

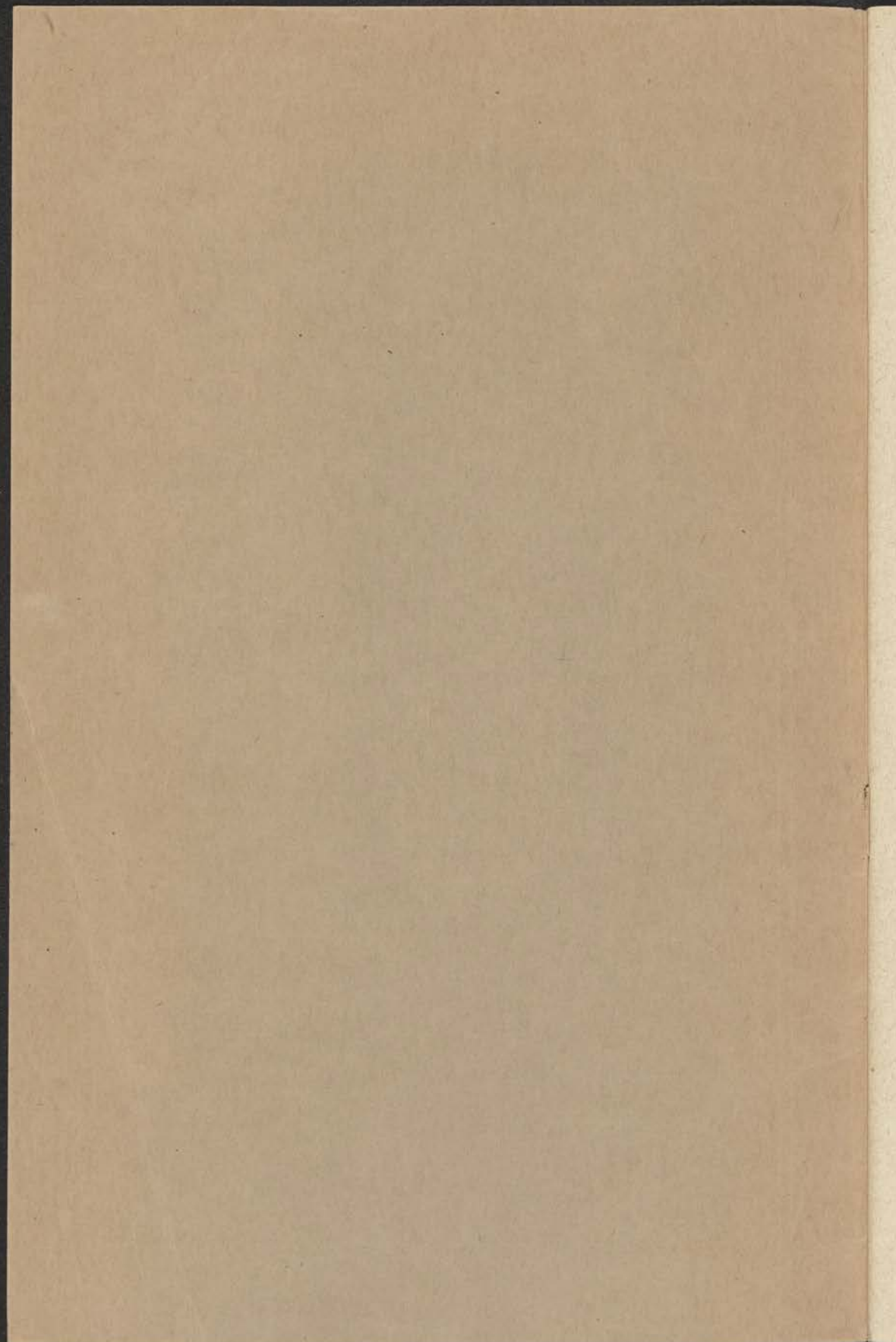
L.H.: 945

SAN DIEGO PUBLIC LIBRARY
BUSINESS DEPARTMENT

JA 14 46

ANNUAL REPORT OF THE SECRETARY OF LABOR

FISCAL YEAR ENDED JUNE 30, 1945



THIRTY-THIRD ANNUAL REPORT
OF THE
SECRETARY OF LABOR

FOR THE FISCAL YEAR
ENDED JUNE 30

1945



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1945

For sale by the Superintendent of Documents, U. S. Government Printing Office
Washington 25, D. C. - Price 10 cents (paper cover)]

3 1336 05750 2784

THIRTY-THIRD ANNUAL REPORT OF THE SECRETARY OF LABOR

LETTER OF TRANSMITTAL

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 30, 1945.

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, 1945.

Respectfully submitted.

FRANCES PERKINS,
Secretary of Labor.

OFFICIALS OF THE DEPARTMENT OF LABOR, 1945

FRANCES PERKINS, Secretary of Labor.
DANIEL W. TRACY, The Assistant Secretary.
MARY LA DAME, Special Assistant to the Secretary.
FRANCES JURKOWITZ, Administrative Assistant to the Secretary.
DOUGLAS MAGGS, Solicitor.
JAMES V. FITZGERALD, Director of Information.
ROBERT T. AMIS, Special Assistant to the Secretary.
L. METCALFE WALLING, Administrator, Wage and Hour and Public
Contracts Divisions.
VERNE A. ZIMMER, Director, Division of Labor Standards.
JAMES E. DODSON, Chief Clerk and Budget Officer.
ROBERT C. SMITH, Director of Personnel.
JOHN R. STEELMAN, Director of Conciliation.
ISADOR LUBIN, Commissioner of Labor Statistics.
KATHARINE F. LENROOT, Chief, Children's Bureau.
MARY ANDERSON, Director, Women's Bureau.
LAURA A. THOMPSON, Librarian.

THIRTY-THIRD ANNUAL REPORT OF THE SECRETARY OF LABOR

The work, labor, and services of millions of American wage earners during the 12 months, July 1, 1944-July 1, 1945, included in this report played a major part in moving the nation closer to final and complete victory. This great industrial task force met the enormous demand for war equipment and supplies—in addition to producing an adequate volume of necessary commodities for civilian use. This was done under conditions generally more difficult than in peacetime, and frequently involving uncommon work hazards and exposures.

Insofar as its functions and facilities permitted, the Department of Labor aided in this accomplishment by reducing obstacles impeding the operations of our industrial army, and keeping its production capacity at the highest level.

The outstanding achievements of the Department during the past fiscal year are:

1. The intensive preparatory work on postwar employment problems and postwar work standards.
2. The prompt settlement of 80 percent of all the industrial disputes of the United States which by reducing the time element reduced the degree of interference with war and necessary civilian production.
3. The extension to all interstate industries of the 40-cent minimum wage during the period of general high wages and by the Industry Committee method.
4. The effective servicing of a variety of temporary war agencies, including the War Manpower Commission, the War Labor Board, the War Production Board, the Office of Price Administration.
5. The preparation and documentation for the State Department for the San Francisco and Dumbarton Oaks meetings of United States materials relating to labor standards and labor economic problems in the world settlements.
6. The preparation of programs for the postwar employment, working standards for women, and plans for suitable reabsorption into peacetime industries.

The Secretary and the other officers of the Department have served on a great variety of interdepartmental committees, such as Economic Stabilization Board, War Mobilization and Reconversion, Retraining and Reemployment, and the War Manpower Commission.

The careful selection and training of employees in the Department of Labor accounts in part for the very high percentage of employees who have remained on their jobs during the war. The average rate of personnel turn-over for the current fiscal year was 41 percent, and this

rate is the lowest in any executive department of the Government. A large part of this turn-over, of course, was due to the induction into the military service of many of our employees—almost 1,500—and to the willingness of the Department to make available its experienced personnel to other and newer war agencies. This speaks well for the quality of employees engaged in the important war work of the Department, and it speaks well for the loyalty which the employees have shown, not only to their country, but also to the ideals and opportunities exemplified in the program of the Department of Labor.

Not only have the employees stayed on their jobs, worked long hours, and produced effectively and efficiently, but also they have excelled in the purchase of war bonds, in making donations to the Red Cross, Community War Fund, in preparing surgical dressings under the Red Cross, and in blood plasma donations to the Red Cross. These demonstrations of hard work, devotion, and loyalty have won my admiration and gratitude.

Preparation for Postwar Employment.

In 1941, before Pearl Harbor, Congress, by resolution, asked the Labor Department to undertake studies of problems connected with labor likely to arise at the conclusion of the war emergency. The main concern of the members of the House Appropriations Subcommittee who initiated this request was the question of jobs. Consequently a Post-Defense (later Postwar) Labor Problems Division was established in the Employment and Occupational Outlook Branch of the Bureau of Labor Statistics, and statistical and economic research was begun with a view to clarifying the employment problems certain to be encountered during demobilization and in connection with preventing large mass unemployment afterward.

In facing the possibilities of sudden economic changes at the close of the war and the change-over from war industry to peacetime occupations, it is well to keep in mind that we have in the United States today certain preliminary preparation. We stand in a better position to take the shock of the change than ever before. We have as a matter of law and practice unemployment compensation, old-age insurance and old-age assistance for those not eligible for insurance; a maximum hours program of 40 hours which tends to include more people in whatever production and employment actually exists. We have a public works program fairly well planned, and its value as a stimulant to employment and business at the beginning of the period of decline well understood by the public. We have also a large well-experienced system of free public employment offices all over the country. We have a higher age level for the labor of young people, that is, 16 years, than ever before, and we have protection against the fall of wages to unspeakably low levels through the normal operations of the Fair Labor Standards Act.

Among the first recommendations and proposals made by the Department following the resolution of Congress of 1941, were for a program of rapid reconversion by Government action from wartime to peacetime industries, for prompt settlement of all contract claims in order that money might be available for reinvestment in civilian production, for a controlled program of disposal of surplus materials to prevent the clogging of the market for new goods, a cutback system

which would select firms and industries for cutback, some consideration of alternative employment opportunities of the people affected. All of these are fully adopted and are part of the current procedures in the United States so tending to reduce postwar unemployment. Studies pointing up the postwar employment problem on a local basis or on an industry-wide basis have been made. Forty industries and 181 war-boom communities have been studied, with separate reports on more than 40 percent of these industrial areas. As background information which should prove indispensable for understanding the way in which postwar industry changes will mesh together, a detailed and inclusive study has been made of the technical "input-output" relationships of the numerous branches of production, distribution, and consumption (including import and export trade) in the prewar year, 1939. Studies have been made of the manpower shifts involved both in mobilizing fully for war and in reconverting the economy to a peacetime basis.

Another inquiry we have been pursuing has been concerned with historical precedents established at the end of World War I. Many of the same problems are being or will be encountered this time—although the details differ and the scale is larger today. In order to make the earlier record available to those on whom responsibility for particular phases of demobilization will now devolve, we have searched the original documents in the Archives and produced a series of reports dealing with the 1918 situation. These reports cover such subjects as demobilization of manpower, war contract termination and settlement, release of industry controls, surplus property disposal, postwar planning, the Federal service, important ordnance plants and shipbuilding centers, major industries such as automobiles and steel, etc.

These are some of the highlights of our work under the head of provision of specific information, largely of a statistical nature, to aid in the formulation of sound demobilization and reemployment policies. It was not possible to stop there. The assurance of high levels of postwar employment is a major goal of this Government, and the Department of Labor has been conscious of its responsibility to examine various policy measures with a view to preparing recommendations on policy that may help to make the desired condition of high employment levels a reality. One of the earliest contributions of the Department of Labor came through its participation in the Conference on Postwar Readjustment of Civilian and Military Personnel. The report of this Conference entitled "Report on Demobilization and Readjustment" outlined the nature of the demobilization problems that will be faced and made recommendations, many of which have already been implemented. The Department and the Bureau of Labor Statistics, in particular, appeared on a number of occasions before the Senate Special Committee on Postwar Economic Problems and other committees and have advised with the staffs of committees of the Senate and the House in the formulation of legislation.

We have analyzed the major programs and proposals under discussion for stimulating employment in a free, democratic, competitive economy. As the need for solutions became clearer to others, we have advised and participated with other agencies and with representatives of labor and employer organizations in the formulation of certain policy conclusions which are as yet preliminary but essential to the

development of an integrated program. The important subject of fiscal policy, for example, has been thoroughly explored. We have played a leading part in interdepartmental discussions of the relation between full employment and economic foreign policy, as a result of which the State Department has brought to the attention of the President that a sound employment program is as essential to our international as to our domestic interests. And we have recently initiated discussions with the Department of Commerce looking to the preparation of actual program recommendations for postwar "full employment."

Perhaps the most important and certainly one of the most promising steps we have taken in the development of planning for postwar employment has been the formation of this joint relationship and agreement between the Secretary of Labor and the Secretary of Commerce, the agreement being to utilize all the facilities of both departments in a joint plan for the purpose of gaining knowledge of the problems and of developing well-rounded and practical programs for maximum production and maximum employment. Also to secure by consultation of the Department of Labor with its constituency, and the Commerce Department with its constituency the fullest expression of the opinions and judgments of experienced trade unionists and business men. The recommendations of the joint committee will be made to both secretaries. The economy of effort and money and the value to the country of a single set of recommendations on this subject is obvious. The first preliminary report of this committee was made on April 19, 1945. The report recommends that a Government-wide policy is needed and that it should be a long-range, as well as a short-range policy; that it should aim to utilize and develop the Nation's resources and existing plants and facilities; that it should aim to provide new, profitable channels of investment to maintain and improve American standards of living and to contribute to international prosperity and peace. The report further states that Congress has focused responsibility for the period of reconversion in the Office of War Mobilization and Reconversion, but that no such central focus is provided for the years following reconversion. The report further points out that other agencies of Government, in addition to those of the Departments of Labor and Commerce, should cooperate in the development of programs aimed at preventing unemployment and constantly increasing the standard of living.

Basis for full employment policy.

The joint committee is in agreement on the following points:

1. A policy is needed that will assure full employment after the war. This policy should provide for a set of balanced and consistent measures that will also promote our other domestic and international objectives. It should be a long-range policy, not merely a series of improvised actions to meet situations already present or foreseen in the immediate future.
2. At the present time a policy of the kind indicated cannot yet be said to exist, although the Murray bill seeks to inaugurate a policy along these lines.
3. Fiscal policy is a particularly strategic element in full employment policy as a whole.

4. The principle of insurance can become an important adjunct to full employment policy in general and to fiscal policy in particular.
5. It is important that full employment policy should emphasize increased consumption.
6. A full employment program must include steps to remove monopolistic restrictions and other impediments to domestic and international trade, as well as to increase wages as productivity increases.

The committee is continuing its discussions to elaborate in more detail the measures that might implement this agreed body of principle. It should contribute materially to the hearings that will be held by the Senate Banking and Currency Committee on the Murray-Wagner-Thomas-O'Mahoney Bill.

Employment Between VE-Day and VJ-Day.

Because of the preliminary action already taken under reconversion and because of the continuing needs of the Army and Navy, there will be no problem of mass unemployment during the period of the Japanese war. A part of the primary task of developing economic conditions in which there will be a large demand for consumers goods is new investment by private and public enterprises, which has already been inaugurated. This will lay the basis for employment opportunities for all those who want to work, but even with respect to the period before VJ-day, it would be well to amend our unemployment compensation laws as recommended by the President to avoid injustice to numbers of individuals who may be dislocated during that period, as well as in the reconversion period.

Unemployment Compensation.

The extension of unemployment compensation to groups not now covered and more adequate benefit provisions for those who do come under unemployment compensation is a first step to deal with the problem after VJ-day. At that time transitional periods of unemployment are likely for many workers. The production of war materials in a plant can be stopped in a matter of days to weeks. Building up a new line of production for peacetime markets will require weeks to months. Furthermore, even with ample job opportunities there will not be as many jobs in the heavy industries as there are today. Several million workers at least will find jobs in other industries, sometimes in other locations. When mass transfers of this kind occur, there is usually a lag between the time a man or woman loses a job and the time he finds a new one. It is to deal with transitional unemployment of these kinds that unemployment insurance was developed by this Administration in 1935. Its benefits should extend to all who may become unemployed, should bear an appropriate relationship to earnings and to the current cost of the essentials of living, and should be available for as much as 26 weeks to those who cannot find suitable work in shorter period.

In the transitional period, workers and the Government will have a special interest in the interpretation of the "suitable work" provision of the unemployment compensation laws. The Government cannot expect to pay unemployment compensation for long periods to

workers whose first job or whose highest skill was acquired in occupations which will largely disappear in peacetime. Such individuals will inevitably accept other types of work, often work paying less per hour, or lose their eligibility for compensation.

Unemployment compensation should be administered to protect labor standards so far as possible, but the Government cannot insure that the transition to a peacetime economy will be made without any loss of wartime increased earnings of individuals. A girl who has worked in an airplane factory will be referred to work in a laundry or a textile mill. She should be eligible for unemployment compensation if the particular employer has cut wages below the going rate on that industry or service. Knowledge of going rates in a wide range of occupations is essential. The supplemental appropriation to the Bureau of Labor Statistics made in December 1944 was designed to make this information available to unions and employers, as well as to Government agencies.

While unemployment compensation will help to bridge the gap after VJ-day, special measures should be taken by local, State and Federal Governments to advance programs for needed public works. The war has made it necessary to postpone many needed works, and these should now be programmed completely for prompt execution when and if needed.

School-Age Workers.

In this period of transitional unemployment, it will be appropriate to encourage young persons to return to school or continue in school, rather than to seek work. Any wartime relaxation of child labor laws or administration should be abolished.

Older Workers.

It will be appropriate to encourage older workers to retire by liberalizing old-age retirement provisions now, rather than three or four years hence. The prompt placement of veterans will cause most of the wives of servicemen to choose home-making instead of factory and office work. Many older women will welcome an opportunity to give up the heavy burden of holding a job at home and a job in the factory, when the need for their patriotic service ends.

Women in Labor Force.

However, we should guard against efforts to exclude groups from the labor market. We must remember that even today well over three-fifths of the women in the labor force are unmarried and that in the United States before the war it was customary and necessary for most single women to support themselves. The number of married women in the labor force is larger than it was before the war. Most of this group whose war job was their first and only job will choose to retire if their husbands have jobs. But to establish a rule after the war that married women should not be employed would work extreme hardship on that relatively small number who insist on continuing in the labor market. Before the war most married women who worked did so because they had to help support the family.

We should never permit a needs test to be administered before an individual is offered a job.

Employment Prospects.

It is not possible today to foresee the volume of employment month by month after VJ-day. Too many factors are unknown. We can, however, establish definitely the nature (if not the exact size) of the problems we face. For the transitional period immediately succeeding VJ-day, some of the problems and measures have been indicated.

Some of the measures that will be needed if private business is to expand to full employment levels after VJ-day are indicated in Departmental studies. Two groups of measures may be noted in particular. The construction industry will play a crucial role. Employment in this industry is now at the lowest level in many years. Under high employment market conditions, it should employ more people than have ever worked in that industry. Every possible effort should be made to facilitate the expansion of this industry. The Senate Postwar Committee has made prolonged studies of the problems of residential construction to which the Bureau of Labor Statistics contributed.

The Bureau of Labor Statistics has found that the current plans for new investment by private business are smaller than they would be were business sure that there would be continuing high employment markets, brought about by means acceptable to the business community. Most businessmen are confident that sources of tremendous temporary demand will result in satisfactorily high levels of employment within 2 years of VJ-day. Almost none of them, however, are sufficiently confident that these temporary demands will be replaced by continuing demands to place orders now for fixed capital investments that would be good business risks if they were sure of continuing high employment markets but which would not be profitable if a short boom were followed by depression.

The problem is to find means of assuring such markets that are acceptable to the business community. Only the Federal Government can underwrite a comprehensive program. But unless the form of this underwriting is acceptable to businessmen, it may dry up more new investment—and hence more employment in the construction and equipment industries—than it creates.

Labor, as well as business, is interested in productive employment and prefers measures which contribute to a vigorous and balanced economy to exclusive reliance on the fiscal powers of the Federal Government.

Many other programs to be recommended to industry are further experimentations with efforts to establish stabilization of activity, production and employment within their own industries.

WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

The most important items in the administration of the Fair Labor Standards Act, commonly known as the Wage and Hour Act, for the year ending June 30, 1945, have been:

1. The completion of the program of putting all interstate minimum wages at 40 cents an hour by the Industry Committee method. All interstate industries are now legally required to pay 40 cents as a minimum, although the statute did not make

this rate mandatory (unless raised by the Industry Committees) until October 1945.

2. Cooperation in inspection and enforcement with the War Labor Board, the War Manpower Commission and the Office of Price Administration.
3. The more strict enforcement of the rules regarding the employment of any persons made necessary by the continuing violation of that section, partly under wartime stimulus.
4. The new aspect of the problems of the definition of area of production, following certain court decisions.
5. The increase in the State bills and laws which unreasonably limit the time in which workers can sue for recovery on account of their employment at lower than legal rates.

In the year ending June 30, 1945, the Wage and Hour and Public Contracts Divisions once again made promotion of the war effort a primary goal, with work for the War Labor Board and the War Manpower Commission carried on with the regular enforcement of the Fair Labor Standards Act and the Public Contracts Act.

Need for the enforcement of these acts did not diminish, however, as will be seen from the figures. Workers required enforcement to obtain wages legally due them and employers who maintain fair standards required protection against undercutting competition of the others.

With the lowered wartime budgetary provision for the regular enforcement work of the divisions, it was possible to complete inspection of only about 45,000¹ establishments, as against 54,431 in the previous year, but there was no significant change in the amount of restitution found due per inspected establishment compared with the year before when the figure reached an all-time high, one-fourth higher than in the year ended June 30, 1943.

During the year ended June 30, 1945, \$15,000,000 of illegally withheld wages were found due and ordered paid to 450,000 workers in 19,500 establishments. Of the 45,000 establishments inspected under both acts 33,000 or 73 percent were found in some violation; 22,500 or 50 percent were in violation of the minimum wage or overtime provisions of the acts.

Most surprising, in view of the general high-wage levels, was failure to pay the minimum wage of 40 cents an hour under the Fair Labor Standards Act. Failure to pay this minimum wage was involved in 6,500 establishments, more than a fourth of all those where restitution was found due. These violations of the minimum wage provisions affected 72,000 workers, one-sixth of all those found to be underpaid. Eight or nine out of ten inspections in restitution cases result in stopping current or recurring violations which would otherwise have gone on.

In the 6 years that the Fair Labor Standards Act had been in force through the end of the fiscal year, about \$85,000,000 in restitution of illegally withheld wages had been agreed to or ordered paid to almost two and a half million workers in more than 110,000 establishments, with more than two-fifths of the cases involving failure to pay the minimum wage of 40 cents an hour or less.

¹ All enforcement figures estimated to the close of the fiscal year on the basis of incomplete data.

Under the Public Contracts Act in the first 11 months of this fiscal year 117,333 public contracts were reported to the Divisions, exclusive of secret, confidential and restricted contracts, indicating that the total number for the entire year would be in the neighborhood of 128,000. The total value of these contracts is estimated at 34 billion dollars.

Many establishments are covered under both acts, so that it is impossible to give separate figures for restitution which in many cases would be due under either act. Of the 45,000 inspections completed during the year, 9,700 were made under the Public Contracts Act, all but 175 of which were concurrent with wage-hour inspections. In 53 percent of the public contracts inspections violations were found, and in 3,100 of them, violations of the minimum wage or overtime provisions.

With more than three times as many minors in the labor force as there were before the war, the number of child-labor violations has continued to increase. During the year approximately 4,500 establishments employing minors in violation of the Fair Labor Standards Act without certificates were reported to the Children's Bureau by the Wage and Hour and Public Contracts Divisions. Over two-thirds of these establishments were in violation of the act's child-labor provisions, employing an estimated total of 10,000 minors in "oppressive" child labor. Over 30 percent more establishments were found in violation than during the preceding fiscal year and nearly 180 percent more than during 1943, while the number of minors illegally employed increased almost 90 percent over 1944 and more than 400 percent over 1943.

The child-labor provisions of the Public Contracts Act provide that no boy under 16 or girl under 18 shall be employed on Government contracts in excess of \$10,000. A wartime exemption has been made permitting employment of girls between 16 and 18 years of age under certain conditions. Liquidated damages of \$10 are imposed for each day each minor is employed under conditions prohibited by the act. During the year approximately 900 firms were thus assessed for child-labor violations involving more than 35,000 minors. The liquidated damages amounted to over \$700,000, more than twice the amount so assessed the year before. Although inspections under the Public Contracts Act decreased almost 20 percent from the previous year, along with decrease in staff, wage-hour inspections through the number of establishments found violating the child labor provisions increased by about 50 percent.

The Divisions have continued their active participation in the wage stabilization program in acting as agents for the National War Labor Board under the agreement between the Secretary of Labor and Chairman of the Board.

The Divisions have handled the work with increasingly greater dispatch, issuing ruling in 3 to 4 days from date of receipt.

On the enforcement side of the War Labor Board's program, the Divisions' inspectors have continued to service the War Labor Board attorneys by conducting inspections at their request. The increasing importance and continued expansion of the enforcement program in stabilization have necessitated a corresponding increase in the number of inspectors assigned to this work. There has been an increase of efficiency.

Beginning in November 1943, an experimental survey was conducted by the Divisions in behalf of the War Manpower Commission in the Portland, Oregon, area where the rate of pay in the shipyards had dislocated the distribution of manpower. This experimental program proved within a 2-week period to be so satisfactory, from an educational as well as an enforcement standpoint, in controlling and directing the flow of manpower, that the War Manpower Commission decided to continue and broaden the scope of the Divisions' participation.

Early in 1944 these broadened activities encompassed the War Manpower Commission's areas of Seattle, Portland, San Francisco, Los Angeles, and San Diego. In September of that year the War Manpower Commission extended its activities in conjunction with these Divisions to cover additional areas in Pennsylvania, New Jersey, and Delaware. With the beginning of 1945, the Divisions' activities were further broadened to cover the War Manpower Commission's check on compliance with its regulations on a Nation-wide basis.

From the beginning of 1944 to the end of May 1945, while the Divisions operated with a limited staff available for such work, a total, nevertheless, of approximately 20,000 inspections was completed for the War Manpower Commission. On the basis of these inspections, thousands of workers were transferred from plants where excess labor was found to the more critical industries where help was vitally needed.

This program was financed by the War Manpower Commission and extra personnel obtained so that the other programs of the Divisions might not be interfered with.

Administration.

The apprehension which employers now feel concerning the law in its application to them, through the powerlessness of the Administrator to issue a binding interpretation which will protect them if they follow it in good faith, would be dissipated if the Administrator should be given the right to bring suit to recover back wages on behalf of employees. He could thus control the interpretation of the law and make its administration more uniform than is now the case. Similarly, many employees who are unaware of their right of private lawsuit are now denied the wages due them because of this ignorance on their part of their rights or because the Administrator is unable to bring suits in their behalf. It is common practice under State Minimum Wage Laws for the Minimum Wage Commissioner to be able to sue on assigned claims of employees and it is anomalous that the same machinery should not be utilized under the Federal Minimum Wage Law.

As a result of over 6 years' experience in the administration of the Fair Labor Standards Act there has developed great necessity for a Federal Statute of Limitations which will carry out the philosophy of the act, now providing uniform minimum working conditions throughout the country in interstate activities by providing a uniform period in which employees may sue to recover wages due them under the act. This is important as a matter of principle and also to protect employees from curtailment of their rights through unreasonably short periods, which have recently been provided in State statutes. It would also give employers protection through uniformity of treatment and a limitation to what would become in future years

an unreasonably burdensome back-wage bill if no limitation is put on the period during which employees may sue.

Coupled with this is the desirability of centralizing interpretation of the statute in the Administrator. The present system of letting every interpretation be made by the courts is resulting in conflicting interpretations making for confusion and variety of treatment depending on the accident of geography.

During the year informal conferences with representatives of industry and labor were held in various parts of the country with a view to obtaining their recommendations and suggestions on a number of tentative criteria for defining "area of production." Economic reports on the more important industries involved were prepared by the Wage and Hour and Public Contracts Divisions, and formal hearings on proposed definitions for the following industries were held: Fresh fruits and vegetables; tobacco; cotton; grain, seeds, dry edible beans and dry edible peas; dairy products, poultry and eggs; and miscellaneous agricultural and horticultural commodities. The voluminous records of the hearings and the briefs by interested parties are now being analyzed preparatory to issuing new definitions.

After the reopening of the Honolulu office of the Divisions, an investigation of the cost of housing and other perquisites furnished by Hawaiian sugar mills to their employees as part of their wages was initiated. The report of this investigation will furnish the basis of one or more hearings to be held in Honolulu for the purpose of determining the reasonable cost of board, lodging, and other facilities which may be included in computing the wages due under the Fair Labor Standards Act. The Hawaiian Territorial War Labor Board has urged that this investigation be made in order that it may employ the data in connection with its wage-stabilization program. The Hawaiian Department of Labor and Industrial Relations is also interested in these proceedings since the wages required to be paid under the territorial wage and hour law also include the reasonable cost of board, lodging, or other facilities furnished to employees.

There was a noticeable decline in the number of learner certificates issued during the fiscal year, due in large part to the general rise in wage levels which made a subminimum rate for learners unnecessary to prevent curtailment of opportunities for employment. During the period July 1, 1944, to May 15, 1945, a total of 1,057 applications was received and 899 certificates were issued as compared with 2,100 applications and 1,753 certificates the previous year and 3,853 applications and 3,313 certificates the year before that. A study of reports submitted in connection with a special learner inspection drive indicates that learner certificates are utilized by firms located for the most part in the south central and southeastern areas manufacturing men's and women's cotton garments, seamless hosiery, and textile products.

Compliance with the terms of these certificates was carefully watched by the Divisions' Regional Offices, and in only one case were violations reported to have been so serious and flagrant as to justify the cancellation of the certificate. One hundred and forty-two firms were reported in minor violation of the terms of the certificates, and these cases were closed through the payment of back wages and on the basis of the firms' assurance of future compliance.

On the basis of a finding of the Maritime Commission and the War and Navy Departments that the employment of 16- and 17-year-old girls on Government contract work was essential to the war effort, the Secretary of Labor on November 11, 1942, issued an order authorizing the employment of girls of this age subject to certain specified conditions of employment, such as a lunch period of at least 30 minutes and a prohibition against employing these female minors beyond 8 hours a day, before 6:00 a. m. or after 10:00 p. m. Subsequently, the Secretary of Labor agreed to consider requests for a modification of the November 11, 1942, order to the extent of permitting the employment of the female minors 16 and 17 years of age up to 9 hours a day and until 12:00 midnight but for not more than 48 hours a week. These special requests were granted provided (1) the Government contracting agency which awarded the contract endorsed the firm's request on the basis of the urgency of the product; (2) a shortage of labor in the area where the plant is located made it necessary to employ the female minors on the longer schedule; and (3) the proposed schedule of hours was permissible under State law. As of May 15, 1945, a total of 885 requests for a modification of the November 11, 1942, order was received. Of these requests 424, or 48 percent, were granted. It is interesting to note that approximately 53 percent of these special authorizations were granted to firms located in 3 States—Pennsylvania, Massachusetts, and New Jersey—and that approximately 50 percent of these cases were endorsed by the Quartermaster Corps.

A number of training problems of basic importance and considerable scope has been under consideration within the last fiscal year. The Divisions have sought to correct long-standing abuses in which employers have not paid beginners or trainees for new jobs the minimum wage or overtime rates to which they are entitled under the act. Court action was necessitated in two cases covering certain types of training in the railroad industry and further court action is anticipated in other areas of training unless existing practices which run counter to the act are corrected through the payment of restitution and future compliance with the act is indicated.

These training questions and their satisfactory solution are of utmost importance in establishing the basic rights of employees in definite need of protection of the act and its benefits. Such employees are often without adequate bargaining strength during the period of establishing themselves in new jobs or new employment and must rely upon the law to obtain their minimum rights.

The Divisions' apprenticeship program, conducted in conjunction with the Federal Committee on Apprenticeship, during the year contributed much toward stabilizing the diamond-cutting industry in Puerto Rico. A survey of the industry by the San Juan office of the Division revealed that as of the week ending April 18, 1945, nearly 700 workers, a significant number in Puerto Rico, were employed in the industry consisting of 7 plants.

This number compares with less than 100 workers employed in the industry, consisting of only one plant, prior to the outbreak of the war. The Divisions' program has encouraged the orderly hiring and training of apprentices at regularly increasing rates under standards which limited to a great extent the labor piracy which is so detrimental to an expanding industry. Machinery was developed for bringing

together in conference the employers and union representatives of Puerto Rico and the mainland to discuss the appropriate wage structure in the industry, thereby ironing out many differences between the two groups. Today there is a comparatively large supply of skilled workers in the industry in Puerto Rico whose earnings are considerably higher than those prevalent on the island.

Wage Orders.

Under the special provisions of the act for Puerto Rico and the Virgin Islands, wage orders were issued during this fiscal year, covering 13 industries in Puerto Rico and, with a few minor exceptions, all industries in the Virgin Islands. These industries, together with the minimum rates established and the effective dates of the orders are listed in the following table.

Wage Orders issued under the Fair Labor Standards Act for industries in Puerto Rico and the Virgin Islands, fiscal year 1944-1945

Industry	Minimum wage rate (cents per hour)	Effective date of wage order
<i>Puerto Rico</i>		
Banking, insurance and finance.....	40	May 7, 1945
Cement.....	40	May 7, 1945
Cigar and cigarette ¹	30	July 16, 1945
Hairnet ¹	27½	May 7, 1945
Handicraft art novelties.....	15	Oct. 30, 1944
Leaf tobacco ¹	27	Apr. 1, 1945
Leather goods ¹	15, 24	Oct. 30, 1944
Manufactured cocoanut ¹	28	May 7, 1945
Needlework ¹	15, 18, 22, 24, 27	Jan. 1, 1945
Paper box manufacturing.....	40	May 7, 1945
Rum and industrial alcohol.....	40	May 7, 1945
Shipping.....	40	May 7, 1945
Sugar manufacturing.....	35	Jan. 15, 1945
<i>Virgin Islands—Municipality of St. Thomas and St. John</i>		
Liquor.....	35	Aug. 1, 1945
Shipping.....	32	Aug. 1, 1945
Property motor carrier.....	30	Aug. 1, 1945
Wholesaling.....	30	Aug. 1, 1945
Electric power.....	32	Aug. 1, 1945
Communications.....	30	Aug. 1, 1945
Bay oil, bay rum, and miscellaneous manufacturing industries.....	25	Aug. 1, 1945
<i>Virgin Islands—Municipality of St. Croix</i>		
Liquor.....	30	Aug. 1, 1945
Shipping.....	30	Aug. 1, 1945
Property motor carrier.....	30	Aug. 1, 1945
Wholesaling.....	30	Aug. 1, 1945
Communications.....	30	Aug. 1, 1945
Meat packing.....	25	Aug. 1, 1945
All other industries except banking.....	25	Aug. 1, 1945

¹ This order superseded an earlier wage order and resulted in an increase of the applicable hourly minimum rate.

Litigation.

The volume of litigation increased during the fiscal year. Injunction proceedings instituted under the wage and hour provisions of the Fair Labor Standards Act were 371 compared with 347 instituted in the preceding year, and complaints filed under the Public Contracts Act were 70 compared with 44 in the preceding year.

The Solicitor rendered numerous opinions on various issues of the law, including the question of the relationship between plant seniority systems and the reemployment provisions of the Selective Service and Training Act.

In the field of exemptions the Supreme Court decision in *Addison et al. v. Holly Hill Fruit Products, Inc.* raised problems of considerable importance to food-processing industries employing a million and a quarter workers. Following the decision, the Administrator proceeded with a new effort to define "area of production" in the light of the court decision. Accomplishment of this extremely complicated task was made the more difficult by the direction of the court that the Administrator's new definition be applied retroactively, "remolding the situation as nearly as may be to what it should have been initially."

Sections 7 (c) and 13 (a) (10) of the act empowered the Administrator to define the term "area of production" as applied to the exemptions granted in the sections. The court held invalid the definition which became effective on June 17, 1939, on the ground that the Administrator was without power to limit the definition so as to apply only to establishments having a specified maximum number of employees. The court held that under the Fair Labor Standards Act the Administrator was required to delimit "area of production" in strictly geographical terms, although he might "take into account all relevant economic factors in the choice of areas open to him."

Management.

The business, financial, and personnel management of the Department has been gradually strengthened and centralized, although at the same time regional offices and regional bureaus and business administration have been developed to give speed and promptness to actions in the field. These important functions are now operating with efficiency and smoothness.

Early in the calendar year of 1945 the Departmental staff, meeting to discuss its programs, set up informally the following as among the most important projects in which various bureaus in the whole Department would engage during the coming year:

1. To cooperate with all interested agencies and trade-union groups in studies and recommendations for the extension of the Social Security Act to cover all workers to provide a better level and a longer period of income under unemployment insurance and under old-age insurance.
2. To make a series of practical studies of the problem of the annual wage so as to measure its practicability and adaptability to various industries.
3. To keep current in every period studies of opportunity for postwar employment so as to be able to make prompt recommendations to labor and management as need grows for the employment of a maximum number of people.

4. To prepare recommendations for groups of workers and others for programs of public service where labor experience is needed for stabilizing employment and improving living conditions of working people.
5. To study in each of the bureaus and to contribute to a general pool of information in the Division of Labor Standards materials suitable and interesting for workers' education projects.
6. To study in each bureau and to report on projects of improved housing, attempting to bring gradually to bear certain standards of housing, which with the advice of trade unionists and their families can be made standard for the postwar construction activities.
7. To continue efforts which have already been inaugurated to set up in a spirit of mutuality programs of relations between employers and workers within particular industries, which will tend to prevent a disruption of production by disputes, strikes and lockouts.

There was appropriated to the Department for the fiscal year 1945 a total of \$76,511,000 for all of the above outlined activities, of which \$56,200,000 was for grants to States. In addition to the funds appropriated direct there was transferred from other agencies of Government a total of \$4,882,000.

Industrial safety.

The activities of the Department in the field of industrial safety have made an important contribution to the war production effort. The savings in workers' lives, skills, and man-days of production have increased steadily. In 1944, for the first time in 6 years, worker injuries did not increase. They were, in fact, 8 percent fewer than the preceding year, with the actual loss in working time at least 10 million days less, or the equivalent of a year's full work by 33,000 workers.

In the past year we continued to make available to war plants the services of qualified safety engineers to advise and assist in setting up safety programs in those plants and also carried forward our war safety training program which has resulted in the basic training of more than 74,000 supervisors. Visits were made last year to 9,000 plants by our volunteer-safety experts and at the same time we carried forward a national campaign to reduce industrial accidents by 40 percent, which meant the prevention of a million accidents. It is gratifying to note that at the end of the first 6 months of this campaign 450 war contract plants employing some 500,000 workers had succeeded in cutting their accident rate by 40 percent or more. Many more approached that percentage and there is every reason to believe that the end of this national drive will find substantial reductions throughout all industry, with resultant savings to employers and workers and a vital conservation of our manpower and production resources.

We have during the past year attacked the industrial accident problem in another way by conducting intensive campaigns in specific industries. Measurable results have followed in the slaughtering and meat packing, the pulp and paper and the woodworking industries. We should continue to conduct these drives industry by in-

dustry, giving service without cost to all plants and bringing employers and workers together to make an effective fight on costly and time-consuming accidents.

Labor legislation.

For many years those interested in labor legislation and administration have recognized the desirability of a certain amount of uniformity but recommend a variety of patterns to meet the special problems of a particular State. To further this principle, I have for 12 years called annual conferences on labor legislation. Upon invitation the Governors of the States have designated as their representative participants officials of State labor departments and of trade union organizations. The resolutions and recommendations of these conferences have given considerable stimulus to the development of labor legislation and its administration in this country, both in the States and at the Federal level.

The conferences have made it possible for labor commissioners and representatives of trade union organizations from all the States to work together to encourage public support for sound and vigorous legislative programs and to strengthen efficient administrative procedures. It has been gratifying to see the way in which the pattern has developed and State labor departments have grown in status. Year after year the conference members themselves have urged that these meetings be continued.

A series of committees growing out of the conferences have recommended legislative and administrative standards for the States. Particular stress has been given to recommendations that labor departments should have jurisdiction, without exception, over every labor law—wages, hours, child labor, safety regulations, industrial hygiene, workmen's compensation, unemployment compensation, the regulation of private employment agencies and the operation of public employment agencies. Integration of these responsibilities within a single administrative agency is vital and adequate appropriations are fundamental.

It is gratifying that progress has been made in almost every field of labor legislation in some or all of the States.

Fifteen States, Alaska, Hawaii, Puerto Rico, and the District of Columbia, between 1933 and 1945 either established new departments of labor or strengthened and enlarged existing agencies to enforce labor laws. Rules to provide for the safety and health of workers have been steadily extended under rule-making authorities and labor department safety and health programs.

Workmen's compensation laws are now in existence in all but one State; coverage of occupational disease in 12 States in 1933 has been extended to 31 States in 1945; 12 States in 1933, instead of the 30 States in 1945, promoted the employment of physically handicapped workers through the operation of "Second Injury Funds," a problem heightened by the return of thousands of war veterans.

Minimum wage laws are functioning in 26 States, Alaska, Hawaii, Puerto Rico, and the District of Columbia, compared to 7 such laws operating in 1933. Minimum wage standards now apply to men as well as to women and minors in Connecticut, New York, and Rhode Island, Puerto Rico and Hawaii.

Only 2 States observed a minimum age of 16 for children in some occupations before 1933. In 1945 this standard exists in 15 States, Alaska, Hawaii, and Puerto Rico.

In 1933 only 1 State attempted to control industrial home work by regulation and by power vested in the State labor department to prohibit home work. Now statutory provisions in 9 States and Puerto Rico exercise such control. Statutory provisions existed in only 6 States in 1933 for State labor department aid to workers in the collection of unpaid wages; 10 States and Hawaii have made this service possible by law since 1933. Since 1933, 7 States have enacted laws generally following the Wagner Act in the interest of sound labor relations.

It is important to point out that this has been essentially a State and not a Federal program, even though this Department has taken the initiative in bringing together State representatives and doing the research for the development of a program of mutual interest. The joint Federal-State program of exploration carried on by means of annual conferences on labor legislation has demonstrated the need for Federal laws in fields in which the States have no jurisdiction. For example, the interstate activities of employment agencies, and the interstate distribution and sale of industrial home work, cannot be controlled by State action alone.

State labor departments in other ways properly call upon the Federal Department for services of research, experiment, training, and facilities which lie beyond State resources. There is now before Congress H. R. 525, a measure which proposes a program under which the Secretary of Labor, working with State labor departments, will stimulate rules to prevent hazardous working conditions. I believe this to be an essential kind of cooperation between State and Federal agencies.

Recommendations for the extension of State and Federal labor laws applicable to migrant workers in agriculture, transportation, and industry were made by the Eleventh National Conference on Labor Legislation which met last December. Despite improved standards which most workers have enjoyed during the war period, low levels continue to be reported for this group of Americans. They are also contrasted with standards required by international agreement to be maintained for prisoners of war and foreign nationals from Mexico and the West Indies who have been recruited to help harvest crops during this emergency. The recommendations adopted included regulation of housing, health and welfare, labor contractors, wage payment and wage collection, child labor, transportation, and workmen's compensation. Language for enabling legislation and for a labor camp code was prepared by a committee of State administrators working with the U. S. Department of Labor.

The Department also cooperated with Princeton Surveys and the Industrial Relations Department of Princeton University in an Institute on Migratory Labor Problems, on June 26, 1945, at which representatives of national labor, civic, and religious organizations established a permanent citizens' committee to work for the improvement of living and working standards for these dispossessed people.

Current trends and developments in labor legislation have been reported by the Department as a part of its regular program to State labor department officials, labor, and other interested groups. Bul-

letins of the Department analyze specific types of laws for the use of State groups interested in developing their own labor codes.

Upon request, the Department has given technical assistance to such groups. Also upon request the Department has assisted States in developing administrative procedures.

In the field of labor law, in short, the Department has assumed the position of a clearing house for accepted standards and procedures, so that the experience of the 48 States may be brought to the solution of the problems of any one State and the whole level of performance advanced through cooperation and the exchange of tested ideas.

Workers' education.

It has long been my belief that the Department of Labor should take a leading part in promoting workers' education and in assisting unions, colleges and universities and such organizations as the Workers' Education Bureau in developing their programs in this field, particularly that of industrial relations. I indicated this need as long as 10 years ago and 2 years ago the Department began experimentation in a modest way by helping specific unions with their shop steward training program. This Department is the logical clearing house for labor education, developing and promoting sound standards, basic guides, materials and mass education techniques. The expansion of collective bargaining has created a need for great numbers of responsible union leaders with technical, administrative and executive skill in grievance procedure, contract negotiation, wage administration, in union bookkeeping, union publicity and other phases of labor administration. To represent their members effectively, labor leaders tomorrow must be as well informed as the industry and Government representatives with whom they deal.

Equal Rights Amendment.

In its endeavors to promote the welfare of women the Department has had to be on guard against ill-advised proposals, which might do more harm than good. A typical one is the so-called Equal Rights Amendment which is sponsored by a few women's organizations, though opposed by most. In the effort to eliminate legal discrimination against women, the proponents of the amendment would abolish all differentiation. This would put in jeopardy all the protective legislation for women workers attained after years of effort, as well as the common-law rights of women in the family relationship. In protecting the real interests of women against the slogan of "equal rights" the Department in 1945 has opposed this amendment.

U. S. CONCILIATION SERVICE

During this most intensive of all years of the war, the principles and practices of voluntary settlement of work disputes were upheld by the Conciliation Service together with a continual emphasis on free negotiations and customary methods of collective bargaining. The way was kept open for a full return to the voluntary methods of disputes settlement which constitutes one of the chief characteristics of the American economy.

Although the number of strikes and lockouts during the past year exceeded that of any previous year, Commissioners of Conciliation

did their work with such dispatch and effectiveness that time lost in this way was less than in any year for which information is available. With more work to do the Service reached maximum efficiency in the performance of duty and settled more disputes than in any other year. Eighty percent of all industrial disputes was settled in this way. On the preventive side, Commissioners continued to uphold their record of preventing work stoppages in 95 percent of the cases which they entered before a stoppage had occurred.

CHILDREN'S BUREAU

Both the wartime and anticipated postwar problems of children and youth received special attention from the Children's Bureau during the year.

A national go-to-school drive, sponsored by the Bureau with the cooperation of the U. S. Office of Education, in the fall of 1944, encouraged many of the 5 million high-school age boys and girls at summer work to return to school, and helped to slow down the decrease in high-school enrollment which had been accelerated in the 3 previous years.

The Bureau worked during the year with State departments and National and local groups in preparing the ground for the achievement, at the close of the war, of a 16-year minimum age standard for employment during school hours in all States.

Under leadership of the Children's Bureau, a Federal Interagency Committee was created to plan for the employment and education of young persons in the reconversion period.

Special assistance was given by the Bureau to the States in dealing with problems relating to children whose homes have been disrupted by conditions related to the war, especially to children whose fathers are away from home, to those of illegitimate birth, and to those whose mothers are employed in war industries. In giving help to the States, the Bureau has emphasized consistently the need of broad and sound welfare programs in local communities as the basis of effective services in future work with children.

Due to the impetus given through Federal aid to the States for maternity care and for child health services, substantial progress was made during the year by State health departments in extending and improving the quality of care provided by hospitals in obstetric and pediatric cases.

A major contribution to the thinking of the Nation on the immediate and postwar needs of children and youth was made by the National Commission on Children in Wartime which released on June 1, 1945, through the Children's Bureau, its report: "Building the Future for Children and Youth; Next Steps." Membership of this Commission, first appointed in 1942 and reappointed in 1944, includes leaders of labor, farm, and civic groups, and professional authorities concerned with the health and welfare of children and youth. In its report, the Commission presents a broad program of action covering: (1) Proposals for extending Federal and State cooperative programs for children; (2) Proposals for State and community action; and (3) Proposals for immediate study. "The health of children, no less than their education, is a public responsibility," the Commission declares, and calls for immediate and generous increases in Federal aid to

States for the expansion of health and welfare services for children under the Social Security Act. The national goal for these services, the Commission holds, should be Nation-wide coverage in 10 years.

Emergency Maternity and Infant Care program.

March 18, 1945, marked the second anniversary of the Emergency Maternity and Infant Care program for wives and infants of men in the four lowest pay grades of the armed forces and aviation cadets. This program, administered by State health departments under plans approved by the Children's Bureau, is financed entirely by funds allotted to the States by the Secretary of Labor from appropriations by Congress.

During these 2 years, three-quarters of a million wives and infants received care. Close to a half million babies were born, with medical, hospital, and nursing care being provided their mothers during pregnancy, at childbirth, and for 6 weeks after. In addition, some 75,000 infants who became ill during their first year of life were provided medical, nursing, and hospital care. By the close of the 2 years, when approximately one baby out of every six being born was receiving the benefits of the program, a total of \$70,000,000 had been expended.

All this care has been provided without cost to the serviceman or his family. Not infrequently health officials, doctors, and nurses, hard-pressed by wartime shortages of personnel and facilities, have gone to great lengths to give care to those in need. Indeed, to the thousands of physicians, hospitals, and nurses over the country who have provided services must go a large measure of credit for its success. Evidence of the gratitude and satisfaction of men at the front that their families are being cared for has poured into the Children's Bureau.

Providing maternity care for servicemen's wives and care for the sick infants of men in service had never before been attempted in this country in time of war. As Representative Cannon of Missouri said in the enactment of this program, "It marks the adoption of a new and benevolent policy." Created for the primary purpose of relieving enlisted men far from home of anxiety over the safety of their families and of uncertainty as to how to obtain proper care and hospital care, the program represents a significant step toward the recognition that each new American can have a safe start in life.

The program is a war measure only. Acceptance of new cases will terminate 6 months after the close of the war. The very magnitude of the undertaking, however, providing as it does for hundreds of thousands of mothers and babies everywhere in the country under all sorts of circumstances, cannot be without its long-term effects. For the first time, many young women have been made aware of the advantages of good maternity care and of hospital instead of home delivery, and have experienced a quality of care which they and their friends will never forget. All who have had a part in getting this care to so large a segment of the population have learned much about what is involved in making good maternity and infant care available to the whole population.

It has been suggested at times that the functions of the Children's Bureau might be carried on more effectively if that Bureau were removed from the Department. I do not subscribe to that belief. Moreover, it is my conviction that once removed from the Department of

Labor the functions of the Bureau would be dissipated and the Bureau disintegrated.

In the 33 years of its existence the Children's Bureau has established for itself a reputation of authority in matters concerning children and youth. If it were to leave this Department it faces a risk that its several divisions, dealing with child labor, child welfare, and its service in the fields of maternal and child-health services, its administration of the provisions of title V, parts 1, 2, and 3 of the Social Security Act, might become subordinate parts of other agencies such as the Wage and Hour and Public Contracts Divisions, U. S. Public Health Service, and the Social Security Board.

It is a simple matter to dissect a Departmental agency such as the Children's Bureau, but a very difficult matter to restore it. It is my opinion that by continuing as a part of this Department, and as an integrated whole the Bureau can best perform in the service of children and youth what it has so successfully done in the past.

WOMEN'S BUREAU

With millions of women regularly employed at all times in this country, and war conditions adding some few millions more, too much of the limelight has been given to the several million who will withdraw from the labor market. People forget that the normal increase of women working from one decade to the next would put estimates for 1950 much higher than employment in 1940, and now there will be another group wanting to stay in paid employment because of various factors resulting from the war. Adjustments always have to be made after a war, but there must be watchful safeguarding as to policies so that women will be treated equally with other civilian workers. New skills learned, shifts back and forth between occupations and between industries, migration to greener fields, new responsibilities, and for many a determination not to fall back to old-time poor living conditions will make the story about women's employment in the next few months of considerable importance.

Examination of women worker's wartime position in relation to the reconversion period, and interpretation of facts already gathered, has been a main concern of the Women's Bureau which has collected facts about employment of women and about women workers' problems as the basis for careful evaluation of policies in layoffs and hirings and future opportunities.

Two surveys have been completed. They show, first, the wide range of occupational skills women workers have developed and their financial obligations to the family, and second, the productivity of women's factory work related to increased hours of work. The first study, field work on which was completed in May, furnishes facts as to the industrial experience of women before the war, their migrations, and the extent to which their earnings contributed to the support of families, including the family composition of households to which they belong. It is based on personal interviews with women in 11 war-industry areas, representing different sections of the country and small as well as large cities. Increases in women's employment of from 60 to over 100 percent have occurred in these communities.

From the other survey, made in the fiscal year 1944-45, on the basis of the analysis of factory records obtained and from the home interviews with the women workers, the Bureau can advise concerning

schedules of work hours that will establish steady, top production, and will help to eliminate causes of fatigue.

Although major emphasis in the Bureau's program has continued to be placed on establishing good standards for women's working conditions and on widening the knowledge concerning the many kinds of jobs women can do, the Bureau has, in addition this year, found time to turn to the whole field of job opportunities, to see where there will be future openings for women. Already in print are pamphlets analyzing the outlook in the medical services such as occupational therapist, medical laboratory technician, practical nurse, and hospital attendant. Now being written is a similar survey for technical and scientific occupations, and another one is planned in the field of foods. These surveys show what training is required (including preparation necessary to be accepted for training), what the women can expect in wage returns, and anticipated expansion of employment in these fields.

Women union members, at a conference with the Bureau this spring, suggested action along several lines where the cooperation of the Bureau would be helpful. Obviously they have a special interest in clauses in union contracts which may result in discrimination against women, such as hiring and lay-off policies, rate for the job, and working conditions. During the current year the Bureau has assembled information by visiting plants and union offices, not only on these matters but as to activity of women in union affairs, so that women could learn of attitudes within their own organization toward granting them fuller participation on bargaining and grievance committees, as delegates to city and State bodies, as members of executive boards, and as high officials in the locals. The maintenance of women's interest in unions in the postwar period is also of concern in present development of union policies, and is significant in view of the fourfold increase in women membership in trade unions. There are probably $3\frac{1}{2}$ million women in trade unions at present.

The work of the Bureau's labor legislation and administration division has been stimulated by the efforts of various States in extending and raising minimum wages. In these efforts the Bureau has given material assistance. Although hours of work are still largely controlled by the necessities of war production and limited exemptions may be granted from legal standards, the labor legislation division is reviewing the findings of a field study to be used as basis for improvement of hours of women under labor law in the postwar period.

Of greatest significance to working women in every community are the plans being developed by many organizations to join together in furthering policies that will stabilize women's economic position and keep open their opportunities for training and employment. At a conference called by the Bureau on war and postwar problems, a "reconversion blueprint" was adopted by representatives of women's national organizations, trade unions, and other groups. It sets forth main points for achieving community understanding and action, so these organizations working on the program will be in a position to further a fair adjustment of employment problems facing women in the months ahead. Such a program has been initiated in one middle-western State important in war production and diversified in civilian industry, the local members of these groups focusing interest and joint action on what can be done in their communities.

Finally, the Bureau has continued to make available to various national groups, and to interested individuals, the facts about the proposed equal rights amendment. There is growing concern about the effects of the amendment on legal standards for women's employment. It has kept current its data on the legal status of women in the 48 States, so that improvements could be noted where legal discriminations against women have been removed. Groups concerned with direct methods for eliminating specific discriminations against women were assisted further by the Bureau in the new field of State legislation requiring wages based on a straight rate for the job. Widespread discussions among the interested groups have led to the conviction this is an effective way to improve the status of women.

The first publication put out by the Department of Labor dealing with labor standards was a Women's Bureau pamphlet—"Effective Industrial Use of Women in the Defense Program." In the spring of 1940 (after the country was put on an "emergency" footing) the Bureau formulated standards and policies for the employment of women. It thereupon appointed a labor advisory committee, and its recommendations in pamphlet form were ready for distribution in July 1940. This was just the beginning. Other pamphlets followed dealing with safety clothing for women workers, the problem of lifting heavy weights, rest periods, time for meals, night shifts and rotation of shifts, washing and toilet facilities for women, seating, and (the most recent one) the industrial nurse and the woman worker, in January 1945.

Far from being a new field of interest for the Bureau, these recommendations for women's working conditions are the culmination of its activities starting from the days of the first World War. With the information gathered during the 25 years that followed, it thus found itself ready to advise employers when another world war precipitated women into thousands of jobs new to them. In March 1941, consequently, the War Department formally recognized the Bureau as the official agency for its various services to call on in all matters concerning women workers. The Bureau's experts on women's occupational skills had the answers to questions hundreds of employers were asking. In making the guns and ammunition, the airplanes and bombs, even the ships—in fact, in all types of battle equipment necessary in these critical years, women's brains and hands have helped produce them. The Women's Bureau has continued to be the authority on such questions as the kinds of jobs on which women could be used, proper working conditions, and employment practices. In short, it advised on the best utilization of women for meeting the huge job of war production and at the same time made recommendations for guarding their health and making provision for home responsibilities.

The woman worker's part in full employment.

In estimating numbers for full employment and designing measures to assure it, recognition must be given to the part women workers have played throughout our history in turning the wheels of American industrial and economic life. There is no foundation for the somewhat prevalent idea that the majority of women war workers are new entrants who will largely disappear from employment. The numbers of women workers have continued to increase through many decades. Of the 18 million women who were at work in the calendar year 1944,

14 million would have been in the labor force even had there been no war. Aside from their immeasurable contribution to wartime production and services, these 14 million and a normal annual increment of first-job women workers must be considered a permanent part of the labor force.

In addition to the increase of 4 million women workers, practically 1½ million, though formerly employed, have shifted during the war to types of occupations they as individuals had not worked at before. In some cases they came to jobs newly created, through break-down of former process or other industrial development; in some cases they took the places of men on jobs women formerly had done but rarely or not at all; and in still other cases they took the places of other women who had gone to types of employment the war had made more urgent.

Of the 1½ million women who shifted occupations, some have gone into war industries and occupations that will be discontinued, and others into those that normally would be performed by men. These are the jobs women are the most likely to lose. Many of them are regular permanent members of the labor force and they have no assurance that their former jobs will be available to them. Furthermore, their geographic locations will be greatly concentrated, not only in the war expanded areas as such, but at those particular points where industrial processes and employers' ingenuity have created the conditions best suited for women's performance.

It is apparent that the retransference of these large groups of women workers—their shifting over again to peacetime pursuits—will be one of the problems of reconversion. To effect it wisely will require effort based on experienced advice as to women's performance and capabilities and the labor standards necessary to their work.

This demands a continuing statistical and investigative job, in order to know where women workers are being laid off, what is happening to them, and where they can fit in best. There also are human phases that must be accounted for in connection with the readjustment of women workers. They will have a particular need for assurance that their problems are being met with understanding. They will need direction as to how to proceed and where to procure help, and counsel as to what nature of aid and of job opportunity they can expect. They will require occupational information suited to their particular problems. They will need assurances as to the machinery that should be effective in fitting them into new places and in tiding them over through transitional periods.

Many of the younger girls who have come into the labor force during this war need further schooling, which will require not only that facilities for this be adequate, but often that they personally can be placed in a position to take advantage of these facilities. Some women wartime workers may need retraining for the occupations available to them in the postwar economy; others may need facilities to enable their retirement from the labor force. If the evident need for expansion of services requires a reversal of the wartime shift of women workers away from the major service industries, it is a matter of primary importance to direct and to aid these groups of industries, which ordinarily are not covered by Federal provisions, toward more adequate standards of their hours, wages, and conditions of work in general.

Bureau services for other agencies.

During wartime it has been a settled policy in the Department of Labor to expand its regular functions for the aid and benefit of the temporary war agencies and in addition to make available its trained supervisory staff and facilities as a nucleus for rapid expansion in those emergency branches of Government. This has proved economical, efficient, and plausible.

A summary of such emergency activities will disclose that the facilities of the Department were used to place in immediate operation Executive Order 9240 regulating premium pay for work on Saturdays and Sundays and holidays. The establishment of the Wage Adjustment Board for the purpose of stabilizing wage rates in the building construction industry for the duration of the war was part of the program. This Board was expanded by agreement with the National War Labor Board to include the stabilization of wages and the handling of disputes in the building construction industry covering both Government and private construction work. The responsibility of coverage and the maintenance of a docket for handling notices in connection with the Smith-Connally Anti-Strike Act was given the Department.

The Bureau of Labor Statistics expanded its facilities to meet the needs of practically all of the war agencies as well as several of the old line agencies during this emergency period. Such work as establishing wage-rate data for the use of the War Labor Board, making such special studies as may be needed by that Board in connection with its work, the furnishing of vast quantities of information to the OPA concerning current prices, the establishment of price indexes for the use of the Army and Navy and in connection with war contracts, the development of the formula for the number of man-days for each thousand dollars of contract were among many other major contributions of this Department.

With one of the largest inspection forces in the Government, the Wage and Hour Division has made an important contribution in the field of inspection work for several war agencies. For the OPA it made the original tire inventory and for the War Production Board the Production Requirement Plan Audits, for the War Manpower Commission inspections to determine adherence to the regulations of that Commission imposing restrictions in the employment of labor. Its largest and longest job is that performed for the War Labor Board as the first point of contact for employees and employers in maintaining compliance with the stabilization policy of that Board, as well as in making inspections of employers' records to determine conformity to wage stabilization policies. These activities arranged by agreement have greatly reduced the problem of multiple contacts between "Washington" and the affected public.

The Division of Labor Standards has contributed to the establishment of general over-all Government labor and working conditions policies through consultation with the military and procurement agencies of Government in the establishment of hours of work and proper working conditions. This Division has also been of great assistance to the State labor departments in advising them concerning limited relaxation of State labor laws.

With the induction of large numbers of women into industry and heavy manufacturing and assembly the Women's Bureau has contributed valuable advice and guidance to the WMC, WPB, War and Navy Departments, Maritime Commission and others. Its "Standards for Women's Work" has been almost universally adopted by the war agencies with resulting improved efficiency, health and stability of women workers.

Labor and international problems.

The Department of Labor has long recognized the relationship between the interests of labor here and abroad and the development of American foreign policy. Particular attention has been paid to this question in the past decade and the Department is today well equipped to meet the demands for information and policy that are being made in this sphere.

In August 1944, the tenth anniversary of United States membership in the International Labor Organization was duly noted. As this goes to press the nature of the relationship between the ILO and the organization proposed at the Dumbarton Oaks and San Francisco conferences has not been finally determined. Much consideration has, however, been given to the possible forms of association, and members of the Department attended the San Francisco Conference to advise and consult on methods of bringing the ILO into suitable relationship with the proposed general organization, as well as on other questions. The Department has taken part in preparatory discussions under the auspices of the Department of State and the Coast Guard, aimed at the development of United States policy in a proposed international conference on safety at sea.

The improvement of labor standards and the development of social security were the considerations of a Special Committee on Labor Standards and Social Security of the Inter-Departmental Committee on Postwar Foreign Economic Policy. That Committee, appointed by the Secretary of State in April, 1943, issued its preliminary report in April of 1944. It recommended that among the most effective methods of achieving improved labor standards and enlarged social security were refinements in economic organization to increase the production of needed goods and services, including the stimulation of the exchange of goods in larger volume and the promotion of the use of the most economical resources.

The documentation supporting the recommendations of this Committee dealing with child labor, labor standards, the ILO, Maritime labor standards, wages, women workers, working conditions and social insurance was largely supplied by the Department of Labor. Of the membership of the Committee more than a third were representatives of this Department. The Secretary of Labor served as chairman, and Acting Commissioner of Labor Statistics, A. F. Hinrichs, as vice-chairman, with the support of the following members: Arthur J. Altmeyer, Mary Anderson, Adolph A. Berle, Jr., J. Douglas Brown, Jr., David Dubinsky, Herman Feldman, Carter Goodrich, William L. Green, Amy Hewes, Katharine F. Lenroot, Isador Lubin, Philip Murray, Emil Rieve, Rt. Rev. Monsignor John A. Ryan, and Verne A. Zimmer.

The past year has witnessed the beginnings of a possible change in the international organization of labor. The Congress of Industrial Organizations, the trade unions of the U. S. S. R. and some other member unions of the International Federation of Trade Unions, and several other organizations, have held meetings here and abroad with a view to creating an international trade-union federation based on principles, procedures, and membership qualifications varying at some points from those of the IFTU. Final action by the participant unions has not yet been taken, and the proposed organization is still in its formative stages.

The drawing to a close of the period of war conflict, labor's sense of responsibility toward the reconstruction of the nations, the maintenance of peace, the rise and the decline of great nations, and with them, the influence of their labor organizations, all combine to place great responsibilities on American labor organizations, and on the Department of Labor.

Mexican and Jamaican labor.

During the war years we have imported nationals of Mexico and Jamaica for work on our farms, railroads, and in a few other industries. These workers were brought in under treaty with their respective governments, these treaties covering wages, conditions of work, housing and transportation to and from the United States. The Department of Labor assisted the Department of State to assure good working conditions. The services of these Mexican and Jamaican workers were a real contribution during the period of labor shortage. When the present harvesting season is over and with cutbacks in war production, steps should be taken to see that these nationals are returned home in accordance with the terms of their contracts and that no further recruiting is done under these programs.

EXECUTIVE ORDER 9240

Even prior to Pearl Harbor, with many industrial enterprises substantially engaged in production of war goods under the Lend-Lease program, Government contracting agencies were interested in round-the-clock production, which assumed more vital importance upon our entry into the war. In attaining this goal the agencies were confronted with a variety of peace-time contractual provisions designed to spread employment and to discourage work outside of a normal 5-day workweek. These provisions which often provided premium pay for Saturday and Sunday as such without regard to weekly hours or days worked often resulted in absenteeism on the nonpremium days and so disrupted the full production program.

For this reason Executive Order 9240 was adopted as of October 1, 1942. The order specifically prohibits the payment of any extra compensation for work on Saturdays or Sundays, as such, but requires the payment of double time for the seventh day in the workweek and the payment of time and one-half for work performed on 6 designated holidays.

The Executive Order has presented a rather difficult problem in administration. Much of the difficulty was eliminated by the exclusion from its terms of certain industries and occupations known to be

habitually and of necessity round-the-clock operations. After the order was issued it became apparent that there were various overtime practices of long standing which were not fully anticipated when the order was drafted. These problems were solved by the adoption of common sense interpretations which would nevertheless effectuate the purposes of the order. The order is now well understood and is generally accepted by the parties coming within its scope. On the whole it has accomplished its objectives and does not now present serious administrative difficulties.

The last 3 years have seen a substantial increase in the operating efficiency of war plants and there have been improvements in the anticipation of war needs. This has resulted in a considerable increase in the productive accomplishments of our war plants and it was my sincere belief that with the cessation of hostilities in Europe our industry could meet the requirements of the Government contracting agencies and still return to a 6-day workweek with no holiday work, except in unusual circumstances. I was of the opinion, therefore, that the purposes for which the order was designed would no longer be present and it would be desirable to relax the stringent controls imposed on industry during the war to the extent of rescinding the Executive Order and it was my recommendation that this be done.

My recommendation was discussed on May 3, 1945, at a conference with representatives of those Government agencies which would be directly affected by the rescission of the order. This meeting was attended by representatives of the War and Navy Departments, the Maritime Commission, the War Production Board, and the National War Labor Board. The consensus of opinion was that Executive Order 9240 should not be rescinded until our victory over Japan. The principal arguments advanced by those present, particularly the spokesmen for War and Navy, were that (1) there would not be the cutback in war production that was anticipated by the public and that round-the-clock production would still be a necessity with work scheduled on Saturdays, Sundays, and holidays; and (2) the confusion resulting from a reversion to peacetime contractual practices would hamper the prosecution of the war with Japan; and (3) the contracting agencies would be obliged to refigure their contracts with many firms thus losing valuable time at a critical moment.

I therefore have not recommended the rescission of the order by the President.

CONSOLIDATION OF GOVERNMENT AND LABOR FUNCTIONS

In my annual report for the fiscal year 1944 I expressed the need for a closer relationship and interlocking of Government labor functions immediately after the close of the war. These ideas were developed into a plan and presented to the Bureau of the Budget in October 1944.

In brief, the plan recommends the transfer of the United States Employment Service to the Department of Labor to be established with bureau autonomy. It also expresses the opinion that while the unemployment compensation function might or might not be put in the Labor Department, it should, if placed in the Department, be established as a separate bureau and that neither the work of the Employment Service nor that of Unemployment Compensation be per-

mitted to subordinate the other. Both have an important position in maintaining the economy of the Nation and, by operating as two separate bureaus with equal status within the Department, flexibility and efficiency of operation will be obtained to meet the needs of employment and economic trends. The Employment Service, however, is vital to the realistic development of the Department.

The plan also recommends the transfer of the National Labor Relations Board to the Department, but as I stated in my last annual report the quasi-judicial and fact-finding functions of the National Labor Relations Board should remain independent and not reviewable by the Secretary of Labor or subordinate officers. However, the general management functions of the Board would be merged with those services of all other bureaus of the Department and also the legal staff should be integrated with that of the Solicitor of the Department effecting both economy and coordinated policies.

The Apprenticeship Section of the Division of Labor Standards, established pursuant to the act of August 16, 1937, was transferred temporarily at the beginning of the war by Executive Order to the War Manpower Commission. The plan proposed would immediately return the Apprenticeship Section of the Division of Labor Standards to the Department of Labor. Likewise and at the same time, the training-within-industry program should be included for transfer.

I strongly urged that the work of the National War Labor Board be reduced to a minimum by a general return as quickly as war conditions would permit to the system of settling labor disputes and adjusting wages through the mechanics of collective bargaining. When the decision has been made to follow such a procedure, then the Department of Labor should immediately be given the responsibility for analyzing the reports and records of the War Labor Board and closing up any outstanding activities.

It is also suggested that such work as that of the Labor Division of the War Production Board, some part of which it may be deemed advisable to retain or to liquidate over a period of time, should be immediately transferred and divided among the several bureaus of the Department, mainly to be absorbed by the Division of Labor Standards and the United States Conciliation Service.

Much has been said about the number of agencies of Government having labor relations units within them and it is believed in some instances that the purposes for which those units were established are not generally known. It is also possible that the titles and names of the units are not appropriate for the work they are performing. The reorganization plan stated that the Department of Labor recognized that procurement agencies have a need for the services of a liaison employee concerned with labor matters. However, it did recommend that a thorough study be made of all such labor relations units located in the procurement agencies of Government to restrict them to the functions of liaison relations in this field of work.

I also believe that the Labor Force Project carried on by the Bureau of the Census is a type of work which, because of its close relationship to the work of the Bureau of Labor Statistics in the field of employment statistics, could be carried on more economically and better coordinated with the work of the Bureau of Labor Statistics

if it were transferred to the Department. Then it would also be in closer conformity with statutory legislation for the performance of this work is bound to result in realistic service to both labor and employers.

I am still of the opinion that the plan submitted in October is fundamentally sound and that immediate steps should be taken to effect the changes in such a manner as will be the least upsetting to labor and industry.

Immigration and Naturalization Service.

Although it is thought that some functions and agencies formerly associated with the Department of Labor and now located in other agencies should be returned to the Department, I would not include among these the Immigration and Naturalization Service. That Service was transferred to the Department of Justice on June 14, 1940, under Reorganization Plan V. It is my belief the immigration and naturalization functions have little or no relation to this Department.

Their activities are important and very pressing and as such serve to divert the officials of the Labor Department from the principal purpose of the Department "to promote the welfare of wage earners." They often obscure the current labor and working conditions problems and are likely to retard the Labor Department's full activity in the strictly labor field.

The future of the labor movement.

We have every reason to be optimistic concerning the future of the labor movement in this country. Left behind now is the era of strife between labor unions and employers and ahead is a period of understanding and cooperation. We have seen the coming of a day when trade unions are taking a real leadership in the building of mutual responsibility, agreement, and good will.

This new era evolves naturally from the fact that the conditions surrounding employment have undergone a vast improvement within the past dozen years. Since my first report to Congress there have been enacted a great many laws whose effect has been to improve the opportunities for workers to make a living under good conditions, to safeguard their economic security in old age and in periods of adversity. The energy of the laboring man need no longer be expended in fighting for the right to organize.

These are some of the gains that American workers have made with the help of their Government within the past 12 years: the creation of free Public Employment Service through the Wagner-Peyser Act; the establishment, in the National Labor Relations Act, of national policy encouraging the practice and procedure of collective bargaining and assuring workers the full right of association, self-organization and the designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment or for other mutual aid or protection.

The Social Security Act of 1935 with its programs dealing with unemployment, old age insurance and public assistance programs in cooperation with the States, to help the needy aged, needy dependent children, maternal and child health services, service for crippled children and aid to the blind. The Social Security Act was based upon recommendations made by the President's Committee of which the

Secretary of Labor was chairman. This legislation has been so obviously beneficial that we ought now to give serious consideration to extending its coverage to the many who do not now receive its benefits.

The Public Contracts Act, which sets minimum wages, provides for overtime pay for overtime hours and which calls for minimum standards of safety and health in those plants executing Government contracts in excess of \$10,000.

The Fair Labor Standards Act, which provides a national base for minimum wages and maximum hours, which prohibits child labor and which has provided for a minimum up to 40 cents by joint recommendation of industry committees composed of equal numbers of representatives of the public, industry, and labor.

The act providing for apprenticeship training and setting labor standards for apprentices.

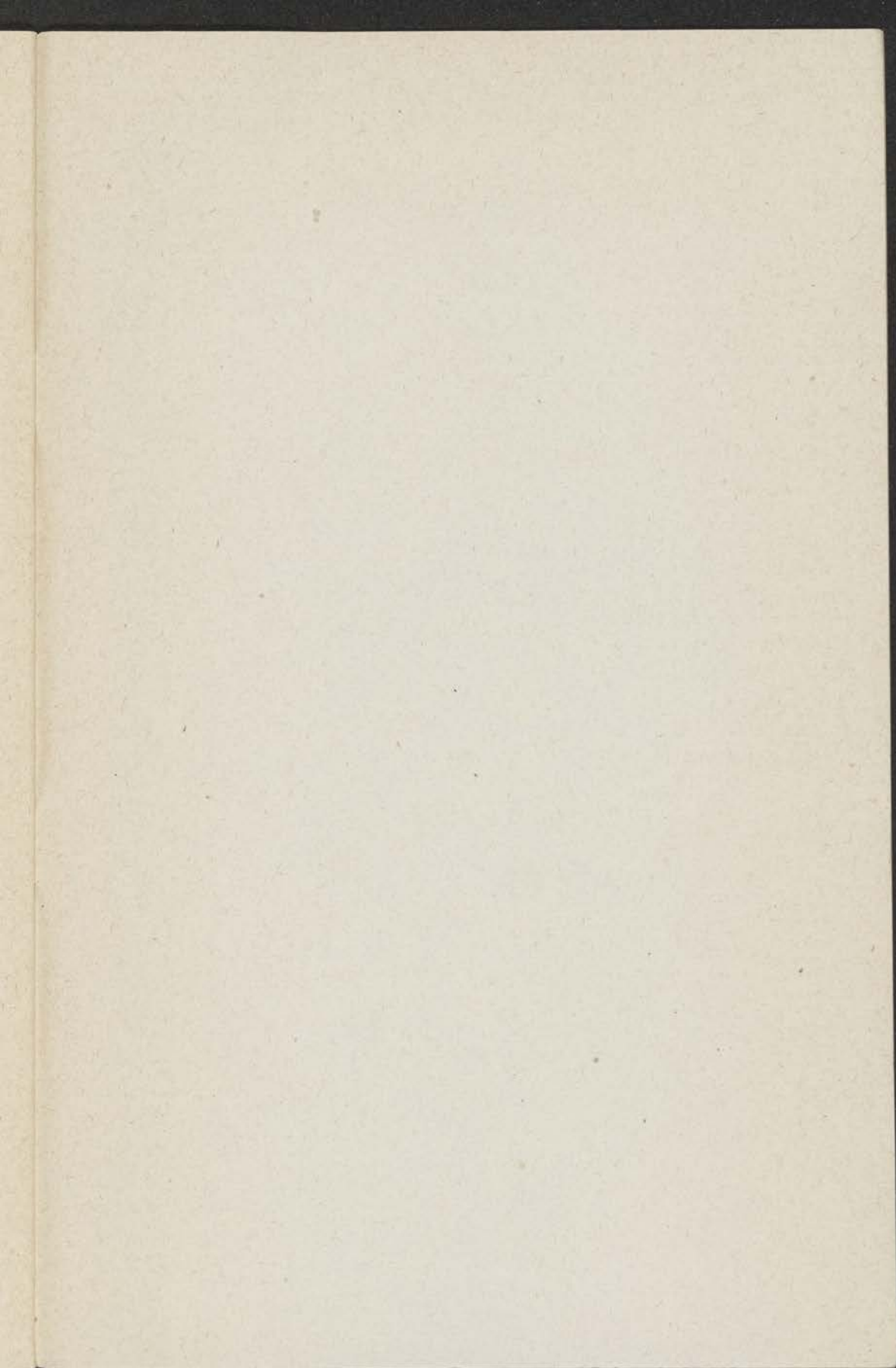
The Housing Act, which will provide large benefits in the way of employment and low-cost homes for workers.

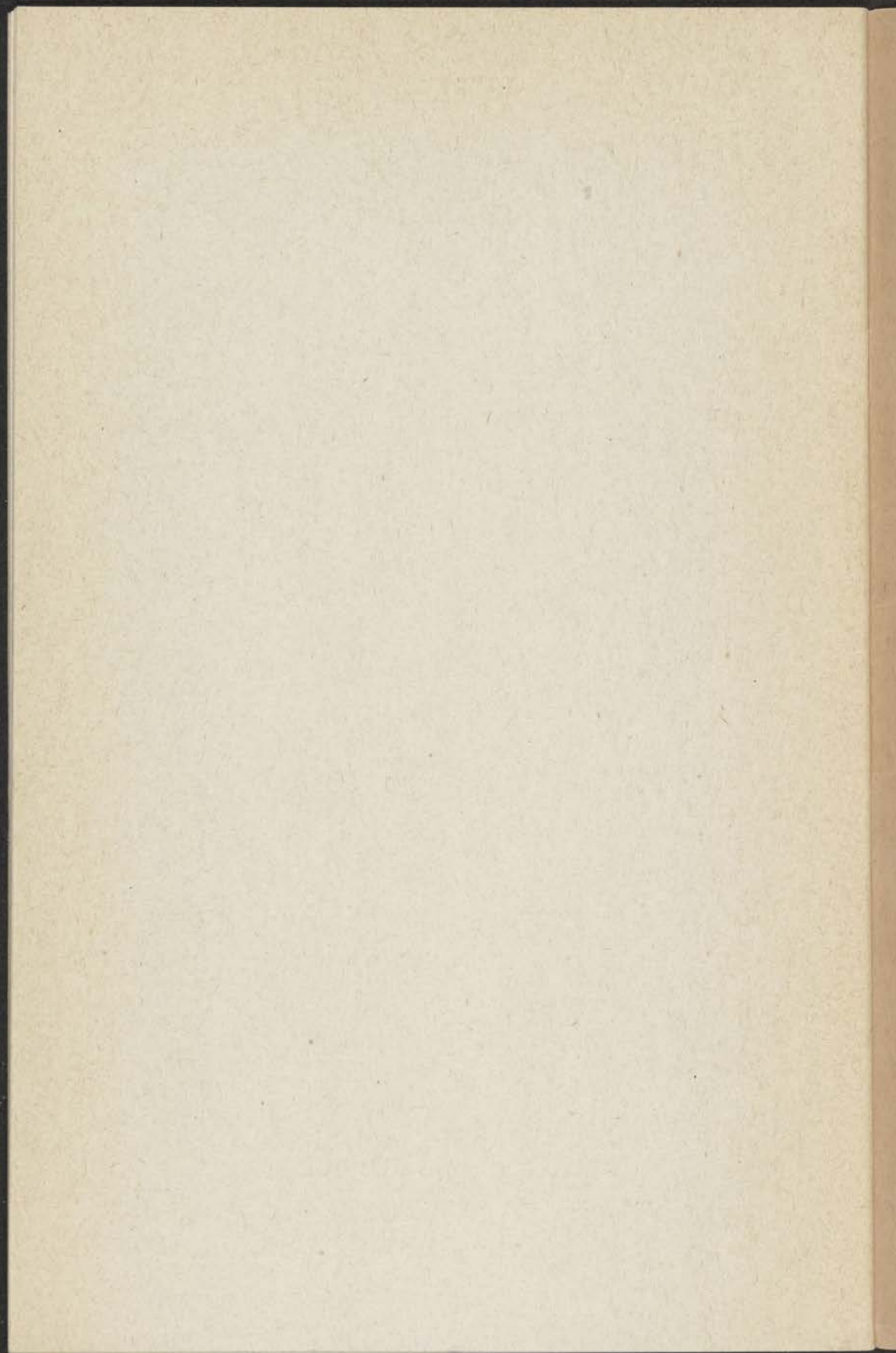
These and other laws which have been enacted since 1933 have laid a firm foundation for secure economic life for the working men and women of this country. We shall make still further progress in this direction, thanks to increasing understanding and cooperation among employers, workers, Government, and the public. I am confident that working people have been placed upon the threshold of a new and better era because of the statutory devices which were used to bring security to the majority of our workers.

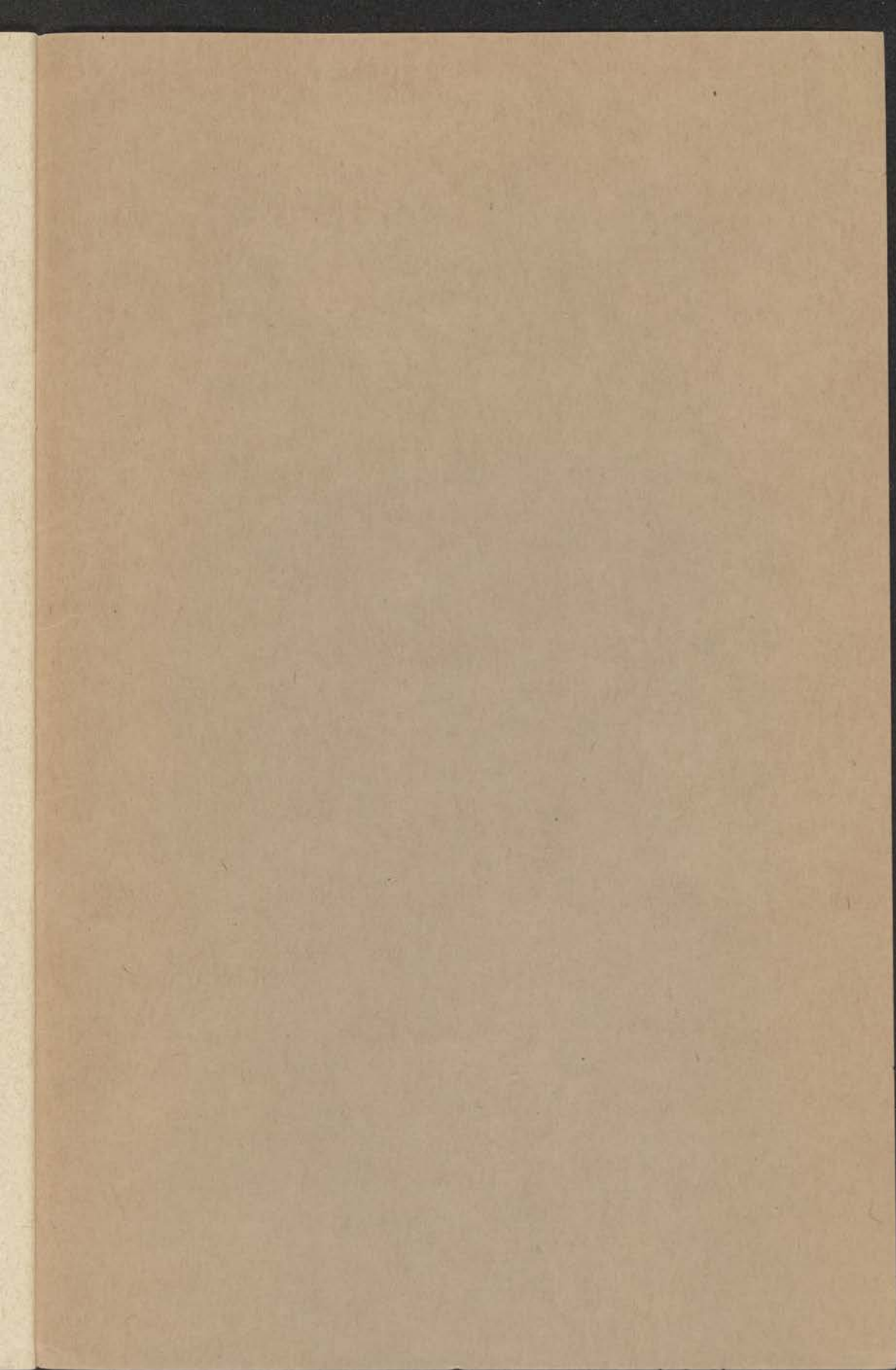


THE HISTORY OF THE
CITY OF BOSTON
FROM THE FIRST SETTLEMENT
TO THE PRESENT TIME
IN TWO VOLUMES
BY NATHANIEL BENTLEY
VOLUME I
FROM THE FIRST SETTLEMENT
TO THE YEAR 1700
PUBLISHED BY
J. B. BENTLEY
1856

THE HISTORY OF THE
CITY OF BOSTON
FROM THE FIRST SETTLEMENT
TO THE PRESENT TIME
IN TWO VOLUMES
BY NATHANIEL BENTLEY
VOLUME II
FROM THE YEAR 1700
TO THE PRESENT TIME
PUBLISHED BY
J. B. BENTLEY
1856







SAN DIEGO PUBLIC LIBRARY



3 1336 05750 2784