 1941, the Inter-American division has participated in the project of the State Department "to render closer and more effective the relationship of the American Republics," by fostering mutual



understanding, serving guidance on request in meeting problems of women workers. The chief of the division has made two extended trips, covering Argentina, Uruguay, Chile, Brazil, Paraguay, Peru, Ecuador, and Mexico, which served a double purpose of (1) fostering understanding there of the United States by means of extended tours of lectures in Spanish and Portuguese to interested government and private agencies, display and distribution of publications, and offer of technical advice on such problems as the administration of labor legislation for women; and (2) fostering understanding of the other American republics in the United States by gathering information there on the social and economic status of women, labor legislation and its administration, and related problems. At the same time, arrangements were made for the exchange of information and publications, and for sharing assistance on mutual problems. Based on these surveys, publications were issued, among others, on women workers in Argentina, Chile, Uruguay, Brazil, social and labor problems of Peru and Uruguay; others will soon be available on women workers in Paraguay and Peru. Understanding was further promoted by means of numerous lectures given by the chief of the division in the United States on the findings of her surveys, and by supplying information to private groups and Government agencies and officials in this country.

An equally important phase of activity centers around the "trainee program," inaugurated in 1944. Under this continuing program, two groups of women labor officials, selected by their governments, came to the United States—one in 1944, another in 1946. Here, under the direct supervision of the Inter-American division and with the active cooperation of the Bureau's regional representatives and of State labor departments, the trainees participated in a planned program, visiting State labor departments, selected factories, vocational schools, and trade union organizations, where they learned of our methods of administering and enforcing women's labor laws and controlling industrial homework, techniques of teaching in vocational schools, of conducting handicraft cooperatives.

Aid is also given to these countries by distributing our publications to a carefully built up mailing list, and by offering, on request, information and advice to correspondents and official visitors on such subjects as our administrative techniques and standards for employment of women.

With the war's end, as more normal communication with other countries is being established, the orbit of activity of this division has expanded to include European and Asiatic countries (two Chinese and a Lebanese woman were given intensive training this year), and it will henceforth be known as the International Division.

Indicative of the Bureau's growing international import was the appointment of the director to serve as an adviser to the United States delegation to the UN First London Assembly. Following representation of women in various parts of the world of their concern for opportunity and responsibility of full participation in the life of their countries and of the world community, the Assembly devoted a special session to consideration of this matter, and the Economic and Social Council shortly created in its Human Rights Commission a special subcommission on the status of women (subsequently raised to full commissionship). Inasmuch as UN is being directed through Govern-



ment representatives, it is natural that United States women's national organizations look to the Bureau, as the only Government agency specialized in women's interests, to channel their recommendations and keep them intelligently informed. Relative to subcommission sessions in New York, the Bureau conferred and cooperated with representatives of such organizations, worked closely with the State Department in its work on the subcommission, prepared summaries of pertinent League of Nations action, conferred with members of the subcommission, had an observer at its sessions (especially significant in view of the Bureau's cooperation with women's organizations and lack of United States vote-representation on the subcommission). Pertinent documents relating to the subcommission's work, made available to the women's organizations' representatives during sessions, have since been brought together, supplemented, and will go to press in the fall.

The innumerable requests from women's organizations and individual leaders the world over for assistance from the Bureau on matters of civil and political status and for insight on economic problems, further designation of the Bureau's director to international bodies (i. e., Government representative at ILO conferences and meetings of the ILO's Governing Body, Constitution Committee, and Committee on Women's Work), the request that the Bureau participate for the United States in a world-wide investigation into both laws and customs relating to the status of women—these serve further to underscore this country's, and especially its women's responsibility for leadership in the international field of women's interests. As the focal point in the United States of women's concern with economic, civil, and political status, the Women's Bureau sees its obligation and that of the women of this country as multiple: as representing one of the most favored nations, it is incumbent to give intelligent assistance to those of less favored, immediately to those emerging gropingly into fuller participation in their nation's political and economic life; to lead in the work with functional international agencies—UNESCO, the International Health Organization, etc., in order that matters affecting women be given due weight and integrated as these agencies' functions and operations evolve; to foster interchange of knowledge and experience with women of other countries, so that they may benefit from our experience in matters of legal and political status, we from their experience with such concrete problems as household employment, and all coordinate our efforts in such areas as international control of industrial homework. In essence, the Bureau, unique in its 28 years of experience in promoting the welfare of employed women of a progressive, democratic country, has the obligation to provide patterns for similar agencies in countries emerging out of chaos and out of economic and political backwardness.

*Public information and consultative services.*—It has been impossible in the space allotted to indicate, except by implication, various operating functions of the Bureau, lacking which its functions as an unchallengeable fact-finding body would remain sterile—the channels through which informed advice flows to and from the concerned public. These are, briefly, (1) the Bureau's regional representatives who since VJ-day have directed their intensive wartime activities with employers and local government, civic, and worker agencies to reconversion and peace problems of those same employers and agencies and



kept the Bureau apprised of developments in their regions; (2) conference activities, notable among which are the minimum-wage conference previously mentioned, the March conference on postwar employment problems attended by women representing 70 National organizations, including for the first time women from a number of scientific and professional organizations; and the two conferences with the Bureau's labor advisory committee on urgent problems of women wage earners and feasible remedies; and, most important, (3) the consultative services of its information staff; the simple direct statements of facts about women workers issued by that staff through leaflets, charts, posters, maps, speeches, radio scripts, press releases, its monthly fact and feature sheets for press and radio initiated this year; the more comprehensive reports and technical bulletins prepared by its staff.

### THE LIBRARY

The work of the Department Library during the past year was still largely affected by war conditions. As the problems of the war economy merged into those of reconversion the staffs of the bureaus at work on these problems continued to draw heavily on the services of the Library. Soon after hostilities ceased there was a drop in the registration of readers from outside the Department—2,628 for the year as against 3,902 the previous year—but this was, however, largely due to the transfer to the Department of Labor of the U. S. Employment Service, the Apprentice-Training Service, the National Wage Stabilization Board, and the Retraining and Reemployment Administration, whose staffs, now a part of the Department, are no longer counted as "visitors." The increased use of the reading rooms was shown by an increase of 20 percent in the number of reference questions counted. There was also a considerable increase in the number of telephone inquiries.

During the war years all the regular processes of the Library were subordinated to giving the maximum assistance to the staffs of the various offices of the Department engaged directly in war work or on confidential studies for other departments. One of the special tools developed which proved very useful was a subject file of the press releases of the war agencies on prices and priority controls, rationing orders, background statistical and planning information. In addition to the regular use of the Library by other Government offices, there developed early in the war a great demand for service from the personnel of the special war agencies concerned with economic problems, particularly the National War Labor Board, the Office of Defense Transportation, War Production Board, Office of Price Administration, Office of Strategic Services, and Foreign Economic Administration. Registrations in the year 1943-44 reached 4,609.

At first most of the requests were for material about the first World War. The special collection which the Library had painstakingly made after World War I paid rich dividends in its usefulness to the Department, particularly to the Bureau of Labor Statistics in its series of Historical Studies of World War I, and also to the personnel of other agencies. At the outbreak of the war, the Library had a remarkably up-to-date file of economic statistical material from the principal foreign countries. (An example of this was the then current



issue of the "Reichsarbeitsblatt" mailed from Berlin the day before Pearl Harbor). This material, later supplemented by microfilms from the Interdepartmental Committee for the Acquisition of Foreign Materials, proved invaluable in connection with requests for information on the latest available statistics on labor, industry, prices, cost of living, etc. In the domestic field, our collection of trade and price periodicals and trade directories was in almost constant use.

During the past fiscal year the reference work continued to be heavy. The many serious labor disputes of the year, the President's Labor Management Conference, the work of the various fact-finding boards during the Winter and Spring and all the widened field of inquiry of the Department brought continually new questions and problems to the Library as well as to the divisions directly responsible. An example of the last-mentioned is the development of the Foreign Labor Conditions Section in the Bureau of Labor Statistics. The increased use of telephone requests and the increased number of persons in the Department using the Library made it necessary for a good part of the day to have two qualified persons on duty at a time in the reference room. With no increase of staff, as in the war years, this meant further borrowing from the cataloging section.

The increase in the number and difficulty of the reference questions handled permitted little time for systematic bibliographical work, other than the preparation of short lists needed in connection with special problems. Some of these were in connection with inquiries from veterans continuing their interrupted courses in college or, because of injury, attempting to pursue them at home. The bibliography on "The Guaranteed Annual Wage and Other Proposals for Steadying the Worker's Income" has been in about equal demand from labor and management. A supplement has been prepared to the list on "Seniority in Industrial Relations" covering postwar developments. The most recent bibliography to be issued was on "Maintenance-of-Membership and Other Measures for Union Security." The Library is constantly receiving requests for bibliographies on important labor subjects which it hasn't a staff sufficient to prepare.

Besides the usual type of inquiries for information covering a wide range of subjects, the correspondence brought this year requests from labor centers being established in a number of universities for advice on methods of building up a labor collection and of keeping up with current legislation. There were somewhat similar requests from several labor unions building up their research departments. Visitors came from the Labor and Center Management at Yale University, the Trade Union Center at the University of Chicago, and the New York School of Industrial and Labor Relations at Cornell. There were also several foreign visitors interested in library methods and in exchange of publications.

The expansion of the reference work during the war years, without adequate increase of staff, could not help but leave serious arrearages in the other processes of the Library. This was particularly true of the cataloging, which suffered from constant borrowing and also during the past year from the serious loss of trained assistants and delay in the filling of vacancies. The accumulation of uncataloged material, which on June 30, 1946, totaled approximately 10,000 volumes, necessitates an undue amount of time being spent in arrangement and mainte-



nance in order to facilitate its use prior to permanent cataloging and classification.

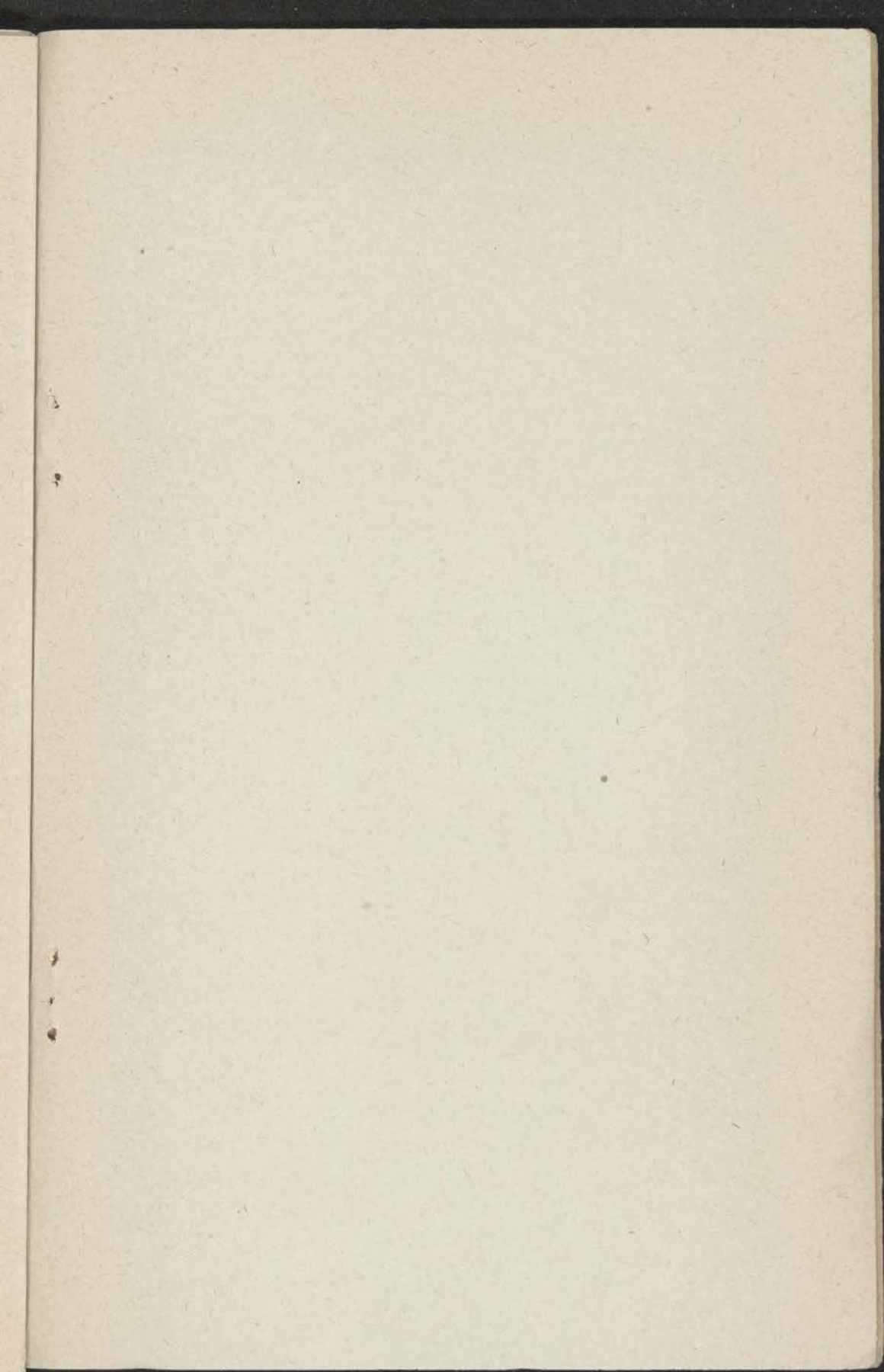
During the past fiscal year, 11,541 pieces of new material were received for cataloging. The number of volumes cataloged was 9,974, of which 3,980 represent monographs, 1,945 volumes of periodicals, and 4,049 other serials. Nine hundred twenty-six volumes were given temporary classification numbers and sent to the shelves to be later discarded when the need for them is over. This method provides an easy way of keeping the collection down to sizeable proportions. The total number of volumes in the Library on June 30, 1946, was approximately 300,000 volumes, exclusive of the subject files of small pamphlets and the extensive collection of trade agreements. Cards filed in the public catalog numbered 28,065.

Soon after hostilities ceased the Library began its efforts to fill in the gaps for the war years in its collection of foreign material. With respect to official publications it has had very good cooperation from Government offices abroad, particularly from some of the librarians of these organizations with whom we had cooperative arrangements before the war. Many important sets of official statistical bulletins are now entirely complete and we are having a good deal of success also in the purchase of missing volumes of some of the most important foreign journals. The active file of periodicals currently received as of June 30, 1946, included 3,290 titles. One hundred ninety-four new titles were added to the list during the year. Separate issues of periodicals received numbered 70,304, an increase of 8,736 over the previous year; 29,517 were circulated to the staffs of the various bureaus (an increase of 2,535 over last year). The number of volumes prepared for binding was 873, a considerable decrease over the previous year.

The centralization of all book ordering and vouchering in the Department Library has continued to show savings of approximately 10 percent in the number of items requisitioned. During the past year in addition to the regular order work of the Library, 273 orders were placed for the bureaus and 245 vouchers were prepared, payable out of 12 appropriations at a total obligation of \$9,015.65.



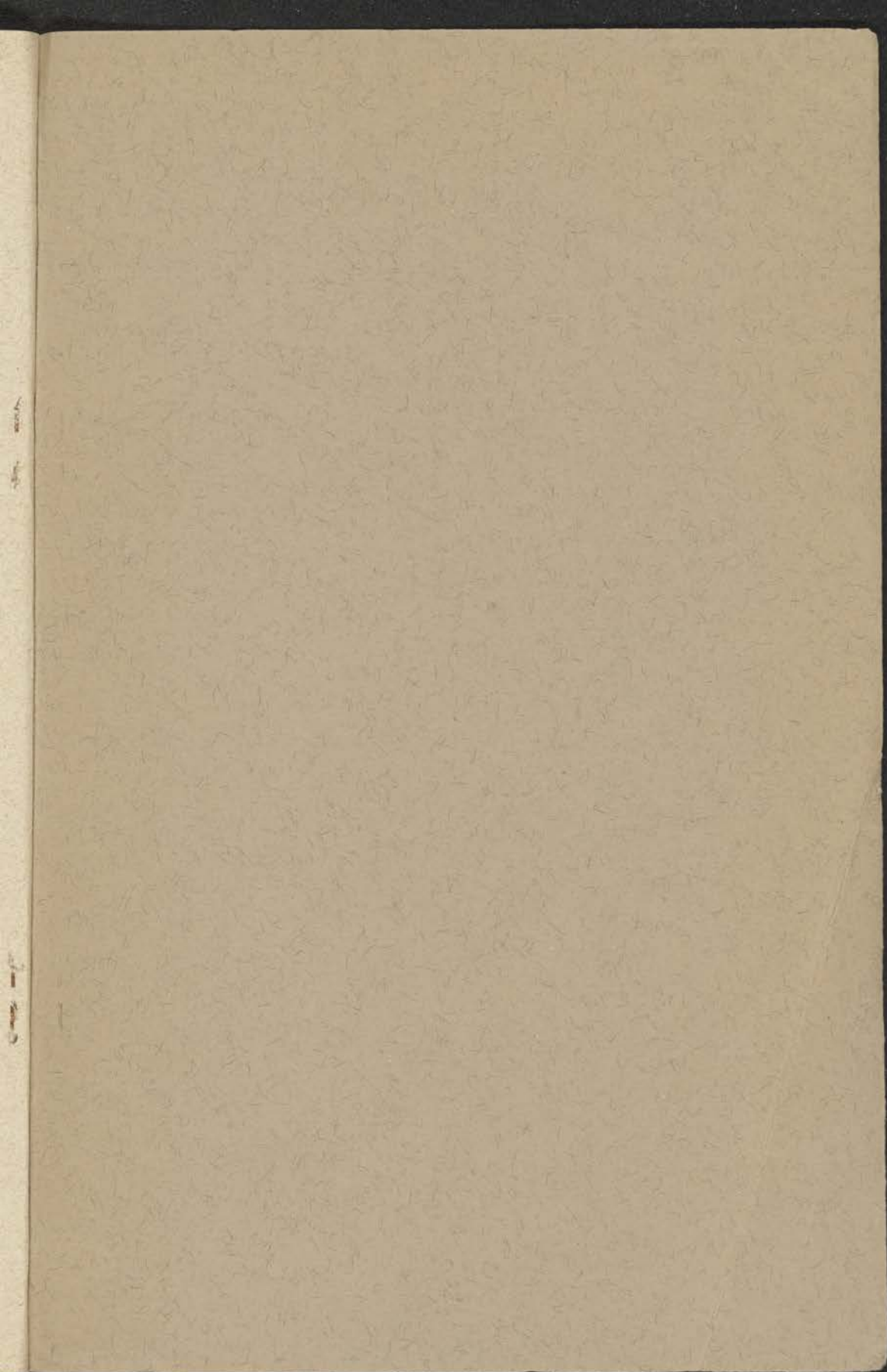














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