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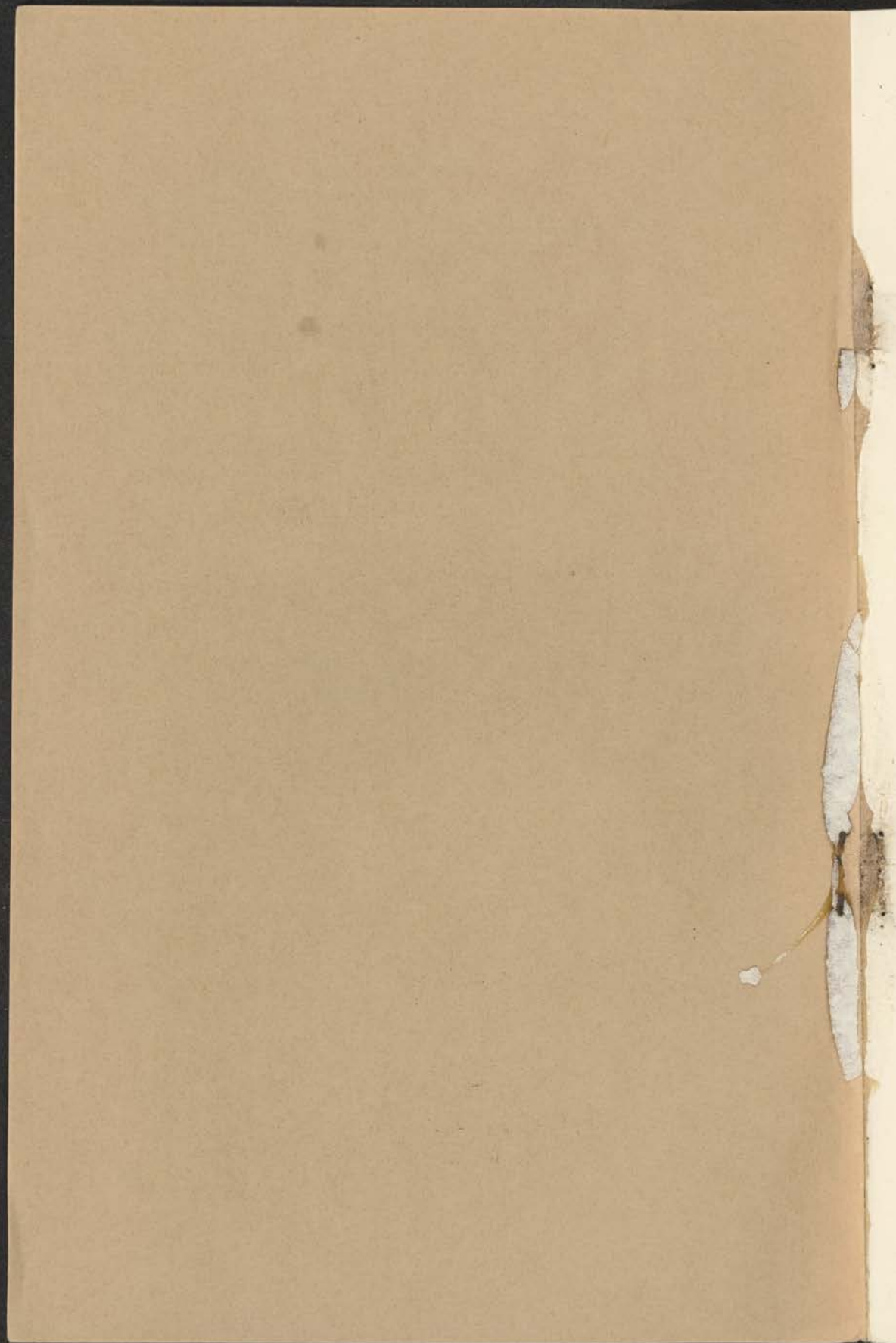
of the
United States Department of Labor

FISCAL YEAR 1961



UNITED STATES DEPARTMENT OF LABOR

Arthur J. Goldberg, Secretary



**UNITED STATES
DEPARTMENT OF LABOR
ANNUAL REPORT, 1961**



UNITED STATES DEPARTMENT OF LABOR

Arthur J. Goldberg, Secretary

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UNITED STATES DEPARTMENT OF LABOR

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Executive Assistant to the Secretary.....	Stephen N. Shulman ²
Special Assistant to the Secretary.....	Daniel P. Moynihan ³
Under Secretary of Labor.....	W. Willard Wirtz ⁴
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Assistant to the Under Secretary.....	N. Thompson Powers ⁵
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Assistant Secretary of Labor for Employment and Manpower.....	Jerry R. Holleman ⁷
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Assistant Secretary of Labor for International Labor Affairs.....	George L-P Weaver ⁸
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Office of Information, Publications, and Reports, Director.....	John W. Leslie
Office of Legislative Liaison, Director.....	Samuel V. Merrick ¹²
Office of Personnel Administration, Director.....	Edward J. McVeigh
Bureau of Apprenticeship and Training, Director.....	Edward E. Goshen ¹³
Bureau of Employees' Compensation, Director.....	William McCauley
Employees' Compensation Appeals Board, Chairman.....	Theodore M. Schwartz
Bureau of Employment Security, Director.....	Robert C. Goodwin
Bureau of International Labor Affairs, Director.....	George L-P Weaver
Bureau of Labor-Management Reports, Commissioner.....	John L. Holcombe
Bureau of Labor Standards, Director.....	Arthur W. Morley
Bureau of Labor Statistics, Commissioner.....	Ewan Clague
Bureau of Veterans' Reemployment Rights, Director.....	Hugh W. Bradley
Wage and Hour and Public Contracts Divisions, Administrator.....	Clarence T. Lundquist
Women's Bureau, Director.....	Esther Peterson ⁹

¹ Sworn in January 21, 1961, succeeding James P. Mitchell, who resigned January 20, 1961.

² Effective February 20, 1961, succeeding Walter C. Wallace, who was appointed Assistant Secretary of Labor on November 25, 1960.

³ Effective July 3, 1961, succeeding George L-P Weaver, who was appointed January 23, 1961, to succeed Robert D. Swezey, who resigned January 4, 1961.

⁴ Sworn in February 6, 1961, effective January 30, 1961, succeeding James T. O'Connell, who resigned January 20, 1961.

⁵ Effective March 21, 1961, succeeding Richard A. Schwarz, who resigned March 20, 1961.

⁶ Sworn in March 2, 1961, succeeding John J. Gilhooley, who resigned January 20, 1961.

⁷ Sworn in February 6, 1961, effective January 30, 1961, succeeding Walter C. Wallace, Jr., who resigned January 20, 1961. On November 25, 1960, Mr. Wallace succeeded Newell Brown, who resigned November 14, 1960.

⁸ Sworn in July 21, 1961, succeeding George C. Lodge, who resigned June 30, 1961.

⁹ Sworn in August 17, 1961, effective August 16, 1961, as Assistant Secretary of Labor (office created by Public Law 87-137, approved August 11, 1961). Earlier, on January 30, 1961, Mrs. Peterson became Director of the Women's Bureau, succeeding Alice K. Leopold, who resigned January 20, 1961. In her new post, Mrs. Peterson continues to be responsible for the work of the Women's Bureau.

¹⁰ Sworn in March 2, 1961, succeeding Stuart Rothman, who resigned June 23, 1959.

¹¹ Effective April 20, 1961, Deputy Assistant Secretary Wolfbein was designated to serve as Director of the Office of Automation and Manpower created by General Order No. 110, April 20, 1961.

¹² Effective November 6, 1961, succeeding Albert L. McDermott, who resigned January 6, 1961.

¹³ Effective July 30, 1961, succeeding W. C. Christensen, who resigned January 6, 1961.

UNITED STATES DEPARTMENT OF LABOR ANNUAL REPORT, 1961

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REPORT OF THE SECRETARY OF LABOR

Although the bulk of this annual report deals with the activities of the U.S. Department of Labor during fiscal year 1955, the Secretary's report contains a chapter report on going through the calendar year. The Department has sought to emphasize President Kennedy's message over the last year, and to show the progress which has been made in the various areas of the Department's work. While the Department has made considerable progress in the various areas of its work, it has also encountered many problems which have not been solved.

One of the most serious problems is the unemployment problem. In 1955, the unemployment rate was 6.7 percent, which is a record for the post-war period. The Department has been unable to find a solution to this problem, and it is hoped that the President's new program will be able to solve this problem.

REPORT OF THE SECRETARY OF LABOR

During the last year, the Department has been unable to solve many of the problems which it has encountered. The unemployment problem is the most serious, and it is hoped that the President's new program will be able to solve this problem. The Department has also encountered many other problems, such as the problem of the minimum wage, the problem of the National Labor Relations Board, and the problem of the Fair Labor Standards Act.

On the other side, the problem of unemployment is still with us. Although the Department has been unable to solve this problem, it is hoped that the President's new program will be able to solve this problem. The Department has also encountered many other problems, such as the problem of the minimum wage, the problem of the National Labor Relations Board, and the problem of the Fair Labor Standards Act. The Department has been unable to solve many of these problems, and it is hoped that the President's new program will be able to solve these problems. The Department has also encountered many other problems, such as the problem of the minimum wage, the problem of the National Labor Relations Board, and the problem of the Fair Labor Standards Act.

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REPORT OF THE SECRETARY OF LABOR

REPORT OF THE SECRETARY OF LABOR

Although the body of this annual report deals with the activities of the U.S. Department of Labor during fiscal year 1961, the introductory section comprises a progress report extending through the calendar year. The Department has sought to implement President Kennedy's concern over the immediate and short-term problems which faced U.S. working men and women at the time the Administration took office, while at the same time assisting in the President's program of legislative action, in a concerted attack on the basic economic problems which face the Nation.

Our economy is once more showing its traditional capacity for growth. In both October and November there were more people at work than in any other autumn in our history—an average of more than 67½ million people. Personal income in November was at an annual rate of \$42.9 billion, 6 percent more than a year earlier.

Despite this sharp recovery, prices have remained relatively stable. Wholesale prices in November were actually lower than a year earlier, and consumer prices advanced over the year by only 0.7 percent, the smallest increase for a comparable period since 1955. Thus, the purchasing power of the average factory worker was 6 percent greater in November than a year earlier and a full 30 percent greater than the average for 1947-49. Per capita purchasing power reached a new high in the third quarter of 1961, and continued to expand in the last quarter.

On the debit side, the stubborn problem of unemployment is still with us. Nevertheless, new programs have been initiated and others are awaiting action by the Congress—programs which are designed to attack the basic causes of unemployment. The Department of Labor is primarily concerned with the labor force itself. Are our working men and women qualified for the skilled jobs of the future? How many of our younger workers are unemployed because of inadequate skills? How many older workers are unemployed because of outmoded skills? How many workers are unemployed or impeded from advancing in employment because of discrimination based on race, religion, nationality, sex, or age? These are basic questions which must be answered if we are to achieve full utilization of our labor force. During 1961 the Labor Department has attempted to answer these questions and suggest solutions to the problems they raise.

The Department has been concerned with the promotion of labor-management peace, the passage of needed labor legislation, and administrative improvement within the Department of Labor itself. Listed below are some of the more significant achievements within the Department's area of responsibility during 1961.

Major New Policies and Activities

Employment

Automation

On April 20, 1961, there was established within the Department an Office of Automation and Manpower. This is the first time there has existed in the Government an operational unit dealing with the employment problems created by automation and other technological developments.

Equal Employment Opportunity

President Kennedy, on March 6, 1961, established the President's Committee on Equal Employment Opportunity. The Committee is charged with responsibility for insuring that all Americans will have equal access to employment within the Government, and with those who do business with the Government. Secretary Goldberg is vice chairman of the Committee. The work of the Committee has been carried on by the Committee staff, with the assistance of the Department of Labor, under the direction of Assistant Secretary of Labor Jerry R. Holleman, executive vice chairman of the Committee. The Committee has already achieved success in opening up employment opportunities for minority groups in Government and in work on Government contracts. A number of large defense contractors have signed pledges to provide equal employment and advancement opportunity for workers of all races and creeds, and an improved atmosphere for equality of opportunity has been created throughout the Nation.

Youth Employment

The President established a President's Committee on Youth Employment, headed by the Secretary of Labor, to bring the Nation's attention and resources to bear on the vital national problem of out-of-school and out-of-work youth. The Committee is actively at work seeking means to help our 1 million unemployed young people.

Employment of Women

The President has established a President's Commission on the Status of Women. Using the facilities of the Labor Department under the direction of Assistant Secretary of Labor Esther Peterson, its executive vice chairman, the Committee is studying and will report on policies and practices affecting the employment of women.

Employment Statistics

In order to insure that the public may have complete confidence in employment and unemployment statistics of the Government, the President, on the recommendation of the Secretary of Labor, has appointed a committee to review the statistical methods employed in figuring the number of the employed and unemployed. The committee will make recommendations for any improvements which its study may indicate will be helpful.

Labor Peace

Under the direction of the President, the governmental agencies concerned in the labor-management area have taken a number of steps to promote industrial peace. Partly as a result of this action, the United States enjoyed during 1961 its greatest period of industrial peace since the end of World War II. Only one-seventh of 1 percent of all estimated working time of all nonagricultural workers was lost because of strikes. The number of strikes and the number of man-days lost to them were both at postwar lows.

In its activities, the basic philosophy of the Administration has been to preserve collective bargaining, not to intervene by dictating the terms of settlement but to use the good offices of the Government to help avert or end strikes. The activities of the Secretary of Labor have been limited to those relatively few situations where his good offices have been requested by the parties themselves and by the appropriate Government agency to help effectuate a mutually acceptable settlement in specific labor disputes. Most of the Secretary of Labor's activities have been in the transportation area, which has always been recognized as vital to the Nation's health and safety.

A new era in labor-management relations at missile and space sites has been inaugurated. The President's Missile Sites Labor Commission was created, chaired by the Secretary of Labor, and a no-strike, no-lockout pledge was obtained for missile and space programs. The overall record of labor since the activation of the Commission reflects a gratifying measure of accomplishment. The cumulative lost time from June through November 1961 (approximately 4,260 man-days) as related to the man-days worked (approximately 7,126,000) is 0.06 percent. This represents 4.4 percent of the average time lost at missile sites during the 57-month period prior to March 31, 1961, and only 11 percent of the average time lost in the construction industry in the United States during this same period.

The President's Advisory Committee on Labor-Management Policy was created by Executive order of the President on February 16, 1961. It was assigned responsibility for studying and advising the President with respect to policies which will promote free and responsible collective bargaining, industrial peace, sound wage and price policies, higher standards of living, and increased productivity. The Committee has met regularly, and is preparing specific policy proposals in a number of areas.

Secretary Goldberg also chaired a Task Force on Employee-Management Relations in the Federal Service. This group, on November 30, 1961, submitted to the President a report recommending a constructive, forward-looking program of employee-management relations within the Federal establishment keyed to current needs. The President will implement the Task Force recommendations by Executive order, thus providing an effective system for developing improved employee-management relations within the Federal establishment.

Secretary Goldberg on November 9, 1961, established an Office of Labor and Management Services. This office, created for the first time in the Department of Labor, will coordinate and improve the services which the Department renders to employers and workers.

Major New Legislation

The Temporary Extended Unemployment Compensation Act of 1961

In the depths of the recession, millions of our workers exhausted their rights to unemployment insurance benefits, which are payable for only a certain number of weeks. When faced with the same problem in 1958, the Congress enacted a program which in effect turned the burden of decision to the States. This year, the President's proposals asked for an acknowledgment of the national character and national responsibility of the problem. Every State participated in the program that was passed. As of November 30, 1961, 2.3 million persons had filed claims and \$523 million in additional unemployment insurance payments had been made under this act.

The Fair Labor Standards Act

For the first time since the Fair Labor Standards Act was passed 23 years ago, millions of additional workers were given the protection of the Federal minimum wage law at the same time that the amount of the wage was increased, in steps, to \$1.25 an hour. The Fair Labor Standards Amendments of 1961 reversed the longstanding policy of stabilizing or decreasing coverage under the act whenever the minimum wage itself was increased. The result has been an increase of \$175 million in the pay of workers covered by the act during 1961, and \$536 million annually in the future. These are "high velocity dollars" which got immediately into the economy.

Additional Position of Assistant Secretary of Labor

Public Law 87-137 permitted high-level recognition of the importance of women in the labor force. Mrs. Esther Peterson, Director of the Department's Women's Bureau, was appointed by President Kennedy to serve in the new Assistant Secretary of Labor position. The Department is proud to have the highest ranking woman in the executive branch of the Federal Government.

Armed Forces Reemployment Rights

Public Law 87-391 clarifies and reinforces the reemployment rights of members of the Armed Forces under the Universal Military Training and

Service Act by permitting an additional 4-year period of service for re-employment rights for active duty performed after August 1, 1961.

Special Achievements in Departmental Programs

Discrimination

All discrimination in employment and promotion of Department of Labor personnel on the basis of race has been eliminated. Negroes have been appointed to high positions within the Department, including the post of Assistant Secretary of Labor.

Davis-Bacon Act

In the year 1961, there has been vigorous enforcement of the Davis-Bacon Act and related laws dealing with labor standards on Federal and federally assisted construction projects. The number of wage determinations issued has exceeded 46,000, a new record and 10 percent above the high of the previous year. The Department instituted more than 1,500 cases, also a new high and 25 percent above the previous year. Restitution was approximately \$300,000 for more than 2,700 employees. The number of 8-hour law penalties assessed was more than twice as high as the preceding year, and the number of firms and individuals blacklisted under the act was up 50 percent.

Minimum Wage Law Enforcement

Enforcement operations under the Fair Labor Standards Act were also highly effective. Approximately 42,000 establishments were investigated during 1961. The amount of underpayments found was \$30½ million, the highest amount found due since statistics on this were recorded in 1946. Employers agreed to make payment of approximately \$14½ million.

Walsh-Healey Public Contracts Act

The Secretary of Labor took steps to speed up and improve minimum wage determination procedures under the Walsh-Healey Public Contracts Act. The changes dramatically reduced the timelag in surveying an industry and determining its prevailing minimum wages. In the past, the timelag averaged between 2 and 3 years and sometimes ran as long as 4½ years. The new procedures are expected to shorten this period to less than 1 year.

Public Employment Service

At the direction of the President, the services to job applicants registered with the United States Employment Service and affiliated State employment security agencies have been expanded and improved. The Administration's support and the additional funds allocated by the Congress have provided workers and employers of the Nation with a more fully staffed, better equipped, and highly efficient network of 1,800 public employment offices. Placement services for workers have been realigned to meet the needs of all workers and employers. Toward this end, special-purpose placement offices are being established in metropolitan areas to service such segments of the labor force as professional, managerial, and technical workers; sales, service, and trade occupations. The Bureau of Employment Security and the affiliated State agencies have embarked upon a program of vastly increased testing, counseling, and placement activities for young people who are out of school and out of work. To coordinate and intensify this expanded program for youth, the Bureau of Employment Security has created a new National Youth Employment Service, and regional youth service representatives are being designated to work with the States.

Area Redevelopment Act

The Area Redevelopment Act passed by the Congress in 1961 has a provision under which training programs are instituted in depressed areas in order to provide opportunities for workers to acquire the skills necessary to fill jobs. The Department of Labor has been actively involved in developing these training programs. So far programs under way that have been approved by the Department are providing training opportunities for over 3,000 workers in both industrial and rural areas. The experience of the Department so far with this program reinforces the conviction that while training and retraining does not answer all the problems of the unemployed it is an important aspect of economic recovery that demands added attention on the part of the American people.

Labor-Management Reporting and Disclosure Act

The Bureau of Labor-Management Reports has completed the most active period in its 2-year existence with vastly increased activity in the twin areas of compliance and enforcement of the LMRDA. Over 98 percent of all violations of the act uncovered by Bureau investigative activities during fiscal year 1961 were corrected voluntarily, without recourse to litigation. During the same period, 33 court actions were initiated against persons and organizations violating the terms of the law. The Bureau also has pursued a constantly increasing program of technical assistance and education directed at achieving the maximum in voluntary compliance.

Collective Bargaining

It is obvious that the Department of Labor has primary concern in the state of collective bargaining in the country.

There is increasing reason for American labor and management to acknowledge and provide for the public interest in their relationship—and increasing cause for confidence that they will do so.

A fundamental characteristic of the labor-management relationship is that it responds, often more quickly than is realized, to changes in economic life. Further, public policy adjusts for its part to new circumstances that require new accommodations of the general welfare.

It is becoming clear that we are entering an era in which both the labor-management relationship and public policy face the kind of rapid change that in turn changes them.

The weight of change is felt at the bargaining table in increasing measure. Almost every bargaining session in recent years has reflected to some degree the increasing mechanization of industrial processes, the accelerating shift in occupational balance toward the highly skilled and "white collar" jobs, the geographic movement of industry, and, most importantly, the job security of those most closely affected by these changes.

We have seen the scope of bargaining widened since the war from proposals dealing almost exclusively with wages and hours and conditions to the establishment of hospitalization, retirement, supplemental unemployment insurance, and other benefits, and beyond these to the concept of the job as property and a man's stake in his employment as similar to a property right.

Collective bargaining has, on the whole, served its participants well, and will remain the basic mechanism by which parties to an enterprise freely determine the rewards of their effort.

This democratic institution now faces challenges of a profound nature. These spring from the economic realities of the world around us, characterized by three vast forces: the new economic unity of Europe, which presents us with the need for a decision that may change the course of our history, however we make it; the developing power of the Communist economic world and the use of that power to serve political purposes; and the struggle of new nations to accumulate capital, develop their manpower, and lay the base for an active economic role in world affairs.

In the light of these forces, the labor-management relationship in America finds itself inextricably involved with the national welfare, to a degree unprecedented. For example, there is no question in my mind that American industry must automate and increase its efficiency, and workers and managers alike must undertake every reasonable effort to step up productivity. The challenge of world markets, especially the Common Market, will shake out the inefficient and the laggard. The test of collective bargaining in this area is how to provide for the best conditions in which a partnership

for efficiency can exist, and at the same time provide for the sometimes profound human problems of adjustment that will arise.

Another example of the impact of national interest upon labor and management bargaining is in the wages and prices area. Our commitments for defense and aid, along with resurgent economies in a number of countries, have presented us with a balance-of-payments problem that requires close and calm attention. At the same time, the soundness of the dollar is a precondition for economic growth that is meaningful and not merely a reflection of inflation. In general, overall economic gains by labor and management must be paralleled by increases in productivity. Price stability, for its part, is plainly essential to the success of our policies. There is no question we can earn what we need and want in America.

The goals before us are, I think, clear:

- To prevent inflation and maintain price stability.
- To increase productivity so that labor, management, and the public can all rightfully share in the fruits of progress.
- To remain competitive in world markets.
- To exert our economy to achieve a rate of growth that will provide the means for meeting our domestic and international needs.

The attainment of these goals is clearly in the national interest. The implications for labor and management seem equally clear, especially in terms of the abandonment of restrictive policies that impair efficiency, in the exercise of statesmanship in meeting the social consequences of change, and in the formulation of wage and price policies.

All of these challenges are also opportunities; change brings not only problems but promises. I am confident as I have always been in the wisdom of free men. And I believe we are beginning to move forward together in a great common effort in which private policy and public policy both serve the ultimate purpose of the survival and success of freedom.

Conclusion

The experience of the Labor Department during 1961 in meeting its statutory obligation to "foster, promote, and develop the welfare of the wage earners of the United States" gives every indication that we can look forward confidently to a further vigorous improvement in our economy. Employment and personal income both rose to new highs during 1961 and the unemployment situation which troubled us throughout the year has improved significantly.

Every indication is that we can confidently look forward to a continued rise in the economy throughout 1962. We will continue to set job records in the immediate months ahead. An important aspect of the improvement thus far is that we have had a remarkable stability in prices so that the

working man has not paid in inflation for the improvement in his economic condition.

In this regard it is tremendously important that both labor and management bear in mind that a recovery can be impeded by lack of restraint with respect to both prices and wages during crucial months.

We need sound collective bargaining; we need sound and responsible price and wage policies with respect to American industry and American labor. While we look forward to improvement in the employment situation, nevertheless we must also be conscious of the fact that our unemployment situation, though significantly improved, is still not satisfactory. We have too many of our people out of work. We owe the continuing obligation to them to restore, to the maximum extent practicable, full employment so that all people who are willing and able to work can find a job. And it is the determination of this Administration, in cooperation with labor and management, to afford job opportunities to all Americans. This must be our goal for the new year.

OFFICE OF THE SECRETARY

APPROPRIATIONS, FISCAL YEAR 1961

Appropriations for the Department of Labor for the fiscal year 1961 totaled \$1,177,111,900. Of this total, \$47,636,800 was for salaries and expenses and provided for 5,380 positions. The balance of \$1,129,475,100 was for grants to States for State administrative costs of the employment service and unemployment compensation programs; unemployment compensation payments to veterans and Federal employees; payments under the Federal Employees' Compensation Act; administrative expenses for the Bureau of Employment Security and Mexican Farm Labor Supply Fund; and the administration of the longshoremen's rehabilitation program. Also included was \$500,000,000 for the Federal extended compensation for temporary unemployment payments made available to persons who exhaust benefits owing to economic conditions.

<i>General administrative salaries and expenses</i>	<i>Positions</i>	<i>Amount</i>
Office of the Secretary.....	166	\$1, 582, 840
Working Capital Fund.....	161	
Bureau of Labor-Management Reports.....	532	5, 011, 200
Bureau of International Labor Affairs.....	36	378, 360
Office of the Solicitor.....	382	3, 325, 700
Bureau of Labor Standards.....	290	2, 522, 000
Bureau of Veterans' Recemployment Rights.....	64	632, 300
Bureau of Apprenticeship and Training.....	492	4, 329, 000
Mexican farm labor program.....	145	1, 168, 700
Bureau of Employees' Compensation.....	479	3, 431, 800
Bureau of Labor Statistics.....	1, 114	11, 118, 000
Revision of Consumer Price Index.....	116	1, 322, 000
Women's Bureau.....	61	533, 900
Wage and Hour and Public Contracts Divisions.....	1, 342	12, 261, 000
Subtotal.....	5, 380	47, 636, 800
<i>Trust funds, grants, and benefit payments</i>		
Bureau of Employment Security (salary and expenses).....	979	9, 000, 000
Grants to States.....		378, 924, 000
Federal extended compensation payments.....		500, 000, 000
Reimbursement from Mexican Farm Labor Supply Fund (salaries and expenses).....	208	1, 496, 100
Administration of longshoremen's rehabilitation program.....	7	55, 000
Subtotal.....	1, 194	889, 475, 100
Grand total.....	6, 574	1, 177, 111, 900

OFFICE OF THE ADMINISTRATIVE ASSISTANT SECRETARY

The Administrative Assistant Secretary has been given primary responsibility for the Secretary of Labor for administration and management of the Department of Labor. He provides advisory services and policy direction for all major budgetary and management operations, and serves the Secretary in such matters with the Congress, Bureau of the Budget, General Accounting Office, and United States Government.

During the fiscal year, numerous legislative proposals closely related

to the Secretary's program were prepared. These proposals were submitted to the Secretary for his review and approval. The Secretary's review and approval of these proposals was a key factor in the Secretary's program.

OFFICE OF THE SECRETARY

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1964-1965

The Department of the Interior has the honor to acknowledge the receipt of your letter of the 10th day of January, 1965, regarding the proposed acquisition of the land described in the accompanying map. The Bureau of Land Management is currently conducting a study of the proposed acquisition and will advise you of the results of its study as soon as it is completed. In the meantime, the Bureau is conducting a study of the proposed acquisition and will advise you of the results of its study as soon as it is completed. In the meantime, the Bureau is conducting a study of the proposed acquisition and will advise you of the results of its study as soon as it is completed.

Very truly yours,

Director, Bureau of Land Management

Enclosure

Very truly yours,

Director, Bureau of Land Management

Enclosure

Very truly yours,

Director, Bureau of Land Management

Enclosure

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Director, Bureau of Land Management

Enclosure

OFFICE OF THE ADMINISTRATIVE ASSISTANT SECRETARY

The Administrative Assistant Secretary has been given primary responsibility by the Secretary of Labor for administration and management of the Department of Labor. He provides advisory services and policy direction for all fiscal, budgetary, and management operations, and acts as the liaison officer in such matters with the Congress, Bureau of the Budget, General Accounting Office, and General Services Administration.

During the fiscal year, a number of legislative proposals closely related to the programs and interests of the Department were introduced in the Congress. This office prepared a great many proposed budget estimates in connection with these proposals, which included bills on manpower development and training; youth employment and a Youth Conservation Corps; employment security amendments; amendments to the Fair Labor Standards Act and to the Welfare and Pension Plans Disclosure Act; and the Area Redevelopment Act of 1961. These involved preparation of various types of budget estimates, such as for occupational training, subsistence payments, and housing.

Of the above, those which have been passed thus far are the Employment Security Amendments, Amendments to the Fair Labor Standards Act, and the Area Redevelopment Act of 1961. Arrangement for additional space and other facilities, as well as financial and fiscal planning, was necessary.

Studies and surveys were made in cooperation with several bureaus toward more effective use of personnel through modern methods and equipment. These studies included a review of bureau organizational structure, the application of automatic data processing to payroll and accounting operations, and an analysis of program budgets.

Space continued to be a critical problem both in Washington, D.C., and in the various major cities where field offices are located. In the District of Columbia, the Department's headquarters operations were housed in 14 widely separated buildings. An analysis of the total space situation was started during the late weeks of the fiscal year to determine what action could be taken to bring the Department's operations in closer physical proximity. However, any significant improvement in this area will require several years to accomplish.

Other general responsibilities of this office include procurement services, communications, library services, property and records, and safety of working conditions for Federal employees.

There was more activity this year in employee safety programs. The injury-frequency rate showed a decrease from 3.4 percent last year to 3.3 percent in fiscal 1961. Several supervisory training courses were held. Safety meetings discussed and analyzed injury reports. Inspections were made to prevent or correct work hazards. A seat belt program was promoted for official and privately owned cars. All official Department vehicles are now equipped with such belts, and efforts are being made to promote their use. Over 1,200 seat belts were purchased by Labor Department employees through the Recreation Association for use on their own cars.

Top budget and other staff members made visits to departmental and regional and branch offices to evaluate activities at first hand. These visits are useful in supplying information for budget processing.

A pilot study in a major regional office resulted in the decision to consolidate all administrative services in each of the other regional offices of the Department. The first such complete service has been established in the New York City region and will provide the variety of typical services in this field. Included also is centralization of the operation of emergency planning. Financing will be under the control of the Administrative Assistant Secretary through the Working Capital Fund. Other regional offices to be so serviced are located in Chicago, Boston, San Francisco, Cleveland, Atlanta, Dallas, Kansas City, Seattle, and Chambersburg.

Another study brought about the decision to centralize and mechanize all bureau payroll and accounting operations at the departmental level. Modern equipment has been selected and ordered; necessary staffing is now under way. It is expected that the new accounting and payroll procedures will be in full operation during fiscal 1962. Further studies will be conducted to determine additional procedures which can be converted to centralized electric accounting machine operations so as to improve present output. As part of the planned program, evaluations will be made of certain other bureau internal control practices which may be susceptible to mechanical operation, eventually leading to development of complete accounting manuals.

A study of the directives system for departmental level issuances was completed, and recommendations for modification were approved by the Secretary. This revision includes the elimination of the current system of the Administrative Handbook, Budget and Management Manual, and other operational procedures and mobilization instructions and notices. These are to be replaced by a Manual of Administration, a Manual of Organization, a Mobilization Manual, and Secretary's orders and notices. Conversion to the new system has been started.

Departmental management standards were developed and published on several aspects of management analysis, in addition to the directives system revision. These included directives on overall management analysis functions, automatic data processing, and organization. A revision of the Department's correspondence system, using the newly published General

Services Administration Correspondence Manual as the base, was started. Work was also begun on standards for forms, reports, and records management.

Progress has been made on a new Employment Security Building in Washington, D.C. The construction contract has been awarded and work was scheduled to start in November 1961. It is estimated the building will be completed and available for occupancy by August 1963. The six-story building will house the United States Employment Service for the District of Columbia and the District of Columbia Unemployment Compensation Board. Location is at 6th Street between Pennsylvania Avenue and C Street, N.W.

An Occupancy Guide which outlines the space requirements for the field offices of the bureaus of the Department was completed during the year and issued in March 1961. The guide was developed with the cooperation of the General Services Administration. It should be of considerable aid in the effective development of plans and acquisition of space and other facilities.

The President created on November 15, 1960, a tripartite commission consisting of 15 members to inquire into a controversy between certain railroad carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and certain of their employees represented by the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors and Brakemen, Brotherhood of Railroad Trainmen, and Switchmen's Union of North America. This involved not only overall housekeeping functions, but also the finding of office space in an already overcrowded market for Government space. Space was rented in a non-Government building.

Subsequently, three other similar commissions were created by the President—on March 24, 1961, the New York Harbor Conference Carrier Committee and Employees of the Marine Engineer Beneficial Association and employees of the International Organization of Masters, Mates & Pilots; on May 26, 1961, the Missile Sites Labor Commission to determine methods of adjustment of labor problems at missile and space sites; and on June 12, 1961, the New York Harbor Carriers' Conference Committee and Lighter Captains' Union and the International Longshoremen's Association. The Office also arranged for hearing rooms and reproduction and procurement facilities for these commissions. Although fundings of the commissions were from the Emergency Fund of the President, the control of funds, payrolls and accounting, audits, and quarterly budgets were the responsibility of the Administrative Assistant Secretary.

The Department's incentive awards program was operated during the last fiscal year under decentralized authority and responsibility to the bureaus, which permitted approval of suggestion awards up to \$500 and performance awards up to \$300 for individuals and \$500 for groups.

The number of instances where superior performance and special acts or services were recognized compared favorably with the results of the previous fiscal year.

The number of suggestions submitted increased substantially over those received during fiscal year 1960. However, the adoption rate continued to be low, and estimated savings from the benefits derived from adopted suggestions were small. The increase in the number of suggestions was largely due to an "idea" month drive carried out by the Department's Wage and Hour and Public Contracts Divisions, during November 1960. In this drive, publicity material included a special appeal to new employees. A memorandum to supervisors requested their support and interest. A cash award was offered to the supervisor who attained the best record in submitting adoptable suggestions. An award was also offered to the office making the greatest contribution in terms of adopted suggestions, amount of awards, and scope of benefits.

The Department's Library collection of approximately 405,000 volumes on labor, economics, and related subjects had very active use in the last fiscal year. A total of 11,386 reference questions were answered; 56,867 books and periodicals were circulated; 1,033 visits were made to the Library by persons not connected with the Department; and exchange arrangements were made with 105 new foreign country organizations. In addition, 1,314 volumes were borrowed from other libraries and 1,601 volumes were loaned to them; the Library catalog was increased by 9,205 items.

Library service was provided to three new groups—the Presidential Commission To Study the Railway Industry's Dispute Over Work Rules and Practices, the Presidential Commission on the Airline Controversy, and the Missile Sites Labor Commission. The Library also participated in the new edition of the "Union List of Serials" which is being prepared for publication by the Library of Congress.

The Department maintained its position on the Treasury Department's honor roll in this year's savings bond campaign. There was an increase in employee participation.

OFFICE OF INFORMATION, PUBLICATIONS, AND REPORTS

The Office of Information, Publications, and Reports is the clearinghouse for all Department information of interest to labor, business, and the public. It monitors the preparation and distribution of all information relating to the work of the bureaus, offices, and divisions of the Department.

The Director must plan and direct all informational activities of the Department, advise the Secretary of the public information aspect of the Department's programs, and develop and maintain appropriate liaison with other agencies and organizations and with foreign countries in connection with the work of the Department.

He controls the dissemination of information to the public concerning the Department's activities and programs. In carrying out this function, his office must insure that the contents of publications prepared by bureaus are consistently in accordance with departmental policy, objectives, and procedures.

The Director supervises departmental relations with press, radio, television, and other public information media. His office puts out, through news releases and other publications, a constant supply of information on labor and economic matters. Some 550 labor and 3,000 local papers are also serviced.

Representatives of the Office participate in various conferences and conventions of labor unions and business and professional organizations, set up appropriate exhibits depicting the services of the Department, and explain ways in which the Department serves the public. Several hundred such conferences are attended each year.

Hundreds of thousands of telephone, personal, and written inquiries are answered each year. Questions of specific and technical interest are answered by the bureaus concerned. More general inquiries, some 150,000 of them last year, are the responsibility of the Office of Information.

A very substantial phase of the work of the Office is the preparation of exhibits by the Division of Visual Services. Last year, 8 large exhibits were designed and built, and 12 were redesigned and refurbished. A total of 2,600 small portables, training charts, car cards, and posters were prepared—all of this made possible by the recent introduction of silk-screen reproduction equipment.

In addition, 65 publications and 50 flyers and self-mailing pieces were designed. One color film was prepared. The photographic laboratory prepared approximately 20,000 prints during the year and about 3,000 color slides. Numerous layouts, designs, and illustrations were also provided by the art and exhibit shops.

Work was nearly completed last year on another major publication of the Department, "The Growth of Labor Law in the United States," a review and summary of State and Federal labor legislation.

OFFICE OF PERSONNEL ADMINISTRATION

To keep the Department adequately staffed to meet increasing demands for its services, the Office of Personnel Administration intensified its efforts to recruit highly qualified employees during the fiscal year, especially stenographers, management interns, investigators, economists, statisticians, and professional workers in employment services and social insurance.

Over 60 colleges were visited to promote student interest in Federal employment and to recruit candidates for employment in the Labor Department. Twelve professional and administrative employees acted as recruiting officers. Appointed to positions in the Department were 42 management interns, the largest group of these employees ever recruited in 1 year; 83 investigators; and hundreds of professional employees, 172 of whom were appointed during the last 95 days of the year.

In addition, the Department continued its program of hiring student assistants for essential summer work as a means of maintaining contacts with educational institutions from which future permanent employees may be recruited. The Department of Labor Board of U.S. Civil Service Examiners announced examinations and established or maintained registers of eligibles for 10 individual or series of positions.

In the search for stenographers, recruiters visited 34 high schools in neighboring States and tested 464 students. Nearly 60 top quality stenographers were appointed as a result of these efforts. Thirteen more were obtained by referral from State employment services.

The intensified recruiting activity necessitated also the identification and classification of many new positions. Altogether, 1,095 positions were allocated. In addition, all clerk-typist and clerk-stenographer positions in the Department were reviewed and reevaluated in the light of the Civil Service Commission's new standards. All positions in the United States Employment Service for the District of Columbia and all safety positions in the field service of the Bureau of Labor Standards were surveyed. As a means of reducing classification paper work, special checklists and fill-in forms were developed for use in lieu of narrative position descriptions for six types of positions.

Training and employee development activities continued to emphasize supervisory training. A supervisor's guide, "How to Identify and Meet Training Needs," was developed and distributed. Employee self-development was encouraged by means of a pamphlet prepared for distribution to all employees, and a self-administered reading improvement program was developed.

Other activities included developing materials for use in orienting new political officers to the staff of the Department and acquainting these officers with their rights and benefits and certain applicable restrictions. The text of a revised and more informative employee handbook was completed.

Nearly 11,500 personnel actions were processed and approximately 12,000 items of correspondence on employment matters were written during the fiscal year. Employment in the Department at the close of the fiscal year is shown in the following table:

Number of employees on the rolls of the Department of Labor as of June 30, 1961

Bureau	Total	Full-time paid employees			Other		
		Total	D.C.	Field	Total	D.C.	Field
All Bureaus.....	7,465	6,955	3,844	3,111	510	63	447
Office of the Secretary ¹	518	472	459	13	46	32	14
Office of the Solicitor.....	374	373	224	149	1	1	0
Bureau of Labor Standards ²	306	302	230	72	4	3	1
Wage and Hour and Public Contracts Divisions.....	1,304	1,297	274	1,023	7	4	3
Bureau of Labor Statistics.....	1,720	1,378	1,060	318	342	12	330
Bureau of Labor-Management Reports.....	531	531	313	218	0	0	0
Women's Bureau.....	67	63	62	1	4	4	0
Bureau of Apprenticeship and Training.....	485	485	86	399	0	0	0
Bureau of Employees' Compensation.....	524	523	245	278	1	1	0
Bureau of Employment Security.....	1,563	1,469	875	594	94	3	91
Bureau of Veterans' Reemployment Rights.....	73	62	16	46	11	3	8
President's Committee on Equal Employment Opportunity ³	26	25	25	0	1	1	0

¹ Includes employees of the President's Advisory Committee on Labor-Management Policy (2), the Presidential Airline Commission (3), the Missile Sites Labor Commission (2), and the Bureau of International Labor Affairs (88).

² Includes employees in the Office of the President's Committee on Employment of the Physically Handicapped (19).

³ Not included in above totals.

OFFICE OF THE SOLICITOR

The Solicitor of Labor is the chief legal officer as well as a policymaking official of the Labor Department. He also gives legal counsel and performs the many diversified types of legal services required by officials and bureaus of the Department. He is responsible for rendering legal advice to the Secretary, the Under Secretary, the Assistant Secretaries, and other departmental personnel. This includes coordinating and handling legal proceedings arising under laws administered and enforced by the Department, all of the legal and coordinating work in connection with the legislative program and work of the Department, and advising on general legal questions of interest and concern to the Department.

In addition, the Solicitor is vested with the authority to perform certain operating functions in connection with the administration and enforcement of the Davis-Bacon Act and other statutes relating to the predetermination and payment of prevailing wages on Federal and federally financed and assisted construction projects. He also has final authority with respect to tort claims arising out of the Department's activities.

The Solicitor's Office maintains a staff of attorneys in Washington and in field offices located throughout the United States and Puerto Rico. The Office is functionally organized into eight divisions, seven of which are comprised of two or more branches.

Trial Litigation and Administrative Legal Services

The Branch of Trial Litigation and the Branch of Administrative Legal Services form a single organizational unit—the Division of Trial Litigation and Administrative Legal Services.

The Branch of Trial Litigation is responsible for the performance and coordination of trial litigation functions in the Washington office. It controls and supervises the trial litigation work of the Department's regional attorneys in the trial courts and before hearing examiners for the enforcement of two of the principal labor standards laws administered by the Department—the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act. In addition, it is responsible for preparing criminal cases under these laws and civil actions, under certain statutes affecting or involving the Department, for submission to the Department of Justice.

Through the regional attorneys of the Department, it gives necessary assistance to U.S. attorneys in the preparation and trial of these cases. It supervises the participation of the regional attorneys in these cases and carries out the coordination of these matters, including defensive actions, with the appropriate divisions of the Department of Justice in Washington.

Enforcement activity at the trial litigation level under the statutes enforced by the Department reached an alltime high in fiscal year 1961. A total of 1,503 civil and criminal cases were filed during the year, compared with 1,365 in fiscal 1960 and 791 for fiscal 1956, representing an increase of almost 100 percent in this 5-year period. These cases included 1,421 civil actions and 82 criminal actions. Civil actions under sections 16(c) and 17 of the Fair Labor Standards Act and section 2 of the Walsh-Healey Public Contracts Act totaled 1,375. In addition, there were 46 other civil actions.

Proceedings under the Fair Labor Standards and Walsh-Healey Public Contracts Acts were completed in 1,533 cases during the fiscal year, an increase of 272 over the preceding year. A total of 1,402 injunctions were obtained, 1,223 by contest and 179 by consent; 27 other civil actions were closed. Criminal prosecutions were completed in 104 cases under the Fair Labor Standards Act, with convictions being obtained in 89 instances. Three cases resulted in acquittals, and 12 cases were either nolle prossed or dismissed. Administrative proceedings under the Walsh-Healey Act were instituted in 46 cases, and a total of 57 cases under that act were completed during the year.

A total of \$128,112 in fines was imposed by the courts in criminal cases and \$8,440 in contempt proceedings. Of the latter amount, \$5,790 was in the nature of compensatory fines.

A net total of \$1,778,514.01 in back wages was also obtained in fiscal year 1961 as follows: criminal cases, \$235,872.60; civil cases, \$1,215,570.96; contempt, \$53,388.77, for a total of \$1,504,832.33, as compared with \$1,355,217.42 in fiscal 1960. In addition, \$273,681.68 was recovered as liquidated damages in Walsh-Healey administrative or court proceedings.

The Branch of Trial Litigation reviewed the pleadings, motions, stipulations, briefs, and other documents prepared for all cases at the trial court level by the Department's regional attorneys. It also gave advice, assistance, and instructions to the Department's regional attorneys in the preparation of these cases for trial and trial strategy. This included during the fiscal year a number of important defensive actions affecting officials of the Department and of cooperating State agencies in connection with the Mexican labor program. These defensive actions were handled in cooperation with the Department of Justice.

The Division's other branch, the Branch of Administrative Legal Services, provides legal assistance in departmental administrative matters, actions, and proceedings, including the preparation of rules and regulations under the various statutes administered by the Department. The Branch is responsible for the conduct of proceedings and hearings relating to minimum wage orders for Puerto Rico, the Virgin Islands, and American Samoa

under the Fair Labor Standards Act and for the determination of prevailing minimum wages under the Walsh-Healey Public Contracts Act. It participates in any actions for judicial review of these orders or determinations.

The Branch prepared and published 122 documents in the Federal Register during the past year, including 54 documents amending the Code of Federal Regulations. Among these documents were wage orders under the Fair Labor Standards Act for 18 industries and 66 separate wage classifications in Puerto Rico.

It also provided legal services in connection with the issuance of prevailing minimum wage determinations under the Walsh-Healey Public Contracts Act for the metal business furniture and storage equipment industry, the electron tubes and related products industry, the paper and paperboard containers and packaging products industry, the photographic and blueprinting equipment and supplies industry, and the electronic components parts industry. In addition, it provided legal services in connection with the issuance of tentative prevailing minimum wage determinations for the paper and pulp and manifold business forms industries.

The Branch represented the Department in hearings relating to the determination under the Walsh-Healey Public Contracts Act of prevailing minimum wages in the miscellaneous chemicals industry, and to the amendment or adoption of hazardous occupations orders under the Fair Labor Standards Act.

Supreme Court and Appellate Litigation Division

This Division is responsible for the Department's appellate litigation work not otherwise specifically assigned, principally in actions under the Fair Labor Standards Act and the Public Contracts Act.

Forty-eight briefs were filed during the fiscal year, 6 in the U.S. Supreme Court, 41 in the Federal courts of appeals, and 1 in the Supreme Court of Texas. Forty-six briefs were filed in cases instituted by or against the Secretary, and the remaining two were filed by the Secretary as amicus curiae in suits brought by employees. Twenty-five decisions were handed down during the year. The Department's position was completely upheld in 19 of the 25, including 1 Supreme Court decision, and was partly upheld in 2 others. The Division also successfully opposed petitions for Supreme Court review of three courts of appeals decisions which were decided in the Department's favor.

In the Supreme Court case, it was held that an enterprise organized as a homeworkers' cooperative to deal in handmade articles was the employer of its homemaker-members under the Fair Labor Standards Act, since the test of employment, for the purposes of the act, was " 'economic reality' rather than 'technical concepts' " (*Goldberg v. Whitaker House Cooperative*,

366 U.S. 28). This decision is of considerable importance in the enforcement of the act's labor standards, because the success of the device employed would have invited a general revival of the serious homework evils which existed when the Fair Labor Standards Act was adopted.

In a number of courts of appeals decisions, the Department's position on the coverage of the act was upheld. As a result it is now well-settled that the act applies to the construction and maintenance of roads that carry interstate traffic (or will do so upon completion) even though the roads are secondary or rural, and to the construction of technical and support facilities at military air transport and communications installations, even though these facilities serve military purposes only (*Compania de Ingenieros, Inc. v. Goldberg*, 289 F. 2d 78 (1st Cir.); *Austford v. Goldberg*, 15 WH Cases 135 (8th Cir.); *Goldberg v. Nolla Galib & Cia.* and *Goldberg v. Five Boro Construction Corp.*, reported together at 291 F. 2d 371 (1st Cir.)).

In *Goldberg v. Owen*, 15 WH Cases 139 (6th Cir.), coverage was held to extend also to employees producing sand and gravel for use by a contractor in making improvements to a military air station. Similarly, the act was held applicable to local contractors engaged in cleaning buildings and removing rubbish for businesses producing goods for commerce (*Mitchell v. Dooley Bros.* and *Kletjian v. Mitchell*, reported together at 286 F. 2d 40 (1st Cir.)). In *Mitchell v. C & P Shoe Corp.*, 286 F. 2d 109 (5th Cir.), it was held that goods received by a retail chain from out of State and stored in the chain's central warehouse continue in interstate commerce until they reach the retail store.

On the other hand, the act was held not to apply to employees engaged in constructing a new tunnel for the Chicago water supply system (*Mitchell v. S. A. Healy Co.*, 284 F. 2d 39 (7th Cir.)); or in the clearing of a reservoir for a multipurpose Federal dam project, where the trial court had found that the clearing was done only for local recreational purposes (*Goldberg v. Wade Labor Const. Co.*, 290 F. 2d 408 (8th Cir.)). A petition was filed seeking Supreme Court review of the latter decision.

The Department position was sustained in a narrow interpretation of the scope of one or another of the exemption provisions of the act in six cases. The "retail exemption" was held not to apply to "letter shops" engaged in addressing and stuffing envelopes for business customers, or to telephone answering services (*Goldberg v. Roberts*, 291 F. 2d 532 (9th Cir.); *Telephone Answering Service, Inc. v. Goldberg*, 290 F. 2d 529 (1st Cir.)), and to be applicable only to those physically separated units of an organization which individually meet the criteria of the exemption (*Mitchell v. Birkett*, 286 F. 2d 474 (8th Cir.)). The "motor-carriers' exemption" was held to apply only to those drivers of an interstate carrier who themselves drive in interstate commerce (*Goldberg v. Faber Industries*, 291 F. 2d 232 (7th Cir.)). With respect to the "forestry exemption"—limited to employers who have no more than 12 forestry employees—it was held that employees who work in fringe forestry occupations must also be counted in determining whether the employer's staff is within the prescribed limit (*Gatlin v. Mitchell*, 287

F. 2d 76 (5th Cir.)). In the sixth case of this group, the "fisheries' exemption" was held not to be an industry exemption, but rather to be applicable only to those employees in the industry who are themselves engaged in the activities specified in the statute as exempt. The court ruled, however, that the breeding of shrimp is "processing" within the meaning of that exemption (*Goldberg v. Trade Winds Company*, 289 F. 2d 278 (5th Cir.)).

In both *Goldberg v. Kickapoo Prairie Broadcasting Co.*, 288 F. 2d 778 (8th Cir.), and *Mitchell v. Jax Beer Distributors*, 290 F. 2d 24 (5th Cir.), the courts reversed decisions of district courts which had denied injunctions on the ground that violations had occurred in "good faith." These decisions may be expected to be of considerable help in stemming the tendency of some district courts to deny injunctive relief although finding that violations of the act have occurred.

The difficult problem of proving the amount of wage deficiencies owing to employees was met in *Mitchell v. Mitchell Truck Line, Inc.*, 286 F. 2d 721 (5th Cir.). The court of appeals ruled that where there is clear proof that there has been underpayment of wages the court may not refuse a backpay order on the ground of uncertainty as to the amount due resulting from the employer's failure to keep proper records. It must make a determination of damages based upon "just and reasonable inference" from the recollections and estimates of the employees and similar relevant, though inconclusive, evidence. This decision confirmed an important rule of proof, which though long established has recently been subjected to attrition by several district court decisions.

The Division participated also in appellate litigation conducted by the Department of Justice involving matters within the scope of the Labor Department's responsibilities, notably the formulation and presentation of the Government's position in *International Association of Machinists v. Street*, 367 U.S. 740, and the preparation of the brief in the first appeal to be taken in an action brought by the Secretary under the Labor-Management Reporting and Disclosure Act of 1959, *Goldberg v. Truck Drivers Local Unions No. 299 and 614*, which was decided in favor of the Department's position by the Court of Appeals for the Sixth Circuit (43 CCH Lab. Cases 117, 124).

General Interpretative Services

The Division of General Interpretative Services is comprised of three branches which furnish advice and assistance in the interpretation of various statutes which are administered by the Department.

The Branch of Wage and Hour Interpretations is responsible for interpretative advice with respect to the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, and the Eight-Hour Laws. This responsibility is carried out through written or oral opinions in answer to requests from individuals, governmental agencies, and bureaus and regional offices within the Department. The Department's position with respect to the

interpretation of these acts is expressed through these opinions, which are used as a basis for enforcement activities.

The Branch during fiscal year 1961 rendered approximately 7,400 oral and written opinions, a substantial increase over the previous year. It also reviewed an average of about 100 opinions a month. These opinions were, for the most part, prepared elsewhere, particularly in regional offices. The Branch was responsible for insuring that the opinions correctly reflected the official position of the Department.

The enactment of the Fair Labor Standards Amendments of 1961 resulted in an immediate and substantial increase in the Branch's interpretative activities. Because of the rather comprehensive nature of these amendments, it became necessary to revise extensively the previously issued interpretative bulletins and to prepare and issue new bulletins. These bulletins interpret the new grounds for coverage in the act, as well as a number of new exemptions which were added by the amendments. Before the end of the fiscal year, a significant start was made in preparing these bulletins.

The Branch of Veterans' Reemployment Rights Interpretations continued to devote a major part of its activity during the year to preparing the "Legal Guide and Case Digest," which brings decisions in the veterans' reemployment field up to date and replaces the former interpretative bulletin issued in 1948. This activity is near completion, and should prove to be a useful and timesaving aid not only to the Government but to all others with interests in this area of the law. Some 180 documents, briefs, comments, or other items were prepared for use in litigated cases, and nearly 600 conferences were held with interested persons, agencies, and organizations in connection with the reemployment rights of veterans. The Branch wrote about 100 original opinions, reviewed about 100 opinions prepared in regional offices, and transmitted 50 cases to the Department of Justice for litigation.

The Branch of Safety Standards and Benefit Plan Reports Interpretations renders interpretative legal advice and assistance in connection with the 1958 safety amendments to the Longshoremen's and Harbor Workers' Compensation Act, regulations promulgated under this law, and the Welfare and Pension Plans Disclosure Act. It prepared 229 interpretative letters and legal memoranda during the year and rendered 4,974 oral interpretations with respect to various legal questions and problems under these statutes. In addition, it gave legal assistance to the Director of the Bureau of Labor Standards in the preparation of four determinations on requests for variations from maritime safety code requirements. It also studied, reviewed, and made recommendations with respect to the proposed amendments to the Welfare and Pension Plans Disclosure Act.

The Branch gave legal assistance to the Secretary in 44 cases pursuant to the Secretary's authority to determine whether action should be taken to relieve parties found to have violated the Walsh-Healey Act from the ineligible list provisions of the law. In addition, it assisted the Wage and Hour and Public Contracts Administrator in preparing 11 decisions in cases

appealed to him from decisions of hearing examiners, under section 5 of the Walsh-Healey Public Contracts Act.

Employees' Compensation

The Division of Employees' Compensation is composed of the Branch of Appeals and Review and the Subrogation Branch.

The Branch of Appeals and Review provides legal services to the Bureau of Employees' Compensation, which administers the workmen's compensation program of the Federal Employees' Compensation Act, the Longshoremen's Act, and extensions thereof. These programs cover civil officers and employees of the United States and the District of Columbia, and private employees within the regulatory jurisdiction of the Federal Government.

Through the Appeals and Review Branch, the Solicitor's Office represents the BEC Director when compensation awards are appealed to the Labor Department's Employees' Compensation Appeals Board, a quasi-judicial body whose decisions are final and not subject to further review. The Branch represented the BEC Director in approximately 350 appealed cases in which the latter's decisions were reviewed by the Appeals Board. Hearings were held in 136 of these cases, with representation and oral argument by this Division. The Bureau was also given legal advice, in the form of formal opinions and conferences.

The Longshoremen's and Harbor Workers' Compensation Act, the Defense Base Act, section 4(c) of the Outer Continental Shelf Lands Act, and the District of Columbia Workmen's Compensation Act contain workmen's compensation provisions which are applicable to private employment. The Branch of Appeals and Review provides legal services for the Bureau with respect to these acts, and also in connection with the administration of the War Risk Hazards Compensation Act, Public Law 85-538 (providing coverage for employees of post exchanges and other similar nonappropriated fund activities of the Armed Forces), Public Law 85-477 (providing coverage for persons employed under Mutual Security Act contracts), and Public Law 85-608 (providing coverage for Red Cross workers and others similarly employed in rendering welfare services to the Armed Forces outside the continental United States).

Other assistance which the Branch gives the Bureau of Employees' Compensation includes defending actions or awards of the BEC deputy commissioners. These commissioners are appointed by the Secretary of Labor to preside as hearing officers in the 13 compensation districts established to serve the United States, including Alaska and Hawaii, and in other compensation districts serving the District of Columbia and claims arising outside the United States. The commissioners have authority to adjudicate claims under the Longshoremen's Act and its extensions. Their decisions are subject to judicial review in U.S. district courts; such review requires the Branch's assistance. During the fiscal year, 46 civil

actions were filed in U.S. district courts and 20 cases were appealed to the U.S. circuit courts of appeal.

The other branch of the Division, the Subrogation Branch, supervises the prosecution of civil actions for damages brought against third parties whose negligence causes the injury or death of Federal employees who are injured while in the performance of duty and who are protected by the Federal Employees' Compensation Act. These actions are instituted to obtain reimbursement of compensation paid by the BEC under the Federal Employees' Compensation Act. During the fiscal year, the gross sum of \$3,305,198.00 was collected from third-party tort feorsors in a total of 1,391 cases. After deducting the expenses of litigation, a net recovery of \$2,391,925.07 was made available to the Federal Government for the fiscal year to offset compensation payments made in these cases under the Federal Employees' Compensation Act.

Division of Manpower and Employment Service

The functions of this Division are divided into two major categories, unemployment compensation and manpower and employment. Organizationally, the Division is composed of two branches, the Unemployment Insurance Branch and the Manpower and Employment Service Branch.

Through the Unemployment Insurance Branch, the Solicitor's Office performs legal services for the Department, primarily the Bureau of Employment Security, and for other interested agencies on matters affecting: (1) the Federal-State system of unemployment compensation programs and (2) the Federal unemployment compensation programs for Federal employees and ex-servicemen.

Extensive and significant legislative activity during fiscal 1961 required the services of this Branch. Congress enacted the Temporary Extended Unemployment Compensation Act of 1961, which established a temporary program to pay Federal benefits for an additional period to individuals who have exhausted their benefits under State laws or title XV of the Social Security Act. The Branch drafted the act and the regulations needed to implement it and issued many interpretations of the act and regulations. It also participated in drafting a bill which would significantly strengthen and broaden the Federal-State unemployment compensation program and which is part of the President's legislative program. This bill would establish a permanent Federal program of additional unemployment compensation for both recession and nonrecession periods under specified circumstances, extend coverage to certain workers not now covered, establish a benefit amount standard for State unemployment compensation laws, require as a condition for approval of State laws for normal tax credit that benefits not be denied claimants attending approved training courses,

provide for enforcement of the conditions of section 3305(b) of the Federal unemployment tax, provide for Federal grants to States with high benefit costs, increase taxable wage base to \$4,800, and make permanent the temporary increase in taxes.

One of the many functions of the Division of Manpower and Employment Security, through its Unemployment Insurance Branch, is to ascertain the continued conformity of previously approved State unemployment compensation laws with requirements of the Federal law. In carrying out this responsibility, the Division reviews and comments on proposed and enacted legislation, regulations, judicial decisions, and quasi-judicial administrative decisions of the several States. This function directly involves the eligibility of States for Federal grants under title III of the Social Security Act and the Wagner-Peyser Act, for the administration of State unemployment compensation laws and the maintenance of State public employment offices, respectively. It also involves eligibility of employers for credit against the Federal unemployment tax for contributions paid by them under State unemployment compensation laws. Eligibility for normal and additional tax credit depends upon the conformity of State laws with certain express provisions of the Federal Unemployment Tax Act.

The review of State laws for this purpose disclosed possible nonconformity of some unemployment compensation laws with Federal requirements. The State law provisions in issue affected the eligibility of employers in the States for tax credits against the Federal unemployment tax, and the eligibility of States for Federal grants for administrative expenditures. The questions raised were fundamental and of far-reaching effect. This Division, through the Unemployment Insurance Branch, performed services of major importance in connection with the analysis of the provisions of Federal law involved and with the presentation of the questions to the Secretary for decision. In two instances, the questions raised were resolved by changes in State legislation which was drawn with the assistance of the Unemployment Insurance Branch. In other instances, questions were resolved after negotiations in which the Branch participated.

Most State legislatures were in session during fiscal year 1961, and it was therefore necessary to review and comment upon a wide variety of enacted legislation. Also, Puerto Rico became part of the Federal-State system, and its laws were reviewed and approval given.

The Manpower and Employment Service Branch renders legal services to the Bureau of Employment Security and other units of the Department concerned with the administration of the Federal-State public employment service; the Mexican labor program and the admission of other foreign workers; defense manpower; and various other related programs.

Challenged in the California courts during the year was the Department's regulation, issued under the Wagner-Peyser Act, prohibiting referrals of workers which would result in their filling a job which is vacant owing to a strike or lockout. In collaboration with the Department of Justice and attorneys of the State of California, this litigation was pursued to the Cali-

for California Supreme Court, which upheld the legality of the Department's regulation.

Similarly, attorneys of the Branch were involved in considerable litigation arising out of the Mexican labor program. This litigation arose under the provision of the law which enjoins the Secretary of Labor from permitting the employment of Mexican nationals unless he can certify that their employment will not adversely affect the wages and working conditions of American workers similarly employed. Upon the Department's refusal to permit the employment of Mexican nationals in several areas, injunction actions were filed to compel the Secretary to permit such employment. In all such cases, attorneys of the Branch have been successful in defeating these efforts. Similar actions were successfully defended where employers were refused the authority to employ Mexican nationals after they had been made ineligible because of prior violations of the international agreement.

As legal counsel in the enforcement of the Migrant Labor Agreement, attorneys in the Branch participated in actions resulting in the recovery of \$284,650 for Mexican workers due them under their contracts. An attorney of the Branch, acting as designee of the Secretary of Labor, sat with the Minister of the Mexican Embassy as an appellate tribunal on determinations made against employers and workers for violation of the Migrant Labor Agreement or Standard Work Contract, and rendered 47 appeal decisions during the fiscal year.

Because of the scheduled expiration of title V of the Agricultural Act of 1949 on December 31, 1961, concentrated efforts were made by the Department to condition its extension upon provisions which would safeguard the domestic work force from the adverse effect of the availability of the reservoir of foreign labor. This entailed the drafting of numerous bills, technical assistance to congressional committees, and the preparation of testimony during the year. Owing to this necessary extension of the legislative base for the Mexican labor program, negotiations were also undertaken for the extension of the Migrant Labor Agreement. The Branch participated in these negotiations and drafted extensive revisions and amendments of the agreement which were tentatively agreed to by the Mexican Government subject to the extension of title V of the Agricultural Act.

Under the terms of the Immigration and Nationality Act, the Secretary certified that the admission of aliens to the United States for employment at an establishment in El Paso, Tex., during the progress of a strike would adversely affect the wages and working conditions of workers in the United States similarly employed. This certification resulted in litigation which sought to compel the Department of Justice to effectuate the Secretary's certification by excluding alien "commuters" who were employed at that establishment. The U.S. District Court for the District of Columbia ruled that whenever the Secretary of Labor has made such a certification, the "amiable fiction" that commuters, who reside in a foreign country and are employed in the United States, are actually residing in the United

States must be set aside. This decision was not appealed by the Department of Justice and is now being given effect by the Immigration and Naturalization Service.

Enactment of the Area Redevelopment Act in May 1961 presented numerous interpretative questions of importance to both branches of this Division. These questions required significant activity in the Division in the preparation of regulations, agreements with the States, and delegations relating both to the training programs and subsistence training allowances provided pursuant to the act.

Wage Determinations

The Solicitor's Office performs the duties with which the Secretary of Labor is charged by the Davis-Bacon Act, related statutes, and Reorganization Plan No. 14 of 1950. These duties relate to wage determinations and coordination of enforcement activities on Federal and federally financed or assisted construction projects.

This work is carried out by the Wage Determination Division. Its Branch of Wage Determinations predetermines minimum wages to be paid to laborers and mechanics under contracts subject to the Davis-Bacon Act and related prevailing wage statutes, reflecting the wages found to be prevailing in the city, town, village, or other civil subdivision of the State in which work is to be performed. The Branch of Coordination and Enforcement administers the functions placed in the Secretary of Labor by Reorganization Plan No. 14 of 1950. The purpose of the plan is to achieve coordination of administration and consistency in the enforcement of the minimum wage and overtime statutes covered by its provisions.

During fiscal year 1961, the Branch of Wage Determinations issued 44,977 wage determinations. This is the largest number of determinations ever issued by the Branch in a comparable period, and represents an increase of 4,237 decisions over the number issued during the previous fiscal year. A total of 41,924 pieces of correspondence were issued in connection with these wage determination matters.

The Branch of Coordination and Enforcement opened 1,359 enforcement cases during the year, the highest total during any fiscal year. A total of 1,138 cases were processed to completion, a record exceeded only in fiscal year 1959. In those cases involving serious violations of the various statutes under Reorganization Plan No. 14 of 1950, ineligibility sanctions were imposed against 57 contractors (firms and individuals) responsible for such violations. As a result of enforcement action, restitution totaling \$305,015.27 was secured for 3,197 laborers and mechanics.

The Branch continued during the year its series of "all-agency" memoranda with respect to coverage problems and related matters. These memoranda aided considerably in promoting consistency in the enforcement of statutes within the purview of Reorganization Plan No. 14 of 1950.

In addition, the Branch issued a large number of interpretations and opinions to contractors and employees advising them of their rights and responsibilities under these statutes.

Prevailing minimum wage and overtime provisions were included during the year in both the Area Redevelopment Act and the Water Pollution Control Act. The addition of these provisions substantially adds to both the wage determination and coordination of enforcement responsibilities of the Division.

Legislation, General Legal Services, and Hearings

Responsibility for three categories of legal services rendered by the Office of the Solicitor is vested in this Division. Accordingly, the Division is functionally organized into a Branch of Legislation and Legal Counsel, a Branch of Hearing Examiners, and a Branch of Special Services.

Legislative functions of the Department are principally performed and coordinated through the Branch of Legislation and Legal Counsel. Shortly after the convening of the first session of the 87th Congress, a high priority was placed by the Administration on a large number of important domestic legislative proposals of direct interest to and within the responsibility of the Department of Labor. This resulted in a substantial increase of activity within the Branch in the preparation of legislative proposals for submission to the Budget Bureau and the Congress. Throughout the first session of the 87th Congress, testimony, analyses, explanatory statements, and other legislative material were prepared by the Branch for the Secretary and other officials of the Department in connection with these proposals. A number of important economic proposals were enacted into law, including:

1. The Temporary Extended Unemployment Compensation Act of 1961, Public Law 87-6, which provides for the payment of additional unemployment compensation to workers who have exhausted their State benefits.
2. The Area Redevelopment Act of 1961, P.L. 87-27, which authorizes a Federal program of economic and technical assistance to areas of substantial and persistent unemployment and underemployment, including retraining programs and allowances for unemployed workers in such areas.
3. The Fair Labor Standards Act Amendments of 1961, P.L. 87-30, which, in addition to increasing the minimum wage to \$1.25, for the first time since the act was passed in 1938 extended the protection of the act to some 3.6 million additional workers.
4. Amendments to the Longshoremen's and Harbor Workers' Compensation Act, P.L. 87-87, increasing benefits under that act.

Substantial progress was also made during the fiscal year with respect to other legislative proposals on the President's program. The most important of these proposals was a bill to provide a program of training

and retraining to assist unemployed persons whose skills have become obsolete to acquire skills which are or will be in demand and to enable American workers generally to qualify for the types of jobs that are and will be available in our highly advanced industrial society.

Other important proposals were the youth employment opportunities bill, designed to develop better means through pilot programs for assuring that young people will find useful employment which they are equipped to carry out; an omnibus bill to provide for permanent reforms in the Federal-State unemployment compensation system; a bill to make the Welfare and Pension Plans Disclosure Act more effective by giving enforcement powers to the Department of Labor and adding more effective penalties; and a bill to improve the Mexican farm labor program, and alleviate some of the problems faced by migrant agricultural workers. With the exception of the unemployment compensation bill, all of these measures were the subject of congressional committee hearings, and technical assistance was given on numerous occasions to the committees and individual Congressmen by the Solicitor's Office.

Another important responsibility of the Legislative Branch is the preparation of legislative reports to congressional committees, and to the Bureau of the Budget, expressing the Secretary's views on pending legislation. Almost 300 of these reports were prepared during the 1961 fiscal year, many of which required extensive legal study and policy coordination with Department officials and other Government personnel. As a further indication of the high level of legislative activity, over 2,700 legal analyses, opinions, explanatory statements, and various legislative materials were prepared upon the request of congressional committees and officials of the Department who testified before these committees. The Branch also maintained a continuing legislative reference service, consisting of a daily congressional digest, relating to legislative matters in which the Department is interested. In addition, a major accomplishment of the past fiscal year was the compilation of an extensive index and legislative history of the titles of the Labor-Management Reporting and Disclosure Act which are particularly relevant to the operations of the Department of Labor.

Legal advisory services are performed by the Branch of Legislation and Legal Counsel for the Office of the Secretary and other offices and bureaus of the Department. During the past fiscal year, 679 analyses, memoranda, and orders were prepared, 686 letters were drafted for the Secretary's signature, and 2,426 letters for the signature of the Solicitor. The Branch performed various legal functions such as those relating to tort claims against the Department, contracts entered into by officials of the Department, and advisory opinions on various legal questions which are referred from within the Department. It also provided legal services in connection with international labor affairs and for the recently constituted Departmental Committee on Foreign Economic Policy.

Administrative hearings under laws administered by the Department are held by the two hearing examiners in the Hearing Examiners Branch of this Division. During the year, 64 hearings were conducted and 48 decisions were rendered under the health and safety standards, minimum wage, overtime, and child labor provisions of the Walsh-Healey Public Contracts Act. Also, seven hearings were held pursuant to the Fair Labor Standards Act, the Davis-Bacon Act, the Longshoremen's and Harbor Workers' Compensation Act, or under the prevailing industry wage provisions of the Walsh-Healey Act.

The Branch of Special Services of this Division provides legal assistance to the Employees' Compensation Appeals Board, in connection with the adjudication of Federal employee workmen's compensation cases which have been appealed to the Board from the initial administrative decision under the Federal Employees' Compensation Act. The Branch prepares drafts of the opinions expressing Board decisions, furnishes legal advice to the Board, and performs research assignments of a special nature which may be requested by the Appeals Board or the Solicitor under the act. A total of 299 cases were handled during the year; 284 decisions were written, leaving a backlog of 15 cases at the end of the fiscal year. The average time between the receipt of a case from the Appeals Board and the preparation of a decision was reduced to 1 month, 12 days, as compared with an average of approximately 3 months which prevailed until a few years ago.

Division of Labor-Management Laws

The Division of Labor-Management Laws was established in the Office of the Solicitor to perform and to supervise the performance of the legal functions imposed upon the Department by the enactment of the Labor-Management Reporting and Disclosure Act of 1959. The Division consists of the Branch of Enforcement and the Branch of Opinions and Procedures.

The Branch of Enforcement performs and coordinates all of the Department's legal enforcement activities under the act. A major aspect of this work is the review of investigation reports of the Bureau of Labor-Management Reports together with the legal analysis of these reports by the regional attorneys, and the determination whether, on the basis of the evidence reflected in these reports and the legal considerations presented in the analyses, the institution of civil or criminal proceedings in the Federal courts appears justified. The Branch transmits to the appropriate divisions of the Department of Justice all cases warranting such action, with a legal review of the investigative reports, a memorandum of law and draft pleadings, and supervises and directs the regional personnel of the Solicitor's Office who participate in the further preparation and presentation of such cases for trial.

During fiscal year 1961, the Bureau of Labor-Management Reports referred 85 cases to the Solicitor for consideration of legal action. After considera-

tion and analysis, civil action was instituted in the Federal district courts in 18 cases. Twenty-six cases were transmitted to the Department of Justice with a recommendation for criminal prosecution. During this same period, 419 cases referred by the Department of Justice with a recommendation of no prosecution were reviewed to determine whether the Secretary should concur in such recommendation and whether any violations of other sections of the act were indicated in the reports of investigation.

This Branch participated in six defensive actions brought in Federal and State courts against the Secretary during this period. Two of these actions were to restrain enforcement of subpoenas, two were for replevin of union records, and two were for declaratory judgments. The Branch also represented the Department in five parole board hearings conducted pursuant to section 504(a) of the act.

Of the 18 civil actions instituted in Federal courts, 14 involved violations of the election provisions of the act and 4 were to enforce compliance with administrative subpoenas issued by the BLMR Commissioner. Three election cases were concluded favorably by the entry of a consent decree providing for a rerunning of the elections under supervision of the Secretary pursuant to court orders. One of the subpoena enforcement actions was dismissed upon voluntary compliance by the respondent, one resulted in a favorable decision by the court, and one case initially resulted in an unfavorable decision.

The latter case was *Goldberg v. Truck Drivers Local Union No. 299, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, et al.*, 191 F. Supp. 229 (E.D. Mich. 1961). In this case, the defendants resisted compliance with the administrative subpoena issued by the Bureau on the grounds that "probable cause" had not been shown; that the subpoena was too broad and unenforceable under the Fourth Amendment; and that section 201 of the act, containing the provisions which required them to file reports with the Secretary, was unconstitutional. The district court found against the Secretary, holding that he must "establish a basis for the investigation" and that there must be some "reasonable foundation or valid purpose" shown by the Secretary before the court would enforce the subpoena. The decision in this case was appealed to the U.S. Court of Appeals for the Sixth Circuit, and that court, in a decision which will have a far-reaching effect on the Secretary's investigative powers under the act, unanimously reversed the district court's decision. The court of appeals held that no "probable cause" or "reasonable basis" need be shown for issuing the subpoena, that it was not too broad, and that section 201 of the act was constitutional.

The Branch of Opinions and Procedures renders legal advice and assistance to the Secretary, the Under Secretary, an Assistant Secretary, and the Commissioner of the Bureau of Labor-Management Reports in the interpretation of the Labor-Management Reporting and Disclosure Act of 1959. The Branch also participates in the preparation and interpretation of the rules, regulations, and reporting forms which the act authorizes and directs the Secretary to issue.

The Branch was extremely active during the fiscal year. As the broad content of the act has become more widely known, questions relating to the specific application of the statute's provisions have, in many instances, presented intricate legal issues. In addition, to the extent that the statute represents a new type of regulatory legislation, it has required extensive legal research and analysis into aspects of law not generally encompassed within the field of conventional American labor law. Thus, in rendering advice on the multitude of problems requiring resolution, the staff of the Branch has drawn on such diverse fields of law as trusts and suretyship, and in some instances has sought the aid of other Federal agencies and departmental offices which function in fields involving parallel legal problems. Similarly, while the interpretative bulletins issued during the previous fiscal year provided general guidance and facilitated an understanding of the act's requirements in many respects, the complex structure and nature of organizations coming within the purview of the statute have necessitated a refinement of the general interpretations on a case-by-case basis.

Approximately 1,250 written opinions were rendered to the public during the fiscal year in connection with problems of interpretation arising under the act. The opinions were prepared in reply to requests for advice from Members of Congress, employers, employer associations, labor organizations, their officers and members, attorneys, and private individuals. In addition, about 300 written legal memoranda were prepared for use within the Department. Many of these dealt with novel problems arising in the course of investigations by the Bureau of Labor-Management Reports made pursuant to the act. Some 200 written opinions prepared outside the Branch were reviewed by its staff. A compendium of the substance of many of the opinions was prepared and circulated to field and departmental staff members whose duties may require familiarity with the meaning of the act's provisions and procedures required thereunder. Portions of a broad project to compile an exhaustive legislative history of the act were completed.

Following extensive legal research into the area of trusteeships, the Branch collaborated in the preparation of proposed regulations and report forms which will be available for general distribution. Legal assistance was also rendered by the Branch's staff in connection with various other regulations, new and revised reporting forms and their accompanying instructions, as well as technical assistance aids and other publications.

Together with the more formal aspects of its work, the Branch is constantly called upon to render informal oral interpretations both to the public and the Bureau of Labor-Management Reports. This is accomplished through personal conferences with private attorneys and other individuals and firms, and with representatives of labor organizations, employers, and others. In addition, informal opinions requested as an aid in administering the act are rendered on a daily basis throughout the year through personal or telephone conferences with Bureau representatives.

BUREAU OF APPRENTICESHIP AND TRAINING

The purpose of the Bureau of Apprenticeship and Training, discussed in an earlier issue, was changed several times during the 1940's, and the latter part of the decade saw the Bureau's program shift to working with chambers and groups in developing, expanding, and extending apprenticeship and training programs.

In developing this responsibility, the Bureau:

- encouraged business and industry to improve their educational training programs, to give and receive, and to give and receive to provide for better training results.

- fostered industrial education and developing to help bring apprenticeship, vocational, and other training programs.

- developed and maintained a list of all such training programs in the United States.

BUREAU OF APPRENTICESHIP AND TRAINING

Under contract for the approval and review of skilled workers:

- developed and maintained a list of all such training programs in the United States.

apprenticeship and training programs.

- worked with management, labor unions, and State apprenticeship and training agencies to develop and expand apprenticeship and training programs and apprenticeship systems.

- developed and maintained and other duties to improve the effectiveness of apprenticeship and training, and served as a clearinghouse for training materials.

International Activities

The Bureau, through its program of research, training for foreign workers, and other activities, has been active in the development of the International Cooperative Education Program. The United States, the International Labor Organization, and other agencies, in the United States, have been active in the development of apprenticeship and training programs for foreign workers.

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BUREAU OF APPRENTICESHIP AND TRAINING

The Bureau of Apprenticeship and Training is a Federal agency within the Department of Labor, established in 1913. Its primary function is to coordinate and administer the Federal Government's apprenticeship and training programs. The Bureau is responsible for the development and implementation of policies and procedures for the Federal Government's apprenticeship and training programs. It also provides technical assistance and guidance to State and local apprenticeship and training agencies. The Bureau is currently working on a number of projects, including the development of a new apprenticeship and training program for the Federal Government, and the implementation of a new apprenticeship and training program for the private sector.

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BUREAU OF APPRENTICESHIP AND TRAINING

The program of the Bureau of Apprenticeship and Training this year, as in prior years, was directed toward carrying out the Bureau's responsibility of working with employers and unions in developing, improving, and expanding apprenticeship and training programs.

In discharging this responsibility, the Bureau:

- Encouraged business and industry to analyze their individual skilled manpower needs, current and future, and urged these establishments to provide for future training needs.
- Gave technical assistance in developing or improving apprenticeship, journeyman, and other training programs.
- Conducted research studies of the need for skills in the Nation's economy and the extent to which management, labor, government agencies, and individuals are taking steps to develop necessary skills.
- Endeavored to make the public aware of the need for apprenticeship and training, publicized outstanding training systems, and encouraged employers, labor organizations, and individuals to take appropriate action to insure training for the required number of skilled workers.
- Encouraged national employer and labor organizations to adopt policies and procedures to create a favorable climate for the development of apprenticeship and skill improvement systems.
- Worked with management, labor unions, and State apprenticeship and community agencies in developing organizational machinery for training programs and apprenticeship systems.
- Developed training aids and other devices to increase the effectiveness of apprenticeship and training, and served as a clearinghouse for training materials.

International Activities

The Bureau administered a program of industrial training for foreign nationals who came to the United States under the sponsorship of the International Cooperation Administration, the United Nations, the International Labor Organization, and other agencies. It also assisted various international agencies in recruiting apprenticeship and industrial technicians for services abroad.

Programs were planned and carried out during the year for 184 foreign participants from 23 countries. In addition, 309 foreign visitors were assisted in gaining a brief, overall understanding of apprenticeship and training activities in the United States.

National Level Promotion

The Bureau worked with 235 national employer associations and 79 international unions during the year. It participated in 35 national conventions promoting apprenticeship, 5 multi-State and State apprenticeship conferences, and assisted 5 national committees in conducting apprenticeship contests.

This activity is reflected in the establishment or revision during the year of national apprenticeship and training standards or policy statements by eight national industrial groups; the employment by industry of additional national apprenticeship and training coordinators; and the issuance by 10 national employer associations and labor unions of suggested apprenticeship and training trust fund plans to their affiliates.

Community Level Promotion

Promotional activities of the Bureau field staff included visits to 121,739 local industrial establishments or labor organizations, and 7,328 public appearances. The latter included speeches, film showings, radio and television presentations, and related methods of creating greater public awareness of the need for the training of workers.

Activities of the field staff are reflected in the establishment of 2,287 new programs during the year and improvements in 3,547 existing programs.

Of the new programs, 1,118 were apprenticeship programs. The remainder involved journeyman or other training.

Program improvements involved 1,880 apprenticeship programs, 826 programs other than apprenticeship, and 841 programs involving both apprenticeship and other training.

New Publications

Bureau publications during the year covered the record over a number of years of a sheetmetal apprenticeship program and an apprenticeship program for electronic technicians. Other publications dealt with training needs of unemployed and underemployed workers and some of the programs developed to meet their needs; the training needs and volume of training being conducted in specific industries; apprentice dropouts; and training and retraining in depressed areas. The publications also included promotional leaflets designed to encourage journeyman skill improvement, magazine articles publicizing outstanding apprenticeship and other training programs, and technical manuals for internal Bureau use.

Among special studies were: "Training and Retraining in Depressed Areas," Bulletin No. 152; "Employee Training in New Jersey Industries"; "Apprenticeship and Training in Masonry Construction," Bulletin T-151; and "Apprentice Drop-outs in the Construction Industry."

Volumes I and II of the Trade and Industry Publication No. 7, covering construction crafts and the shipbuilding trades, were prepared and made available to the field staff and apprenticeship and training officials.

Three promotional leaflets designed to stimulate journeyman training were distributed.

Reprints of 14 articles on various aspects of apprenticeship or other training appearing in national magazines during the year were purchased by the Bureau for public distribution.

A bibliography of the foregoing publications, along with others previously published, may be obtained on request from the Bureau.

Eleven publications concerned with staff development were prepared for internal Bureau use.

Other Activities

Other major Bureau activities during fiscal 1961 included two pilot surveys for the Atomic Energy Commission on the amount of radiography training being given in industry; cooperation with the Emergency Manpower Administration in the development of an organizational plan; establishment of training materials centers in Atlanta, Los Angeles, Boston, New York, Cleveland, and Seattle; serving as a clearinghouse for information on apprenticeship to the States; technical assistance to the Federal Bureau of Prisons on training programs operating in various institutions; the review of 3,089 local, area, and national apprenticeship programs; and the issuance of 8,352 Certificates of Completion of Apprenticeship.

BUREAU OF EMPLOYEES' COMPENSATION

The past year was marked by at least four significant developments in the Federal workers' compensation system. Millions of additional dollars in benefits were provided for thousands of injured civilian Federal employees and their families by Public Law 85-567, enacted September 21, 1958. Congress and action during the year also advanced legislation for structural improvements in the benefit system for injured employees of private industry subject to Federal jurisdiction. (This legislation was approved July 14, 1958, as Public Law 85-513.) During the year, also, significant attention was directed toward improving procedures for administering this program by focusing attention on the economic cost of compensation benefits for work injuries.

BUREAU OF EMPLOYEES' COMPENSATION

During the past year, the Bureau of Employees' Compensation has been actively engaged in a number of projects designed to improve the administration of the Federal workers' compensation program. The Bureau has been particularly active in the area of disability determination and in the area of medical care. The Bureau has also been working on a number of other projects, including the development of a new system for the payment of benefits to injured Federal employees.

During the past decade, there has been a profound and widespread realization of the need for a more effective Federal compensation system. This realization has been reflected in a number of ways. First, there has been a growing awareness of the need for a more equitable system of compensation for Federal employees. Second, there has been a growing awareness of the need for a more efficient system of compensation for Federal employees. Third, there has been a growing awareness of the need for a more flexible system of compensation for Federal employees. Fourth, there has been a growing awareness of the need for a more comprehensive system of compensation for Federal employees. Fifth, there has been a growing awareness of the need for a more integrated system of compensation for Federal employees. Sixth, there has been a growing awareness of the need for a more coordinated system of compensation for Federal employees. 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BUREAU OF EMPLOYEES' COMPENSATION

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The past year was marked by at least four significant developments in the Federal workmen's compensation system. Millions of additional dollars in benefits were provided for thousands of injured civilian Federal employees and their families by Public Law 86-767, enacted September 13, 1960. Congressional action during the year also advanced legislation for significant liberalization in the benefit structure for injured employees of private industry subject to Federal jurisdiction. (This legislation was approved July 14, 1961, as Public Law 87-87.) During this time, also, continuous attention was directed toward improving procedures for administering this program by focusing attention on the economic cost of compensation benefits for work injuries.

The number of work injuries reported during 1961 was slightly more than the year before, 192,866 as compared with 192,367. Fatal cases awarded benefits increased 19 percent, from 250 to 298, owing principally to a catastrophic loss at a naval shipyard in late December. Disbursements from the Federal Employees' Compensation Fund mounted to \$62.2 million, up 3.7 percent from the previous year, reaching a new high nearly 23 percent over that experienced 5 years before. The compensation evaluation of \$16.8 million for cases closed under the private employment acts was down slightly from 1960.

During the past decade, there has been a persistent and relatively high incidence of disabling injuries to civilian Federal employees, brought about chiefly by an adverse trend in one large executive department. However, if injuries in that agency are excluded, the rate of disabling injuries has decreased nearly 30 percent, from 7.7 disabling injuries per million man-hours worked to 5.7, nearly 12 percent better than the published rates for private industry reporting to the National Safety Council. Taking the Federal service as a whole, spectacular reductions have been recorded in the severity rate through improved medical care programs and elimination of many hazards. Since 1939, when the rate was 1,230 days lost per million man-hours worked, there has been a 53 percent reduction to a preliminary total of 580 days lost in the current year. At the present incurred loss level and benefit structure, if these improvements had not been attained, civilian Federal work injuries today would be costing \$34 million more than we are now expending. The year has also brought new factual evidence of the extra-hazardous conditions faced by many employees covered under the Longshoremen's and Harbor Workers' Compensation Act, especially those engaged in stevedoring and ship-repair work.

Nearly 3.5 million workers are presently provided protection in the event of a work injury under the provisions of the Federal workmen's compensation system. It is conservatively estimated that each year 1 of every 18 workers benefits from such coverage. All Federal workmen's compensation acts provide for compulsory coverage, comprehensive occupational disease benefits, unlimited medical care, rehabilitation services for the permanently handicapped, and lifetime awards for permanent total disabilities, as well as lifetime benefits for unremarried widows of fatally injured employees. At the close of the year, there were 26,900 cases being compensated, including 10,973 fatalities. Concurrently, administrative records were being analyzed under the Federal Employees' Compensation Act for the direct submission of bills to executive departments and independent agencies for reimbursement of benefit and other payments in injury cases occurring after December 1, 1960, as stipulated in Public Law 86-767.

Federal Employee Work Injuries

Nearly 13,000 families began to receive additional benefits during the fiscal year 1961 as a direct result of legislative changes made in the Federal Employees' Compensation Act by Public Law 86-767, enacted September 13, 1960.

Of paramount importance was the provision for increasing the wage base upon which compensation is computed in instances where injury or death occurred before January 1, 1958. An increase of 30 percent was granted where injury or death occurred prior to January 1, 1946; 20 percent for cases occurring on and after that date and before January 1, 1951; and 10 percent in cases occurring between January 1, 1951, and December 31, 1957, inclusive. A new monthly minimum of \$180 was set for periods of total disability; and a new monthly wage base minimum of \$240 was stipulated in the computation of death benefits, up 60 percent over the former figures. Maximum additional benefits to help provide full-time attendants for certain totally disabled employees were increased 66 $\frac{2}{3}$ percent, to a rate of \$125 monthly; and the maximum additional benefit for maintenance during rehabilitation was doubled, to a rate of \$100 monthly. Similarly, burial allowance was doubled, providing for a maximum of \$800 per case.

Other significant substantive and technical amendments were made to the act. These related to continuance of medical care after electing a civil service annuity and concurrent schedule award payments in certain cases receiving such annuity. More specific criteria were stipulated for the computation of wage-earning capacity; and clarification provided for determining when the time for filing claims begins to run in cases of latent disability due to radiation or other similar causes. Special provisions greatly liberalized the minimum and maximum compensation applicable to a group of 1,100 emergency relief workers and their families currently receiving benefits. Compensation adjustments in 12,540 cases indicate an increment of nearly \$4 million in benefits annually.

Civilian Federal employees reported 104,673 alleged work injuries to the Bureau of Employees' Compensation during 1961. Although this was less than one-half of 1 percent below the previous year's total, it is almost 5.6 percent higher than the average for the 3 years 1957-59. Six executive departments constituted close to 85 percent of the total: Post Office, 46.2 percent; Army, 10.3 percent; Air Force, 9.8 percent; Agriculture, 7.4 percent; Navy, 5.8 percent; and Interior, 3.8 percent.

Many of these injuries, in fact 60,060 of them, were relatively minor in extent, involving disability of less than a day beyond the injury date. Research discloses, however, that such cases involved \$840,000 in medical expense. Thousands of other injured employees continued to use their leave privilege to assure themselves of a full salary rate during their period of disability. Some 18,000 of the 50,000 disabling cases closed during 1961 involved this kind of election.

During the year, the Bureau paid compensation in 33,000 cases. Of this number, there were 10,151 fatal cases, about half of which originated from military reservist activities prior to January 1, 1957. In addition to these, over a thousand emergency relief cases continued to receive benefits during the year. Of the \$62.2 million expended for direct benefits during the year, death compensation for dependents of fatally injured civilian Federal employees and military reservists accounted for 42 percent; disability compensation amounted to 41 percent; medical treatment and supplies, 14 percent; and the remaining amount was expended for war hazard, war claims, civilian war benefit, and other fringe cases.

For the first time in the history of the Federal Employees' Compensation Act, Federal establishments will be required to reimburse the Federal Employees' Compensation Fund for some of these direct expenditures. Public Law 86-767 directs the Secretary of Labor, prior to August 15 of each year, to furnish each executive department and agency or instrumentality of the United States, or other establishment with employees who are or who may be entitled to compensation benefits under the act, a statement showing the total cost of benefits and other payments made from the fund during the preceding fiscal year on account of the injury or death of employees under jurisdiction of such agency occurring after December 1, 1960.

Each agency is required to include in its annual budget estimates for the next fiscal year a request for an appropriation in an amount equal to such costs. Sums appropriated as a result of such request are to be deposited in the Treasury, to the credit of the Federal Employees' Compensation Fund, within 30 days after they become available. Corporations or agencies not dependent upon an annual appropriation are required to provide the necessary deposits from funds under their control. Mixed ownership corporations and others operating under the Government Corporation Control Act, are in addition required to pay an administrative cost charge to be determined by the Secretary of Labor.

The congressional committee recommending the addition of this requirement in the 1960 amendments to the Federal Employees' Compensation Act

stated it was "designed to further the promotion of safety in the various Federal agencies and establishments by requiring all Federal agencies to include in their annual budget estimates a request for funds to repay the employees' compensation fund for the costs of benefits paid during the preceding fiscal year on account of the injury or death of employees under the jurisdiction of each such agency. . . . This provision would bring to the attention of the heads of each agency the cost of compensation for injuries to employees under his jurisdiction and require him to justify such expenditure to the Bureau of the Budget and to Congress."

Medical services are provided for injured Federal employees by various Federal medical officers and hospitals, including the facilities of the U.S. Public Health Service, both for inpatient and outpatient treatment. Hospitals of the U.S. Air Force have participated in an increasing degree in the medical program during the past year. Hospitals of the U.S. Public Health Service have provided complete physical rehabilitation services and survey examinations when requested. The survey examinations include evaluation of disability and appraisals of work capabilities. In areas where Federal medical officers and hospitals are not available, medical services are furnished by approximately 2,500 private physicians referred to as designated physicians who accept injured employees on a fee for service basis.

Medical officers of the U.S. Public Health Service are assigned to the Bureau of Employees' Compensation on a reimbursable basis to provide medical program direction, technical advice on medical questions involved in adjudication of claims, special study of the medical aspects of unusual compensation cases, assistance in the staff training program, and increased emphasis on rehabilitation services for injured employees. Aside from this, the Bureau does not pay the Public Health Service for medical services to compensation beneficiaries. The cost of such services is included in the appropriations of the Public Health Service. Army, Navy, and veterans' hospitals and their other medical facilities are for the most part utilized for the treatment of their own injured employees. Of the \$8.4 million expended from the Compensation Fund during 1961 for medical treatment and supplies for injured civilian Federal employees, \$7.0 million, or 83 percent, was paid to private physicians, private hospitals, and nurses.

Most heartening were the continued advances in vocational rehabilitation services rendered by the Bureau's small staff of rehabilitation advisers. Stated briefly, their primary function is to arrange for suitable vocational services to permanently disabled beneficiaries of both the Federal Employees' Compensation Act and the private employment acts subject to Federal workmen's compensation jurisdiction. Services and facilities of Federal, State, and, where necessary, private agencies are used to help restore wage-earning capacity and to provide an opportunity to regain an economically productive life. Successful placement services were completed during the year for 296 handicapped beneficiaries. Of these, 96 had been provided vocational retraining and returned to suitable employment in a wide variety of occupational classifications. At the same time, suitable

work was made possible for the remaining 200 claimants through personal counsel and through cooperative contacts with State employment and rehabilitation personnel and governmental establishments. There are 118 beneficiaries currently undertaking approved vocational retraining courses under the sponsorship of the Bureau in cooperation with State vocational rehabilitation divisions. The U.S. Civil Service Commission has been instrumental in developing a program of "coordinators" for the employment of the physically handicapped in Federal offices and employment establishments. Through their cooperation, the Bureau was able to secure reemployment for 40 injured civilian employees in Government establishments by job reassignment. In some instances, arrangements were successfully developed for reemployment by former employing establishments after retraining for new skills.

Private Employment Work Injuries

The total of 88,193 private employment work injuries reported to the Bureau during 1961 was up only 1 percent over the 87,302 recorded the year before. Nevertheless, six district offices experienced significant percent increases in excess of this figure. The Baltimore total nearly doubled, while the rise in Honolulu was 16.2 percent; Philadelphia, 10.9 percent; San Francisco, 9.5 percent; Seattle, 6.8 percent; and Chicago, 3.5 percent.

Fewer disabling injuries, however, were reported in 9 of the 14 district offices servicing these injured employees. At the same time, the total of 28,407 disabling injuries was 4.2 percent below the previous year's figure. Five district offices showed percent reductions in excess of the average: Boston, New York, Jacksonville, New Orleans, and Chicago.

A large proportion of the 28,407 disabling injuries originated from private industry in the District of Columbia, which reported 11,409. Other district offices with disabling injuries in excess of 750 are New York, 4,106; Galveston, 3,044; New Orleans, 2,241; San Francisco, 1,655; Jacksonville, 1,232; and Seattle, 1,052. These seven areas constitute over 87 percent of all disabling injuries in 1961. Compensation payable in these cases, exclusive of medical costs, will probably reach \$20 million.

The professional task of determining the precise merits of all these injury cases entails considerable work on the part of 14 district offices. During 1961, there were 34,704 personal interviews with claimants and employers or their representatives, 13,280 informal conferences relating to claims, 3,369 independent medical examinations ordered, and 436 formal hearings completed. On June 30, 1961, there were 7,095 families or individuals receiving compensation benefits under the various Federal compensation acts affecting employees of private industry. Included in this group were 1,109 families of fatally injured workmen. The total comprised 4,966 longshoremen and harbor workers, 1,242 employees of private industry in the District of Columbia, and 887 workmen under the juris-

diction of the Defense Bases Act, the Outer Continental Shelf Lands Act, and the Nonappropriated Fund Instrumentalities Act.

Injuries or deaths sustained after July 13, 1961, are afforded substantially liberalized benefits under Public Law 87-87, approved July 14, 1961. Compensation up to \$70 a week can now be paid in disability or death cases, as compared with a previous maximum of \$54. Total payments in partial disability cases have a new maximum of \$24,000, up 38.9 percent from the former maximum of \$17,280. Death cases and instances of permanent total disability continue unlimited by any aggregate maximum payment. During the year, provisions for medical care were also liberalized by legislation providing the injured employee the opportunity for a personal choice of physician through a panel system selected by the employer and supervised by the Bureau. Moreover, when specialized services are needed or unusual circumstances prevail, the Deputy Commissioner of the Bureau may permit an injured employee to select a physician not on a panel.

TABLE 1.—Operations under the Federal Employees' Compensation Act,¹ July 1, 1956, to June 30, 1961

Item	Fiscal year				
	1957	1958	1959	1960	1961
Average 1947, 1948, and 1949					
A. Injury cases reported:					
Nonfatal.....	83,599	96,978	97,336	101,140	104,690
Fatal.....	1,091	1,116	456	388	375
Total.....	84,690	98,094	97,792	101,528	104,673
Index.....	100	116	115	120	124
B. Employment coverage (average; excludes reservists)	2,100,000	2,433,698	2,389,458	2,393,910	2,427,716
C. Casualty rates: ²					
Frequency per million man-hours.....	8.67	8.00	8.26	8.10	8.52
Severity per million man-hours.....	680	568	529	501	508
Cost per \$100 payroll.....	\$0.17	\$0.27	\$0.24	\$0.23	\$0.26
Cost per employee.....	\$4.63	\$12.00	\$11.38	\$11.73	\$14.00
D. Number of injury cases reported by establishment:					
Executive Office of the President.....	1,541	58	54	57	74
Department of State.....	283	343	306	338	306
Department of the Treasury.....	2,388	1,941	1,752	1,759	1,748
Department of the Army.....	17,065	12,832	12,151	11,845	11,242
Department of the Air Force.....	6,192	10,120	10,473	10,902	10,422
Department of the Navy.....	8,830	5,664	5,618	5,813	5,803
Department of Justice.....	437	944	1,017	852	1,041
Post Office Department.....	25,129	42,663	43,152	46,024	48,157
Department of the Interior.....	3,827	4,158	3,978	3,844	3,857
Department of Agriculture.....	4,031	5,326	5,468	5,924	6,534
Department of Commerce.....	1,206	1,812	1,865	1,760	2,836
Department of Labor.....	79	92	84	103	109
Department of Health, Education, and Welfare.....	599	1,096	1,182	1,221	1,283
General Services Administration.....	1,804	1,745	1,821	1,865	1,798
District of Columbia Government.....	716	735	816	920	1,062
Tennessee Valley Authority.....	982	1,173	1,224	1,098	1,107
Veterans' Administration.....	6,532	4,733	4,497	4,612	4,421
Federal Aviation Agency.....				391	1,048
National Aeronautical and Space Administration.....				474	649
All other agencies.....	3,049	2,659	2,334	1,726	1,862
Total.....	84,690	98,094	97,792	101,528	105,065
					104,673

See footnotes at end of table, p. 55.

TABLE 1.—Operations under the Federal Employees' Compensation Act,¹ July 1, 1956, to June 30, 1961—Continued

Item	Average 1947, 1948, and 1949	Fiscal year			
		1957	1958	1959	1960
1961					
E. Final disposition of injury cases:					
Minor injury cases.....	36,585	51,851	53,064	55,092	59,674
Disability 1-3 days.....	10,862	13,334	11,313	12,846	13,072
Covered by leave.....	18,924	20,690	19,775	20,463	18,326
Compensated, nonfatal.....	10,101	11,200	12,752	12,609	12,911
Compensated, fatal.....	498	359	382	328	287
No dependents, fatal.....	93	95	21	7	12
Disapproved.....	3,762	2,957	2,660	3,134	3,337
All other.....	2,682	2,903	2,957	2,404	1,570
Total.....	83,507	103,428	102,924	106,723	109,575
Index.....	100	124	123	128	131
F. Number of cases being compensated at the end of fiscal year:					
Nonfatal.....	4,939	9,060	10,022	10,305	9,941
Fatal.....	5,262	10,479	10,674	10,075	9,864
G. Number of cases in which fatal awards were made during year.....					
Number of widows.....	755	802	577	245	221
Number of children.....	545	733	514	211	153
Number of parents.....	1,023	1,187	841	361	206
Number of brothers and sisters.....	127	47	39	19	301
Number of other dependents.....	301	12	9	7	9
	12	1	2		1
Total number of dependents.....	2,008	1,980	1,405	598	518
Average number of dependents per case.....	2.7	2.5	2.4	2.4	2.3
H. Three basic averages (excludes reservists): ²					
Average evaluation per fatal case.....	\$11,210	\$50,617	\$45,222	\$50,798	\$57,031
Average evaluation per nonfatal disabling injury.....	\$158	\$491	\$478	\$498	\$485
Average days lost per nonfatal disabling injury.....	27	45	41	40	36
I. Disbursements:					
Disability compensation.....	\$5,354,032	\$21,059,183	\$23,092,928	\$24,008,245	\$25,403,289
Death compensation.....	4,001,944	(25,348,774)	(26,351,750)	(33,330,364)	(26,339,528)
Federal employees.....		8,379,225	8,309,793	8,606,312	8,890,216
Reservists.....		16,964,549	18,041,937	26,724,052	16,061,713
Medical treatment and supplies.....	2,603,380	7,071,615	7,669,946	7,952,370	8,441,746
Miscellaneous costs.....	108,489	267,782	384,896	387,821	390,203
Enemy action, Public Law 784 and 896.....	1,626,398	(1,611,671)	(1,392,539)	(896,942)	(630,134)
War Hazards Act, Public Law 784.....		126,552	125,814	100,669	89,284
War Claims Act, Public Law 896.....		1,456,119	1,267,015	706,243	540,850

Civilian war benefits.....	35,239	21,179	20,599	18,208	20,031
Emergency relief acts.....	676,323	618,880	596,214	550,960	786,212
Civil Air Patrol.....	26,826	57,901	53,417	59,534	49,389
Reserve Officers Training Corps.....	-----	16	7,934	15,735	7,664
Maritime war risk.....	-----	-----	-----	141,387	127,753
Total.....	14,305,210	59,589,635	69,253,906	56,330,539	62,175,949
J. Emergency relief cases still active:					
Nonfatal.....	411	177	160	153	150
Fatal.....	2,402	1,137	1,075	1,026	978

¹ Excludes emergency relief acts except where specifically indicated; includes reserves of the Armed Forces, except where specifically excluded.

² Frequency here refers to number of disabling injuries; severity refers to number of days disabled or charged. Cost includes incurred direct expenditures payable by the

Bureau of Employees' Compensation, the value of days leave of absence with pay during disability, and evaluated future cost in open cases that occurred in the years covered. Rates and averages in C and H are preliminary for 1961.

TABLE 2.—Operations under the Longshoremen's and Harbor Workers' Compensation Act, and extensions thereof, July 1, 1956, to June 30, 1961

Item	Average 1947, 1948, and 1949	Fiscal year				
		1957	1958	1959	1960	1961
A. Injury cases reported:						
Nonfatal.....	157,954	111,339	102,448	89,204	87,097	88,012
Fatal.....	280	205	185	188	205	181
Total.....	158,234	111,544	102,633	89,392	87,302	88,193
Index.....	100	70	65	56	55	56
B. Kinds of employees injured:						
Longshoremen.....	52,806	36,080	33,762	29,663	31,359	29,182
Harbor workers.....	61,496	43,746	37,314	24,069	20,143	22,710
Defense base workers.....	14,465	4,374	4,905	5,320	4,136	3,929
District of Columbia private employees.....	29,467	25,986	25,223	27,968	27,546	27,852
Outer Continental Shelf.....		1,358	1,429	1,132	1,264	1,335
Nonappropriated Fund.....				1,240	2,854	3,205
Total.....	158,234	111,544	102,633	89,392	87,302	88,193
C. Final disposition of injury cases:						
Number of cases closed:						
Longshoremen's and Harbor Workers' Compensation Act.....	116,857	79,212	74,954	57,929	55,350	58,109
District of Columbia Workmen's Compensation Act.....	30,033	26,359	26,390	28,906	27,885	29,167
Defense Base Act.....	14,659	4,592	5,118	5,208	4,676	4,152
Outer Continental Shelf Lands Act.....		1,220	1,461	1,257	1,328	1,373
Nonappropriated Fund Act.....				1,000	2,676	3,293
Total.....	161,549	111,383	107,923	94,300	91,915	96,154
Evaluation of cases closed (excluding medical):						
Longshoremen's and Harbor Workers' Compensation Act.....	\$7,143,222	\$8,780,437	\$10,752,695	\$13,404,955	\$12,545,584	\$12,850,335
District of Columbia Workmen's Compensation Act.....	867,512	1,475,985	1,618,305	1,683,545	1,713,960	2,017,017
Defense Base Act.....	630,141	837,092	839,021	1,265,109	2,033,381	1,169,709
Outer Continental Shelf Lands Act.....		139,188	195,131	429,779	602,472	575,741
Nonappropriated Fund Act.....				9,914	60,861	108,262
Total.....	8,640,875	11,232,702	13,405,152	16,793,302	16,956,258	16,781,004
D. Number of fatal awards made during the year:						
Longshoremen and harbor workers.....	91	70	54	41	63	32
District of Columbia private employees.....	21	18	17	31	21	23
Defense base workers.....	33	15	8	4	2	12
Outer Continental Shelf Lands Act workers.....		3	1	5	0	10
Nonappropriated Fund Act.....				1	0	0
Total.....	145	106	80	82	86	77

E. Number of cases still active:						
Longshoremen and harbor workers.....	11,293	15,163	13,968	15,152	16,161	14,814
District of Columbia workers.....	2,737	3,302	3,130	3,312	4,095	3,799
Defense base workers.....	1,970	1,335	1,323	1,024	1,201	1,265
Outer Continental Shelf Lands Act workers.....		327	377	364	406	513
Nonappropriated Fund Act workers.....				263	545	588
Total.....	16,000	20,187	18,818	20,715	22,408	21,079
Index.....	100	126	118	129	141	132
F. Kind of insurance coverage:						
Insurance companies:						
Longshoremen's and Harbor Workers' Act.....						
District of Columbia Act.....	271	270	290	284	283	281
Defense Base Act.....	82	133	141	162	167	150
Outer Continental Shelf Lands Act.....	46	83	83	83	96	99
Nonappropriated Fund Act.....		81	89	97	98	102
Self insurers:				111	115	119
Longshoremen's and Harbor Workers' Act.....	298	202	255	254	240	226
District of Columbia Act.....	71	67	64	64	63	58
Defense Base Act.....	19	18	15	14	9	9
Outer Continental Shelf Lands Act.....		10	9	10	6	8
Nonappropriated Fund Act.....						

1 Preliminary.

TABLE 3.—*Appropriations and expenditures, fiscal years 1957-61*

Period covered	Salaries and expenses			Compensation benefits	
	Total funds available	Total expenditures, all acts, including estimated obligations	Net expenditures, Federal act, including estimated outstanding liabilities at end of the fiscal year	Total appropriations	Net expenditures
Year ending June 30:					
1957.....	\$2,639,471	\$2,638,031	¹ \$1,523,301	\$56,092,413	\$56,092,413
1958.....	¹ 3,222,114	¹ 3,219,927	¹ 1,931,270	59,589,635	59,589,635
1959.....	3,329,604	3,327,879	1,974,400	69,253,906	69,253,906
1960.....	3,362,700	3,359,884	2,007,132	59,930,539	59,930,539
1961.....	3,702,200	3,701,537	2,238,219	63,000,000	62,175,949

¹ Revised.TABLE 4.—*Trust fund accounts for fiscal years 1957-61, Longshoremen's and Harbor Workers' Compensation Act*

	1957	1958	1959	1960	1961
Balance, July 1st.....	\$794,602.91	\$796,904.47	\$811,242.46	\$733,150.04	\$691,717.27
Receipts, fiscal year.....	33,484.65	33,890.90	27,095.80	27,929.24	25,327.47
Future proceeds from investments adjusted for prior year.....					
Unaccrued investment yield on redeemed securities.....			-8,400.00	-11,039.00	-2,920.80
Total.....	828,087.56	830,795.37	829,938.26	750,040.28	714,123.94
Expenditures:					
Purchase premium.....				128.00	890.00
Purchase accrued interest.....	724.45				
Repayment to insurance carrier.....			1,000.00		
Compensation, section 8(f).....	4,167.91	3,833.39	4,057.20	4,057.20	3,468.44
Compensation, section 8(g).....	5,402.10	9,981.92	8,225.20	17,912.30	17,785.54
Prosthetic appliances.....	5,249.57	5,166.87	7,234.83	5,148.34	8,052.31
Transportation.....					
Reimbursement to salaries and expenses.....	18,500.00	570.73	76,270.99	31,077.17	92,747.12
Discount on purchase of investments.....	-2,860.94				
Total.....	31,183.09	19,552.91	96,788.22	58,323.01	122,943.41
Balance, June 30th.....	796,904.47	811,242.46	733,150.04	691,717.27	591,180.53

TABLE 5.—*Trust fund accounts for fiscal years 1957-61, District of Columbia Compensation Act*

	1957	1958	1959	1960	1961
Balance, July 1st.....	\$119,283.30	\$121,585.81	\$123,704.01	\$127,095.56	\$129,040.70
Receipts, fiscal year.....	7,002.40	4,952.40	5,907.60	7,625.24	9,557.96
Total.....	126,285.70	126,538.21	129,611.61	134,720.80	138,598.66
Expenditures:					
Compensation, section 18(B).....			677.71	577.72	577.72
Compensation, section 8(g).....					292.86
Prosthetic appliances.....	4,698.66	2,834.20	1,838.34	4,948.78	4,375.70
Transportation.....					
Purchase accrued interest.....	53.73				
Discount on purchase of investments.....	-52.50				
Purchase premium.....				153.60	53.40
Total.....	4,699.89	2,834.20	2,516.05	5,680.10	5,299.68
Balance, June 30th.....	121,585.81	123,704.01	127,095.56	129,040.70	133,298.98

EMPLOYEES' COMPENSATION APPEALS BOARD

BOARD

1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100	2100-2101	2101-2102	2102-2103	2103-2104	2104-2105	2105-2106	2106-2107	2107-2108	2108-2109	2109-2110	2110-2111	2111-2112	2112-2113	2113-2114	2114-2115	2115-2116	2116-2117	2117-2118	2118-2119	2119-2120	2120-2121	2121-2122	2122-2123	2123-2124	2124-2125	2125-2126	2126-2127	2127-2128	2128-2129	2129-2130	2130-2131	2131-2132	2132-2133	2133-2134	2134-2135	2135-2136	2136-2137	2137-2138	2138-2139	2139-2140	2140-2141	2141-2142	2142-2143	2143-2144	2144-2145	2145-2146	2146-2147	2147-2148	2148-2149	2149-2150	2150-2151	2151-2152	2152-2153	2153-2154	2154-2155	2155-2156	2156-2157	2157-2158	2158-2159	2159-2160	2160-2161	2161-2162	2162-2163	2163-2164	2164-2165	2165-2166	2166-2167	2167-2168	2168-2169	2169-2170	2170-2171	2171-2172	2172-2173	2173-2174	2174-2175	2175-2176	2176-2177	2177-2178	2178-2179	2179-2180	2180-2181	2181-2182	2182-2183	2183-2184	2184-2185	2185-2186	2186-2187	2187-2188	2188-2189	2189-2190	2190-2191	2191-2192	2192-2193	2193-2194	2194-2195	2195-2196	2196-2197	2197-2198	2198-2199	2199-2200	2200-2201	2201-2202	2202-2203	2203-2204	2204-2205	2205-2206	2206-2207	2207-2208	2208-2209	2209-2210	2210-2211	2211-2212	2212-2213	2213-2214	2214-2215	2215-2216	2216-2217	2217-2218	2218-2219	2219-2220	2220-2221	2221-2222	2222-2223	2223-2224	2224-2225	2225-2226	2226-2227	2227-2228	2228-2229	2229-2230	2230-2231	2231-2232	2232-2233	2233-2234	2234-2235	2235-2236	2236-2237	2237-2238	2238-2239	2239-2240	2240-2241	2241-2242	2242-2243	2243-2244	2244-2245	2245-2246	2246-2247	2247-2248	2248-2249	2249-2250	2250-2251	2251-2252	2252-2253	2253-2254	2254-2255	2255-2256	2256-2257	2257-2258	2258-2259	2259-2260	2260-2261	2261-2262	2262-
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The following table shows the number of appeals received by the Board of Employees' Compensation Appeals for the year ending 1977. The table is divided into two main categories: "Appeals Received" and "Appeals Disposed". Each category is further divided into "Total" and "By Type of Appeal".

Category	Type of Appeal	1977	
		Number	Percentage
Appeals Received	Total	1,234	100%
	By Type of Appeal		
	1. Grievance	567	46%
	2. Other	667	54%
Appeals Disposed	Total	1,100	100%
	By Type of Appeal		
	1. Grievance	500	45%
	2. Other	600	55%

EMPLOYEES' COMPENSATION APPEALS BOARD

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EMPLOYEES' COMPENSATION APPEALS BOARD

The Employees' Compensation Appeals Board is a three-member appellate body established to provide an avenue of review for civilian Federal employees aggrieved by decisions of the Bureau of Employees' Compensation under the Federal Employees' Compensation Act for work-incurred injury or disease. The decisions of the Board are final and not subject to further review. However, an employee may apply to the Bureau for a reopening of his claim based upon new evidence.

The last annual report showed 132 appeals pending at the close of the 1960 fiscal year, the lowest figure in a decade. During the 1961 period, 350 new appeals were filed and the Board disposed of 352 cases, thus ending the year with 130 pending appeals. Of the 36 cases ready for Board action, 22 had been "decided" by the Board in executive session and were in the process of preparation of opinion. The Board maintained the previous year's record of 5.2 months average time lapse from the date of filing an appeal to the date of closing. Thus, the Board is in a current operating status.

Recapitulation of Board statistics since its inception

Fiscal year	Carried forward	New cases	Total docket	Closed	Pending, year end	Fiscal year	Carried forward	New cases	Total docket	Closed	Pending year end
1947-----	0	64	64	29	35	1955-----	341	531	872	691	181
1948-----	35	133	168	87	81	1956-----	181	434	615	445	170
1949-----	81	111	192	95	97	1957-----	170	322	492	340	152
1950-----	97	127	224	104	120	1958-----	152	287	439	299	140
1951-----	120	257	377	152	225	1959-----	140	275	415	280	135
1952-----	225	337	562	196	366	1960-----	135	368	503	371	132
1953-----	366	504	870	417	453	1961-----	132	350	482	352	130
1954-----	453	531	984	643	341						

BUREAU OF EMPLOYMENT SECURITY

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Introduction

As an economic decline left old problems clearly exposed and created new ones, fiscal 1961 was a year of reappraisal and change for the Bureau in its efforts to help attain the Department's goal of employment security for American workers.

The President's economic message in February outlined the approach: long-range, carefully conceived measures for permanent improvement. Experts from education and industry, labor and civic groups, and representatives from State agencies advised on plans and helped the Bureau adopt new perspectives.

First to receive careful thought was the employment service, which, with the unemployment insurance program, operates through 54 State employment security agencies linked with each other and the Federal Government through the Labor Department's Bureau of Employment Security. In the employment services' counseling, testing, and job placement and in its concern for community development and special often-jobless groups, there is a means of generating improved economic health. But increasing workloads during a recession year had strained staff resources already inadequate to cover the range of employment security concerns.

Additional congressional appropriations enabled the Bureau to establish task forces to review programs in seven areas ranging from automation to older workers and youth. With the new funds, the Bureau also turned immediately to improving service in the 52 largest metropolitan areas, which contain over one-half of the Nation's nonagricultural employment and have the most acute need for employment services. Augmented staffs within the Bureau and States and throughout the 1,800 local public employment offices helped to turn plans into reality.

A new task for the employment security system will be special manpower duties under the Area Redevelopment Act of 1961. After the industrial needs of an area of chronic unemployment are determined by the Department of Labor, the employment service specialists will counsel and refer individuals with outmoded skills for training and retraining.

The farm labor service concentrated its appraisal in regional and local offices, particularly in such areas as application of the standards for decent housing for farm workers and compliance with Public Law 78 and the Migratory Labor Agreement, both regulating foreign farm labor. The farm labor service also continued its programs on behalf of migrant workers, especially efforts to improve their living and working conditions.

A year in which \$3.7 billion (compared with \$2.5 billion in 1960) was paid in unemployment insurance benefits impelled new thinking about the program. Payment of benefits during retraining and the place of unemployment insurance in revitalizing depressed areas were considerations for the future. As an immediate offset to economic decline, however, the Temporary Extended Unemployment Compensation Act went into effect, paying \$1.4 billion by June 30 to workers who had exhausted their benefits under regular State programs. The Bureau followed its progress with careful studies of the characteristics of the exhaustees, a survey calling forth the most massive technical planning and administration of any unemployment insurance research project in the history of the program.

The Bureau also concentrated on better staff recruitment, selection, and training on every level during the fiscal year. Outservice training, special meetings, new educational techniques, and training units on expanded programs were some Bureau methods in this area.

Helping to put the improved employment security system on the soundest financial basis are the newly adopted budgetary management standards for State agencies. They provide a better way of calculating the added cost of increased claims workloads, more detailed advanced planning with which to compare actual performances, and a modified system of annual budget preparation.

Established programs also went forward as the employment service made 5,591,089 nonfarm placements and added 10 new urban placement centers to the professional office network. The unemployment insurance program registered a 23 percent increase in the filing of interstate claims, which indicated some measure of success in furthering labor mobility.

The farm labor service's regular workload in connection with the Migrant Labor Agreement and contracts with foreign workers was augmented by approximately 100 labor disputes involving employers of Mexicans in California agriculture. The disputes centered about employer breaches of migrant labor contracts. The Bureau fought injunctions preventing its action in employer ineligibility and labor dispute situations.

The fieldwork for a revised "Dictionary of Occupational Titles" neared completion as 8,586 job descriptions were verified and 2,427 new definitions written. The Dictionary's aim is to provide a complete guide to the occupational structure of the United States, listing and explaining the various jobs in every industry.

The Bureau completed and issued the "Defense Readiness Handbook," a guide for State agencies in developing plans for their local offices in a nuclear attack. This was the Department's response to its planning responsibility for civilian manpower in an emergency.

Full Cycle

Fiscal year 1961 witnessed the fourth in a postwar series of short cyclical economic swings. During the year, the economy ran virtually full cycle.

Gross national product (GNP) and industrial production—two leading measures of the Nation's economic growth—began to decline in mid-1960, dropped to a low in the first quarter of calendar 1961, and recovered sharply during the second quarter to recoup or even surpass all the losses sustained earlier.

Gross national product reached an annual rate of \$516 billion at the close of the fiscal year, as compared with \$501 billion only a quarter earlier, and \$506 billion in the corresponding quarter of the previous year. Industrial production ended the fiscal year at virtually the same level as it began, and by June 1961 was 110 percent of the 1957 average. Personal income in June 1961 reached an alltime high of \$417 billion (seasonally adjusted), \$12 billion above the corresponding month of 1960. Although total employment hit a record level of 68.7 million, the seasonally adjusted rate of unemployment, at 6.8 percent, had not yet responded to the general improvement.

Automation and Technological Change

During the past decade, recurring economic recessions have been concentrated in the hard goods industries where automation and technological change have been taking place rapidly. This has left large numbers of workers, frequently with high but now obsolete skills, confronted with long-term unemployment.

While new technology contributes to the continued growth of productivity underlying our high standard of living, it creates social and economic problems, such as labor displacement and obsolescence of skills, which take time to resolve. For this reason, and because of deep public interest in the progress of technological change, the Bureau is concerned with the problems of adjustment to such changes.

New automatic equipment and processes, and other technological changes, are believed to have a pronounced effect on the levels of employment and unemployment. The extent of this effect is difficult to measure precisely, because changes in the level of employment caused by automation are entangled with those created by changing consumer tastes, fluctuations in the business cycle, development of substituted materials, foreign competition, shifts in population, and many other factors.

Occupational Trends

If the precise measurement of automation's impact on the work force is not available, the implication of extensive improvements in technology for the Nation's occupational structure is nevertheless clear. Existing jobs are undergoing significant modification in many industries, while new opportunities are being created in various fields such as electronic data processing, atomic development, and space exploration.

For the future, the greatest percentage of growth is expected in professional and technical occupations. Opportunities for clerical and sales personnel, skilled workers, and proprietors and managers are also expected to increase significantly. An expanding population with higher living standards will probably cause another greater than average rate of increase in service occupations.

Two approaches to the problem of changing occupational requirements are programs for improved reemployment opportunities for displaced workers and broad manpower development and training legislation. Typical of the former is the Area Redevelopment Act and of the latter, proposed legislation to provide unemployed persons whose skills have become obsolete the opportunity for retraining in skills which are or will be in demand in the labor market. This new legislation would also permit improving and upgrading the skills of many workers who need training or retraining to be fully productive.

Employment and Unemployment

At the beginning of fiscal year 1961, civilian labor force and employment totals were at record levels, following over-the-year gains of more than 1 million in each. Unemployment, however, at a seasonally adjusted rate of 5.5 percent in July 1960, was somewhat higher than a year earlier and was substantially higher than in July of most postwar years. Early in the fiscal year, weaknesses in the economy became more pronounced and by December 1960 the recession was well under way. Employment losses between July and December (with allowances for seasonal movements) were widespread, but were most pronounced in the durable goods manufacturing industries. Employment in these industries, at 9.5 million in July 1960, dropped 400,000 by December 1960. Manufacturing employment as a whole was down by some 600,000, accounting for about two-thirds of the net reduction in wage and salary employment over the 6-month period. Both the trade and construction industries showed losses of 200,000 workers each.

The recession low in payroll employment (seasonally adjusted) was reached in February and March 1961, with reductions from December levels reported in durable goods, including transportation equipment, which had shown no decrease from July to December. Construction and State and local government employment, however, rose slightly from December to March (seasonally adjusted). Somewhat better than seasonal employment gains occurred in most industry divisions in April, and fairly substantial and widespread improvement was shown in May and June.

In spite of these gains, however, payroll employment at 53.1 million in June 1961 was about 300,000 lower than a year earlier. The most substantial over-the-year losses were in the durable goods industries, with the largest declines in primary metals, machinery, transportation equipment and lumber. Losses also occurred, however, in the nondurable goods industries, particularly in textiles and apparel, and in transportation,

public utilities, and trade. Contract construction showed a small gain. Losses in the private sector were partially offset by a gain of 300,000 in State and local government employment.

Accompanying the employment losses during the first half of fiscal year 1961 was a substantial rise in the volume of unemployment. By December the rate (seasonally adjusted) had reached 6.8 percent, and it remained virtually unchanged during the remaining months of the fiscal year. The usual winter increase in unemployment was augmented by that resulting from the recession, with the result that unemployment reached 5.7 million in February, a record for any month since 1941. Although better than seasonal employment gains were noted in the last few months of the fiscal year, unemployment remained high because of continued growth in the labor force and the normal postrecession lag.

Total employment of 68.7 million at the end of fiscal year 1961 was about 100,000 higher than a year earlier but, because the labor force grew by nearly 1.3 million over the 12-month period, total unemployment at 5.6 million in June 1961 was 1.2 million higher than in June 1960.

State insured unemployment averaged 1.7 million per week in July 1960, about 350,000 higher than a year earlier. On a seasonally adjusted basis, insured unemployment rose each month from July through December and showed no substantial change for the following 3 months. In February, State insured unemployment averaged 3.4 million, representing an actual rate of 8.4 percent, both record highs in the history of the program. The volume dropped steadily from late February through June, when the average was 2.0 million, or a rate of 4.9 percent. The June level was about 400,000 higher than a year earlier and was higher than in June of any postwar year except 1949 and 1958.

The temporary extended unemployment compensation (TEC) program, designed to provide additional weeks of benefits to the increasingly large number of persons who had exhausted their rights under regular programs, went into effect on April 8, 1961. By the end of June nearly 1.4 million persons had filed for benefits under the program. TEC insured unemployment reached a peak of 765,000 in late May but dropped sharply in the last 3 weeks of June to 646,000.

Characteristics of the Unemployed

The composition of the unemployed showed marked changes during fiscal year 1961 which were attributable to the differential impact of the recession. To the extent that the slowdown was concentrated in durable goods manufacturing, workers in those industries were affected more than others. This, coupled with severe cutbacks in construction, meant that the unemployment impact fell disproportionately on male workers. The June 1961 unemployment rate in construction was 11.6 percent, the highest by far among the industry divisions. The next highest unemployment rates, 9.8 percent and 8.4 percent, were recorded in the mining, forestry and fisheries, and durable

goods manufacturing industries, respectively. One-fourth of the unemployed were concentrated in manufacturing and an additional 15 percent each were in trade and service.

Occupationally, the largest relative number of unemployed were among nonfarm laborers and operatives, with the June rate for laborers at 12.5 percent and for operatives, 9.2 percent. The greatest relative increases over the year occurred among craftsmen, undoubtedly reflecting the large number of unemployed construction workers, and clerical workers, many of whom were previously employed in manufacturing but who had not yet returned to work. Professional and managerial workers had the lowest unemployment rates, the same standing they enjoyed a year earlier.

Because long-term unemployment reaches its peak long after the turning point in economic activity, the total without jobs for more than 6 months remained very high (928,000) as the fiscal year drew to a close. Average duration of a spell of unemployment in June 1961 was 13.9 weeks, compared with 10.3 weeks in June 1960. Older men (45 and over), semiskilled and unskilled workers, workers last employed in durable goods manufacturing, and nonwhites represented disproportionate shares of the long-term unemployed.

Approximately one-half of the unemployed females and slightly less than one-half of the unemployed males were under 25 years of age. Younger workers typically have the highest unemployment rates, and their relative volume of unemployment, while up slightly from the previous year, repeated the standard pattern. During June 1961, the unemployment rate for male workers under 25 was 15.5 percent and for females, 18.5 percent. The average rate for males over 25 years of age was 4.6 percent and for females, 6.2 percent.

As in previous years, unemployment was lower among married workers. The unemployment rate for married men was 4.1 percent in June 1961; married women had a rate of 6.9 percent at the end of the year. This compared with the 15.5 percent rate for single men in June 1961, nearly four times as great as that for married men, and the 14.4 percent rate for single women, more than double that for married women.

Nonwhite workers continued to be the group most severely affected by unemployment. About 1 out of 8 of these workers was jobless in June 1961, compared with 1 out of 15 white workers. Nonwhite workers are heavily concentrated in occupations with the highest unemployment rates—laborers, service workers, and operatives. About 20 percent of all unemployed workers at the end of the year were nonwhite, about the same proportion as a year earlier.

Data on the characteristics of the insured unemployed under both regular and TEC programs show that in June 1961 six States—New York, California, Pennsylvania, Ohio, Michigan, and Illinois—accounted for about half of the Nation's insured jobless.

Area Labor Market Trends

Area classifications according to relative adequacy of labor supply provide a quick, convenient tool to measure comparative differences in the availability of labor as well as general economic situations in the Nation's important production and employment centers.

Several times since it was first published in 1948 the area classifications system has been changed to reflect more adequately comparative unemployment. In fiscal year 1961, it became apparent that, owing to growing structural and technological unemployment, an increasing number of areas were remaining in categories denoting substantial unemployment, even after economic conditions had begun to improve nationally. Such areas with chronic substantial unemployment were identified for the first time in the July 1960 classification under a subheading of "areas of substantial and persistent labor surplus."

In July 1960, 37 major and 116 smaller areas were classified as areas of substantial unemployment. In 21 of these major areas and 74 of the smaller areas, unemployment was persistent in nature. In January 1961, the number of major areas in substantial unemployment started to climb and by March it had reached an alltime high of 101. By May 1961, the number of major areas in substantial unemployment categories had decreased to 96 (20 persistent) while the smaller area total had risen to 215 (94 persistent). A complete listing of the year end (July 1961) classifications as compared with the May 1961 and July 1960 listings is shown below.

	July 1961 ¹	May 1961 ¹	July 1960
Total, all groups (major areas).....	150	150	149
Group A (overall labor shortage).....	0	0	0
Group B (relatively low unemployment).....	0	0	19
Group C (moderate unemployment).....	62	54	93
Group D (substantial unemployment).....	69	66	28
Group E (substantial unemployment).....	11	21	6
Group F (substantial unemployment).....	8	9	3

¹ Group totals for months in 1961 are not completely comparable with earlier periods because of changes in definitions of labor market areas.

Among the programs which the Federal Government has initiated to assist areas with substantial unemployment is the 1952 Defense Manpower Policy (DMP) No. 4, which authorizes all Federal procurement agencies to give preferential treatment in bidding on Federal contracts to firms in labor surplus areas. This fiscal year, the policy was revised to provide first preference to firms in "areas of substantial and persistent unemployment." Since its inception, DMP No. 4 has been responsible, through its special preference procedures, for the awarding of approximately \$276 million to firms in low employment areas. Another program adopted by the Small Business Administration early in 1961 permits small businesses in areas of substantial unemployment to obtain loans from it at reduced interest rates.

Area Redevelopment

The continued existence of long-time pockets of high unemployment demanded attention in fiscal 1961. Past fiscal and monetary policies designed for and useful in maintaining relatively full employment nationally had little effect on local areas of substantial and persistent unemployment. Government procurement contracts to firms in these areas under the preferences authorized by DMP No. 4 were of some benefit but they were not of the type or magnitude of assistance which could lead to a sustained improvement in the local economies.

A different approach was needed to attack the problem of unemployment caused by the decline of an area's dominant industry, whether it was due to the depletion of a natural resource, shifts in technology, or industry relocation. Numerous bills introduced in Congress provided for Federal-State-local partnerships in redevelopment efforts. Generally, these bills enable the local communities to obtain loans, grants, and technical assistance from the Federal Government to create the facilities and economic climate that would result in a lasting improvement in the employment conditions. In May 1961, efforts culminated in the passage of Public Law 87-27, the Area Redevelopment Act.

The overall administration of the area redevelopment program was placed in the Department of Commerce, but specific functions under the act were delegated to the Department of Labor.

For instance, the Secretary of Labor does the necessary factfinding in determining eligibility of an area for assistance, although the Secretary of Commerce makes the actual designation. The act itself sets standards for designating a "redevelopment area"; the current rate of unemployment must be 6 percent or more, excluding unemployment resulting primarily from temporary or seasonal factors, and the annual average rates of unemployment must have been at least: 50 percent above the national average for 3 of the preceding 4 calendar years, or 75 percent above the national average for 2 of the preceding 3 calendar years, or 100 percent above the national average for 1 of the preceding 2 calendar years.

The experience of the Bureau of Employment Security in classifying labor market areas and its ability to obtain the necessary labor market data from the local employment security offices place it in a special position for certifying the eligibility of nonfarm areas. By the end of the fiscal year, the Bureau had certified to the Secretary of Commerce 121 labor market areas as eligible.

Among them are coal mining centers such as Scranton and Wilkes-Barre-Hazleton, Pa., and Charleston, W. Va., the New England textile towns of Fall River and Lowell, Mass., and Providence-Pawtucket, R.I., and areas dependent upon a seasonal industry such as Atlantic City, N.J. (resort), Modesto, Calif. (agriculture), or Anacortes, Wash. (lumbering).

Manpower provisions of the act are in the charge of the Department of Labor. Through appropriate studies the Department will determine the

size, characteristics, skills, and occupational potentials of the redevelopment areas; then the employment security system will select and refer for training and retraining those unemployed and underemployed people who can be expected to obtain employment as a result of the skills acquired in the training.

The act also authorizes subsistence payments through the States to unemployed individuals certified to receive training or retraining. Although the payment of retraining subsistence benefits will be carried out only on a pilot basis, it will be an important step in gaining the widespread acceptance of the idea which may lead to subsequent action.

Employment Service

On February 2, 1961, in his economic message to Congress, the President said: "I am directing the Secretary of Labor to take necessary steps to provide better service for unemployment insurance claimants and other job applicants registered with the United States Employment Service. This will require expanded counseling and placement services for workers and jobseekers (a) in depressed areas, (b) in rural areas of chronic unemployment, (c) displaced by automation and technological changes in factories and on farms, (d) in upper age brackets, and (e) recent graduates from college and high school."

Accordingly, the Bureau reevaluated the employment service programs and developed a long-range plan for bolstering the services rendered. First, steps were taken to improve the employment service in the 52 largest metropolitan areas containing over one-half the Nation's nonagricultural employment. Historically, these areas, in which need for employment services is most acute, have had the heaviest unemployment insurance workloads, thus creating an "unemployment office" image and obscuring employment service functions. Here staffing resources, relatively, have been most meager and problems of organization and management have substantially retarded placement.

The improvement drive in metropolitan areas has four immediate objectives.

1. Physical separation of the employment service from the unemployment insurance operations in order to give it an identity of its own and eradicate the "unemployment office" image.
2. Reorganization of the newly separated employment service operations along lines best suited to its particular purpose of matching workers and jobs.
3. Full-time management for the employment service in each local office and at the area level.
4. Enough staff resources in these great metropolitan areas to enable them to provide effective service. (The objective is to bring the staffs, in relation to their workload, into relative parity with those of smaller areas.)

Another move in the drive for improvement and expansion was a nationwide "Hire Now" campaign initiated by the Bureau at the request of the Secretary and opened May 10, 1961, with the slogan "When they work, you profit." The campaign urged all employers to fill job openings immediately. The Bureau formulated basic promotional plans to implement the drive; Bureau-State task forces devised techniques to put these plans into action quickly in local offices. Promotional materials, ranging from models for Governors' proclamations to radio and TV spots, were developed in the Bureau and sent to all local offices through State agencies. Results from the campaign indicated increases in both placements and employer contacts in most of the 47 States participating in the campaign.

To handle the new employment security responsibilities and efforts toward expanded goals, additional employment service staff was recruited within the Bureau, and 2,500 extra positions were authorized for State and local offices.

By the end of the fiscal year, the picture had been reversed. Employment was on the upswing. In June, for the first time in 15 months, the volume of nonfarm placements exceeded the volume for the same month of the preceding year.

Placement Activities

Nonfarm placements in fiscal year 1961 were 5,591,089, a decline of 8.1 percent from the previous year, reflecting the national decline in employment.

The industry in which the greatest loss occurred was manufacturing, 17.9 percent below the previous year. Other major industries, in the order of their percent decrease from 1960, were transportation, communication and public utilities, mining, construction, and forestry and fishing. Placements in government increased.

On an occupational basis, placements in professional and managerial groups showed the only rise. These placements were 7.3 percent higher than the previous year. The group which was affected most adversely was the semiskilled, dropping 17.7 percent from fiscal year 1960. Unskilled placements were affected to a lesser degree, and were followed in decreasing order of percent of decline by the clerical and sales, skilled, and service categories.

Comparison of nonfarm placements, 1960 and 1961

	Fiscal year 1961	Fiscal year 1960	Percent change between 1960 and 1961
<i>Industry division—nonagricultural placements:</i>			
Total.....	5,591,089	6,082,753	-8.1
Forestry and fishing.....	4,066	4,554	-10.7
Mining.....	21,731	24,886	-12.7
Construction.....	394,725	445,253	-11.3
Manufacturing.....	1,218,260	1,484,820	-17.9
Transportation, communication, and public utilities.....	214,720	249,013	-13.8
Wholesale and retail trade.....	1,247,234	1,331,570	-6.3
Finance.....	117,266	120,408	-2.6
Total service.....	2,119,666	2,173,742	-2.5
Domestic.....	1,226,493	1,256,558	-2.4
Government.....	252,205	246,351	+2.4
All other.....	1,216	2,156	-43.6
<i>Occupational division—nonagricultural placements:</i>			
Total.....	5,591,089	6,082,753	-8.1
Professional and managerial.....	177,816	165,766	+7.3
Clerical and sales.....	874,275	924,999	-5.5
Service.....	1,880,311	1,943,765	-3.3
Skilled.....	310,247	327,928	-5.4
Semiskilled.....	699,005	849,530	-17.7
Unskilled and other.....	1,649,435	1,870,765	-11.8

Service to Employers

Manpower problems resulting both from technological changes within industry and an increasing tension in the international situation contributed to the Bureau's concern with strengthening and improving its service to employers.

One big employer, the Department of Defense, issued a directive which established policy and procedures for minimizing unemployment resulting from cutbacks and terminations in military procurement contracts; it emphasizes the assistance which local employment service offices can give in these situations. Bureau representatives maintained liaison with the national offices of the military services, and with field offices of the Air Materiel Command and the Army Ordnance Corps.

Bureau staff visited executives of about 70 of the Nation's multi-State firms and about 40 national associations and professional societies, describing to them employment service programs in relation to current economic trends, labor supply and demand, and the manpower needs of specific industries. Company executives then provided their branch establishments with résumés of this information and encouraged their personnel managers to make more extensive use of the employment service. In like manner, officials of national associations and societies published items concerning the employment service in their magazines, bulletins, and news letters.

The Bureau and the Small Business Administration cooperated in a new program for mutual benefit. The SBA will include State employment service personnel in the management training courses it cosponsors with public and private educational institutions throughout the country. In

return, the Bureau will present, as part of the courses, the manpower studies "Manpower Challenge of the 60's," the employment service film "A Man is a Job," and appropriate State or local studies. The SBA has encouraged its regional office management and research assistance specialists to suggest to course coordinators at the various schools that they include this manpower presentation.

A nationwide program to improve service to employers in the retail trades resulted from meetings between representatives of the Bureau and of the Distributive Education Branch, Division of Vocational Education, Department of Health, Education, and Welfare. State employment services were urged to further cooperative arrangements by furnishing information on employment service activities to distributive officials, coordinators, and teachers, in schools and training systems; and by collaborating with committees formed to further the goals of distributive education and to develop the kind of program needed in each community.

Bureau staff explored with selected State agencies additional techniques for providing greater assistance to employers. From these meetings, a procedure to identify State agency research needs was developed. Another result was an issue of Employment Security Exchange devoted to industrial services with examples of how the employment service assisted employers with selection, turnover, expansion, training, manpower utilization, and personnel management problems. Services of the kind depicted in the exchange were performed for firms ranging in size from 5 to over 12,000 employees.

The Bureau surveyed training needs of State office personnel who have responsibility for employer relations and industrial services, scheduled training to meet these needs, and advised State agencies about developing outservice training.

Services to Professional Personnel

Continuing emphasis on serving professional workers and employers of professional personnel has resulted in the steady growth of placements in this field. A total of 177,816 professional and managerial job openings were filled during fiscal year 1961, an increase of 7.3 percent over the previous year.

Improved local office premises and better organization and operating techniques needed to serve professional workers most effectively have also received increasing attention. In a number of urban areas, separate professional or professional and clerical offices have been established, or will be set up as soon as suitable space is located. A study, begun in fiscal 1961, of professional placement activities in metropolitan areas will result in recommendations for improved techniques. Following advice from a special task force, the Bureau has taken steps to strengthen the program for on-campus recruitment of college graduates. Professional nurse registries, providing 24-hour service, 7 days a week, are now operating in 13 local

offices. Based on the experience in these offices, guidelines are being prepared for use when the need for this type of service arises elsewhere.

The Bureau also moved ahead in developing improved techniques for assisting professional people seeking employment outside their own communities, and employers with job vacancies which cannot be filled locally. The professional office network links 119 local public employment offices, located primarily in major cities, which specialize in serving professional and managerial occupations. During the fiscal year, 10 urban professional placement centers were added to the professional office network. Offices are now located in 46 States and the District of Columbia.

New procedures speeded communications between the network offices. In addition to the private employers using this service for multi-State recruitment, including aircraft manufacturers and research and development companies, large public agencies regularly fill their personnel needs through the network. In fiscal year 1961, for instance, the Department of Defense recruited through the network elementary and high school teachers and principals for overseas schools for children of military personnel.

Convention placement service was provided for a number of professional societies. This service is a placement center set up at the societies' annual meetings to which employers' orders and employees' applications have been forwarded from public employment offices throughout the country. The professional societies for whom convention placement service is provided encourage their members to apply through local offices of the State employment services when they need employment assistance at any time of the year.

Teachers are placed through regular channels in most State employment services. Fourteen State employment services, however, now operate a centralized teacher placement service, where applications and orders for public and private school teachers from throughout the State can be matched at a central point. More than 10,000 teachers were placed in public and private schools during the year.

A large number of retired military personnel yearly seek a "second career" through the public employment service. Specialized techniques are used for placing this group. Vocational counseling is given to relate military skills to civilian occupations, and prospective employers of retired military personnel are given résumés of the applicants.

Serving Special Applicant Groups

Services to Older Workers

The nationwide program to convince employers to modify upper-age restrictions in hiring and direct assistance to 40-plus applicants in obtaining suitable employment remained the principal aids to older workers by the Bureau and affiliated State agencies.

Among the services local offices offer older workers are: intensive interviewing, aptitude testing, employment counseling, referral to training

facilities and to other community agencies, assistance in presenting applicants' qualifications effectively to employers, persistent efforts to develop suitable job opportunities with employers, and selective placement in jobs suited to abilities and physical capacities. Over 1,114,000 nonagricultural placements were made of workers 45 years old and over during fiscal year 1961, and more than 114,000 such applicants received intensive job counseling services.

In addition to direct services to older workers, State agencies with Bureau assistance help create an atmosphere of acceptance for 40-plus workers in every community through many informational and educational activities. The Bureau and State agency personnel are continuously in touch with a wide range of national and local employer, labor, veteran, civic, and industry organizations to reach persons in business and industry who formulate hiring policy.

The Bureau developed in fiscal 1961 a "Leader's Guide" for conducting employer and labor-management institutes on the employment of the 40-plus worker. The guide will assist State employment services, local committees on aging, universities, employer groups, labor organizations, and other concerned groups in arousing concern for the 40-plus workers.

The Bureau and its affiliated State agencies worked closely with the Women's Bureau of the Department of Labor in conducting earning opportunities forums for mature workers. Originated to stimulate mature women to avail themselves of community training, counseling, and placement resources, the forums were extended during the year to include both men and women.

Bureau personnel were active in planning and conducting the White House Conference on Aging held in January 1961. Especially on the subject of employment security and retirement, the Bureau helped prepare materials that were used to good effect in the deliberations of the Conference, and given wide distribution throughout the country. The Conference emphasized the need for fuller and more widely distributed job opportunity information, better methods of appraising the vocational assets of older workers, augmented staffs to provide improved counseling and placement services, and expanded programs of research and development to give a sound technical base for the expanded services. These findings were the subject of subsequent study by a Bureau task force on services to older workers.

Services to Youth

Public interest in the problem of high unemployment among youth has refocused attention within the Bureau on the adequacy of youth services.

Part of the Bureau's program during fiscal year 1961 to step up placement of high school and college youth was the establishment of a task force of State, Bureau, and university representatives. Task-force recommendations were distributed to all State agencies, and preliminary reports indicate a substantial increase in placement of youth in the latter part of the year.

The employment service local offices provided staff to work with about 9,500 high schools in registering, testing, and counseling high school seniors who were seeking work after graduation. Over 500,000 seniors were served the last school year and jobs found for nearly a quarter of the group registered. Local offices also worked with the vocational classes in the high schools to place youth in part-time school and work programs. In addition, many local offices worked with the schools in attempting to get jobs for youth dropping out of high school. This is a problem of increasing proportions; estimates for the 1960's show that 7½ million of the 26 million new entrants into the labor force will not finish high school, 2½ million will not complete grade school. Lack of education and skill make these young people among the hardest to place.

Special emphasis was given to the programs for unemployed out-of-school youth in urban slum areas, counseling and placement of school dropouts, and employment opportunities for rural youth seeking urban jobs. The Bureau prepared a survey of the labor market experience of young jobseekers in 15 selected major city areas for the National Conference on Unemployed Out-of-School Youth. April 1961 reports obtained from State agencies for this purpose covered developments in industrial centers in all sections of the country.

A guide for interviewing recent liberal arts and science graduates was prepared for the use of employment service interviewers and counselors. Its main purpose is better job promotion for college graduates.

In June, the Bureau inaugurated a special program within the employment service framework to provide summer jobs for foreign young people studying in American schools. Particularly in need of help were college youth from Africa; to many of them a summer job represented the difference between finishing studies and returning home because of lack of money. With the cooperation of employers and private groups, the Bureau created and filled over 100 jobs by the end of the fiscal year and laid plans for an expanded and permanent program of this kind.

Reports from major labor market areas on summer employment opportunities for youth were summarized for publication in the May 1961 issue of the Bureau's Area Labor Market Trends publication. These data indicated a heavy influx of young jobseekers into the labor market, seeking summer and regular employment.

Services to Minority Groups

A conference in July 1960 of minority group representatives from 17 State employment security agencies discussed equal work opportunities for minority groups. The conferees recommended a series of regional meetings during which local problem areas could be discussed. Other recommendations were made about program and educational activities, services to Indian and Puerto Rican workers, and proposed research projects.

The Department and the Bureau continued to encourage employers to hire on the basis of ability to perform jobs effectively. The minority groups con-

sultant addressed a number of employer and public meetings, and discussed the various services available to minority group workers. The manpower situation was also presented by the consultant to about 2,500 nonwhite students in 10 colleges in 5 Southern States.

Continued assistance was also given to the President's Committee on Equal Employment Opportunity.

Services to the Handicapped

Service to the physically handicapped and mentally recovered jobseekers was energetically carried on by the Bureau and the State employment service agencies during the fiscal year. Through specialized job placement and employment counseling services, this program assists these workers in gaining equal opportunity in the competitive job market. Improved services were provided to the severely disabled to aid in overcoming the formidable employer resistance barring them from jobs for which they are qualified.

The total number of handicapped workers who filed new applications for work, approximately 440,000, was slightly greater than that of the previous fiscal year. State agencies placed about 253,000 handicapped workers, with disabled veterans constituting 40 percent of the total. These placements included slightly more than 5,000 clients referred by State vocational rehabilitation agencies to the employment service.

Cooperative assistance to State vocational rehabilitation agencies in preparing disabled persons for employment and in placing ready-for-employment clients of these agencies was an important phase of the employment service program for the handicapped. Many State employment service offices joined with their vocational rehabilitation counterparts in strengthening cooperative activities in order to provide more effective rehabilitation and placement services.

The Bureau prepared a revised edition of the "Interviewing Guide on Epilepsy," which, by emphasizing the employability of epileptics, presents an enlightened approach to their problems and will aid public employment offices and other agencies to do a better job in counseling and placing epileptics.

The employment service worked closely with the President's Committee on Employment of the Physically Handicapped, and also with State and local committees in educational and promotional programs to encourage employment of the handicapped.

Most State agencies intensified job solicitation activities for individual hard-to-place handicapped workers.

Aptitude and Proficiency Testing

Test-selected applicants for entry jobs were sent to many multi-State employers in fiscal year 1961. At the request of multi-State employers, the Bureau undertook studies to develop aptitude test batteries for occu-

pations not yet covered by United States Employment Service tests. The companies instructed their plant managers to cooperate in these studies. Among the new tests developed were those for service engineer, construction machinery salesman, and occupations in the laundry industry.

Unions, employers, and other organizations continued their interest in USES tests. Various local unions and joint apprenticeship committees throughout the country were served with test-selected applicants for apprenticeships. Officials of the International Boilermakers Union urged the development of USES aptitude tests for use in screening boilermaker apprentices.

The USES General Aptitude Test Battery (GATB) also evoked international interest during the year. The list of "Foreign Users of General Aptitude Test Battery" included 314 individuals in 63 countries engaged in research on the GATB to adapt it for use in their own countries. At the request of the editor, an article entitled "La Batterie Generale de Tests d'Aptitude" was prepared and published in the *Bulletin de l'Association Internationale de Psychologie Appliquée*. The purpose was to provide European readers, to whom American journals are frequently unavailable, with an understanding of the kind of test development which the USES is doing.

Aptitude test batteries were developed in cooperation with the State employment security agencies and employers for 49 occupations, including 8 apprenticeable occupations. The Bureau also prepared a revised "Test Development Guide" for the State employment security agencies conducting these studies.

A study, initiated in fiscal 1958, will eventually make General Aptitude Test Batteries, now used for seniors, effective counseling aids for lower high school grades as well. Basic data for this "longitudinal maturation" study are test scores from lower high school grades taken in 1958 and retest scores of these same students in the 12th grade. In fiscal 1961 the testing for the study was completed when students initially tested in the ninth grade were retested as seniors.

A parallel study on the effects of practice upon GATB retest scores of fully matured adults after 1, 2, and 3 years was also made. These intervals, the same as those between the initial testing and retesting of the 11th, 10th, and 9th graders, will be used to adjust the results of the longitudinal maturation study for the effects of practice. Individuals tested for the longitudinal maturation study are being followed up to determine the validity of the GATB for predicting success in (1) high school and (2) occupations and colleges entered after graduation from high school. In fiscal 1961, data were collected on high school success for individuals tested as 9th and 10th graders in 1958, and data collection was begun on college and occupational success of individuals tested as 11th graders in 1958.

As work continued on the new USES typing and stenographic proficiency tests, a standard form and nine experimental alternate forms tests were constructed. The Bureau is gathering data for determining whether

alternate forms are equivalent to the standard form and for separate standardizing of the tests for manual and electric typewriters. The standard form for the new 80 words per minute dictation test was constructed, and data are being collected on experimental separate-answer-sheet versions of this test.

Employment Counseling Services

Practically equaling fiscal 1960's record, the employment service counseled 1,037,055 applicants in fiscal year 1961, with total counseling interviews amounting to 1,783,310. This was accomplished despite the heavy increase in applicant load resulting from increased unemployment during this period. In addition, the Bureau's GATB was administered to a total of 573,161 applicants, an increase of 20,319 over the preceding year.

During fiscal year 1961, the Bureau sought improved counseling service through urging adoption of higher counselor selection standards, continuing use of outservice training in colleges and universities, and encouraging full-time area counselors to replace part-time counselors in small towns and rural areas.

Forty-five States, plus the District of Columbia, Puerto Rico, and the Virgin Islands, are considering, or have taken action toward, adoption of the counselor standards recommended by the Bureau. In cooperation with the Division of Administrative Standards, the Bureau is asking regional offices to supply specific information on their progress toward adoption of counselor standards.

Over 500 employment service counselors were enrolled in outservice training courses at various universities throughout the country during the past year. Since the program's inception an estimated 1,600 counselors have attended such courses in over 100 colleges and universities. Preliminary plans for evaluating the extent and effectiveness of the outservice training program were initiated.

In order to supply States with guidelines for the most effective organization and conduct of area counselor programs, Bureau staff surveyed the 11 States experimenting with this type of program. Replies were received and are being compiled and analyzed.

The Bureau completed and issued to State and local offices a new training unit on the counseling responsibility of local office interviewing staff, how to recognize counseling needs, and techniques for referral to counselors. Also completed were revised drafts of the training units on employment counseling, and evaluation of counseling service by managers and other line supervisors. In addition, a draft completely overhauling the Manual chapter on counseling reflects the most up-to-date techniques in counseling service, including the use of group methods.

Community Employment Program

The community employment program centers on the creation of new jobs and the reemployment of unemployed workers. Working through the employment security agencies, the community employment program encourages the application of employment service capabilities and labor market information to community efforts to attract new employment and fully utilize the available labor force.

New legislative proposals in 1961 had important implications for the program. The Area Redevelopment Act, which combats conditions of chronic unemployment in depressed areas, required much staff time for preparation of background material and for delineating the employment service's responsibilities under the act. Also, the new Administration's call for an expansion of the employment service paved the way for an expanded community employment program.

An additional experimental rural area program project was launched in a Mississippi county to explore further problems of providing basic employment services to rural areas and of assisting these areas to develop programs of economic self-help. Such programs are now in operation in counties in Arkansas, Kentucky, Tennessee, and Wisconsin.

Budget proposals were submitted to finance this extension of the employment service to rural areas on a regular basis. Using techniques developed in the experimental program, a system with an employment service "area agent" and a mobile team of technicians from the State office was requested for fiscal year 1962. This program will be initiated first in rural areas designated as redevelopment areas.

Plans were also made to finance additional positions for the community employment program in State offices and to finance additional program activities in local offices, especially those located in urban redevelopment areas.

In order to keep informed about local office participation in local development efforts, the Bureau designed a community employment development organization report form and distributed it to the States. The report requests information about the economic base of the area, the activities of the development organizations, and the assistance provided by the local office.

The community employment consultant participated actively in the community impact program of the Department of Defense.

Farm Labor Service

New technology and farm mechanization continued to have somewhat contradictory effects in fiscal 1961, causing a decline in farm population and employment opportunity and at the same time intensifying the need for seasonal hired workers for ever-shorter periods. Unemployment and under-

employment among farm workers was a matter of grave concern; a special study revealed that about 25 percent of those who devoted a month or more to farm wage work in a recent year experienced some unemployment, compared with about 16 percent from the entire labor force. Even more serious was the migrant labor situation where over 40 percent reported some unemployment.

Working under these conditions, the farm labor service sought a solution for the employment problems of farm workers and for the difficulties of farmers trying to piece together a work force for shorter seasons and more specialized activities. Typical of daily efforts to keep the labor demand and supply in reasonable balance were the service's improvement of the selection of workers and its attempts to advance farm working conditions (housing, wages, transportation) so that agriculture will attract and retain qualified workers.

Mechanization and weather conditions were the chief disrupters of farm labor this year. Technological displacement in the cotton harvesting, which has a larger proportion of the seasonal hired work force than any other activity, and in other crops, caused serious manpower difficulties. In the 1960-61 season, 51 percent of the cotton crop was harvested by machine, as compared with 43 percent in 1959-60. The Atlantic coastal and eastern central States experienced prolonged cold, wet weather which resulted in a planting season 2 weeks late and continued unseasonal rain-soaked fields. Southern migrants scheduled on the basis of a normal season arrived, but had no jobs until crops were ready. Problems like this are the day-to-day work of the farm labor service, which must often deal with specific and unusual situations and emergency labor shortages.

Farm placement services are provided in the employment security agencies of the 50 States, Puerto Rico, and the Virgin Islands. Trained technical personnel recruit and place farm labor, finding jobs for year-round workers and others with higher skills; local women and youth (generally for periods under one month); intrastate, interstate, and contract Puerto Rican migratory workers; custom grain combine or mechanical picking operators and crews; and food processing personnel. When it is necessary, farm placement personnel also recruit certified foreign workers, thus fulfilling the service's obligation to have supplemental foreign labor available when it is needed by employers who meet prevailing working standards.

According to Bureau of Labor Statistics figures, total monthly agricultural employment averaged 5.7 million in fiscal year 1961. This included 2.8 million farm operators, 1.0 million unpaid family workers, and 1.9 million hired farm workers.

Program Emphasis

Early in calendar 1961 the incoming Secretary of Labor, Arthur J. Goldberg, issued a statement guiding program emphasis and asked the American people to support the Administration's proposals.

"For the first time in history," he said, "every agency of the national administration is working together to improve the labor conditions in agriculture. For the first time there is a united Federal effort to move ahead in this neglected field, and to improve a labor system that has been based for a quarter of a century upon underemployment, unemployment, and poverty both at home and abroad. . . . Public understanding is essential if any light is to cast into the shadowy migrant world where poverty, privation, lack of opportunity, and illiteracy are the stuff of everyday life."

Four points were stressed during fiscal year 1961: obtaining better job information; implementing the Secretary's amended interstate recruitment regulations; improving selection of workers; and assessing the impact of mechanization.

In certain technical fields, notably wages, the Bureau continued to emphasize the importance of State agency prevailing wage surveys. The information from such surveys is necessary for effecting the Secretary's interstate recruitment regulations dealing with the use of public employment service facilities for the recruitment of migrant farm workers. To help the States conduct the surveys, the Bureau introduced additional procedures and special intensified training sessions. Heretofore, wage surveys had been largely confined to areas where Mexicans were the only foreign workers employed, but this year 11 State employment security agencies made field surveys resulting in 122 findings of prevailing wages in agricultural areas where there were no Mexican nationals, but where out-of-area domestic workers, contract Puerto Rican, or other foreign workers were employed. During the preceding fiscal year, only 10 such findings had been made.

Other activities during the year included the National Farm Labor Conference in Cincinnati in February when concentrated efforts were made by farm labor service personnel, representatives of organized labor, and of farmers' associations to find ways to expand and improve farm labor services to workers and employers. Carrying out the 1961 fiscal year program emphasis in local offices was discussed thoroughly in a series of workshops.

Evaluation Program

In keeping with the program emphasis was an intensified field evaluation program conducted by the national office and regional offices to review State agency farm labor programs. The national office expanded its evaluation staff to provide assistance in this activity and to coordinate field work.

In addition to the review of organization and management practices, specific attention was also devoted to evaluating program objectives and accomplishments including: implementation of the amended interstate recruitment regulations; progress in the use of domestic workers; improved worker selection and service to employers; application of housing standards; and prevailing wage information and transportation arrangements. At the close of the fiscal year, such field evaluation work had been conducted in

13 States in 9 of the 11 regions. In the States which national office staff visited, they analyzed the activities of 19 offices, and recommended improved operations. Regional office farm labor staff also conducted extensive field evaluation during the year.

Another aspect of the evaluation program was a review of regional office activities, including compliance with Public Law 78 and the Migrant Labor Agreement (as amended) in areas where substantial numbers of supplementary foreign agricultural workers are employed.

Also continued was the evaluation of the performance and effectiveness of the migratory stations and reception centers engaged in the Mexican national program. These reviews, on an annual schedule, assist in improving staff performance and operations and in the development of procedural and training materials for the personnel.

Recruitment of Local Labor

Although this annual accounting of the work of the farm labor service is issued on a fiscal year basis, many of the figures compiled are necessarily on a calendar basis, as agriculture itself operates.

Agricultural placements during calendar year 1961 totaled 9,454,402, a small decrease from 1959. More than 800,000 of these were year-round and seasonal workers in higher skilled jobs, recruited and selected on an individual basis, in a number of instances through "farm hiring days." These are the especially appointed days in a community when farm workers can meet and discuss offers, terms, and conditions of work with prospective employers. Altogether 73 local offices held 1,184 hiring days in calendar 1960.

A day-haul program transports local labor from population centers to farming areas. Youth day-hauls and adult day-hauls fall into two categories: the "established day-haul" in which workers are assigned to employers for daily work for a definite period and the "supervised day-haul" in which work crews are allocated to employers on a daily basis for transportation to the fields. The total number of workers engaged in "supervised" day-haul on a peak day was 161,504. On the "established" day-haul the number was 150,735.

In areas where it is not economical to maintain local offices but where it is important to expand the farm labor service, State agencies appoint volunteer farm placement representatives to make the simpler types of placements. These representatives serve as a public service without pay under direction of the employment service office in the area. During this year, 25 States appointed over 2,800 volunteer representatives who made more than 100,000 farm job placements.

Three programs for the summer employment of youth placed 11,086 young workers on a peak day in the day-haul for youth only; 3,073 were placed in live-in farm jobs; and 386 in youth camps. Thousands of other young people also participated in the joint youth-adult day-haul program or

were referred as workers to fill regular farm jobs for which they were qualified.

Domestic Migrant Farm Labor

When labor demands within a State exceed the number of workers available, the farm labor service places job orders in interstate clearance—a procedure to recruit workers in other States. This generally brings the annual worker plan (AWP) into operation. Scheduling workers from one State throughout one or more other States in as nearly uninterrupted employment as possible, the plan operates through local, State, and regional offices which cooperate in making up job schedules and itineraries in their individual work areas. They provide these schedules, together with dates and crop and weather information, to other States and regions. Reconciliation is then made of labor demand and labor availability dates, and a transfer or referral of labor supply follows. Thus, a program of more continuous employment is provided for farm workers, depending of course upon weather and crops.

To help in scheduling workers to other States and to improve analysis of the farm labor supply and demand situation, the farm labor service published a wall map, "Peak Seasonal Farm Labor Force and Crop Production Centers, by Agricultural Reporting Area." The map shows crop production centers where seasonal hired farm workers are employed, the components of this work force (local, intrastate, interstate, and foreign) by BES agricultural reporting area, the peak number of workers employed from each component, total peak employment, and the 2-week period within which peak employment occurs.

In April, eastern seaboard farm labor personnel and migrant crew leaders meet in what has been called the "Florida itinerary." At this meeting, held in predesignated local offices in Florida, tentative work schedules are arranged for the coming growing and harvesting seasons. This year, for the first time, Indiana and Ohio farm labor representatives joined the itinerary. This pooled recruitment program produced 33,410 workers—an increase from 1960's 28,765. The program has stabilized significantly the migratory farm work force in the eastern seaboard area. Plans were made during the year to adapt this successful Florida experience to Texas to achieve a more orderly recruitment of domestic migratory workers coming from that area.

Traditionally, in the spring, farm laborers in three major migratory movements work their way northward from southern fruit, vegetable, cotton, and citrus crops, fanning out east and west. In the fall these workers return over the same general routes, working late vegetables, fruits, nuts, and cotton. The annual migration involves several hundred thousand people who travel in buses, trucks, and individual cars, in families or in work crews. In 1960, a total of 162,563 individuals, 132,310 over 16 years of age, were scheduled through the annual worker plan in 7,346 groups from

30 States. The scope of this program is constantly being expanded by the participation of additional States.

Florida and Texas remained the States of largest migrant residence with 61,691 and 61,957 persons, respectively, coming under the annual worker plan.

In July 1960, domestic migrant workers, including intrastate, interstate, and contract Puerto Rican, reached an employment peak of 294,000 in areas reporting to the Bureau.

Because of the farm labor service's wide experience in the area, the Senate Subcommittee on Migratory Labor requested information and other technical assistance from it in the drafting of legislation on working conditions for migratory agricultural workers.

Information centers (some with rest-stop facilities), where migrant workers can stop to get latest crop information, to confirm annual worker plan schedules, or to find jobs, are provided on frequently traveled migrants' routes. Two additional stations established during the fiscal year—Mount Shasta, Calif., and King Hill, Idaho—made a total of 22 such centers.

The record of Little Creek, Va., the oldest of the information centers, demonstrates the importance of these services. In fiscal 1961, more than 20,000 domestic migrant workers stopped for help during its 24-hour-a-day operation at the time of the northbound migration. States also operate many seasonal and temporary trailer farm labor offices.

State farm labor bulletins with information on current crop and labor conditions, the number of workers needed, kind of work, prevailing wages, and housing and transportation details are used for communication among States as well as within the State of origin. They are also recruiting devices and are posted in places where workers are likely to see them. Thirty-seven States publish these bulletins at varying intervals; and this calendar year, 727,391 copies were distributed to farm labor personnel, information centers, volunteer representatives, the press and radio, and TV stations.

The recruitment of Indians for off-reservation farm employment continues in importance. In 1960, recruitment of Indians resulted in 43,543 placement services. Arizona was the most active in this program.

Puerto Rican workers who come to the continental United States under contract and by special arrangement are an important source of domestic farm labor. In 1960, the Puerto Rican Department of Labor recruited and sent 12,986 workers under contract, mostly to northeastern States. In addition, many who had formerly worked on the mainland made their own arrangements with previous employers and migrated to the United States for the agricultural work season. Resident Puerto Ricans came from New York and other metropolitan areas to work in Boston's market garden area, in Connecticut's shade tobacco fields, in Pennsylvania and New Jersey, and in the Great Lakes and other States.

Referral of crews and equipment to machine-harvest cotton and grain for some 8,000 farmers was, this year as in other years, a special service by the State employment agencies. Increased mechanization in cotton and com-

plete machine harvesting of principal feed grains make this a particularly valuable program.

Analyzing technological developments in the farm labor market, the farm labor service issued a report on the effects of mechanization in recent years. Almost completed are two other studies covering the effect on the tomato and potato crops.

Improved Conditions for Farm Labor

Fiscal 1961 was a year of unusual legislative concentration on better conditions for migrant workers. Eleven bills introduced in the Senate dealt with child labor; education for children of migrant farm workers; adult education for migrants; housing and housing loans; minimum wage for agricultural workers; crew leader (labor contractor) registration; public health services; a move to bring agricultural employment under the National Labor Relations Act; agricultural stabilization to improve working conditions so as to attract and retain qualified workers; provisions for day care facilities for children of migrants; and authorization to form a national citizens council on migratory labor.

Ten of these bills were also introduced in the House. At extensive hearings in both Houses on some of this proposed legislation, the Secretary of Labor, the Assistant Secretary, and other Department officials testified in its support.

A 2-year extension, with no changes, of the present Public Law 78 covering the labor agreement with Mexico was introduced in the House of Representatives (H.R. 2010). After undergoing extensive hearings, it was passed on May 11, 1961. A similar bill was before the Senate, as was S. 1945, which incorporates many of the recommendations of the consultants appointed a few years earlier to analyze the effects of Public Law 78 upon United States workers. S. 1945, supported by the Administration, embodies safeguards for domestic workers, such as amendments covering improved wages, and provisions that Mexican nationals work only at temporary jobs, that they not be employed to operate or maintain power-driven machinery, that both domestic and Mexican national labor must be paid not less than the prevailing wage for similar work in the area, and that employers of Mexican nationals offer domestic workers conditions of employment comparable to those provided Mexicans.

Also introduced was an omnibus housing bill which would allow farm owners, associations of farmers, and public or private nonprofit organizations to obtain loans to construct farm housing or related facilities (infirmaries, dining halls, etc.). Under this bill also, wage earners could, for the first time, receive housing loans to construct their own homes.

Committees on migrant labor, usually sponsored by the Governor or the State legislature, have been established in 29 States. Their purpose is to investigate living and working conditions of migrant farm workers, to alleviate poor conditions, and to encourage community acceptance of these workers and their families.

Community services to the migrants and their families are growing; pilot educational projects are being financed by individual communities; and health, welfare, religious, and civic workers—alert to the needs—are active in attempts to supply them.

To provide comprehensive materials for all those concerned with improving conditions for farm labor, the Bureau released a chartbook in June 1961 entitled "Hired Farm Workers in the United States." Containing such fundamental information on the farm labor market in the United States as production data and employment trends, characteristics, employment patterns, wage rates, and earnings of hired farm workers, as well as special sections on migratory and foreign contract workers, the chartbook is based on data from published sources in the Departments of Labor, Agriculture, and Commerce.

Foreign Workers

When domestic workers are not available for specific seasonal farm jobs, growers may apply to the State employment agency for foreign workers. The agency is responsible for making a determination in advance as to whether entrance and employment of foreign workers within the area will have an adverse effect on the wages and working conditions of United States workers.

This year the number of foreign workers was reduced as a result of intensified recruitment of domestic workers and increased awareness among employers that foreign workers may be obtained only to meet bona fide labor shortages after all efforts to attract domestic workers have failed. Emphasis was given also to better use of the out-of-country laborers authorized.

Under the present system, the Bureau's regional offices assign foreign worker quotas or ceilings. In fiscal year 1961, 450 ceilings, including amendments, were established in 111 agricultural reporting areas in 38 States. Most of these ceilings were issued for Mexican workers whose employment, at peak, was 234,000. At peak employment, British West Indians, including Bahamians, were next in volume (12,000); Canadians for agriculture followed (8,000). A small number of Japanese nursery and truck garden workers (1,800) and 885 Basque sheepherders who entered the United States under a special law for a 3-year period completed the list.

By special arrangement some 3,400 United States tobacco workers went to Canada for the late tobacco season after the harvest in this country was past.

More foreign workers were employed in seasonal farm jobs in September than at any other time in fiscal year 1961—247,000 men. Texas and California, employers of the largest number of domestic workers, were also the employers of the greatest number of foreign workers.

Approximately 100 labor disputes involving growers employing Mexican contract workers occurred in California agriculture during the fiscal year.

These disputes coincided with efforts to organize domestic agricultural workers and resulted in heavy workloads of investigations, hearings, and litigation. At one time 25 court actions were pending, the majority involving employer breaches of the terms of the Migrant Labor Agreement and contracts with workers. Injunctions preventing departmental actions were contested in cases involving employer ineligibility and labor dispute situations.

Mexican Nationals

The international agreement with Mexico, which would have expired June 30, was extended without change through December 31, 1961, by an exchange of notes on June 27, 1961. The extension makes its expiration date correspond with that of Public Law 78.

Under authorization of the international agreement and Public Law 78, there were 294,355 Mexican nationals contracted for farm work during the fiscal year. They worked in 24 States for approximately 39,927 farm employers for an average employment period per worker of 3.5 months. During this period, 68,887 workers were recontracted, 242,803 contracts were extended, and 302,658 workers were returned to Mexico. The largest number of these workers employed at any one time in the various States was during September 1960 when 234,000 were engaged in farm work.

Reception Centers and Migratory Stations.—This year a number of improvements were made in centers and stations. Plans were approved, contracts awarded, and work begun through arrangement with General Services Administration on remodeling the kitchen and dining facilities at El Centro. Plans were also approved and arrangements made to modernize the kitchen and serving facilities and to erect an additional shade shelter at Hidalgo during fiscal 1962.

Another major improvement in operations was additional and better equipment for transporting workers from the migratory stations to the U.S. border. In the past, most workers rode in box cars equipped with wooden benches and water barrels, but as a result of constant urging from Department of Labor staff, the railroads this year obtained 20 standard passenger coaches for the run from Monterrey. Improvements of the same kind were also made in western Mexico covering the run from Empalme to El Centro, Calif.

Assessment Program.—Public Law 78, 82d Congress, requires that employers who fail to return Mexican contract workers to reception centers from which they were originally contracted shall be assessed the cost of transporting them from the area of employment to that center. During the year, 522 assessments for workers who had abandoned their contracts, totaling 11,620 "skips" and amounting to \$49,785.42, were processed against employers. From the "skips" processed, \$36,350.07 was collected before the end of the fiscal year.

Audit Report.—The report of the audit of the five reception centers for the year ending December 31, 1960, which involved more than \$3,590,000,

showed that all fees were properly collected and deposited. "Skip" assessments were properly levied, accounted for, and collected. The correctness of other accounts and records was verified and reconciled.

Wage Determinations Activities.—Considerable emphasis was placed on insuring that the employment of foreign workers does not adversely affect the wages of domestic workers. The Bureau made substantial revisions in policies and procedures for determining "adverse effect" and for determining an appropriate wage for domestic workers in activities where the labor force is primarily Mexican contract workers. Action was taken to preclude employers from obtaining Mexican workers if they offer domestic workers a lower wage rate on the grounds that the lower rate is necessitated by the employment of "mixed crews" of men, women, and youths. Under revised policies of the Bureau, each qualified domestic worker seeking employment must be offered the wage rate offered to foreign workers.

Under the provisions of the agreement with Mexico, Mexican workers employed under contract for farm work in the United States are to be paid prevailing wage rates as determined by the Secretary of Labor. The Migrant Labor Agreement specifies that the wage rate paid must not be less than the prevailing rate paid to domestic workers, for similar work, in the respective crop and area. Wage determinations are based on sample surveys of employers in specific activities in localities where Mexican workers are employed and are made by State employment security agencies under the technical supervision of the Bureau.

In fiscal year 1961, the Secretary made 1,392 wage determinations involving 1,513 wage finding classes in 21 different States based on prevailing wage surveys by State employment security agencies. Seventeen cases arose in which the Secretary of Labor could not certify that the employment of Mexicans, at wage rates offered or paid, would not adversely affect domestic workers similarly employed. In these cases determinations of the wage level required to prevent adverse effect were made.

The Bureau expanded its collection of data relating to the average hourly earnings of Mexican contract workers at piece rates. This information is the basis for the determination of adverse effect under the Bureau's "90-10" policy (the requirement that at least 90 percent of the workers achieve average hourly earnings of 50 cents or more). During the year, earnings data were obtained for 411 activities in 65 different crops in 24 States.

Housing, Food Service, and Transportation Developments.—A total of 10,557 housing inspections in connection with the Mexican program during this fiscal year disclosed deficiencies in 3,474, or about one-third of the inspections. A preseason housing inspection program was conducted in Arkansas for the 1961 spring farm activity. Twelve hundred units that would accommodate about 15,000 workers were inspected and approved. Sixty-three additional units were rated "unacceptable" because they were a menace to the health and safety of workers and could not reasonably be made to conform to standards. Inspections were made of all

housing furnished by Arkansas employers prior to authorized occupancy by Mexican nationals for the spring season.

Preoccupancy housing inspections were also conducted in other areas, including Wisconsin, Indiana, Tennessee, Michigan, and Kentucky. Continued emphasis on employer responsibility for furnishing and maintaining suitable housing and facilities for Mexican workers has brought about significant building and remodeling of units.

A reporting program to insure compliance with Bureau food service instructions for Mexican workers went into effect this year. It provides for evaluation, control, and investigation, when necessary, of food service records maintained by restaurant operators furnishing meals to Mexican nationals. Employers are required to maintain a cost and menu file and to submit financial reports to the Bureau through its regional offices.

Inspection of vehicles used to transport Mexican workers for short distances (from the labor camp to work area) was made during this year to bring the vehicles into compliance with short-distance transportation standards that became effective in February 1960. More than 3,300 vehicles were inspected; violations were found in about one-third of the vehicles.

Investigations and Payroll Inspections.—Foreign Labor Service representatives conducted 4,424 investigations of complaints and other matters pertaining to the Migrant Labor Agreement and Standard Work Contract. They discovered violations in 2,094, or 47 percent, of the cases investigated. A total of 31,529 payroll inspections were made, uncovering 3,412 violations. Payments to Mexican workers as the result of investigations, payroll inspections, and other compliance activities amounted to \$284,650. Forty-five employers were declared ineligible to use Mexican national contract workers due to serious violations of the agreement and work contract.

Litigation and Settlement of Claims.—During the fiscal year, the United States in its capacity as guarantor of the Migrant Labor Agreement paid \$1,175 to Mexican workers. This brought the total paid to date under the guarantee to \$65,306, with the total collected on this amount at \$37,666. Debts pending litigation amount to \$7,160; losses due to death, insolvency, and other reasons total \$3,886; debts pending final administrative action amount to \$16,595.

Veterans Employment Service

Leadership in programing and the functional supervision of State agency services to veterans are the responsibility of the Veterans Employment Service. A veterans employment representative (a Federal employee) attached to each State's employment service staff insures that State agencies accurately reflect Federal policies of special services to veterans. In addition, each local office has a representative whose duty is to provide veterans the service to which they are entitled by law.

Employment Service Activities

The employment situation for veterans was affected markedly by the sharp business downturn during the second half of calendar year 1960 and throughout the early months of 1961. Since veterans represent nearly one-third of the total civilian labor force, any major shifts in the economy directly affect their job status. This is especially true in a recession of the kind that occurred during fiscal year 1961 when the heavy goods production industries—where male workers predominate—experienced the most marked and persistent weaknesses.

The recession probably accounts for the increased number of applications filed by veterans, a rise of 143,200, or 9 percent, over fiscal year 1960. This increase, however, was not as large as the 12 percent upswing in applications filed by male nonveterans. Under this load, placements of veterans made by local offices decreased by about 158,000, or 13 percent. This reduction is undoubtedly owing in part to the loose labor market which discouraged many veterans from changing jobs and also to the fact that many were experiencing difficulty in securing employment.

The effectiveness of the special policies for veterans is reflected in the fact that veterans received 34.7 percent of all male placements in the employment service during fiscal year 1961 while they represented 26.8 percent of the available applicants.

Selected employment service activities for veterans, fiscal years 1960 and 1961

	1961	1960	Percent change 1960-61
New applications:			
Men.....	6,511,200	5,805,000	+12.2
Veterans.....	1,744,100	1,600,900	+8.9
Percent veterans of men.....	26.8	27.6	-----
Nonagricultural placements:			
Men.....	3,120,600	3,427,700	-9.0
Veterans.....	1,083,400	1,241,200	-12.7
Percent veterans of men.....	34.7	36.2	-----

Applications from disabled veterans increased in fiscal year 1961. Fairly small (1.6 percent), this rise was the same as that for all handicapped men. Placements decreased 13 percent from the previous year; nevertheless, disabled veterans received 51.4 percent of all male handicapped placements while they represented only 38 percent of the available applicants.

Selected employment service activities for disabled veterans, fiscal years 1960 and 1961

	1961	1960	Percent change 1960-61
New applications:			
Men.....	342,000	336,200	+1.7
Veterans.....	129,900	127,900	+1.6
Percent veterans of handicapped men.....	38.0	38.0	-----
Nonagricultural placements:			
Men.....	195,000	231,900	-15.9
Veterans.....	100,300	115,300	-13.0
Percent veterans of handicapped men.....	51.4	49.7	-----

Program Development and Evaluation

Continuous efforts to refine the program for veterans in every State marked fiscal year 1961. State veterans employment representatives (VER) conducted formal evaluations in approximately 1,350 local employment offices to determine the effectiveness of the services rendered.

In order to assure full program coverage, each State VER is required to prepare a written work program for the ensuing fiscal year and submit it to the national office for review. This plan of action contains the current status of the program in the State, identifies major problem areas, and outlines courses of action. During fiscal year 1961, representatives of the national office conducted supervisory visits in all but three States and Puerto Rico. During these field visits, all program areas were reviewed for adequacy of performance, and recommendations for corrective action were made where appropriate.

During fiscal year 1961, the Bureau made a nationwide survey to determine the characteristics of veterans registered for employment in the public employment offices. Identifying veterans by occupational classification, age distribution, educational attainment, and marital status, the study provided a profile on today's veteran applicant. This up-to-date knowledge about veterans seeking employment was valuable to all supervisory officials.

Staff Training

Two regional training conferences for State VER's were held in Hartford, Conn., and Atlanta, Ga. Conference-type workshops provided a forum for discussion of all major program activities. Topics included employment assistance to the older worker, local office evaluation, the relationships with veterans' organizations, and community industrial development programs.

During regular field visits, national office representatives gave on-the-job training to State VER's. In the same manner, VER's gave training to local office personnel. In addition, formal training for local office veterans' employment representatives was given in several States.

One member of the national office staff attended a 2-week management course offered by the Brookings Institution for employment security personnel.

Liaison and Public Relations Activities

The Veterans Employment Service (VES) has continued its work with other State and Federal agencies and organizations. Much work has been done in the field in establishing local interagency committees on vocational rehabilitation for the purpose of coordinating efforts of other interested agencies in rehabilitation work.

New display panels presenting services to veterans by local employment offices were developed in fiscal year 1961, and will illustrate the employ-

ment story at meetings of major veterans' organizations throughout the United States. VES representatives attended all of the major national veterans' organizations meetings and participated in special conferences, supplying information on employment services for veterans.

Presentations were made throughout the United States on the Department of Labor's manpower story which has been especially adapted for presentation to veterans' organizations, and other appropriate groups.

In cooperation with the President's Committee on Employment of the Physically Handicapped, car cards and pocket calendars were distributed to promote the placement of disabled veterans.

Representatives of VES participated in numerous promotional programs such as State older worker conferences, White House Conference on Aging, National Employ the Handicapped Week, and award programs promoting the employment of veterans. All these activities proved beneficial in improving job opportunities for veterans and in encouraging applicants and employers to use the services available through the State employment service offices.

Unemployment Insurance

The Federal-State unemployment insurance system provides insured workers with partial compensation for wages lost during periods of involuntary unemployment. In doing this, it acts as an economic stabilizer, maintaining income and purchasing power and thus serving as an important weapon in the arsenal of economic policy.

About 46.6 million workers in commerce, industry, and government, including the Armed Forces, are covered under Federal and State laws.¹ About 2.3 million employers were subject to Federal and State unemployment insurance laws, contributing in fiscal year 1961 about \$2.360 billion. This amount includes taxes paid by employees as well as employers in Alabama, Alaska, and New Jersey.

In fiscal year 1961, during which the economy was beset with problems, 8.1 million insured workers drew one or more unemployment insurance benefit checks totaling \$3.7 billion for 111.6 million weeks of unemployment.

Pools of unemployment have developed in the Nation resulting from automation and other changes in production processes and location of industry. Now, more than any other time since the inception of the program, the economy is faced with the prospect of a steadily increasing number of workers who, in the absence of remedial action, seem destined to spend a large part of their working lives unsuccessfully seeking jobs. Each of the last two recessions began with a volume and rate of unemployment higher than at the outset of the preceding recession. Included among the

¹ In addition, about 900,000 railroad workers are covered under an unemployment insurance program administered by the Railroad Retirement Board.

various remedial proposals are a number involving the unemployment insurance program, such as payment of benefits during the retraining of dislocated workers, coverage of groups not now protected, and improvements in the sufficiency and duration of benefits.

Program Research and Planning

The problems posed for unemployment insurance led to a reexamination of the program aimed at indicating areas of weakness and developing proposals for improving and strengthening it. Since the Bureau acts as a national clearinghouse for studies of the characteristics of the unemployed, factors affecting unemployment, and other areas involved in any reevaluation of unemployment insurance standards and practices, it cooperated with the States in planning research and assisted representative States to undertake studies on a variety of unemployment insurance problems.

One of these projects dealt with the 1.9 million agricultural workers who have been excluded from unemployment insurance protection largely because available data were inadequate for determining the feasibility of covering them. There was a need to develop information on the employment, unemployment, and earnings patterns of farm workers, and the employment and payroll patterns of farm employers. To meet this need, the Bureau prepared a detailed methodology and work materials for a series of studies including field interviews of a representative sample of farm employers and their workers. Such studies were conducted with the technical assistance of the Bureau by employment security agencies in four representative States. Final reports on the results of these studies are expected to be completed in fiscal 1962. In addition to their unemployment insurance uses, the study results will provide valuable information, not presently available from other sources, on the amount of employment and unemployment among farm workers, on the value and type of perquisites, and on migration patterns. Primarily, however, the studies will provide a factual basis for judging the feasibility of unemployment insurance coverage for agricultural workers.

The high level of claimant exhaustions raised immediate problems of aiding the unemployed. Extensive analyses of economic and unemployment insurance data during the 1958 recession as well as the current year, and for the temporary unemployment compensation program of 1958, served as bases for the Administration's legislative recommendations which evolved into the Temporary Extended Unemployment Compensation Act of 1961.

The program aspects of this act are discussed below. Insofar as research is concerned, the act requires that certain information be collected for all States on the characteristics of beneficiaries and their experience under the law. These studies entail the most massive technical planning and administration of any research project in the history of the unemployment insurance program. Conducted on a sampling basis during four widely

spaced weeks, the studies will yield a wealth of data on the effectiveness of the program and the identity of its beneficiaries and will help indicate the value of extended benefit programs for the future. For comparison purposes, 13 selected States are making a similar study of regular claimants.

The same 13 States are also conducting a study of the worker's financial resources other than unemployment insurance during his period of unemployment. These States are also conducting a study of the experience of workers after they have exhausted their temporary extended benefits. To insure comparable results from this complex of studies, all are based on Bureau guides and methodology, and are being coordinated by the Bureau.

A question of constant concern to the Bureau and the States is whether the statutory qualifying tests actually reflect the intent of the State laws as to when an individual has worked long enough to be insured against unemployment. To aid State agencies in collecting data necessary to determine the answer, the Bureau developed a study method covering a 3-year period. A study guide describing this method has been provided to State agencies, and the Bureau gave technical assistance during fiscal year 1961 to seven States which embarked on the studies.

Worker experience after the exhaustion of unemployment insurance rights is another area of Bureau-coordinated studies. Early in the fiscal year, the Bureau published a report which analyzed the results of previous post-exhaustion studies in the States from 1956 through 1959, and summarized the latest information concerning the labor market status of exhausters. Improved technical study guides were also issued.

Basic Program Improvements

State legislation to increase coverage and to improve benefit provisions showed a marked decline in fiscal 1961 from the level of activity attained in the most recent comparable year of 1959 (even-numbered years are off-years for State legislation). For example, only 12 States, in contrast to 22 in 1959, increased the maximum weekly benefit amount; 2 States, as compared with 16 in 1959, increased the regular duration of benefits. Two States made significant gains in coverage, one extending the protection of the program to domestic workers, the other including employees of local government units.

Six of the twelve States which increased their maximum weekly benefit amount in fiscal 1961 did so by \$5 or more—one State by as much as \$10. These increases raised to five the number of States with maximums of \$50 or more, an increase of three from fiscal 1960. Provision for automatic adjustment of the maximum weekly benefit amount in accordance with changes in average wages went into effect in two more States, raising to eight the number of States with this basic improvement. Enactment of an automatic provision of this kind insures that, insofar as weekly benefits are concerned, the programs will be able to keep step with changing wage levels.

Maximum basic weekly benefit amount, July 1961	Number of States	Percent of covered workers (calendar year 1960)	
		Percent	Cumulative percent
\$50 and over (\$50-\$55).....	5	28.2	28.2
\$45-\$49.....	4	3.1	31.3
\$40-\$44.....	11	24.0	55.3
\$35-\$39.....	14	21.6	76.9
\$30-\$34.....	15	17.4	94.3
Under \$30.....	3	5.7	100.0
Total.....	52	100.0	-----

Under the formulas in most States, a worker will be compensated at about one-half of his weekly wages, if this amount is not above the maximum dollar amount given in the law. These specific maximums, however, often fail to keep pace with increases in wages. Therefore, for many workers, as their weekly wages rise, the State ceiling on benefits means a progressively lower ratio between their weekly wage and the benefit they would receive when out of work. Since in over half the States a majority of claimants were receiving the maximum weekly benefit amount, it can be assumed that many of them earned more than double that amount when they were working. It is likely that the number of claimants receiving less than half their weekly wages in benefits will continue to rise, because increases in the maximum weekly benefit amount during fiscal 1961 were not widespread and were insufficient to meet rising wages. Thus, despite a rise from 9 to 10 in the number of States with a benefit ceiling of 50 percent or more of the average weekly wage of all covered workers, the proportion of covered workers throughout the country with this level of protection has declined from 26 to 20 percent.

Maximum basic weekly benefit amount, July 1961, as a percent of calendar 1960 average weekly wages	Number of States	Percent of covered workers (calendar year 1960)	
		Percent	Cumulative percent
70.....	1	0.4	0.4
55-59.....	1	.2	.6
50-54.....	8	19.8	20.4
45-49.....	12	25.3	45.7
40-44.....	16	30.5	76.2
35-39.....	10	14.3	90.5
30-34.....	3	5.1	95.6
Under 30.....	1	4.4	100.0
Total.....	52	100.0	-----

Improvements in the duration of benefits during fiscal 1961 were not marked. One State increased its uniform duration by 2 weeks, from 24 to 26 weeks. Another State, however, repealed a uniform duration of 22 weeks and substituted uniform durations of 13, 20, or 26 weeks, depending on the quarterly distribution of the worker's wages.

In 40 States, duration is not uniform for all workers but varies with their earnings or employment. In these States, the duration for many claimants may be a great deal lower than the maximum in the State law. For instance, the minimum duration is 10 weeks or less in six States and less than 5 weeks in two States.

A new unemployment insurance program, effective October 1, 1961, was adopted by the Virgin Islands during the fiscal year. It provides weekly benefit amounts (beginning January 1, 1964) ranging from \$8 to \$25, variable duration of benefits up to a maximum of 26 weeks and coverage of firms employing one or more at any time. This program is independent of the Federal-State unemployment insurance system.

Maximum duration in weeks	Number of States	Percent of covered workers (calendar year 1960)	
		Percent	Cumulative
Uniform duration:			
30.....	1	7.8	7.3
26.....	8	18.5	25.8
24.....	1	.2	26.0
22.....	1	1.6	27.6
Under 20.....	1	.5	28.1
Variable duration:			
39.....	1	.9	.9
36.....	1	.5	1.4
34.....	1	2.3	3.7
32.....	1	.9	4.6
30.....	3	5.6	10.2
28.....	1	1.4	11.6
26.....	27	51.6	63.2
24.....	2	4.6	67.8
22.....	1	1.1	68.9
20.....	2	3.0	71.9
Total.....	52	100.0	-----

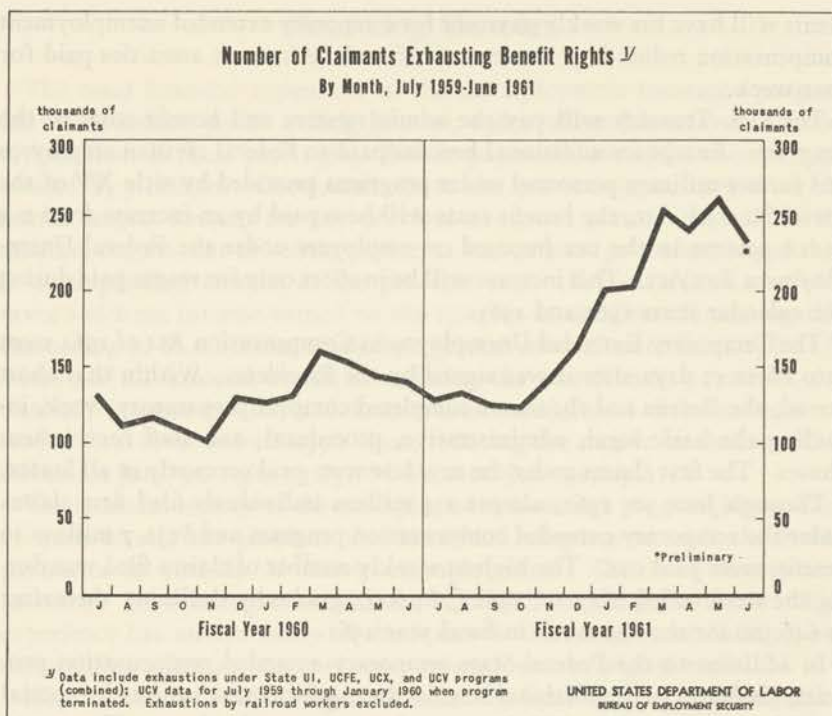
Special Programs

Temporary Extended Unemployment Compensation

During the year, the number of persons exhausting their unemployment benefit rights increased steadily month by month. Rising from about 126,000 in October 1960 to nearly 256,000 in March 1961 and, with the exception of a slight decrease in April, climbing to an overall peak of almost 262,000 in May 1961, the level eased to about 234,000 in the last month of the fiscal year.

For the entire calendar year 1960, almost 1.7 million claimants exhausted their benefit rights; the first 6 months of calendar 1961 totaled more than 1.4 million. The latter figure may be compared to the 1.2 million individuals who exhausted their benefit rights in the first 6 months of calendar year 1958, another period of high unemployment.

On March 24, 1961, the President signed the Temporary Extended Unemployment Compensation Act of 1961, which was in some respects patterned on the Temporary Unemployment Compensation Act of 1958.



The act authorizes Federal funds to States which enter into voluntary agreements with the Secretary of Labor to extend temporarily the duration of unemployment benefits to persons who had exhausted their regular unemployment benefit rights after June 30, 1960. All of the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands elected to participate. The amount of temporary extended unemployment compensation payable equals a 50 percent increase in duration of benefits for all exhaustees; the top limit is 13 weeks' extension for any individual during any one "compensation period." To avoid inequitable treatment of States where duration was already extended beyond 26 weeks for at least some workers, the Federal Government reimburses the States for payments to workers in excess of 26 weeks—still subject, however, to the overall maximum of 39 times the individual's weekly benefit amount. This reimbursement applies both to regular State duration in excess of 26 weeks and to special temporary State extensions beyond 26 weeks. The program ends April 1, 1962, except that benefits can be paid for unemployment up to June 30, 1962, to individuals already receiving benefits under the program before April 1 of that year.

The act provides, generally, for claimants under this program that the provisions of State laws on eligibility, disqualification, and weekly benefit amounts shall apply. Regardless of the provisions of the State law, however, a person who is receiving certain types of retirement or pension pay-

ments will have his weekly payment for temporary extended unemployment compensation reduced by the amount of such retirement annuities paid for that week.

The U.S. Treasury will pay the administrative and benefit costs of the program. Except for additional benefits paid to Federal civilian employees and former military personnel under programs provided by title XV of the Social Security Act, the benefit costs will be repaid by an increase from 0.4 to 0.8 percent in the tax imposed on employers under the Federal Unemployment Tax Act. This increase will be in effect only for wages paid during the calendar years 1962 and 1963.

The Temporary Extended Unemployment Compensation Act of 1961 went into effect 15 days after it was signed by the President. Within that short period, the Bureau and the States completed complex preparatory work, including the basic legal, administrative, procedural, and staff recruitment phases. The first claims under the new law were paid promptly in all States.

Through June 30, 1961, almost 1.4 million individuals filed first claims under the temporary extended compensation program and \$232.7 million in benefits were paid out. The highest weekly number of claims filed was during the week ended May 27, 1961 (764,600), gradually declining thereafter to 646,300 for the last week in fiscal year 1961.

In addition to the Federal-State temporary extended compensation program, six States paid additional benefits during fiscal year 1961 under special provisions contained in their State employment security laws. These were Delaware, Idaho, Vermont, California, Connecticut, and Illinois. As of June 30, 1961, the latter three States were continuing to pay additional State benefits. The State extended duration programs in Idaho and Delaware ended before the beginning of the temporary extended compensation program, and the Vermont program was suspended effective June 17, 1961.

Ex-Servicemen and Federal Civilian Employees

Included in the broad framework of the Federal-State unemployment insurance system are two groups whose benefits are paid from Federal funds—Federal civilian employees and ex-servicemen.

Approximately 2.4 million Federal civilian employees and 2.5 million military personnel now have unemployment insurance protection under these two programs. Payments of benefits under these programs are made under the terms and conditions of State unemployment insurance laws. Thus, these programs are well integrated with the Federal-State unemployment insurance system with a minimum chance of disorganizing in any way the operations of State agencies.

During fiscal year 1961, about 162,000 initial claims were filed by workers whose only recent employment had been with the Federal Government. They were paid some \$59.1 million in benefits for an estimated 1.7 million weeks of unemployment. In the same 12-month period, more than 239,000 individual ex-servicemen were paid \$107.1 million in benefits.

Financing Benefits

The total financial experience of the unemployment insurance program for the 12-month period ending June 30, 1961, reflected less favorable conditions than in fiscal year 1960. Benefit payments out of State trust funds totaled \$3.5 billion. One-fourth above the previous year, they were the second largest amount for any previous 12-month period. In half of the months, the amount of benefit payments was at least 50 percent larger than in corresponding months of the previous year. Revenues from employer taxes and from interest earned on the reserves in the Trust Fund, together amounting to \$2.6 billion, totaled 9.0 percent more than in fiscal 1960. As a result of all financial transactions during the year (benefit payments, collections, interest credits, and loan transactions), total disbursements exceeded total revenue by \$0.93 billion, reducing the reserve funds from \$6.69 billion on June 30, 1960, to \$5.76 billion on June 30, 1961.

The financial history of the unemployment insurance program has pointed up quite clearly the problem of reserve fund adequacy to meet the benefit payments in periods of heavy unemployment. The two most recent recessions have brought some State funds below adequate levels. This experience has alerted many of the States to the necessity of building and maintaining adequate reserves, even when it means higher taxes.

Nineteen States enacted legislation during fiscal 1961 to prevent further depletion of unemployment insurance reserves and to provide more adequate reserves to meet benefit payments in a future recession. In some States, the legislative enactments involved newer approaches to benefit financing and fund solvency, as for example: graduated individual employers' tax rates above 2.7 percent depending on the extent to which their reserve balances are in the red; noncrediting to employer accounts of a portion of each employer's contributions; the use of ratios to total wages rather than to taxable wages as danger points which signal the application of alternative tax schedules and/or the suspension of reduced rates; and the adoption of standard rates higher than 2.7 percent. In other States, the current legislative changes are continuations of types of remedial action evident in earlier years, such as increases in the taxable wage base. Three States increased their taxable wage base to \$3,600, effective January 1, 1962. A fourth increased its base from \$3,600 to \$3,800. Altogether, nine States now have a tax base above \$3,000. Other measures enacted include assigning tax rates designed to yield a predetermined rate of return, earlier reduced rates for newly covered employers, and higher maximum rates. Twenty-four States now provide rates above 2.7 percent; in 17 of these the maximum tax rate is 4 percent or above. The highest State maximum is 4.5 percent.

The Social Security Amendments of 1960 made several significant changes in the financing of administrative expenditures of the employment security program. The same act also changed the provisions affecting advances to States. The law not only makes the eligibility requirements for loans to States more stringent, it also provides for earlier automatic repayment

at a higher repayment rate. In addition, effective January 1, 1961, the Federal unemployment tax rate was increased from 3.0 to 3.1 percent of taxable wages. Thus, the effective rate, after the 2.7 percent offset allowed with respect to State tax liability, rose from 0.3 to 0.4 percent. Rising administrative costs and the need for a more adequate loan fund for States with depleted reserves made the increase in the Federal tax rate essential.

Prior to the 1960 amendments, the level of the loan fund was set at \$200 million. On June 30, 1961, the cash balance in the loan fund was only \$2,800,000; of which \$800,000 is to be transferred to Pennsylvania's account in the Trust Fund as the balance due on the original loan it requested in fiscal 1959. The total amount of loans outstanding is \$232,965,000 distributed among three States: Alaska, \$8,765,000; Michigan, \$113 million; and Pennsylvania, \$111,200,000.

Current Problems in Administration

All operations in unemployment insurance were affected by the increase in unemployment and the problems that it brought of maintaining the prompt payment of benefits.

Benefit Operations

The dramatic suddenness of the increase in claims produced a severe strain on the entire benefit operation. Profiting from the postwar experience, the Bureau and the States had worked out methods and procedures to make administrative funds available more quickly, to recruit and train staff, to house the increased volume operation and to streamline operations. These standby plans, even though subject to last-minute modifications, helped smooth the shock of the recession. A study conducted by the Bureau to ascertain the areas of administration and operation that were adversely affected by the increased workload and the extent to which functions and services to claimants were impaired revealed that, in general, the local offices were able to cope successfully with heavy claims loads.

The overall sharp rise in administrative costs attributable to the increase in unemployment brought special attention to the effect of high volume operations on the costs per unit of work. The Bureau and selected States cooperated in joint time and cost studies. The functions studied were the major ones directly affected: claimstaking, benefit payments, and monetary determinations.

As part of a continuing effort to improve methods, the Bureau and States have been studying the many new systems and techniques of data processing that have emerged in recent years. The availability of smaller, less expensive systems suitable for unemployment insurance operations, have put computers within the reach of all the larger and most of the middle-sized States. Electronic data processing systems were installed in two States during the fiscal year, bringing the total in operation to eight States. Feasibility studies were completed in 10 other States which will install

computers during fiscal years 1962 and 1963. The greater operating efficiency and processing capacity of this new equipment has already been reflected in steady improvement in State operations through reduced operating cost and more current, meaningful reports and research results.

As unemployment increased and unemployed workers moved from one State to another in search of work, the volume of interstate claims increased. Under the interstate benefit payments plan, a worker who moves from one State to another need not lose his unemployment insurance; he may file in the State where he is. More than 1,100,000 claimants filed initial claims for unemployment insurance under the plan during fiscal year 1961. This reflects a 23 percent increase in the filing of interstate claims over fiscal year 1960, and parallels the increase of all initial claims taken in fiscal 1961. Thus, the interstate plan met one of its objectives: facilitating the mobility of the labor force in time of economic stress. To improve the operations of this system, a self-evaluation of the interstate claims process was made by each State and the results reviewed by the Bureau. This type of evaluation will be conducted annually.

When Puerto Rico joined the Federal-State unemployment insurance program in fiscal 1961, the States were requested to enter into agreements with the new member for taking and accepting interstate claims. At the close of the fiscal year, 5 States had already entered into such an arrangement, 16 others planned to make agreements immediately, and 27 were willing to do so as soon as restrictions in their law were removed. Three States have taken no action at this time with regard to interstate arrangements with Puerto Rico.

To facilitate improving the State benefit payment control programs, the Bureau instituted a system under which each State agency is to prepare and submit an annual plan of action outlining its fraud and overpayment programs in advance and to submit at the end of the year a report of the work done under the plan. The plan will include information on statutory provisions covering penalties for willful misrepresentation, prosecution, and recoveries; organization for fraud control; work program objectives; investigation procedures; characteristics of overpayments; and informational and educational activities as they relate to claimants' rights and responsibilities. This information will enable the Bureau to evaluate State agency programs in relation to the Secretary's standards for fraud and overpayment prevention and will provide a basis for determining what assistance should be given State agencies to improve or expand their control programs.

Contribution Collection

The tax operations, not being as subject as the claims process to sudden and unforeseen changes in workload, felt the impact of economic conditions to a lesser degree. In keeping with the continued trend toward increased use of the field audit in the tax operation, Bureau personnel undertook detailed surveys of the field audit programs in several State employment

security agencies. The surveys covered the cost of the different types of audits made by the various State agencies and other aspects of a State agency's field audit program. These surveys were in addition to other field work involving the entire tax program.

Adjudicative Processes

Persistent unemployment and a high claims load throughout the year resulted in a continued increase in the volume of contested and appealed claims. For example, in calendar year 1960, over 5,500,000 nonmonetary determinations and redeterminations were made, in comparison with over 4,700,000 in 1959. A nonmonetary determination deals with an individual's eligibility for benefits, answering such questions as: Was he separated from work for disqualifying reasons? Is he available for work? Has he refused work without good cause? In the 1960 calendar year, 257,342 lower authority benefit appeals were received, as compared with 234,037 received in the previous calendar year. More benefit appeals, 236,941, were also disposed of by lower appeals authorities during calendar year 1960 than during the prior year, whose total was 222,015. The increase, however, was not sufficient to reduce the backlog to a normal operating level. Consequently, at the end of March 1961, there were more lower authority benefit appeals, 42,155, pending than at the end of any quarter in 1959 or 1960.

The Bureau's review of the 1960 nationwide evaluation of nonmonetary determinations showed that additional effort is needed to improve the factfinding and decision aspects of the claims process. A number of the State agencies reported that the incidence of inadequacies in factfinding and decision-making was accentuated by claims-load pressures and the administrative measures taken to meet them. Some of these, such as the use of simplified "short cutting" procedures for obtaining and recording information about disqualification issues, the curtailing of the length of interviews and content of decisions, use of emergency personnel untrained in the recognition and exploration of issues, and diversion of supervisory and training personnel to other duties, were cited as reasons for the failure to meet levels of performance desired by the States and the Bureau.

A number of States have acted to develop improved and more comprehensive training materials and programs dealing with all aspects of the claims adjudication processes; to revise their claim determinations records and forms; to establish higher qualifications and standards of performance; and to provide increased supervision, technical and staff assistance to adjudication personnel.

Aware that improved recognition and investigation of issues is the key to better performance generally, the Bureau also realized that quality is dependent on continuous supervision, technical review, evaluation, and training, and has concentrated on efforts to assist the States in these areas. The Bureau staff developed improved evaluation criteria and methods to

be used by supervisors and technicians, provided training materials, and participated in State training sessions.

The benefit appeals process was also a major concern of the Bureau and the States during the year. A series of Bureau-sponsored conferences focused attention of all States on the benefit appeals process, delineating better methods of factfinding, conducting hearings, making an adequate record, and decision writing. Conference programs also covered techniques of self-evaluation of the interstate appeals process as a method of resolving problems in this area. Bureau staff also worked directly in the field and by correspondence with a number of States on improving their appeals procedures and operations. At the request of the State agencies involved, Bureau staff participated in training sessions conducted by four States on the administrative adjudication of benefit claims.

Under State and Federal laws, the mandatory prevailing wage standard is applicable to determinations of whether workers are to be denied benefits for refusals to accept new work. The problem of implementing this standard has received increasing attention from the Bureau and the States. By its recent expansion of the occupational wage survey program to include 82 of the major labor market areas, the Bureau of Labor Statistics has simplified for the State agencies in each of the areas the collection and analysis of much of the data essential to the application of the prevailing wage standard.

At the request of the New England States, a regional conference was held to discuss the standard and the principles and procedures involved in its application. Bureau staff also worked directly with other States, providing technical assistance on data-gathering procedures.

The year saw a continuation of the growing tendency among the State agencies, administrative tribunals, and courts to apply the "voluntary leaving" disqualification rather than the "work-refusal" disqualification to claimants who lost their jobs as a result of work force reduction and refused to "bump" other workers from a different job, usually at a lower skill and lower wage rate. Significant in these cases is the question of whether the work offered and refused is "new work" or not. If it is new work, the standards in section 3304(a)(5) of the Internal Revenue Code 1954 and in similar provisions in all State unemployment insurance laws apply.

Occupational Information and Research

A rapidly increasing labor force, changing consumer demand, new products, and geographic shifts of industry are factors which alter occupational patterns. Continuing marked changes in machines, production methods, work flow, and office procedures which contribute to increased productivity, greater national strength, and a substantially higher standard of living also significantly affect industry manpower requirements and the occupational structure.

Labor market analysis and occupational research on current and future job opportunities and requirements are important tools for improved job market services to workers and employers.

Information on Job Opportunities

Area skill surveys and the occupational guides are basic informational tools for job opportunity programs within a community or labor market area. Since the institution of the area skill surveys in 1956, 43 States have participated, completing 90 surveys. Forty-three more are in various stages of completion. These studies, providing analysis of current and future labor demands and supply by occupation, for specific labor market areas, are used for employment counseling and job development, economic planning and community industrial development, and for guiding educators and employers in evaluating occupational requirements and planning necessary training courses. Community acceptance of area skill surveys is reflected in the following specific programs which have resulted from the recent studies.

In Arizona, adult education courses have been established with employers paying part or all of tuition for employees taking job-related technical training. Mississippi established 15 new courses in the Jackson adult education program as a result of information from its survey. In Albuquerque, N. Mex., a survey was the basis for public school promotion of a \$40,000 expansion of industrial training facilities. In addition, over 50 apprenticeship contracts with employers developed from survey data and several new apprenticeship programs were established.

The Georgia State Vocational Education Department made extensive use of the Atlanta survey to plan curricula and a statewide network of 19 vocational schools. Impetus was given to courses in electronics, the metal and building trades, and electrical technology in three Nashville, Tenn., area high schools.

Survey results in Utah were an important factor in setting up a 2-year technical institute with certification at Brigham Young University. Other universities have adjusted their curricula and extension programs to provide additional training in needed occupation skills, and classes in metal industry trades were started in 20 high schools.

The Richmond, Va., survey was instrumental in establishing university graduate courses desired by employers. Requests to the Virginia State Legislature for funds for technical institutes in two areas were based on surveys. The Norfolk City School Board used a local survey in planning vocational training. A special training program for machinists was initiated, and the plumber and electrician apprenticeship councils donated equipment for schools to train workers.

Wisconsin employment service officials and local school authorities organized secondary school implementation of training in skills in short supply. A survey also stimulated a pilot project to raise skill levels of marginal workers in the Milwaukee labor force. Specialized training will be

given job applicants who lack marketable qualifications and who are, or may become, public charges because of such limitations.

Occupational guides also prepared by State agencies furnish information about job duties, current and future employment opportunities, training and experience need, job entry channels, and working conditions. About 30 States have published or are preparing guides for separate occupations or occupational fields, aided in many instances by information made available through the area skill survey program.

The Bureau issued a new edition of the "Job Guide for Young Workers." Providing descriptions of over 100 entry occupations frequently held by young people with a high school education or less, the guide gives information on duties and characteristics of each job, qualifications required, employment prospects, advancement opportunities, and methods of entry. An introductory section of the publication contains many helpful tips for young people who are entering the labor market. It also presents the short and long-range general employment outlook.

Occupational Descriptive Information

A 111-page booklet entitled "Technical Occupations in Research Design and Development, Considered as Directly Supporting to Engineers and Physical Scientists" was published in February 1961. This document contains descriptions of 65 general and specific research, design, and development activities as they occur in 85 establishments having an employment of approximately 365,400 such workers.

This booklet resulted from a study of technician jobs supporting to engineers and physical scientists done in cooperation with the National Science Foundation, whose initial interest and financial support, beginning in 1957, made the study possible. A final report on this activity was submitted to the National Science Foundation in April 1961.

A similar study describing selected occupations concerned with atomic energy was completed shortly before the end of fiscal year 1961. The booklet based on the study presents descriptions of 14 separate occupations concerned with the chemical processing of nuclear material, operation of nuclear reactors, generation of electric power from nuclear energy, and the disposal of nuclear wastes.

Technical Job Study

Verifications of job definitions currently in the "Dictionary of Occupational Titles" (D.O.T.) and studies of new occupations progressed satisfactorily. Production from the occupational analysis field centers in California, District of Columbia, Michigan, Missouri, New Jersey, North Carolina, Washington, and Wisconsin, and from the participating seven occupational analysis special project State agencies, increased during the year both in quantity and quality.

Over 150 State occupational analysts have been trained in Washington during the past 2 years for the D.O.T. verification work. During this fiscal year, 29 State analysts, largely replacements in the program, were trained in six sessions.

A total of 24,227 observation interviews of individual jobs were made by field analysts; from these analyses 11,013 verification schedules were prepared. (A total of 18,574 verification schedules have been prepared to date.) The analyses written during this fiscal year represent 2,427 new definitions and verifications of 8,586 currently published D.O.T. definitions. To date, 14,223 different jobs now in the D.O.T. have been verified and 5,399 definitions prepared for new jobs not currently covered. Barring unforeseen difficulties, the prospects of completing all field work for a revised edition of the D.O.T. by July 1, 1962, are excellent.

Considerable attention was given to deciding on tentative assignments for the field centers when the immediate verification field work is completed. The most important "future" assignment is a continuing program to keep the D.O.T. current with the changes in American industry and occupations as they occur. In addition, the public employment service has other needs for occupational data, particularly in such areas as industrial and occupational change. Automation, for instance, is a subject which must be continually explored. The impact of automation and highly mechanized jobs on both unemployment and the changing demands for employment have already brought requests to the field centers for additional information on those jobs involving recently automated activities. Thus, besides the usual verification data, analysts are obtaining information reflecting changes in industrial staffing patterns due to automation; types of jobs displaced and new jobs created; transferability of existing skills to automated activities; and the nature of retraining problems involved. Special assignments will be made to the field centers based on information requested of the State agencies on the names and locations, the products manufactured, and the types of equipment in those establishments using, or about to use, automated or highly mechanized equipment.

Testing the New Occupational Classification Structure

Tests of the Functional Occupational Classification Structure (FOCS) during the past 2 years in selected local offices in Maryland, New York, and Pennsylvania proved the system unsuccessful as a placement tool to be substituted for the D.O.T. codes. Therefore, the Bureau developed another classification structure for use in placement by modifying the present D.O.T. volume II structure, combining its most useful features with those of the FOCS. Also, a fundamental segment of the FOCS was revised, with charts, additional narratives, and indices, and tested for use in counseling in a local office in New York State. Results indicate that this adaptation of the FOCS will provide an effective counseling tool.

This structure will replace the current classification used in counseling (D.O.T., part IV). The modified structures for placement and for counseling have now been integrated and arrangements made to test the integrated structure in operations in Pittsburgh beginning shortly after the start of fiscal year 1962 and continuing during that year. This operational test will furnish valuable information on validity of job groupings, improved use of job relationships, statistical reporting problems, D.O.T. training techniques for interviewers, and file arrangements of application cards.

Development and Use of Labor Market Facts

Daily transactions in 1,800 local State employment service offices provide up-to-date information on changing conditions of employment and unemployment. Collected through systematic reports by the State agencies, the information is analyzed and published by the State agencies and the Bureau and influences the operation of the Department of Labor, other Government agencies, and many private organizations and persons.

Informing the Public

Reports on Unemployment

The Bureau seeks to fill the constant requirements for information on employment and unemployment by revising and expanding its established reports, by modifying some programs and initiating new ones.

In April 1961, the Bureau started a regular supplement to the bimonthly Area Labor Market Trends. This publication classifies 150 major areas and a varying number of smaller centers (now about 230) according to relative adequacy of labor supply. The new supplement puts this valuable information on a monthly basis. Overall national analyses, tracing the impact of employment and unemployment developments on different areas and summarizing area employer hiring intentions, are included, however, in the bimonthly issues only. The six issues in fiscal 1961 traced the course to the 1960-61 recession and the beginnings of the recovery, emphasizing the labor demand and supply situation in various occupations.

Another change in the Area Labor Market Trends was the listing of 58 very small areas—those with work force of less than 15,000 persons—which were officially classified for the first time as "very small areas of substantial and persistent unemployment" and which had been certified to the Area Redevelopment Administration for consideration as redevelopment areas. This was in addition to the regular classifications of major and smaller areas of substantial unemployment, and the data gathered during the fiscal year were first published in the July 1961 issue.

A statistical supplement to the Area Labor Market Trends bulletin was first published separately in March 1961 under the title "Unemploy-

ment in Major Areas." This statistical supplement became a regular feature of the bimonthly Area Trends bulletin in July 1961 and was expanded to include data on work force and unemployment and employment in areas of substantial and persistent unemployment as well as for all major areas. The industries primarily responsible for area unemployment problems in each area of substantial and persistent unemployment are also indicated.

The Area Trends bulletin was issued in an improved format and expanded to include a listing of the geographical boundaries of all areas of substantial unemployment—including, beginning with the July 1961 issue, the boundaries of the "very small" classified areas. A map showing the location and classification of the 150 major labor market areas was doubled in size and moved to a more prominent position in the publication.

The Bureau published a supplement (No. 6) to the "Directory of Important Labor Market Areas" to reflect all changes in area definitions which had occurred in the period from July 1954 to December 1960. A large number of these changes were made in fiscal 1961 to bring area labor market definitions in conformity with "Standard Metropolitan Statistical Area" definitions.

The Insured Unemployed—Personal and Economic Characteristics is a monthly publication, initiated with data for January 1960, containing information on the age, sex, occupation, industry, and duration of insured unemployment of persons filing unemployment insurance claims under regular State programs. Commencing with data for April 1961, the report was expanded to include similar information for persons claiming benefits under the Temporary Extended Unemployment Compensation Act of 1961 (TEC), and the extended duration provisions of some State laws. The information contained in the report is derived from separate sample surveys, taken from State and local office records for 1 week in each month, of persons claiming unemployment insurance benefits.

Presenting data on changes in levels of new and insured unemployment, for the Nation, by State, for each of the unemployment insurance programs, "Unemployment Insurance Claims" is a weekly report prepared by the Bureau. The release was expanded this fiscal year to include information on the TEC program. The report includes analyses, by State, of major economic developments affecting unemployment levels and trends.

Information on Engineers, Scientists, and Technical Workers

The Bureau continued its preparation of the report on "Current Labor Market Conditions in Engineering, Scientific, and Technical Occupations" to meet the needs of the employment service, the National Science Foundation, and other interested groups. These studies, providing information on the demand-supply situation in key professional and technical occupations, are based on field reports from 30 major labor market areas; statistics on job openings placed in interarea clearance by public employment offices throughout the country; and information obtained from various

government agencies, professional societies, and other sources. Because of budget and staff limitations, preparation of the report was shifted from a bimonthly to semiannual basis.

Industry Manpower Surveys

The Bureau prepared significant information about industry manpower developments for the use of the employment service operations, various government agencies and the public. Typical of the Bureau's work were the projects below.

The Bureau furnished reports on employment in the textile, apparel, shipbuilding, and petroleum refining industries for the Office of Civil and Defense Mobilization's interagency Surplus Manpower Committee. The SMC needed the studies to review its position on current industry notifications under Defense Manpower Policy No. 4. A report on the outlook in the tire and tube industry was also written to assist the OCDM in handling the proposal to shift the procurement preference program for military aircraft tires from an area to an industrywide basis. At the request of the Department of Defense the Bureau made special employment tabulations to help evaluate the local manpower impact of proposed changes in aircraft and missile programs in about 100 labor market areas.

A regular industry manpower survey of blast furnaces, steelworks, and rolling mills was completed, including additional data requested by the OCDM's Surplus Manpower Committee to aid its survey of the employment situation in the principal steel-producing localities. Other industry manpower surveys included petroleum refining, computing machines, and plastics and other synthetic materials. These studies reviewed employment trends and outlook, manpower recruitment problems, hours, earnings, and labor turnover, as reported by major establishments to local offices of State employment security agencies.

General Publications

The Bureau continued to issue two monthly technical publications. The Employment Security Review is primarily a medium for exchange of experience among the States with respect to developments in operating methods and procedures. The other, the Labor Market and Employment Security, provides a variety of economic and administrative data and analysis which is of operating value to personnel in the employment security system and of interest to the general public. A monthly statistical supplement to the latter publication was also issued.

During the active agricultural season, the Bureau released a monthly periodical, Farm Labor Market Developments, which described the farm labor market situation in 271 major agricultural areas, as indicated by semimonthly reports submitted by the State agencies. The Bureau's "Annual Report of Foreign Workers, 1960," which covered foreign worker employment in agriculture, was issued in February 1961.

The Bureau issued a chart book, "Hired Farm Workers in the United States," in June 1961 to provide a factual framework for public consideration of policies and programs for improving the condition of farm wage earners. The data cover about one-third of the people who worked on farms in 1959.

The Bureau issued its quarterly report, by industry and State, on employment and wages of workers covered under the State and unemployment compensation for Federal employees programs, including distribution and analyses of employment and wages by size of reporting unit.

Improved Information for Economic Analysis

A major source of local and State manpower data come from the day-to-day operations of the employment security system. Various Federal Government agencies, including the Council of Economic Advisers, use insured unemployment data extensively, as do nongovernment groups concerned with the development of manpower programs and policies.

The Bureau works continuously with the State agencies to develop better labor market information. In a typical operation, the Bureau took studies conducted by the State agencies and constructed improved procedures for estimating total unemployment in labor market areas. Using these procedures, all State agencies are now providing total unemployment estimates on a uniform basis. This development also made it possible, starting with January 1961, for the Bureau to publish work force, total employment, and total unemployment estimates for 150 major areas on a bimonthly basis in the release "Unemployment in Major Areas." At the end of the fiscal year, this publication was discontinued and the information incorporated as a regular feature of Area Labor Market Trends.

To provide the State agencies with appropriate tools for determining and analyzing the characteristics of the labor market the Bureau prepares handbooks on estimating procedures, research methods, and statistical analyses for employment security functions. They cover such subjects as unemployment, employment, occupational needs, labor requirements, worker commuting patterns, and manpower projections. In light of changing conditions and new knowledge, existing handbooks are revised or new ones developed. In the last annual report, four handbooks were described: the "Handbook on Estimating Unemployment," the "Handbook on Defining Labor Market Areas," the "Handbook on Estimating Population of Labor Market Areas," and the "Handbook on Estimating Area Employment of Self-Employed, Unpaid Family, and Private Household Workers—Non-agricultural Total."

Four new or revised handbooks were issued in fiscal 1961. The "Handbook on Development of Basic Labor Market Information for Small Areas" will assist State agencies to prepare labor market information for counties and communities outside of major labor market areas. The information should provide facts on population, employment, and unemployment on

which local employment security offices can base their plans of actions, staffing and workload projections, and program emphasis to meet community needs. Community employment and industrial development, defense readiness planning, appraising market potentials, preparation of economic profiles for rural labor surplus areas, and the general economic analysis so necessary for both initial certification and later aid under the area redevelopment program are related uses of this information.

A revised "Guide for the Conduct of Post-Exhaustion Studies" provides a uniform procedure for obtaining information about the experience of exhaustees after they drew their final benefit checks. Such information reveals the extent and duration of unemployment among exhaustees and helps in evaluating the need for and cost of changes in the duration provisions of State unemployment insurance laws.

A third handbook, "Guide for the Conduct of Unemployment Benefit Entitlement Studies," provides a method for studying the labor force attachment of workers. Quarterly reports of workers' wages to the State agencies by covered employers furnish the data needed for the study. Nearly three-fourths of the study procedures are to develop a factual basis for setting the minimum amount of prior employment, as measured by amount of wages and quarterly earning patterns, required to qualify a worker for unemployment benefits. The Guide includes a section which discusses the setting of qualifying requirements on the basis of knowledge gained from the study.

The purpose of the "Handbook on Sources of Data for Manpower Projections" is to assist State employment security agencies in presenting, in broad terms, the changes that will occur during the coming decade in levels and composition of population, labor force, employment by industry, and the occupational structure. The State report, developed through use of the handbooks, will direct the attention of those concerned with State manpower problems to the labor force and labor supply shifts that may be expected.

The temporary emergency unemployment compensation program heightened the interest of all analysts in the characteristics of the insured unemployed. Special surveys of the characteristics of TEC claimants were instituted in addition to the continuing sample survey of the characteristics of the insured unemployed under the regular unemployment insurance programs. In May 1961, each State conducted a sample survey covering the family characteristics of TEC claimants. In addition, 13 States conducted surveys of the economic adjustments made by, and the financial resources of, the TEC claimants, as well as similar studies of regular claimants. These States will also conduct studies of claimants who have exhausted their TEC benefits.

Data on the Nation's economic activity are available earlier from the employment security program than from almost any other source and are used as lead indicators to assist in analyses of the trend and health of the economy

as well as being included in the Council of Economic Advisers' publication, "Economic Indicators."

Assisting State Agencies

The Bureau continued its longstanding program of technical assistance and guidance to the research and statistics personnel of the State employment security agencies.

Conferences and Training Programs

Regional conferences of research and statistics personnel from 40 States in 9 regions were held for the purpose of discussing and providing training in new or revised reports and analysis programs and techniques. Subjects covered in these meetings included: implications of the area redevelopment program; studies of characteristics of the insured unemployed; automation and manpower research; the outservice training of State agency research and statistics staff; and the development of basic economic data to meet program needs.

Several of the conferences also included special training of State and local labor market analysts in the initiation and use of the "Handbook for Estimating Unemployment," substantially completing the coverage of all States in this program.

A training meeting for new State reports and analysis chiefs and other key reporting personnel, held in early December 1960, continued the long series of such conferences, which have been eminently successful in improving mutual understanding and appreciation of Federal-State statistical programs and problems.

The Bureau again arranged for the attendance of selected State agency personnel at the annual meeting of the American Statistical Association. Each of these participants prepared résumés of the sessions attended and the Bureau edited, reproduced, and distributed these summaries to all State agencies.

Regional office labor market analysts met in Washington in January to discuss areas of current emphasis in research and statistics work, background developments in area redevelopment legislation, unemployment research plans and studies, and problems related to farm labor market activities.

Exchanging Research Information

In order to keep the State agencies acquainted with the extent and scope of employment security research being conducted by all of the State agencies, the Bureau published two issues of the Employment Security Research Exchange. Each issue was based on semiannual reports submitted by the State agencies on research projects completed, in progress, or definitely planned. These issues of the Research Exchange covered the 12 months from October 1, 1959, to September 30, 1960. Future issues will contain

information on research conducted by universities and research organizations, and other groups outside the employment security system.

Through the "Research Transmittal Series," of which 7 were prepared during the year, 80 end products of the research of 32 State agencies were distributed systematically to all the affiliated State agencies.

Special Activities

Management Improvement

In marshaling its resources for the achievement of expanded employment security objectives, the Bureau also took active measures to strengthen the administrative machinery of State agencies. Thus, in addition to providing guidance and technical assistance on programs, the Bureau sought to assure that adequate personnel, funds, facilities, and administrative services were available to State agencies.

As part of a continuing and cooperative program of management improvement, the Bureau furnished a variety of management services to State agencies, including the development of sound organizational structures, the application of up-to-date management techniques, and the improvement of operating systems, methods, and standards. State agencies were assisted in installing their own management improvement programs and encouraged to provide a climate which would foster good management practices.

Staff Development and Training

Recognizing that more thoroughly prepared staffs can better meet the challenge of an improved and expanded employment service, as well as the exacting requirements of the unemployment insurance system, the Bureau moved in fiscal 1961 toward increased assistance to State agencies in staff development and training. The major aids the Bureau provided were: a 4-week pilot outservice training program on unemployment insurance financing for employment security personnel at the University of Michigan; training units covering the expanded employment security objectives; "special group" meetings for State agency training supervisors on their role in meeting training needs; a study of "programed learning," a new educational technique which uses teaching machines and special methods of instructions to determine their value and possible application to State agency training programs. At the same time, the outservice training programs for local employment office managers and counseling personnel were extended and strengthened.

The Bureau's drive to strengthen executive leadership and management was continued through the participation of 80 State agency top staff members and 22 Bureau officials at the division chief level and above in one of five conferences conducted by the Brookings Institution. Generally, these officials considered the meetings to be a most valuable experience.

Within the Bureau, inservice training continued to be a principal activity. Twelve senior staff meetings designed to supplement the knowledge of top staff in the field of management and employment security, featured outstanding experts from industry as well as government.

With careful attention to career development plans, the Bureau assigned selected personnel in grades GS-14 and GS-15 to job rotation assignments, encouraged them to attend university courses or interagency training programs, or arranged for them to participate in the Brookings Institution conferences.

Personnel Management in State Agencies

Two major Bureau activities in this area were (1) issuance of Bureau-recommended standards for selection and development of professional research and statistics personnel in the State agencies, and (2) furnishing advice to States on recruiting and selecting personnel for the new jobs involved in expansion and improvement of the employment service.

Primary concerns of the Bureau's technical staff assistance to States were the organization and administration of personnel programs and revisions in classification and compensation plans. Emphasis was also placed on the performance of local office claims and interviewing functions through the review and verification of a job analysis study of these functions. The review was keyed to determining the usefulness of the study, for personnel administration. The Bureau also prepared guidelines for State agency programs of awards for employee suggestions.

Fiscal Management in State Agencies

Significant modifications were developed in the budgetary management program for State agencies. These went into effect July 1, 1961.

Of prime importance is a new requirement that the personnel time distribution system include the cost of the time reported for each function. This will provide more accurate cost data for making functional cost analyses and a sounder base from which to calculate the added cost chargeable to the contingency fund of processing increased claims workloads. The new cost data also will provide State agencies a more accurate basis for determining personal services costs incurred in administering the Federal programs such as unemployment compensation for Federal employees, unemployment compensation for ex-servicemen, and temporary extended unemployment compensation.

The implementing procedures require each State agency to plan its operations in advance and to submit to the Bureau an estimate of what portion of the hours, workloads, and funds allocated for the year will be used in each quarter. This estimated quarterly distribution will be the basis for measuring achievements during the year and for determining the amount which is spent to process increased claims workloads, for which the State agencies are reimbursed at the end of each period. In addition, each agency must submit before the beginning of each quarter a plan of expenditure

showing changes from the original estimates and containing a functional breakdown of all funds anticipated as available for the quarter but not included in the original quarterly allocation. The actual operating data for the quarter will be compared with the estimates in the quarterly spending plan by both the State agency and the Bureau to determine what improvements can be made in operations for the future periods.

Also revised was the computation of added amounts to be granted from the contingency fund for increased claims and related workloads during a quarter. The new system includes a "use" test to determine the actual additional hours consumed in processing the increased workloads and a revised method for costing such hours on the basis of hourly salary rates for the personnel involved.

A modified system of budget preparation was installed to simplify the preparation of budget requests for fiscal year 1962. Briefly stated, this system establishes each State's past experience as the base for preparing and reviewing State budgets. Justification is required only for amounts requested in excess of such experience, and the additional amounts are included in a separate additional budget.

The Bureau has started a reexamination of fiscal standards to improve their clarity and make them more feasible in operation. Related implementing instructions are also being modified to assure effective application of the revised standards. Providing more equitable, workable, and up-to-date fiscal policies, these measures, scheduled for completion in fiscal year 1962 will improve financial management significantly.

Administrative expenditures in 34 States were audited. Nearly half of these were single-year audits. In each State the audit included a summary review and reconciliation of the books, records, and financial reports with respect to employer contributions and benefit payments.

As a part of the audit process, the fiscal system in use was examined and evaluated for adequacy of internal controls and effectiveness of fiscal management. On the basis of these evaluations, fiscal survey reports were prepared which led to recommendations for improving accounting operations and for providing management with accurate up-to-date information on the financial conditions of the agency. Visits were made to State agencies to provide technical assistance in carrying out the recommendations.

Audits were made of the five reception centers on the Mexican border in connection with receipt of funds from the use of Mexican labor.

Administrative Financing Operations

The 1960 Social Security Act Amendments, Public Law 86-778, approved September 16, 1960, shifted the administrative financing arrangements from the general funds of the Treasury Department to the Unemployment Trust Fund and eliminated the Federal unemployment tax receipts and employment security administrative expenditures from the computation of the balance of the budget of the United States.

A new account, the Employment Security Administration Account, was established in the Unemployment Trust Fund to be credited with all Federal unemployment tax receipts and charged with the expenditures for administration. The Congress continues to authorize funds for administration. Any excess in the Employment Security Administration Account at the end of any fiscal year will be used in the following order: (1) to build up the Federal Unemployment Account (loan fund) to the greater of (a) \$550 million or (b) four-tenths of 1 percent of State taxable wages; (2) to build up the Administration Account to \$250 million; (3) to repay any advances to the Federal Unemployment Account from the general revenue; and (4) to increase the balance of State accounts in the Unemployment Trust Fund. The balance in the Administration Account as of June 30, 1961, was \$850,327.40.

The new law limits the appropriation for employment security grants to the States for any fiscal year to \$350 million. This limitation was temporarily increased to \$385 million for 1961 and to \$415 million for 1962.

For this fiscal year, \$387,924,000 was authorized by Congress for employment security administration costs of which \$378,924,000 was for the States and \$9 million for the Bureau. The total for the States includes a base authorization of \$325,819,000; \$40,650,000 to finance the higher claims and benefit workloads as a result of higher unemployment than anticipated; \$1,700,000 to improve and expand the employment service in the States in response to the President's request; and \$10,755,000 to finance the administration of the temporary unemployment compensation program approved March 24, 1961. The total of \$9 million for the Bureau includes: a basic authorization of \$7.9 million; \$120,000 for employment service improvement; and \$980,000 for the temporary unemployment compensation program.

Public Law 86-778 also established a revolving fund in the Treasury, financed from the general fund, out of which repayable advances are made to the Employment Security Administration Account when it does not contain enough funds to finance current expenditures. Through June 30, 1961, \$51.5 million was advanced from the revolving fund to the Administration Account which will be repaid in February 1962 from a Federal unemployment tax collected on wages for calendar year 1961.

The balance in the Federal Unemployment Account (loan fund) as of June 30, 1961, was \$1,657,364.48, a decrease of \$6,263,942.50 from the June 30, 1960, balance. The net decrease represents a total of \$6,992,564.36 in earned interest minus additional advances of \$13,256,000 to Pennsylvania and minus \$506.86 for prior year administration costs.

Three additional States appropriated funds during fiscal year 1961 for administration of their employment security agencies out of the excess tax collections previously credited to their accounts in the Unemployment Trust Fund under the Reed Act. Eleven States increased the amount appropriated in prior years, thus expanding the number of States which have appropriated funds from this source to 34. These funds were appropriated primarily for the purchase of land and construction of buildings.

To finance the Temporary Extended Unemployment Compensation Act of 1961, a Federal Extended Compensation Account was established in the Unemployment Trust Fund. Funds in this account are used for the payment of extended unemployment compensation benefits and are transferred to this account from general revenues as repayable advances. As of June 30, 1961, \$498,138,622 was advanced from general funds to this account.

Defense Readiness and Manpower Mobilization

Improving the employment security system's capability to manage the Nation's manpower in an emergency was the focus of new efforts in fiscal year 1961.

Assistance to States

A comprehensive revision of the "Defense Readiness Handbook" for State employment security agencies was completed, and copies were provided to field offices of the Office of Civil and Defense Mobilization (OCDM) and the Selective Service System as well as to State employment security and civil defense agencies. The Handbook is a guide to assist State employment security agencies in developing plans for their local offices in case of a nuclear attack.

The revision is a response to the OCDM's 1959 National Manpower Plan (Annex 30 to the National Plan for Civil Defense and Defense Mobilization), which entrusted primary planning responsibility for civilian manpower management in an emergency to the Department of Labor. Stressing principles stated in the earlier version, the Handbook notes, for example, that labor market conditions following an attack would range from acute shortages in some areas and occupations to substantial surpluses in others. Reception areas, where economies would have to absorb an influx of evacuees and at the same time marshal resources for national goals, would have the most difficult manpower jobs in a postattack environment.

The necessary manpower mobilization actions in a "conventional" war—one not involving nuclear weapons—were also considered and substantial progress was made in developing guidance for State agency adaptation of operations in this event. Covering possible labor market contingencies ranging from partial mobilization (as in the Lebanese and Korean crises) to full mobilization on the scale of World War II, this guidance will be issued in fiscal year 1962.

The full-time mobilization representatives assigned to eight of the Bureau's regional offices (offices where the regional directors have responsibility for liaison with the corresponding OCDM regional offices) continued to provide assistance to the State employment security agencies in all aspects of their planning for the management of manpower in an emergency.

Activities in the States

During fiscal year 1961, meetings to introduce the national manpower plan to district and local civil defense, employment security, Selective Service, and public health officials were held in 17 States, bringing the total of States having held such meetings since fiscal year 1960 to 46.

Thirty-five State employment security agencies completed, in a draft or final form, revisions of the manpower annexes to their State survival plans. The revisions follow guidelines issued jointly by the Bureau and OCDM toward the end of fiscal year 1960. State employment security agencies worked also to develop postattack administrative and fiscal arrangements as well as procedures for emergency employment service operations in their local offices.

Cooperation With Other Federal Agencies

The Bureau and the Civil Service Commission agreed that, in an emergency, civil service representatives may be stationed in key local public employment offices to serve Federal establishments in the field. The Bureau urged its affiliated agencies, when requested, to make mutually satisfactory arrangements for this use of their facilities.

Other work with the Civil Service Commission included the final outline of the operational relationship between Federal field establishments and public employment offices in an emergency when direct recruitment through public employment offices is authorized by the Commission. The Bureau and the Railroad Retirement Board agreed on principles for the management of civilian manpower within the railroad industry in a crisis.

To aid Selective Service boards requested to help local employment offices locate workers in an emergency, the Bureau and the Selective Service System developed a list of occupations grouped under 21 broad types of activities. The list and guidance for its use were distributed to State employment security agencies by the Bureau and to State Selective Service directors by the Selective Service System.

Consultations with the National Science Foundation culminated in a plan to test, in one or two regions or States, the usefulness of its National Register of Scientific and Technical Personnel as a recruitment device in an emergency.

Labor-Management Committees

Under national manpower planning, consultation with labor and management at local levels must precede any manpower control measures. Devising machinery for this consultation is a complex matter; during fiscal year 1961, the Bureau continued to deal with the problems of appointing area labor-management committees in an emergency. Conferences with the National Labor-Management Manpower Policy Committee resulted in a substantial modification of the plan developed during the previous fiscal year for making such emergency appointments. The modified plan was

awaiting the National Committee's concurrence at the end of fiscal year 1961.

Test Exercises

Operation Alert 1961, April 26-29, introduced a new feature, "readiness buildup," into the OCDM's program for annual civil defense test exercises. Readiness buildup activities are those which should occur when an enemy attack appears imminent. Involving simultaneous participation at national, regional, State, and local levels, the 1961 exercises had a readiness buildup period extending to the afternoon of April 28, and "attack" and "postattack" periods for the rest of the time. The employment security system profited from "readiness buildup" because it tested the system's ability to expand local office facilities or establish new emergency facilities in reception areas in anticipation of an attack.

Another benefit of the new feature was the opportunity to determine which of the nationally preplanned manpower program measures might be put into effect in advance of an attack. The exercise also brought about, in many instances, the strengthening of working relationships between employment security offices and civil defense authorities at State and local levels. The brevity of the "postattack" period of the exercise made resource management activity impracticable, although the employment security system was able to develop estimates of labor force surviving as of D-day plus one.

Critical Occupations and Essential Activities

The Interagency Advisory Committee on Essential Activities and Critical Occupations (chaired by the Bureau of Employment Security and composed of representatives of the Departments of Agriculture, Commerce, Defense, Interior, and Labor and the Selective Service System) received, studied, and made recommendations for the disposition of petitions for amendments to the Lists of Currently Essential Activities and Critical Occupations. The Committee has developed the lists to aid the Selective Service System and the Department of Defense in handling requests for occupational draft deferment, early discharge from the military services, and the critical skills enlistment program. An intensive review of the list of Currently Essential Activities was begun during the latter half of the year.

The Department of Labor Technical Committee on Critical Occupations, also chaired by the Bureau, continued its occupational studies of a number of industries for the Interagency Advisory Committee. The purpose is to make certain that the Department of Labor List of Critical Occupations for Screening the Ready Reserve adequately reflects our changing technology and the Government's mobilization and Reserve Forces programs. During this fiscal year, the Technical Committee analyzed occupations in the production of electrical and electronic equipment to insure the coverage of essential occupations on the List of Critical Occupations for Screening the Ready Reserve. As the year ended, the Technical Committee had moved to a study of occupations in forestry and the forest industries.

The lists of essential activities and critical occupations serve as guides for the equitable distribution of manpower between the Armed Forces and the civilian economy.

Consultative and Advisory Groups

Bringing broadened responsibilities and more complex problems, the 1960-61 recession necessitated an increase in consultative and advisory groups to the Bureau. Advice and ideas came through three principal channels. The Federal Advisory Council continued to concentrate its attention on employment service expansion and strengthening the unemployment insurance program. Secondly, emphasis on expanding and improving public employment services resulted in the creation of a number of task forces on which outstanding university faculty members participated with State agency and Bureau personnel. Third, a series of conferences with university consultants was held in different parts of the country to review employment security programs and problems.

Federal Advisory Council

Continuing its interest in the employment service role in labor markets, the Federal Advisory Council concurred in the Bureau's plans for expanded employment office services, particularly in major metropolitan areas.

The Council was especially concerned with retraining problems. It recognized that training should only follow careful and thoughtful counseling and emphasized the need for thorough study of the relationship of counseling and training.

In this connection, a member recommended that the following be assigned to the proper committees of the Council for study:

1. Expanding the collection and analysis of labor market information, especially that to be used in retraining programs.
2. Expanding employment service counseling services, particularly those necessary for training and retraining programs.
3. Moving rapidly to undertake pilot studies and experiments in counseling and planning retraining.
4. Developing relationships between retraining benefits and unemployment insurance benefits, making sure that requirements for unemployment insurance do not interfere with retraining programs.

The Council, concerned about migratory farm labor, established a special committee to advise the Bureau on long-range policies involved in this program.

Discussions about improving the unemployment insurance program concentrated on two problems—measures to reduce unemployment in distressed areas and extended duration of benefits in recessions, on which a committee of the Council did intensive work.

In connection with proposed legislation, the Secretary asked the Council for advice on extension of coverage, Federal benefit standards, extended benefits and their financing, the relationship of unemployment compensation

to training and the employment service function in a broad retraining program. Differences of opinions were expressed about temporary extension of unemployment compensation as well as Federal and State responsibilities in relation to payment of extended benefits and the proposed increase in the tax base for financing the program.

Because the Department's legislative proposals were to be completed after the last meeting of the Council, it was agreed that comments on the Secretary's request would be sent to the Secretary by individual Council members.

Employment Service Task Forces

Responding to the President's call in his economic message for broader positive services to workers, Congress made supplemental appropriations to the employment service toward the end of the year. These funds, with the good prospect of continuation at the higher level in 1962, will enable the service to assume additional responsibilities and to attack many constant problems with renewed vigor. To map out plans for the expansion and improvement of the employment service, the Bureau assembled a series of task forces, composed of selected representatives from the State agencies and outside experts to deal with seven specific program areas. By late fiscal 1961 or early fiscal 1962 all seven groups had met for the first time.

The task force on automation and technological change is considering how the employment security system can help workers already displaced or about to be displaced by advancing technology. It is exploring, for example, various kinds of pilot projects to develop for wider usage throughout the system, and services and information to minimize unemployment and assist displaced workers to get jobs.

The task force on area redevelopment is concerning itself entirely with the responsibilities of the BES and State agencies for operating the manpower provisions of the Area Redevelopment Act. It is recommending procedures for determining area eligibility; the occupational needs of the area; the counseling and selection of trainees and their referral to training facilities; the payment of retraining subsistence; and interagency cooperation and relationships.

Improving services to middle-aged and older workers is the objective of the task force on older workers. This group is considering particularly the betterment of counseling, job development, and placement services to older workers, new promotional and educational activities, and organization and staffing for helping these workers.

At the other end of the age spectrum is the task force to recommend ways of improving services to youth. The program areas being highlighted are services to out-of-school unemployed youth; high school youth, including graduates and dropouts; college youth; and the methods of organizing these services at the community level.

Because the professions do not form an integrated single labor market group, the task force on improving service to professional and technical personnel is being divided into a series of advisory committees, each of

which will deal with an occupational group such as scientists, engineers, and technicians; junior college, college, and university teachers and administrators; and social scientists. This task force will seek closer communication and better understanding between professional workers and the employment service.

The task forces on farm workers and farm employers is exploring such matters as the impact of automation, productivity, recruitment methods, reduction of migrancy, offseason employment, training and retraining, the crew-leader system, and agricultural labor relations. Pending legislation is also being studied for its possible effect on the nature of farm placement services.

The seventh task force is an internal group headed by the Chief of the Division of Organization and Management and staffed by specialists from the national and regional offices. It will deal throughout fiscal year 1962 with the organizational changes necessary to bring more effective service to the major metropolitan areas. The work of the task force includes negotiation visits to local offices in 55 metropolitan areas and continued assistance in putting into effect such changes as the physical separation of the employment service from the unemployment insurance offices and parity in staffing based on the potential for service to workers and employers.

Conferences of University Consultants

Four sectional conferences with university consultants were held to permit an exchange of views about the Federal-State employment security system and to establish closer relationships between university staff and State agencies, especially for research purposes.

Meeting at Indiana University, Syracuse University, the University of North Carolina, and Louisiana State University, the conferences each had agendas including an intensive review of major programs and problems relating to employment service, and unemployment insurance functions. Consultants from 61 universities attended these conferences, and Bureau, regional, and State agency personnel acted as resource persons.

As an outgrowth of the conferences, a number of university consultants worked with the Bureau on labor market and program research problems during the summer of calendar 1961.

International Labor Activities

The Bureau expanded its program of assistance to international agencies and to other countries. The number of international participants trained in various aspects of the employment service, unemployment insurance, and labor market information increased significantly over the past fiscal year. Bureau reports, periodicals, and articles of international interest were sent throughout the world in response to the enlarged needs of other employment services, government labor agencies, and individuals interested in the field.

Training Foreign Teams and Individuals

Extended training in the activities of the Bureau was given to 39 participants from 15 foreign countries. Technical assistance for these participants came from various divisions throughout the Bureau, the regional offices, and the State agencies. The International Cooperation Administration (ICA) brought most of the participants to the United States for training, although a few were sponsored by the Cultural Exchange Office of the State Department and the International Labor Organization (ILO).

Of this group, employment service and labor market information training was provided for 13 employment exchange people from India, 5 from Pakistan, 4 from Indonesia, 2 from Turkey, and to representatives from the Philippines, Iran, Saudi Arabia, and Nigeria. Programs in unemployment insurance were arranged for a participant from Turkey and for the deputy chief of the unemployment insurance section of the employment security bureau in Japan. Special programs were developed in Puerto Rico for a group of three employment security people from Chile and one from Peru.

The Bureau arranged a 3-month training program for the Under Secretary of the Ministry of Social and Labor Affairs for the United Arab Republic, who was an ILO fellowship holder. A short program in the manpower field was developed for the Director General of the Swedish Royal Labor Market Board, whose trip to this country was arranged by the Office of Cultural Exchange of the State Department.

Employment service training was given the attaché for social affairs in the Tunisian Ministry of Health and Social Affairs, an ICA participant, whose duties include the supervision of the employment service in Tunisia. The Assistant Commissioner of Labor of Ghana was another ICA-sponsored participant. He spent 5 months observing the activities of the Bureau and the State and local offices.

Foreign trainees on grants permitting them longer periods of stay were given university training in counseling and placement techniques to supplement the programs arranged for them within the Bureau.

A member of the California Department of Employment served for 3 months as coordinator for a high-level manpower training course arranged by the Bureau of International Labor Affairs with ICA support and conducted in Washington, D.C.

In addition to the primary training programs, the Bureau provided secondary training supplementing that given by other agencies for 432 participants. This included both general orientations in the activities of the Bureau and individual programs in the State and local offices. Participants were sponsored by other bureaus within the Department of Labor, other government agencies, foreign governments, or trade unions, or were foreign visitors interested in the activities of the Bureau.

New Assignments in International Activities

A member of the Bureau received a 2-year appointment to a community employment development project in Tehran, Iran, through ICA.

The regional director of the Seattle office conducted a 2-month manpower evaluation in Addis Ababa, Ethiopia. He submitted his manpower recommendations to ICA. A member of the staff of the Dallas office has left the Bureau permanently for an ICA assignment in Korea, while a staff member in the Cleveland regional office served for 3 months as an ICA specialist on social insurance in Manila.

The Chief of the Division of Organization and Management in the employment service, under the sponsorship of the Ford Foundation, appraised the manpower situation in Ecuador.

The Bureau's Deputy Director for Program and Policy Development gave the keynote address and participated in the labor administration seminar held in Istanbul, Turkey.

Continued Assignments in Foreign Service

A member of the Bureau completed an employment information assessment in Thailand, and another BES staff member continued his assignment in Tehran, Iran, as an employment security adviser under the sponsorship of ICA.

A representative of the California Department of Employment remained in Lima, Peru, as an adviser to the employment service and labor market information agencies in that country.

The Chief of the Bureau's International Activities Division continued to serve on the Interdepartmental Committee for Reciprocity Information, the Interdepartmental Trade Agreements Committee, and the Interdepartmental Committee on Economic Aspects of SEATO.

Other International Activities

In addition to training and direct technical assistance, the Bureau also prepared several articles and position papers on subjects of international interest. Following the Act of Bogota, a paper was prepared on "The Role of Employment Security Institutions in Latin American Economic Development," showing the relationship of public employment services and economic development.

At the request of ICA, BES, together with the Bureau of Labor Statistics, began developing a "Handbook on Manpower Statistics and Surveys" to be used in lesser developed countries. A member of the California regional office and a member of the Tennessee agency were assigned the responsibility of assembling the Bureau's contribution to the handbook.

The Bureau was asked to draft a position paper on an ILO document, "Conditions of Agricultural Workers," for the use of the U.S. delegates at the ILO meeting in Buenos Aires, Argentina. Comments were made on other ILO reports—"Employment Problems and Policies," "Vocational

Training," and "Equality of Treatment of Nationals and Nonnationals in Social Security"—which were considered at the 45th International Labor Conference in Geneva. In addition, the Bureau prepared comments concerning an Organization for European Economic Cooperation publication, "Examination of Employment Policy."

APPENDIX TABLE 1.—Selected employment service activities, U.S. totals for fiscal years 1956-61, by State for fiscal year 1961

Year and State	New applications ¹	Total counseling interviews	Individuals tested	Placements	
				Nonagricultural	Agricultural
1955-56	8,083,024	1,444,669	1,314,134	6,173,684	9,248,459
1956-57	8,546,028	1,507,825	1,448,607	5,957,490	9,002,052
1957-58	10,412,879	1,542,846	1,349,924	5,235,910	8,709,763
1958-59	9,368,746	1,734,170	1,609,536	5,703,458	9,615,163
1959-60	9,598,604	1,785,541	1,760,754	6,082,753	9,747,116
1960-61	10,605,108	1,783,310	1,799,730	5,591,089	9,004,319
Alabama	137,938	14,920	29,682	86,400	75,069
Alaska	17,086	2,061	6,362	7,240	374
Arizona	117,480	19,577	20,576	86,190	648,543
Arkansas	144,362	24,917	25,312	77,154	285,894
California	1,296,048	188,638	197,510	493,917	700,305
Colorado	117,925	20,570	26,650	99,877	112,230
Connecticut	193,427	15,411	17,755	94,605	13,132
Delaware	16,867	4,682	4,132	6,521	11,759
District of Columbia	73,455	27,832	16,146	47,153	0
Florida	219,203	25,373	42,420	198,719	151,314
Georgia	168,449	23,637	29,715	118,459	153,285
Guam	1,273	94	35	509	0
Hawaii	29,886	5,081	4,685	12,596	3,237
Idaho	58,326	9,949	9,282	52,952	157,990
Illinois	480,648	74,267	62,431	193,834	131,497
Indiana	259,538	25,417	37,809	69,610	58,319
Iowa	103,801	22,423	41,212	81,708	34,207
Kansas	94,541	18,405	18,272	91,594	36,183
Kentucky	138,576	29,333	42,315	48,112	144,342
Louisiana	141,972	18,458	20,168	70,184	314,186
Maine	46,742	10,910	13,525	23,387	14,037
Maryland	155,868	27,556	21,751	62,491	94,451
Massachusetts	247,091	46,364	30,737	157,049	53,871
Michigan	702,250	83,521	81,962	127,940	159,837
Minnesota	177,491	18,854	46,742	103,047	54,074
Mississippi	136,603	29,841	29,432	91,127	1,605,156
Missouri	229,942	39,367	53,251	87,694	236,506
Montana	53,197	14,451	15,056	33,166	36,134
Nebraska	60,299	12,317	18,129	55,528	39,797
Nevada	34,607	4,351	8,341	27,904	8,928
New Hampshire	35,721	7,041	5,621	18,415	2,275
New Jersey	318,989	35,255	24,893	130,987	168,698
New Mexico	59,284	7,154	8,438	40,779	21,005
New York	948,954	192,917	89,824	770,157	102,166
North Carolina	232,984	39,794	51,304	154,933	580,850
North Dakota	24,316	5,348	9,404	26,916	18,877
Ohio	641,688	121,860	114,713	195,043	211,751
Oklahoma	111,524	21,540	29,336	125,633	75,976
Oregon	137,329	24,301	20,598	70,291	297,302
Pennsylvania	638,762	145,944	87,294	236,489	242,106
Puerto Rico	160,353	21,619	22,637	53,844	13,328
Rhode Island	49,656	9,751	6,836	25,487	194
South Carolina	95,914	8,559	21,294	71,357	138,714
South Dakota	27,786	5,421	6,835	26,613	11,274
Tennessee	134,538	28,280	58,017	101,410	845,862
Texas	630,042	109,865	114,998	477,821	500,303
Utah	53,455	16,059	16,192	39,686	23,267
Vermont	20,740	2,292	3,022	10,555	1,940
Virginia	144,967	35,186	28,434	81,402	70,433
Virgin Islands	3,430	828	574	3,492	262
Washington	160,194	33,215	40,576	76,860	272,607
West Virginia	90,058	16,006	13,321	27,176	10,282
Wisconsin	206,914	33,234	52,074	102,588	51,337
Wyoming	22,619	3,264	2,100	16,488	8,853

¹ The number of applications taken should not be interpreted as a measure of the total number of new job applicants at employment service offices since there are some types of applicants for whom written applications are not taken.

APPENDIX TABLE 2.—*Significant provisions in State unemployment insurance laws*

State	Size of firm		Minimum benefits			Maximum benefits			
	Minimum number of workers	Minimum period of time ¹	Weekly amount ²	Annual amount ³	Minimum qualifying wages		Annual amount ³	Minimum qualifying wages	
					High quarter	Base period		High quarter	Base period
A. High-quarter formula									
Alabama	4	20 weeks	\$6	\$70.00	\$112.01	\$210.00	\$28	\$560.00	\$715.01
Arizona	3	do	10	100.00	75.00	300.00	35	910.00	850.01
Arkansas	10	10 days	10	100.00	75.00	300.00	35	780.00	2,250.01
California	1	Not specified ¹	10	*280.00	150.00	600.00	55	*1,430.00	2,858.01
Colorado	4	20 weeks	14	210.00	105.00	420.00	45	1,462.50	2,925.00
Connecticut	3	13 weeks	10-14	*120.00-168.00	75.00	300.00	45-67	*1,170.00-1,742.00	3,480.00
Delaware	1	20 weeks	7	77.00	52.50	210.00	50	1,300.00	3,512.17
District of Columbia	1	At any time	8-9	92.00-104.00	130.00	276.00	2	780.00	2,337.01
Georgia	4	20 weeks	8	72.00	175.00	288.00	35	910.00	850.00
Hawaii	1	At any time	5	130.00	37.50	150.00	55	1,430.00	1,650.00
Idaho	1	Not specified ¹	17	*170.00	365.00	572.00	43	*1,118.00	1,092.01
Illinois	4	20 weeks	10	*260.00	187.50	750.00	38-59	*1,118.00	4,878.26
Indiana	4	do	10	62.00	75.00	250.00	36	936.00	3,744.00
Iowa	4	do	10	100.00	200.00	300.00	30-44	*780.00-1,144.00	4,590.01
Kansas	4	do	10	100.00	75.00	300.00	42	1,062.00	1,025.01
Kentucky	4	do	11	165.00	250.00	343.75	37	960.00	912.51
Louisiana	4	do	10	120.00	75.00	300.00	35	980.00	680.01
Maryland	1	At any time	10-12	260.00-312.00	192.01	360.00	35-43	910.00-1,118.00	1,260.00
Massachusetts	1	13 weeks	10-16	234.00-2	162.50	650.00	40-2	1,200.00-2	3,330.56
Mississippi	4	20 weeks	8	96.00	130.01	288.00	30	780.00	2,337.01
Missouri	1	do	3	85.00	75.00	255.00	40	1,040.00	975.01
Montana	4	do	15	195.00	285.00	427.50	34	884.00	856.00
Nebraska	4	do	12	132.00	200.00	400.00	34	884.00	1,263.50
Nevada	1	Not specified ¹	8-12	80.00-120.00	60.00	240.00	37.50-57.50	975.00-1,495.00	2,922.01
New Mexico	1	do	10	180.00	156.00	300.00	36	1,080.00	884.01
North Dakota	4	20 weeks	10	240.00	97.50	390.00	36	894.00	1,404.00
Ohio	3	At any time	*10-13	240.00-312.00	60.00	*240.00	42.53	1,092.00-1,378.00	1,091.01
Oklahoma	4	20 weeks	10	100.00	200.00	300.00	32	1,248.00	3,511.01
Oregon	1	Not specified ¹	15	233.00	175.00	700.00	40	1,040.00	3,120.00
Pennsylvania	1	At any time	10	300.00	120.00	320.00	40	1,200.00	1,962.00
Puerto Rico	1	do	7	84.00	50.00	150.00	16	742.00	480.00
South Carolina	4	do	10	100.00	180.00	300.00	34	792.00	390.01
South Dakota	4	do	12	192.00	250.00	600.00	32	704.00	775.00
Tennessee	4	do	8	*176.00	182.00	320.00	28	672.00	3,100.01
Texas	4	do	6-7	*113.00	100.00	400.00	43	*1,548.00	702.01
Utah	1	Not specified ¹	10	100.00	100.00	400.00	40	1,040.00	1,092.00
Vermont	3	20 weeks	10	*260.00	200.00	300.00	40	*1,040.00	1,200.00
Virginia	4	do	10	80.00	75.00	300.00	32	640.00	2,496.01
Wyoming	1	Not specified ¹	10-13	120.00-156.00	250.00	375.00	49-55	1,274-1,430.00	4,083.34

B. Annual wage formula									
State	Min- imum number of workers	Size of firm	Minimum period of time ¹	Weekly amount ²	\$10-15 9	\$150- 225.00	\$225- 300.00	\$300- 400.00	\$400- 500.00
Alaska.....	1	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....
Maine.....	4	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....
Minnesota.....	1	do.....	do.....	do.....	do.....	do.....	do.....	do.....	do.....
New Hampshire.....	4	do.....	do.....	do.....	do.....	do.....	do.....	do.....	do.....
North Carolina.....	1	do.....	do.....	do.....	do.....	do.....	do.....	do.....	do.....
Washington.....	4	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....	At any time.....
West Virginia.....	4	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....	20 weeks.....

C. Average-weekly-wage formula									
State	Min- imum number of workers	Size of firm	Minimum period of time ¹	Weekly amount ²	Minimum benefits	Minimum qual- ifying employ- ment and wages ³	Maximum benefits	Minimum qual- ifying employ- ment and wages ³	Maximum benefits
					Annual amount ²	Weeks of employ- ment	Annual amount ²	Weeks of employ- ment	
Florida.....	4	20 weeks ¹	20 weeks ¹	\$10.00	\$100.00	20	\$400.00	52	\$3,328.52
Michigan.....	4	do.....	do.....	\$10-12	95.00-114.00	14	210.14	39	\$2,944.89
New Jersey.....	4	do.....	do.....	10	130.00	17	255.00	35	3,430.33
New York.....	1	Not specified ¹	Not specified ¹	10	260.00	20	\$300.00	20	\$1,980.00
Rhode Island.....	1	At any time.....	At any time.....	10-13	120.00-156.00	20	400.00	42	2,940.42
Wisconsin.....	4	20 weeks ¹	20 weeks ¹	11	137.50	18	\$288.00	45	\$4,410.45

¹In North Carolina, annual amount is increased by 8 times the weekly benefit amount when unemployment in the State reaches specified levels; indicated increase in other States is 50 percent.

²States without a specified period of time have a small quarterly or annual payroll requirement. In Minnesota, 4 or more outside of cities of 10,000 population. Other States noted have alternative provision.

³When 2 amounts are given, higher includes dependents' allowances. Higher figure for minimum weekly benefit amount includes allowance for 1 dependent; in Michigan, for 1 dependent child or 2 dependents other than a child; in Ohio, the amount shown is payable only if there is a working spouse, otherwise \$5 is payable for either dependent spouse or child. Dependents' allowances limited in Alaska to intrastate claimants and in Illinois and Iowa to claimants with high-quarter wages in excess of those required for maximum basic weekly benefit amount. In the District of Columbia, same maximum with or without dependents' allowances. Maximum augmented payment in Massachusetts not shown; it may not exceed average weekly wage.

⁴To obtain maximum dependents' allowances, high-quarter wages of over \$650 are required (Nevada). Amount shown is 1/4 of base-period wages, because eligibility for maximum annual benefits requires more than 4 times high-quarter wages needed for maximum weekly benefit (Indiana and Oklahoma).

⁵Qualifying requirements apply to basic benefits only. For claimants with maximum dependents, high-quarter wages of \$1,508.26 are required in Illinois; high-quarter wages of \$1,072.51 and base-period wages of \$3,554.11 in Iowa; wages of \$4,212.39 and 39 weeks in Michigan.

⁶And 20 weeks of employment (Ohio and Oregon); 19 weeks (Utah).

⁷Qualifying wages shown yield benefits shown. Alternative qualifying wage of \$250 in 1 quarter and \$125 in another quarter would yield weekly benefit of \$10 and annual benefits of \$94.

⁸Amounts are based on lowest and highest average weekly wage in schedule and qualifying weeks shown.

⁹Or 15 weeks in preceding 52 weeks and 40 weeks in preceding 104 weeks at average wage of \$15 or more (New York); 14 weeks in preceding 52 weeks and 55 weeks in preceding 104 weeks at average wage of \$16 or more (Wisconsin).

APPENDIX TABLE 3.—*Claims, beneficiaries, amount and duration of benefits under State programs,¹ U.S. totals for fiscal years 1953-61, and by State for fiscal year 1961*

[Note: Data for fiscal years 1955-59 include activities under the program of unemployment compensation for Federal employees and represent an unduplicated count for both programs]

Year and State	New claims filed		Number of beneficiaries ⁴	Weeks compensated for all types of unemployment ⁵	Average weekly payment, total unemployment ⁶	Average actual duration of benefits		Claimants exhausting benefits	
	Total ²	Insured claimants ³				All beneficiaries	Exhaustees	Number	Percent of all beneficiaries ⁷
1952-53	6,176,970	4,947,083	3,988,776	40,850,791	\$23.32	10.2	10.3	784,516	18.8
1953-54	8,228,416	7,553,713	6,132,025	67,405,573	24.45	11.0	10.1	1,178,460	22.3
1954-55	8,011,125	6,413,650	5,405,232	73,510,903	26.05	13.6	20.6	1,773,748	29.4
1955-56	7,045,280	5,896,029	4,457,710	51,805,215	27.53	11.6	10.9	1,023,751	23.0
1956-57	7,311,029	6,094,063	7,912,019	58,117,279	27.53	11.6	20.1	1,094,146	22.0
1957-58	11,288,540	9,170,782	7,842,338	100,175,637	30.08	12.8	20.9	1,708,743	25.7
1958-59	8,001,602	7,061,581	6,044,804	93,105,779	30.33	13.4	22.1	2,456,510	34.7
1959-60	9,204,619	7,347,575	7,134,226	76,728,214	31.08	12.5	21.3	1,478,819	25.1
1960-61	11,120,150	8,902,094	7,732,054	106,550,377	33.84	13.8	21.6	2,131,821	31.4
Alabama	179,091	128,334	110,537	1,423,203	23.38	12.9	17.8	49,217	50.7
Alaska	17,915	13,130	11,185	183,842	37.09	16.4	24.5	2,506	26.7
Arizona	73,434	43,481	36,071	400,737	30.81	11.2	18.9	8,022	27.0
Arkansas	109,854	68,791	58,081	720,469	22.55	12.3	18.4	16,309	31.8
California	1,141,728	908,160	814,447	11,485,470	40.99	14.1	22.8	211,967	28.6
Colorado	59,862	45,768	35,414	512,837	38.48	15.3	22.0	7,788	24.5
Connecticut	214,845	179,406	137,374	1,895,841	37.40	13.8	19.9	45,303	35.2
Delaware	20,066	27,809	23,791	284,022	34.67	12.0	18.7	7,370	40.1
District of Columbia	37,119	24,459	20,101	249,074	26.51	12.4	18.6	6,803	39.7
Florida	274,876	154,002	127,399	1,907,752	28.05	11.8	16.5	46,318	42.2
Georgia	240,474	180,198	150,011	1,656,671	26.46	11.0	16.5	33,556	45.4
Hawaii	23,824	19,880	15,986	195,929	33.05	12.3	26.0	1,873	14.0
Idaho	36,803	26,898	23,291	289,042	35.18	12.4	17.2	6,974	29.6
Illinois	555,133	403,912	418,647	5,418,268	34.40	12.9	14.8	130,961	37.7
Indiana	290,745	262,274	230,292	2,543,712	31.88	12.9	19.2	81,951	45.1
Iowa	73,125	60,336	49,788	897,866	30.07	12.0	16.1	15,192	45.1
Kansas	66,325	53,571	48,895	631,797	34.42	12.9	20.1	13,998	33.9
Kentucky	176,224	115,300	102,078	1,397,962	29.63	13.7	21.3	31,261	27.4
Louisiana	169,855	113,959	84,364	1,822,711	29.63	18.0	20.0	35,920	47.3
Maine	72,487	67,478	57,564	702,625	22.24	12.2	25.1	9,254	18.5
Maryland	191,381	145,161	135,221	1,964,862	31.06	14.6	26.0	34,909	28.2
Massachusetts	364,200	334,646	291,202	4,109,895	37.05	14.1	21.7	70,362	26.2
Michigan	630,946	557,927	464,202	6,155,788	37.03	13.3	19.3	139,899	38.3
Minnesota	139,974	120,019	104,379	1,557,142	29.71	14.9	22.5	27,173	30.2
Mississippi	106,040	70,085	61,163	769,761	23.71	12.6	20.3	17,123	31.9

Missouri.....	266,697	189,821	161,905	1,917,463	29,03	11.8	19.9	35,596	23.9
Montana.....	39,032	31,069	29,103	286,463	27.73	14.7	22.3	9,417	30.9
Nebraska.....	33,240	29,031	25,018	296,229	30.31	11.8	17.3	6,324	26.7
Nevada.....	28,230	20,211	18,147	218,665	37.96	12.0	19.5	4,001	29.7
New Hampshire.....	44,687	39,721	30,852	342,351	32.73	11.1	26.0	3,541	13.6
New Jersey.....	477,346	373,921	332,063	4,731,714	52.73	14.4	21.4	103,880	34.3
New Mexico.....	39,108	30,255	26,306	394,646	23.54	15.0	25.6	5,747	25.1
New York.....	1,296,354	1,086,252	941,763	13,821,339	38.79	14.8	26.0	180,854	21.1
North Carolina.....	271,220	209,706	195,263	2,257,795	21.24	11.5	24.7	35,065	20.3
North Dakota.....	16,778	12,229	11,188	170,510	28.87	15.2	24.0	2,143	17.9
Ohio.....	591,965	521,795	498,107	7,247,499	42.32	15.8	26.0	130,112	34.4
Oklahoma.....	110,147	61,549	53,299	1,821,559	26.61	13.4	23.0	16,521	33.7
Oregon.....	131,288	98,063	88,061	1,139,420	35.76	12.9	21.3	19,076	26.7
Pennsylvania.....	920,223	767,477	690,039	11,277,654	32.80	16.3	30.0	154,223	25.6
Puerto Rico.....	41,782	22,442	19,645	232,065	13.10	11.8	12.0	11,053	28.8
Rhode Island.....	78,862	68,793	53,969	735,773	30.20	13.4	20.0	14,017	41.2
South Carolina.....	119,969	82,694	63,411	755,765	22.36	11.9	19.1	21,209	34.0
South Dakota.....	12,200	9,157	8,236	94,454	26.29	11.5	14.8	2,692	38.7
Tennessee.....	235,847	172,774	129,742	1,812,006	24.12	14.0	21.0	43,634	43.4
Texas.....	372,362	258,983	231,330	2,787,046	24.25	12.0	16.6	92,422	26.2
Utah.....	33,195	27,841	23,929	296,721	33.69	12.4	18.7	5,922	24.7
Vermont.....	21,083	17,000	14,818	212,753	28.73	14.4	26.0	2,909	35.889
Virginia.....	143,982	116,396	94,886	921,104	24.94	9.7	13.6	35,889	45.2
Washington.....	200,217	160,803	147,076	2,122,106	32.82	14.4	24.7	33,295	23.2
West Virginia.....	132,483	94,861	91,690	1,302,110	23.43	14.2	23.5	28,299	33.6
Wisconsin.....	* 212,771	* 187,951	* 169,125	1,746,241	38.86	10.3	18.3	10 57,978	10 46.3
Wyoming.....	16,984	13,553	12,560	152,727	40.65	12.2		3,143	32.3

¹ Includes Puerto Rico beginning January 1961 when the Commonwealth's program became part of the Federal-State UI system.

² To reflect more nearly different individuals who filed claims during fiscal year, data include intrastate new claims and transitional claims, interstate new claims taken as agent State, and UCFE initial claims, 1955-59.

³ Represent new claims with sufficient wage credits.

⁴ Represent claimants receiving first payment in benefit year.

⁵ Total, part total, and partial unemployment.

⁶ For fiscal year 1960-61, based on first payments for 12-month period ending December 1960. For prior years, based on first payments for 12 months ended March 31.

⁷ Excludes Wisconsin; comparable data not available.

⁸ Includes claims filed by interstate claimants in the Virgin Islands (14).

⁹ Since Wisconsin has no provision for a benefit year, a new claim is the first claim filed during the first spell of unemployment in a calendar year.

¹⁰ Data are on a "per employer" basis and are not strictly comparable with those for other States.

APPENDIX TABLE 4.—Subject employers, covered employment, and selected unemployment insurance financial data under State programs,¹ U.S. totals for fiscal years 1953-61, by State for fiscal year 1961²

Year and State	Subject em- ployers as of June 30	Covered em- ployment as of June 30	State collections		Interest on State ac- counts in trust fund (000)	Benefits paid ³		State reserves for benefits, June 30, 1961 ¹	
			Amount (000) ³	Average em- ployer rate (percent) ⁴		Amount (000)	Percent of taxable wages ⁵	Amount (000)	Percent of taxable wages ⁵
1952-53	1,551,177	37,081,119	\$1,367,806	1.45	\$188,587	\$912,808	0.9	\$8,577,745	8.6
1953-54	1,580,670	35,462,182	1,246,230	1.30	208,841	1,588,846	1.3	8,442,080	8.6
1954-55	1,618,301	36,842,558	1,142,690	1.12	186,874	1,789,873	1.9	8,911,268	8.6
1955-56	1,804,998	39,527,320	1,328,722	1.18	186,807	1,282,452	1.3	8,948,323	7.0
1956-57	2,045,776	40,347,130	1,537,122	1.32	211,897	1,934,471	1.3	7,514,606	7.7
1957-58	2,084,542	39,030,074	1,500,307	1.31	174,032	2,875,022	2.6	7,417,380	6.7
1958-59	2,151,603	40,601,190	1,675,886	1.32	194,333	2,790,236	2.4	6,708,819	5.9
1959-60	2,270,413	41,137,151	2,124,757	1.71	182,213	2,856,113	2.0	6,091,063	5.6
1960-61	2,284,311	40,283,694	2,361,279	1.88	196,369	3,506,354	2.9	5,745,361	5.4
Alabama	21,428	525,005	18,166	1.18	1,686	32,666	2.3	44,532	3.2
Alaska	1,349	28,236	8,254	2.91	0	6,726	3.1	3,038	1.4
Arizona	15,897	242,685	10,001	1.33	1,967	12,438	1.7	60,884	8.4
Arkansas	32,877	271,011	8,792	1.29	1,119	15,708	2.5	31,058	4.6
California	314,868	3,893,944	296,812	1.96	24,380	481,772	3.5	638,772	4.8
Colorado	15,869	353,335	8,153	.94	1,920	18,465	1.8	96,321	5.5
Connecticut	32,863	158,247	46,755	2.93	5,158	74,965	3.4	146,449	6.6
Delaware	9,083	122,369	9,682	2.42	1,334	9,696	2.4	9,872	2.4
District of Columbia	18,400	262,441	6,030	.86	1,966	6,520	1.0	62,355	9.5
Florida	46,380	940,728	33,953	1.15	3,221	41,375	1.6	100,628	3.9
Georgia	28,439	730,072	26,840	1.36	4,517	40,176	2.0	134,900	6.8
Hawaii	10,224	172,716	5,309	1.19	800	5,967	1.4	24,828	6.0
Idaho	14,262	114,387	6,191	1.66	832	10,590	3.3	24,674	7.8
Illinois	38,720	2,066,439	164,040	2.03	10,679	185,717	2.3	322,805	4.0
Indiana	33,873	1,066,819	38,921	1.23	5,028	78,013	2.4	136,144	4.2
Iowa	22,789	446,731	8,178	1.61	3,584	17,194	1.4	108,898	8.6
Kansas	18,090	347,406	10,763	1.06	2,228	21,219	2.2	64,666	6.7
Kentucky	22,372	451,265	26,470	2.20	3,719	40,064	3.3	92,078	7.5
Louisiana	25,477	547,540	23,292	1.86	3,741	44,673	3.0	106,049	7.0
Maine	8,717	187,323	54,077	2.63	884	15,392	2.9	23,385	4.4
Maryland	51,398	680,344	9,076	2.64	1,999	58,195	3.1	60,893	3.2
Massachusetts	104,327	1,519,826	81,738	1.88	6,810	139,789	3.3	179,489	4.2
Michigan	57,416	1,765,324	149,490	2.88	2,820	224,542	4.1	149,910	2.8
Minnesota	41,474	705,948	21,716	1.13	1,884	45,247	2.3	45,065	2.3
Mississippi	13,010	288,279	13,260	1.96	999	17,659	2.6	38,328	4.2
Missouri	35,956	957,647	33,473	1.05	6,316	51,609	1.9	190,350	7.0
Montana	16,296	107,563	8,743	2.20	771	11,801	3.7	21,777	6.8
Nebraska	12,276	233,717	7,335	1.03	1,240	8,760	1.4	38,096	5.9
Nevada	7,246	79,216	6,711	2.16	542	8,016	2.7	16,025	5.4
New Hampshire	6,745	130,147	6,701	1.65	735	8,784	2.1	22,000	5.4

New Jersey.....	63,249	1,535,068	119,769	2.20	10,343	151,396	3.2	305,419	6.5
New Mexico.....	16,712	155,792	5,917	1.25	1,327	11,425	2.4	38,566	8.2
New York.....	373,287	5,017,949	379,263	2.25	30,858	484,858	3.2	905,330	8.0
North Carolina.....	34,070	912,140	37,339	1.60	5,790	45,919	1.9	176,944	7.5
North Dakota.....	5,841	64,937	3,826	1.98	205	4,906	2.6	5,290	2.8
Ohio.....	98,906	2,362,148	102,841	1.48	9,145	300,835	4.1	175,211	2.4
Oklahoma.....	18,898	372,244	13,281	1.20	1,126	21,299	2.0	31,309	3.0
Oregon.....	36,807	391,165	36,069	2.70	1,329	39,642	3.0	35,816	2.7
Pennsylvania.....	200,779	2,914,231	253,812	2.96	1,590	351,594	4.2	101,462	1.2
Puerto Rico.....	21,139	237,370	6,062	2.70	405	2,849	2.9	32,330	4.2
Rhode Island.....	14,321	427,978	18,896	1.13	974	20,563	1.5	29,321	7.0
South Carolina.....	5,709	73,447	1,826	.81	2,391	16,491	1.8	73,551	3.6
South Dakota.....	23,043	660,484	30,612	1.71	2,241	42,208	2.4	14,189	4.9
Tennessee.....	75,288	1,777,192	45,267	.90	7,893	66,142	1.3	238,630	7.1
Texas.....	17,744	183,324	7,556	1.45	1,185	9,805	1.9	35,955	5.2
Utah.....	4,711	71,475	2,880	1.29	409	6,238	3.0	10,797	4.5
Vermont.....	28,126	708,481	19,622	.87	2,790	22,171	1.2	85,143	10.3
Virginia.....	59,406	594,617	50,262	2.70	6,389	68,637	3.7	189,196	3.2
West Virginia.....	12,795	320,633	25,007	2.70	1,069	29,618	3.1	30,711	7.7
Wisconsin.....	33,647	907,324	36,621	1.41	6,757	68,166	2.7	192,792	4.5
Wyoming.....	9,292	65,007	2,908	1.31	387	6,169	3.0	9,362	4.5

¹ Includes Puerto Rico beginning January 1961 when the Commonwealth's program became part of the Federal-State UI system.

² Data reported by State agencies, except interest, which is credited and reported by the U.S. Treasury.

³ Data represent contributions, penalties, and interest from employers, and contributions from employees in three States. Adjusted for refunds and for dishonored contribution checks.

⁴ Data represent calendar years 1952 to 1960 preceding the fiscal year specified.

⁵ Adjusted for voided benefit checks and transfers under interstate combined wage plan.

⁶ Taxable wages are the aggregate wages which are subject to State unemployment insurance taxes. Each covered employer is subject to taxes only on the "base" wages paid each covered employee during the calendar year. "Base" wages are limited to the first \$3,000 of earnings in all States except 6. A \$3,600 taxable wage base became

effective in Nevada on January 1, 1954, Delaware on January 1, 1955, Rhode Island on January 1, 1956, and California on January 1, 1960. In Alaska, the wage base was increased to \$3,600 effective January 1, 1955, to \$4,200 effective January 1, 1957, and to \$7,200 effective January 1, 1960. In Oregon, the wage base was increased to \$3,600 effective January 1, 1956, and to \$3,800 effective January 1, 1960, if the Fund Reserve Ratio is under 6 percent as determined on August 31 of the preceding year.

⁷ Data represent sum of balance at end of fiscal year in State clearing and benefit payment accounts and in State accounts in the Unemployment Trust Fund in U.S. Treasury.

⁸ Represents preliminary data as of December 1960; includes private industry and State and local government employees.

⁹ The reserve ratios and benefit ratios for fiscal year 1961 are estimated on the basis of taxable wages for 12 months ending on December 31, 1960.

APPENDIX TABLE 5.—Selected data on unemployment compensation for Federal employees, U.S. totals for January-June 1955, and fiscal years 1956-61, by State for fiscal year 1961

Year and State	Federal employment as of December ¹	Initial claims ²	Average weekly insured unemployment	Average weekly number of beneficiaries ³	First payments in benefit years ⁴	Amount of benefits paid ⁵	Average weekly benefit amount, UCFE only ⁶
January-June 1955	2,361,700	98,822	26,826	27,017	59,122	\$16,051,094	\$26.42
1955-56	2,414,800	140,414	21,311	22,166	75,679	30,280,092	27.85
1956-57	2,421,269	135,051	18,088	18,780	64,484	26,055,746	28.75
1957-58	2,601,335	203,105	33,023	34,500	113,803	52,437,181	30.97
1958-59	2,603,938	155,748	33,516	33,328	109,927	55,140,282	31.21
1959-60	2,543,091	157,175	32,068	30,431	93,519	53,216,499	32.71
1960-61	⁷ 2,606,313	162,268	33,860	32,341	97,234	59,149,217	34.05
Alabama	65,948	3,564	591	576	2,041	759,613	24.92
Alaska	14,921	1,397	422	513	1,381	985,803	35.61
Arizona	21,862	2,342	336	313	1,244	535,062	32.13
Arkansas	14,776	1,923	412	275	872	376,613	25.85
California	284,071	18,035	4,828	4,528	12,816	11,236,937	43.71
Colorado	38,902	1,625	304	353	1,032	708,158	38.15
Connecticut	15,390	1,011	191	174	596	372,261	37.72
Delaware	4,899	180	41	31	100	58,094	35.24
District of Columbia	207,136	4,710	1,114	1,309	4,382	2,021,921	29.30
Florida	56,212	3,936	665	433	1,583	682,349	30.09
Georgia	63,049	3,590	766	663	2,283	1,060,252	30.37
Hawaii	27,694	1,027	223	256	876	491,290	35.85
Idaho	7,515	1,207	212	217	877	439,686	36.37
Illinois	109,196	6,382	1,390	1,249	3,970	2,143,794	32.13
Indiana	39,340	2,233	425	377	1,536	616,620	30.71
Iowa	20,549	394	93	101	372	151,097	28.47
Kansas	27,158	1,764	404	417	1,321	793,719	35.82
Kentucky	32,103	2,322	528	490	1,428	792,194	30.79
Louisiana	25,406	3,147	754	663	1,628	1,093,315	31.20
Maine	10,838	873	157	143	512	193,562	24.10
Maryland	74,639	3,572	684	614	1,640	1,101,704	33.93
Massachusetts	64,766	3,124	758	881	3,176	1,761,359	37.56
Michigan	45,552	2,968	432	427	1,467	740,431	32.97
Minnesota	32,418	1,809	441	446	1,344	703,049	28.38
Mississippi	18,141	2,637	454	437	1,435	570,503	24.54
Missouri	63,423	2,745	393	399	1,462	611,407	28.69
Montana	9,786	1,674	304	313	1,020	506,395	29.18
Nebraska	19,435	522	103	120	483	190,935	30.12
Nevada	6,942	757	105	103	364	214,917	38.87
New Hampshire	14,485	480	69	82	330	141,565	30.79
New Jersey	73,353	3,730	830	663	1,939	1,161,247	33.55
New Mexico	25,579	1,718	324	310	968	518,447	31.38
New York	228,528	18,589	3,094	2,719	7,102	5,673,307	39.72
North Carolina	37,030	3,247	595	572	1,834	706,167	22.90
North Dakota	7,594	419	94	81	281	114,700	27.07
Ohio	108,243	4,690	1,201	1,774	4,810	3,694,959	39.86
Oklahoma	46,178	1,413	466	464	1,184	633,920	25.87
Oregon	22,143	2,547	401	388	1,509	694,591	35.36
Pennsylvania	162,819	8,820	2,304	1,959	4,220	3,374,278	32.14
Puerto Rico	9,513	902	218	203	575	255,847	24.96
Rhode Island	15,955	747	196	202	488	369,192	34.96
South Carolina	27,245	1,742	302	273	887	342,901	23.57
South Dakota	10,777	495	87	103	397	159,965	29.50
Tennessee	38,718	5,459	1,151	1,051	2,656	1,504,148	27.33
Texas	125,481	6,336	1,352	1,450	4,394	1,942,878	25.46
Utah	28,618	1,631	418	406	1,181	735,856	34.41
Vermont	3,784	314	77	69	180	128,224	33.15
Virginia	86,859	2,710	437	354	1,558	555,029	28.64
Virgin Islands	769	24	2	1	4	1,147	15.36
Washington	49,885	11,379	2,096	1,763	5,059	3,423,150	36.02
West Virginia	12,542	806	159	131	410	130,522	18.54
Wisconsin	29,062	2,203	380	375	1,606	692,718	32.40
Wyoming	5,441	397	77	126	421	281,419	41.99

¹ Excludes temporary Christmas assistants of the Post Office Department prior to 1957. Includes these workers 1957-61.

² Beginning with fiscal year 1959, data exclude joint State-UCFE claims.

³ Prior to November 1958, includes all UCFE beneficiaries. Data from November 1958 exclude UCFE beneficiaries filing jointly under State programs.

⁴ Beginning with July 1959, excludes joint UI-UCFE payments.

⁵ Includes the Federal portion of joint State-UCFE payments.

⁶ Includes payments for partial unemployment. Beginning with July 1959, excludes joint UI-UCFE payments.

⁷ Includes 13,675 employees not distributed by State.

APPENDIX TABLE 6.—Selected data on unemployment compensation for ex-service-men,¹ U.S. totals for October 1958–June 1959 and fiscal years 1960–61, by State for fiscal year 1961

Year and State	Initial claims	Average weekly insured unemployment	Average weekly number of beneficiaries	First payments	Total amount paid	Average weekly benefit amount ²
October 1958–June 1959.....	249,231	55,479	50,409	160,224	\$52,953,457	\$29.35
1959–60.....	321,737	49,927	47,255	186,513	76,845,421	30.38
1960–61.....	375,680	67,694	64,836	239,271	107,117,794	30.90
Alabama.....	7,245	1,354	1,209	4,668	1,713,393	26.79
Alaska.....	597	120	107	358	186,408	32.21
Arizona.....	4,016	473	471	2,140	777,359	31.04
Arkansas.....	4,220	874	791	2,968	1,151,759	27.45
California.....	37,150	6,658	6,285	25,717	11,873,718	33.29
Colorado.....	3,293	506	468	1,813	865,459	35.23
Connecticut.....	3,267	492	482	2,359	861,657	31.22
Delaware.....	929	129	118	508	193,967	31.27
District of Columbia.....	1,988	266	260	1,083	402,816	29.42
Florida.....	10,612	1,272	1,248	5,729	1,994,955	30.52
Georgia.....	6,142	1,074	1,037	4,183	1,685,018	30.85
Hawaii.....	1,297	161	155	791	268,175	32.43
Idaho.....	2,433	344	341	1,519	603,871	32.02
Illinois.....	16,269	2,593	2,569	9,773	4,409,659	32.05
Indiana.....	9,024	1,969	1,786	6,302	2,922,846	30.71
Iowa.....	3,033	451	469	2,216	741,958	30.04
Kansas.....	3,839	560	540	2,249	919,157	32.05
Kentucky.....	3,963	1,673	1,580	4,860	2,560,981	30.87
Louisiana.....	5,551	1,303	1,271	3,870	2,280,452	33.95
Maine.....	2,877	385	388	2,083	662,366	30.34
Maryland.....	7,326	864	952	3,481	1,603,301	31.86
Massachusetts.....	7,399	1,191	1,308	5,230	2,346,429	33.68
Michigan.....	21,261	4,405	4,324	13,441	6,515,684	28.65
Minnesota.....	7,574	1,484	1,587	5,407	3,012,471	34.15
Mississippi.....	3,968	596	565	2,121	845,078	28.10
Missouri.....	7,697	1,202	1,371	5,436	2,176,514	29.66
Montana.....	1,679	305	324	1,234	544,986	30.33
Nebraska.....	1,052	158	174	876	289,293	31.73
Nevada.....	1,188	104	101	539	189,031	34.98
New Hampshire.....	1,395	155	158	924	300,741	33.83
New Jersey.....	10,130	1,624	1,544	6,296	2,744,542	34.04
New Mexico.....	2,700	414	402	1,453	638,277	29.76
New York.....	27,223	3,994	3,511	14,509	5,826,555	31.55
North Carolina.....	7,544	1,218	1,249	5,083	1,967,382	29.25
North Dakota.....	1,396	286	256	1,011	402,243	29.87
Ohio.....	19,378	4,580	3,834	12,460	6,481,783	32.34
Oklahoma.....	3,572	938	925	3,149	1,390,149	28.45
Oregon.....	6,161	809	821	3,327	1,339,987	32.99
Pennsylvania.....	29,639	7,601	7,111	20,297	11,852,626	31.12
Puerto Rico.....	3,621	1,079	1,011	3,072	1,484,272	28.96
Rhode Island.....	2,069	366	372	1,457	591,948	30.38
South Carolina.....	3,858	568	550	2,351	738,805	25.30
South Dakota.....	1,036	136	158	708	252,099	30.31
Tennessee.....	8,278	1,859	1,804	5,761	2,639,643	27.94
Texas.....	16,923	2,402	2,663	11,078	3,792,001	27.05
Utah.....	2,190	358	324	1,442	521,878	30.67
Vermont.....	1,007	160	149	598	249,513	28.98
Virginia.....	5,259	781	703	3,347	1,136,281	29.33
Virgin Islands.....	17	2	2	7	2,999	29.49
Washington.....	17,039	2,193	1,953	7,458	3,610,734	34.11
West Virginia.....	6,829	1,629	1,519	4,613	2,065,155	25.30
Wisconsin.....	8,826	1,483	1,427	5,489	2,292,000	30.78
Wyoming.....	701	95	108	457	197,420	34.07

¹ Program became effective October 27, 1958; except for total amount paid, data shown exclude claims and payments made jointly with other unemployment insurance programs.

² Includes payments for partial unemployment.

APPENDIX TABLE 7.—*Disqualifications under State programs,¹ by issue, U.S. totals for fiscal years 1953-61, and by State for fiscal year 1961*
 [Note: Data for fiscal years 1955-59 include activities under the program of unemployment compensation for Federal employees and represent an unduplicated count for both programs]

Year and State	Voluntary quit		Misconduct		Not able or not available		Refusal of suitable work	
	Number	Per 1,000 new spells of insured unemployment ²	Number	Per 1,000 new spells of insured unemployment ²	Number	Per 1,000 claimant contacts ⁴	Number	Per 1,000 claimant contacts ⁴
1952-53.....	1,133,528	37.7	108,983	11.6	474,337	8.6	94,395	1.7
1953-54.....	1,447,793	35.0	172,646	12.5	557,890	7.0	80,974	1.0
1954-55.....	1,579,408	34.1	181,534	14.1	667,343	7.7	86,566	1.0
1955-56.....	1,388,478	36.2	136,699	12.6	604,326	8.8	81,808	1.2
1956-57.....	1,431,624	36.6	146,465	12.8	623,023	8.3	72,771	1.0
1957-58.....	1,821,331	31.0	200,874	13.2	773,949	6.3	63,421	.5
1958-59.....	1,843,837	35.5	192,693	13.2	810,853	7.2	77,269	.7
1959-60.....	1,815,096	35.5	182,465	12.8	805,302	8.3	78,476	.8
1960-61.....	2,222,401	34.7	231,691	12.8	968,265	7.3	80,954	.6
Alabama.....	19,428	58.8	3,237	16.0	3,837	2.1	326	.2
Alaska.....	2,939	24.2	71	9.0	1,204	5.7	71	.3
Arizona.....	12,963	72.6	2,034	23.6	4,213	7.8	305	.6
Arkansas.....	15,180	54.8	2,217	18.7	4,114	4.6	449	.5
California.....	258,315	47.2	27,602	15.0	87,613	6.2	11,772	.8
Colorado.....	17,983	147.0	3,188	40.4	283	4	928	1.4
Connecticut.....	34,185	28.8	2,716	8.5	18,496	7.3	1,508	.6
Delaware.....	3,445	25.3	800	17.3	761	2.1	212	.6
District of Columbia.....	8,984	56.8	1,919	49.8	3,963	13.2	141	.5
Florida.....	24,505	33.2	5,273	18.9	8,300	4.1	906	.4
Georgia.....	39,206	90.5	8,921	35.6	6,778	3.5	260	.1
Hawaii.....	6,386	71.1	736	27.3	3,122	12.4	262	1.0
Idaho.....	4,448	31.3	363	8.1	1,880	5.6	383	1.1
Illinois.....	168,344	23.5	14,738	17.7	94,685	13.7	4,676	.7
Indiana.....	24,846	16.6	3,886	7.6	6,509	2.0	836	.2
Iowa.....	6,696	43.5	1,931	21.0	613	8	133	.2
Kansas.....	13,152	28.7	1,270	12.5	8,105	10.5	469	.6
Kentucky.....	12,755	29.2	2,701	17.6	3,541	3.2	524	.5
Louisiana.....	5,979	39.0	4,127	20.7	3,463	2.0	791	.5
Maine.....	18,378	41.3	752	7.3	5,414	6.1	2,917	3.3
Maryland.....	15,790	53.4	761	27.4	13,665	6.0	5,507	2.4
Massachusetts.....	43,911	48.4	7,613	27.4	16,540	3.1	2,961	.6
Michigan.....	53,066	28.4	6,808	9.0	48,738	6.5	2,272	.3
Minnesota.....	122,239	35.0	9,598	37.7	10,262	5.7	1,187	.7
Mississippi.....	33,024	59.3	4,330	16.2	5,711	5.6	672	.2
Missouri.....	15,547	49.3	2,034	21.7	4,340	1.5		
Montana.....	6,195	49.3	6,242	13.6				
Nebraska.....	28,760	35.2						

Montana.....	7,416	3,255	56.2	766	13.2	2,266	4.4	404	.8
Nebraska.....	7,104	2,242	48.8	1,350	29.4	2,825	11.7	19	.1
Nevada.....	5,552	1,623	37.7	1,031	23.9	2,239	7.8	398	1.4
New Hampshire.....	6,762	3,489	57.0	874	14.3	1,464	3.2	405	.9
New Jersey.....	70,397	10,647	14.7	6,945	9.6	43,027	7.9	2,036	.4
New Mexico.....	7,808	3,277	50.8	1,706	26.5	2,529	6.4	296	.7
New York.....	422,078	65,518	23.1	5,119	1.8	254,753	13.8	13,009	.7
North Carolina.....	34,485	21,105	45.8	6,638	14.4	5,430	2.0	1,287	.5
North Dakota.....	3,246	514	27.2	104	5.5	1,913	8.7	39	.2
Ohio.....	100,567	20,050	17.8	19,648	17.4	42,767	4.5	2,517	.3
Oklahoma.....	21,459	11,324	103.6	2,275	20.8	6,172	6.4	507	.5
Oregon.....	25,724	6,161	28.6	1,840	8.5	16,519	10.9	627	.4
Pennsylvania.....	228,139	28,619	15.3	12,740	6.8	138,574	9.5	10,428	.7
Puerto Rico.....	1,473	259	8.2	119	3.7	786	2.6	55	.2
Rhode Island.....	11,543	4,083	28.1	1,235	8.5	5,312	5.8	708	.8
South Carolina.....	29,449	16,366	132.3	6,694	54.1	5,744	5.7	379	.4
South Dakota.....	1,985	929	66.9	181	13.0	590	4.7	12	.1
Tennessee.....	24,756	9,879	43.8	5,293	23.5	2,379	1.2	269	.1
Texas.....	91,393	47,806	117.1	21,067	51.6	20,028	5.8	2,492	.7
Utah.....	6,763	1,814	35.3	434	8.5	2,416	6.0	377	.9
Vermont.....	3,221	2,063	62.6	349	10.6	521	1.9	167	.6
Virginia.....	19,814	6,093	35.8	3,374	19.8	9,973	11.2	374	.4
Washington.....	38,174	5,331	13.8	1,501	3.9	27,555	10.3	1,140	.4
West Virginia.....	11,468	1,762	41.2	1,762	12.2	1,743	1.8	264	.3
Wisconsin.....	34,858	9,861	31.4	3,183	10.1	3,523	1.5	1,598	.7
Wyoming.....	1,752	574	23.6	217	8.9	867	5.9	63	.4

¹ Includes Puerto Rico beginning January 1961 when the Commonwealth's program became part of the Federal-State UI system.

² In addition to the 4 issues shown, includes miscellaneous disqualifications which do not apply in all States but excludes labor dispute disqualifications. The largest excluded item is failure to meet reporting requirements, which totaled 228,548 disqualifications in 1961.

³ Based on new intrastate claims, less transitional claims, multiplied by the percent eligible on monetary determinations, plus initial interstate claims received as liable State, plus additional intrastate claims.

⁴ Based on new spells of insured unemployment, plus intrastate continued claims received as liable State.

APPENDIX TABLE 8.—Temporary extended unemployment compensation,¹
April-June 1961*

State	First claims	Average weekly insured unemployment		Benefits paid	First payments	Final payments ²
		All programs	State UI			
Total, 53 States.....	1,360,430	689,189	661,541	\$231,748,563	1,155,093	222,925
Alabama.....	31,710	16,074	15,328	3,797,636	26,679	9,548
Alaska.....	1,468	644	510	245,150	1,316	42
Arizona.....	5,286	2,322	2,149	606,458	4,790	749
Arkansas.....	11,762	5,532	5,234	967,616	7,846	1,855
California.....	137,494	69,323	65,812	29,643,808	124,025	29,379
Colorado.....	3,398	1,412	1,303	605,037	2,835	749
Connecticut.....	14,038	6,092	6,080	2,092,005	8,388	2,692
Delaware.....	3,350	1,501	1,470	680,957	3,692	980
District of Columbia.....	3,900	1,792	1,424	520,200	3,307	585
Florida.....	25,743	10,714	10,353	2,780,614	19,057	5,323
Georgia.....	29,551	13,743	13,403	3,774,992	25,541	7,990
Hawaii.....	1,880	758	696	262,382	1,557	7
Idaho.....	5,581	2,450	2,330	890,715	4,884	332
Illinois.....	79,880	41,629	40,730	15,809,512	80,189	17,595
Indiana.....	61,540	22,338	21,553	7,197,732	46,188	14,686
Iowa.....	8,246	3,616	3,542	1,089,133	7,214	2,224
Kansas.....	6,125	2,914	2,668	1,107,710	5,780	927
Kentucky.....	26,714	12,827	12,173	3,108,716	16,636	2,880
Louisiana.....	22,294	10,373	9,648	3,032,487	13,806	3,552
Maine.....	2,618	1,621	1,592	319,525	2,269	0
Maryland.....	19,795	10,058	9,763	3,650,064	17,191	0
Massachusetts.....	42,637	20,808	20,576	7,473,515	39,059	9,575
Michigan.....	110,595	57,729	55,529	20,003,931	96,221	24,304
Minnesota.....	14,394	6,996	6,667	2,112,229	12,494	414
Mississippi.....	11,581	4,874	4,658	1,078,163	8,116	1,465
Missouri.....	23,367	11,180	10,834	3,319,978	18,390	3,397
Montana.....	3,400	1,403	1,321	412,041	2,816	0
Nebraska.....	2,435	972	947	343,590	2,325	578
Nevada.....	2,381	1,029	999	380,788	1,980	323
New Hampshire.....	1,668	1,118	1,101	251,922	1,404	0
New Jersey.....	63,494	35,063	34,285	12,102,637	57,320	9,515
New Mexico.....	2,057	1,118	1,051	311,804	1,903	145
New York.....	117,981	67,600	65,503	25,407,696	109,558	0
North Carolina.....	23,486	12,557	12,156	2,462,256	19,820	0
North Dakota.....	905	386	357	106,666	895	0
Ohio.....	108,467	62,803	60,300	27,364,526	86,021	72
Oklahoma.....	9,458	4,543	4,414	1,038,461	6,951	2,048
Oregon.....	12,323	6,008	5,900	2,021,988	10,421	1,290
Pennsylvania.....	109,120	56,132	53,650	18,066,231	89,828	31,169
Puerto Rico.....	18,521	7,974	7,375	762,974	9,810	1,049
Rhode Island.....	9,203	4,800	4,615	1,500,289	8,016	1,632
South Carolina.....	13,599	6,936	6,667	1,574,881	10,917	3,135
South Dakota.....	1,031	402	373	132,590	1,003	285
Tennessee.....	31,218	16,014	14,778	3,982,115	23,956	4,788
Texas.....	43,384	18,829	17,830	4,462,045	35,961	8,225
Utah.....	3,077	1,311	1,174	434,899	2,796	930
Vermont.....	1,281	412	397	69,984	476	126
Virginia.....	17,117	6,775	6,484	1,782,191	15,122	6,011
Virgin Islands.....	0	0	0	0	0	0
Washington.....	27,893	15,069	14,158	4,584,711	24,795	5,471
West Virginia.....	21,579	11,878	11,169	2,425,704	15,512	1,232
Wisconsin.....	18,870	8,116	7,924	3,234,211	16,804	3,348
Wyoming.....	1,635	622	587	260,999	1,413	294

* Prepared by the Bureau of Employment Security, U.S. Department of Labor.

¹ Covers exhaustees under regular State programs and Federal programs for civilian employees and ex-servicemen. This program was initiated on April 8, 1961. Excludes data relating to operations of extended duration provisions of regular State laws (ED).

² Includes termination of benefit rights resulting from 39-week limitation.

BUREAU OF INTERNATIONAL LABOR AFFAIRS

The Assistant Secretary in Charge of International Affairs, who is the head of the Bureau of International Labor Affairs, is responsible for all of the Department's labor policy activities. Through the Bureau, the Assistant Secretary of the Department of Labor is able to coordinate the foreign affairs agencies responsible for developing and implementing United States foreign policy objectives.

In 1941, the Department of Labor was reorganized to reflect the importance of labor in foreign affairs. The Bureau of International Labor Affairs was established on December 12, 1941. The new Bureau emphasized the role of International Labor Affairs within the Department of Labor and the Office of the Assistant Secretary in Charge of International Labor Affairs in the Department of Labor.

The new Bureau has been a very active and successful organization in the past. It has been able to coordinate the activities of the Department of Labor with the activities of the other agencies of the Government.

BUREAU OF INTERNATIONAL LABOR AFFAIRS

The Bureau of International Labor Affairs is the principal agency in the Department of Labor for the coordination of labor policy activities. It is responsible for the development and implementation of labor policy objectives.

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International Labor Policy Formulation

The Bureau of International Labor Affairs is the principal agency in the Department of Labor for the coordination of labor policy activities. It is responsible for the development and implementation of labor policy objectives.

BUREAU OF INTERNATIONAL LABOR AFFAIRS

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The Assistant Secretary of Labor for International Affairs with the assistance of the Bureau of International Labor Affairs is responsible for all of the Department of Labor's international activities. Through this Bureau, the technical resources of the Department of Labor are made available to the foreign affairs agencies responsible for developing and implementing United States foreign policy objectives.

In recognition of the growing importance of labor and manpower factors in foreign affairs, the Bureau was created by General Order of the Secretary on December 31, 1959. The new Bureau supplanted the Office of International Labor Affairs which, since 1947, had been a unit in the Office of the Secretary responsible for coordinating the Department's work in the international field.

The past year has been a crucial one for the United States in world affairs. To an increasing extent, the basic foreign affairs problems are worker oriented. Throughout the world, unions and worker organizations are an increasingly important battleground of the East-West conflict. Raising the living and labor standards of the masses of workers in the less-developed countries of the world has become an overriding goal of all of the economic and technical assistance programs of the United States. Domestic unemployment and other U.S. economic problems have caused increased concern regarding the relative position of the United States in international trade and have pointed up the need for more effective policy and action regarding labor standards in foreign countries which compete with the United States for world trade.

Consequently, during the past year, there has been an acceleration and intensification of the work the Department of Labor does in the international field.

The President and the outgoing and incoming Secretaries of Labor provided for a maximum of continuity and the smoothest transition between the old and the new Administrations. The outgoing Assistant Secretary for International Affairs, George C. Lodge, continued until July 1961, while concurrently the new Assistant Secretary for International Affairs, George L-P Weaver, was Special Assistant to the Secretary working in close cooperation with the outgoing Assistant Secretary for International Affairs. In this way, a most effective transition was assured.

International Labor Policy Formulation

In an advisory capacity to the President and the Secretary of State, the Department of Labor assists in the development of foreign policy as it relates

to labor and manpower aspects of foreign affairs. Because of the high priority currently being given to these aspects, the Department has devoted considerable of its resources to this activity in recent months, and to an increasing extent the President and the Department of State are utilizing the specialized resources of the Department. Frequently this has involved the Secretary, Under Secretary, and Assistant Secretary for International Affairs in activities in Washington and overseas.

The Department has participated in high-level interagency task forces charged with the responsibility for developing new policies in the foreign labor and manpower field as related to specific countries or geographic areas. For example, the Assistant Secretary participated directly in the negotiations and policies concerning the West Indies Federation; in policy activities with the Department of Defense in respect to its labor-management relationships with its foreign employees overseas; in Washington and overseas conferences where policies regarding the United Nations and its specialized agencies were developed; and in "subcabinet" interagency deliberations regarding overall United States foreign policy. The Under Secretary has been personally involved, both in Washington and overseas, in policy formulation activities relating particularly to U.S. foreign economic policies and international trade. The Secretary has been actively and personally involved in negotiations with foreign governments which have led to new policies.

The work of the Bureau is divided among three offices as described below.

Office of International Organizations Affairs

The Office of International Organizations Affairs coordinates the activities of the Department of Labor with respect to U.S. participation in the International Labor Organization, United Nations, and other international organization activities and programs. The Office supervises a program for foreign visitors who come to this country under various exchange-of-persons programs sponsored by other agencies, and coordinates these and other technical assistance and exchange-of-persons activities carried on by the various bureaus in appropriate subject matter fields. The Office has primary responsibility for the Labor Department's work in the foreign economic policy field, particularly with respect to the reciprocal trade program. It conducts a major research and consultative program with respect to international trade union organizations.

International Labor Organization

As it has been for all components of the United Nations, the past year has been a crucial one for the International Labor Organization. Since June 1960, the number of countries represented in the International Labor Organization has risen from 80 to 100, most of which are developing

countries in Africa and whose admission is occasioning a marked shift in the policies, programs, directions, and even the power structure of the International Labor Organization. The fact that each of these member countries is represented in the International Labor Organization Conference by a tripartite delegation—government, employer, and worker—makes it the most broadly representative world forum. Consequently, it is not surprising that the International Labor Organization has increased in importance as an international arena in the ideological and political struggle between the East and the West. Because a major function of the International Labor Organization is providing technical cooperation in fields necessary for the economic and social growth of less-developed countries—manpower skill improvement, effective employment service operations, vocational training, constructive labor-management relationships, industrial health and safety, etc.—it has become increasingly important in respect to the overall objectives of the United States as they relate to aiding the less-developed countries. During the year, U.S. leadership in both of these major aspects of International Labor Organization activity has been given major and high-level attention.

Foreign Economic Policy

The Department contributes, through representation on delegations and participation in the interdepartmental formulation of U.S. Government positions, to U.S. representation in United Nations agencies dealing with economic matters, particularly the Economic and Social Council and its commissions, on labor issues; participates in the administration of the reciprocal trade program, through membership on the Interdepartmental Committee on Trade Agreements, the Committee for Reciprocity Information, and through representation on U.S. delegations to international conferences of the countries participating in the General Agreement on Tariffs and Trade. Also it provides staff work for the Department's representative on the Trade Policy Committee and other Cabinet-level groups concerned with foreign economic problems.

U.S. initiative to deal with problems arising out of low labor standards abroad resulted during the year in the conclusion of a multilateral agreement on international trade in textiles. The Department has participated in the Dillon Round of Multilateral Tariff Negotiations under the GATT. The Department initiated a reemphasis on the constructive aspects of the policy of the United States toward the trade problems of the less-developed countries.

Technical Cooperation and Exchange of Persons

The Office coordinates the participation of the Department's bureaus and offices in programs of technical cooperation and exchange of persons and serves as focal point for maintaining relationships with other agencies,

particularly the State Department and the United States AID Agency (formerly International Cooperation Administration and, as of November 4, 1961, AID), and provides general supervision over these activities within the Department. The Office is responsible for administering directly the programing of foreign nationals in the field of labor-management relations and in the general labor and manpower field for participants who come to the United States under the sponsorship of the Department of State. It maintains and develops contacts with key representatives of trade unions and industry for the purpose of meeting with visitors and offering them an opportunity to observe and study trade union and industry administration and labor-management relations in the United States.

During the year, the Department developed a major new program designed to provide fuller and more effective use of the technical resources of all of the Department of Labor bureaus in respect to U.S. technical assistance work abroad. It arranged the programs in the United States for about a thousand foreign labor leaders and labor technicians who have come to this country from abroad under governmental exchange programs. An increasing number of Department of Labor experts in the various technical fields have been employed by both the International Labor Organization and U.S. aid agencies for overseas technical assistance activities.

International Trade Union Organizations

The Office follows activities in the field of international trade union developments. It collects, analyzes, and disseminates data on international and foreign labor organizations; prepares functional studies in the international labor field, including monographs on international trade secretariats and other organizations in less-developed countries established to meet specific needs of the workers; compiles and processes biographic material on foreign trade union leaders for whom data is not elsewhere available in U.S. Government agencies; and maintains liaison on these subjects with other U.S. Government agencies, American trade unionists, and representatives of the international trade union movement.

Because of the considerable increase in the importance of the work being done by non-Communist international trade union organizations—and particularly the increased activity of the international trade secretariats—the Department's research, publishing, and analytical work in respect to these organizations has been accelerated. The results of this work are important not only to American unions, employers, and the public at large but also to the governmental agencies concerned with foreign policy formulation and operations. During the year, the comprehensive "International Trade Secretariat Directory" and the "Directory of Labor Organizations, Western Hemisphere" were published.

Office of Country Program Affairs

This Office is responsible for developing and implementing country, labor, and manpower programs designed to assist the attainment of U.S. foreign policy objectives abroad. It is responsible for participation by the Department of Labor and by the trade union movement in the U.S. exhibits at international trade fairs abroad. It provides a focal point for determination, implementation, and evaluation of labor aspects of U.S. policy and operations in each particular foreign country. It is responsible for devising the Department of Labor's policies and programs in regard to labor and manpower in the various countries in each geographical area, and to maximum extent assures their incorporation in U.S. foreign policy. It provides representation for the Department of Labor on interagency committees and working groups which formulate U.S. foreign policy objectives and programs.

The Department is playing a major role in interagency task forces created to develop new policies and programs in the labor field in specific geographic areas and countries abroad. The Office of Country Program Affairs is doing the necessary staff work for the new policies and programs being proposed. The Director of this Office and various of the area specialists have traveled to the major "trouble spots" abroad where labor aspects of foreign affairs are of key concern.

Office of International Personnel and Management

The Office of International Personnel and Management is generally responsible for carrying out the Labor Department's responsibilities for the overall management of the Foreign Service as provided in the Foreign Service Act of 1946; management of the Foreign Service labor attaché program; recruitment of qualified Americans for employment in overseas labor positions with the Foreign Service, International Labor Organization, United Nations, and other international organizations and Federal agencies; the servicing of overseas labor officers; the internal management of the Bureau of International Labor Affairs; and on a departmentwide basis, for the guidance and consultation in fiscal areas in connection with international programs.

During the year, 12 new labor attaché positions were added to the complements of U.S. embassies and consulates abroad. Major attention was given to improving the training of career Foreign Service officers for effective labor reporting performance in the overseas posts. A 1-week conference of labor attachés and labor reporting officers from all of the posts in Africa, Europe, and the Middle East was held in Rome; it contributed significantly towards strengthening U.S. Government labor

BUREAU OF LABOR-MANAGEMENT REPORTS

The Bureau of Labor-Management Reports is the first federal agency to offer the first step in the labor-management relationship. It is the first step in the labor-management relationship. It is the first step in the labor-management relationship.

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Voluntary Cooperation

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After a period of six months, the Bureau of Labor Management Reports was established. The Bureau is a part of the Department of Labor, and its functions are to collect, analyze, and disseminate information regarding labor-management relations. The Bureau is organized into several divisions, each of which is responsible for a specific area of labor-management relations. The Bureau's primary function is to provide information to the public regarding labor-management relations. This information is collected from a variety of sources, including labor unions, management organizations, and government agencies. The Bureau's information is then analyzed and disseminated to the public through a variety of means, including reports, press releases, and public hearings.

BUREAU OF LABOR-MANAGEMENT REPORTS

BUREAU OF LABOR-MANAGEMENT REPORTS

The experience of the Bureau of Labor-Management Reports over the past fiscal year affirmed the fact that most people in the labor-management field desire to comply fully with the Labor-Management Reporting and Disclosure Act.

The vast majority of those affected by the law displayed a cooperative attitude. This is evidenced by the fact that 98 percent of the violations of the act uncovered during the year were settled through voluntary compliance. Only 33 of 1,915 violations could not be resolved without resorting to legal action.

Fiscal year 1961 was a year of "firsts" in the administration of the LMRDA—the first full year of the Bureau's operation, the first significant court cases under the act, the first supervised union election, the first challenge of an employer and labor consultant, the first court test of the law. It was also a year of many new programs and new operating policies.

Voluntary Compliance

Generally, compliance with a law may be achieved by correcting violations which do occur and—the more fundamental approach—by educating people about their rights and responsibilities under the law.

Voluntary Correction

More than 1,900 violations of the LMRDA in closed investigations were uncovered during the year. Significantly, 1,882 of these violations were corrected through voluntary compliance—corrected without the necessity of going to court. When presented with the facts of a violation and shown what was required to meet the act's standards, most people were willing to take corrective action.

The majority of the 1,882 violations which were remedied through voluntary compliance involved minor reporting errors. But many were serious, affecting thousands of union members, such as violations of the election provisions of the act.

Whenever the Bureau found election violations, it first checked to determine if the union appellate body had decided, within at least 90 days after a member invoked his appeals process, that there had been no improper or illegal action. In some cases, the Bureau's conclusion differed from that

of the union appeals body simply because the Bureau had uncovered additional facts. When these were brought to the union's attention, the union usually took corrective action.

In cases where violations may not have affected the outcome of the election, the unions agreed that a revision of their procedures was desirable. A number of these violations were technical.

Of 414 investigations into alleged violations of election provisions, 52 cases were closed through voluntary correction. Two hundred and eighty-three were closed when the Bureau's investigation disclosed the allegations were unfounded, 65 were still pending, and 14 cases in which voluntary correction could not be obtained were taken to court.

Under the law, the Secretary of Labor is empowered to bring suit for any member or members of a trustee union if the trusteeship over the union is not established by the parent body according to the constitution and bylaws of the union and for one of the four permissible purposes listed in the act. Although there were 144 investigations initiated upon the complaint of a union member, the Secretary has not yet had to institute litigation to terminate a trusteeship imposed for an invalid reason. Voluntary compliance was obtained in 35 instances where the Bureau found trusteeship violations. From the date of the act through the past fiscal year, 487 trusteeships were terminated.

Technical Assistance

The Bureau's extensive technical assistance program was established to help people understand rights and responsibilities under the new and complicated law. These aids include personal consultation, technical aids, instructional materials, and seminars and workshops.

Much of the Bureau's technical assistance activity during the year was directed at helping union officers—many of whom hold full-time jobs in addition to their union posts—fill out the second round of annual financial reports. Examination of the first round of financial reports in 1960 indicated that a great percentage required additional correspondence with the unions to obtain all the information required by law.

An extensive "workshop" program was designed to correct this problem—and to save considerable time and money for both unions and the Government. This was a new technical assistance method which sprang up in every BLMR area following an experimental program in Georgia last fall. Nearly 300 workshops were conducted in 220 cities throughout the United States. The workshops were attended by almost 9,000 persons representing approximately 4,500 unions. They were held chiefly under the auspices of central labor unions. A step-by-step explanation of each entry required on the form, with "do's" and "don'ts," was the usual method of presentation.

BLMR also participated in numerous clinics for financial officers. These were sponsored by international unions for a large number of locals in an area.

The need for technical assistance had been demonstrated earlier, when BLMR representatives visited several hundred unions that failed to respond to two letters sent by the Bureau to obtain correction of significant defects in the organization reports submitted. It was found then that most of these unions had no office and two-thirds of the officers had to be contacted at their homes; 85 percent had no secretarial help at all in filling out the forms; and only 5 percent had legal or accounting help. Most of these union officers disclaimed any knowledge of the letters which the Bureau had sent, possibly as a result of the high turnover in their posts. The majority of these locals were very small, apparently having fewer than 100 members. It was apparent that a large number of the local officers did not understand all the reporting requirements; 90 percent said they were unaware that assistance with the reporting requirements was available at the area office; and only about 1 out of 5 even knew where the nearest BLMR office could be found.

Another technical assistance technique developed by the Bureau during the year was the "office hours" program. Letters were sent notifying local unions of the hours when a BLMR representative would be available in the union's city to answer questions and give advice. This approach was very successful in areas located a considerable distance away from BLMR offices.

A "visit program" also was initiated. Under this plan, BLMR representatives visit the national headquarters of unions to offer technical assistance services to the union's subordinate bodies. If an international union authorizes Bureau representatives to call on local unions and provide them with help, a BLMR area office informs the local unions of the availability of the assistance. The area offices try to get a district council of locals of the international, or sometimes a central body composed of locals of different internationals, to sponsor a workshop or clinic. If a union wishes, a BLMR representative personally visits the office of the union to advise the local officers.

To reduce the workload and expense to both the Government and unions by assisting the unions to complete their reports correctly, BLMR also designed and mailed 49,000 union financial reporting "kits." These contained reporting forms and an instruction book on how they should be filled out, a "Reminders Check List" pointing out the most common errors found in the first round of reports, and forms on which a union must report certain changes in the information provided in the one-time organizational report submitted during the first 90 days after the act became effective. The kits also provide one folder where all records relating to LMRDA can be kept.

A review of financial reports received this year shows that the number of reports containing errors has decreased from 85 percent to 25 percent.

The Bureau's technical assistance program probably is responsible for much of this reduction.

In addition, the Bureau, during its first months of operation, published many informational pamphlets, as well as a number of instructional aids intended for those who had to make reports and meet other requirements of the act. Several other significant publications were published during the fiscal year. The most popular was "Electing Union Officers," a 60-page question-and-answer booklet which explains LMRDA's union election procedures.

The first complete listing of most of the Nation's labor unions (all those required to report under LMRDA) was published by BLMR during the year. Issued in five separate volumes covering different geographical areas of the country, the "Register of Reporting Labor Organizations" lists all unions which have reported to BLMR according to their affiliations, locations, and BLMR file numbers. Not only is it useful to people wanting, for example, to find out the locations of local unions of a certain affiliation, but international unions also have found it useful in checking to determine whether all of their subordinate unions have filed with the Bureau. A consolidated edition of the register was also prepared for issuance in the fall of 1961.

A "Guide for Employer Reporting" was published during the fiscal year to assist employers in meeting their requirements under the act and to aid them in completing the required reporting forms.

Other publications, designed particularly for labor, were the "BLMR Guide," reporting all the recent interpretations of the act, court precedents, important dates, and general information about BLMR and LMRDA; a "BLMR Services Flyer," listing all BLMR publications, services available, and places where these can be obtained; Spanish translations of three popular explanatory pamphlets previously published only in English; and revisions of other popular pamphlets.

Court Action

During the fiscal year, 33 cases had to be taken into court under titles II through VI of the act. (Two additional court cases testing the Department's subpoena power were pending.) Fourteen of the 33 actions involved violations of elections procedures.

Illustrative of the election cases which have led to the initiation of enforcement action are those which center on a failure to provide a truly secret ballot. In one secret ballot case taken to court, it was clear that the union failed to provide adequate safeguards for a secret election. Ballots had been printed in excess of those required in the election and some were removed from the printer's package before the time for mailing. Voted ballots were returned to the custody of one of the candidates, who had possession of them for a considerable period before the time for count-

ing the ballots. The case was settled by a stipulation under which the court declared this election null and void and ordered the union, an independent New Jersey petroleum workers' union, to hold a new election, which recently was supervised by BLMR.

Another election investigation revealed that union funds derived from dues and assessments were used to pay workers for promoting the candidacy of incumbent officers seeking reelection. It was also found that a number of ineligible persons were permitted to vote in the election.

In still another case, a number of members in good standing were disqualified as candidates for office. This was contrary to provisions of the union's own constitution, which were violated further when local officials permitted the national president to endorse certain candidates in the local's newspaper. Certain incumbent candidates were permitted to distribute campaign material, although this privilege was denied to their opponents.

Violations are also sometimes based on the practice of ballot box stuffing. In yet another case of ballot manipulation, the investigation which led to the filing of a suit indicated that, because of the lack of adequate safeguards, ballots were substituted after the polls had closed.

Litigation has not been initiated to set aside elections for mere technical failures to comply with the requirements of the act. Rather, court action has been taken where in addition to failure to provide adequate safeguards there was evidence that a fair election had not been held, that the outcome could have been affected, and that union correction could not be self-achieved.

On February 28, 1961, BLMR supervised the first court-ordered election under the act. The union involved in that case represents employees of several shipyards in Jacksonville, Fla. The Bureau had charged that union members had been escorted to the polls during the challenged election and instructed in the manner and direction of the voting, thus violating provisions for the secret ballot. After the suit was filed, the union consented to the entry of a decree and cooperated fully in conducting the new election.

In arranging for the new election, BLMR personnel held a meeting with the election committee and the candidates to make certain that the election procedures were understood. BLMR helped in supervising the preparation of the ballots, the physical layout of the polling place, eligible lists of voters, and voting procedures to see that they conformed with the requirements of the act. The Bureau also helped in the official counting of the ballots following the actual voting.

For the union, it was the first time in many years that its secret ballot system had operated smoothly. It was also the first time the union had held an election without racial distinction in voting lists, voting lines, etc. Voting percentage of employed union members jumped from 26 percent in the contested election to 65 percent in the supervised vote.

The Bureau's first case against an employer and labor consultant developed during the year. The employer was charged with hiring a detective

agency during an organizing campaign to supply it with "information concerning the activities of employees." When both the employer and the agency repeatedly refused to report the agreement to the Bureau, as required by the LMRDA, the Secretary took them to court. The Department argues that the company and the agency should be compelled to file detailed reports of all arrangements regarding their concerted activities and all payments resulting from these arrangements.

Union financial reports also are subjects of BLMR investigations. The act gives the Secretary authority, which he has delegated to BLMR, "to investigate, enter and inspect records and accounts as he may deem necessary or appropriate to determine whether any person has violated or is about to violate any provision of the act" As a routine matter, BLMR has initiated a continuing program of auditing the accuracy of reports submitted by unions subject to the reporting provisions of the act.

In the past year, 14 union officials were charged with embezzlement of union funds, a Federal crime under LMRDA. Nine cases have been heard in court and nine convictions have been obtained; one is under appeal.

Most allegations of embezzlement are investigated by the Department of Justice under an agreement between the Secretary of Labor and the Attorney General. But one case investigated by BLMR resulted in the conviction of a former Teamsters local union official on 15 counts of embezzlement. The official, a former secretary-treasurer of a large New York taxicab local, was convicted of stealing more than \$5,000 from the union's treasury.

The first case charging a union officer with violating the act's prohibitions against Communists serving as union officers arose from an investigation conducted by the Justice Department. The officer, a member of the executive board of an International Longshoremen's and Warehousemen's local union, was indicted in May by a Federal grand jury.

Title I of the Act, the "Bill of Rights," with one exception is not enforceable by BLMR. The one exception is the provision stating that an employee covered by a collective bargaining agreement is entitled to a copy of that contract from the union that made the agreement with the employer. Where BLMR has found violations of this section, compliance was usually obtained after the law's requirements were pointed out to the union.

The remaining sections of title I are enforceable only through a private lawsuit. The union member who thinks he has been denied any of the rights stated in the "Bill of Rights" and wishes to obtain relief must sue his union.

As of the end of the fiscal year, 113 cases have been filed in court by private persons under title I and title V of the act, 79 decisions or settlements have been made, and 34 are still pending.

Reports

High on the list of BLMR priorities in the past year was the simplification and consolidation of the reporting forms. Realizing that most union officers are not accountants or bookkeepers, the Bureau endeavored to minimize the paperwork required of them. Soon after the enactment of the LMRDA, a single-sheet two-page report form was developed for 70 percent of the unions to use for their annual financial reports.

Early in January, another reduction in the amount of paperwork was achieved by an agreement between the Labor and Treasury Departments. Treasury agreed that the Internal Revenue Service would accept a copy of a union's financial report filed with BLMR instead of the detailed balance sheet and a detailed statement of receipts and disbursements required on IRS Form 990 for all tax-exempt organizations. (One page of IRS Form 990 still must be completed.)

Actually, most unions have fewer pages to file with the Government each year than they did before LMRDA. Before the act, those unions wanting to use the services of the National Labor Relations Board had to complete an average of 20 pages of forms—plus the 3 pages of form 990 to be filed with the IRS. Now 70 percent of the unions have a maximum of only four pages to complete for all Government agencies. The remaining larger unions have 10 pages to file.

In addition, at the conclusion of the fiscal year, the Bureau was seriously studying major alterations of both the short and long financial forms. It was hoped that the new, more easily understood forms would be available for filing by the unions (approximately 40,000) with fiscal years ending December 31, 1961.

Still another attempt to make reporting easier was the development of special forms for submitting trusteeship reports. Interested parties were invited to comment on the proposed forms in late June. Previously, regulations had been issued for reporting, but no specific forms were available. Reports had to be submitted by letter. BLMR found that these letters often lacked sufficient detail about the circumstances of the trusteeship. Consequently, both the unions and the Bureau had gone to additional time and expense to obtain the necessary information.

Two forms were developed. One is for use by parent unions in filing the report required within 30 days after placing a subordinate organization under the trusteeship and for filing the semiannual reports required for the duration of the trusteeship; the second is to be used to report the termination of the trusteeship.

Use of the forms will benefit both the unions and BLMR by eliminating the necessity for the additional correspondence and personal calls by compliance officers. Also, the forms will insure the adequacy of the data which must be collected for the detailed report the Secretary is required to make to Congress next year regarding the operation of the trusteeship section of the law. Work has begun on this project, which will include a complete

history and analysis of trusteeships, with specific emphasis on the effect and application of the act on them.

Other new reporting forms being developed by the Bureau during the year were the report forms for labor relations consultants and the form for union officers and employees. As in the case of the trusteeship form, these new forms are expected to alleviate confusion and followup requirements now often necessitated by the "letter" type of reporting.

Thus far, relatively few reports have been filed by employers, labor consultants, and union officers and employees for the "outside interest" situations. This is probably in large part because the conditions under which these reports are required are limited to only certain specific types of arrangements or payments. It is difficult to determine whether or not all such required reports have been submitted. The payments and arrangements that must be reported are those which frequently are known only to the participants. Without specific complaints, it is extremely difficult to determine where violations may exist. The Bureau has exercised considerable effort to insure that this type of report is filed when required. It has worked with associations of employers, attorneys, accountants, and others to acquaint members with the act's provisions. Thousands of letters have been sent to labor consultants and employer associations, including all that could be found in the yellow pages of the telephone directories of all industrial cities. Pamphlets and instruction booklets have been published and distributed; and the Bureau has worked closely with the New York State Department of Labor which, under similar statute, requires all employers to report. However, many more reports were filed this past year than the 1960 fiscal year.

Some union officers appear to be confused over the "outside interest" reports required under section 202 of the act. Those reports are required from union officers and union employees when they or their wives or minor children have certain financial interests or stocks in: (1) "... any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor organization represents or is actively seeking to represent"; and (2) "... a business any part of which consists of buying from, or selling or leasing directly or indirectly to, or otherwise dealing with such labor organization."

These requirements do not imply illegality but are for the sole purpose of disclosure. It is illegal not to report a situation covered by the act; under LMRDA, the situation itself is not illegal. However, certain "conflict" situations may constitute violations of the Taft-Hartley Act, may be prohibited by State law, or may breach standards of fiduciary conduct.

A typical example of (1) above would be: Smith is president of his union. He also owns part of an accounting firm, and a substantial part of the business of Smith's accounting firm is done with the XYZ Company. The

XYZ Company is the employer of the members of Smith's union. Under these circumstances, Smith would be required to report to BLMR.

An example of (2.) above would be: Jones is a salaried professional employee of a union. He also has a financial interest in a firm which sells office equipment to the union. In such a situation, Jones would be required to submit a report to BLMR describing his association with the private firm which is doing business with his employer (the union). Of course, other subsections of section 202 of the act require reporting on other "conflict of interest" situations.

The organization report (LM-1) is a one-time report which was required to be submitted 90 days after the enactment of the law in 1959. But over 4,000 unions eager to comply with the act submitted this report again last year. Even if there are changes in the information contained in the original LM-1, a union does not need to submit an entirely new report. All that is required is that the union make out a simple form called the LM-1A. All that is necessary is that the specific changes (e.g., amendments to union constitutions, changes in officers, changes in amounts of fees, etc.) be reported, for disclosure with the original organizational report.

As soon as staff facilities permit, the Bureau plans to decentralize to the geographically appropriate area office the second copy of every report submitted to the Bureau. This would make it convenient for interested persons to inspect reports, a basic tenet of the disclosure concept of the law. (Now people may inspect the reports in Washington without charge or they may order by mail a copy of the report they wish at a cost of 25¢ per page.)

The union reports provide more comprehensive data on unions than has ever been available at any source. The act provides that this information can be used for such statistical and research purposes, studies, analyses, reports, and surveys as the Secretary thinks appropriate.

BLMR's research and statistics unit does considerable research into structures and constitutions of unions to determine whether they are covered by the act, collects and analyzes many different kinds of statistics, and conducts an operating research program essential for effective disclosure of information and informed administrative interpretations, regulations, and determinations.

It is recognized, however, that a total research program fully utilizing the available information would in itself cost millions of dollars. For this reason, BLMR is attempting to interest professional researchers, universities, and private foundations in conducting and supervising major research programs. The Bureau has developed a Research Kit and has drafted a series of topical outlines to assist and encourage students to undertake research projects.

BLMR welcomes outside evaluations and judgments. Detached and critical analyses based on careful study and reflection can be of inestimable value in attaining the objectives of LMRDA—that is, the elimination of undesirable labor-management practices.

Therefore, the Bureau cooperates to the greatest extent possible with researchers who wish to use the Bureau's files. Of course, it wishes to insure the independence of the outside researchers and their evaluations. Accordingly, BLMR does not participate directly in any of these outside projects nor take responsibility for any of the outside evaluations or conclusions.

TABLE 1.—*Alleged violations of the Labor-Management Reporting and Disclosure Act, by type and status, fiscal year 1961*

Type of alleged violation (and section of act)	Alleged violations			Reason for closing investigations		
	Total	Active	Closed	Not action-able	Voluntary compliance	Legal actions
Total, all alleged violations ¹	5,792	2,251	3,541	1,626	² 1,882	³ 33
Illegal restriction of rights of union members (secs. 101 and 105).....	80	1	79	70	9	0
Failure to provide copies of agreements (sec. 104).....	214	43	171	48	123	0
Inadequate reports to BLMR under title II.....	3,698	1,676	2,022	520	1,500	2
Reports of labor organizations (sec. 201).....	3,259	1,380	1,879	420	1,459	0
Reports of union officers and employees (sec. 202).....	178	105	73	54	19	0
Reports of employers and labor consultants (sec. 203).....	261	191	70	46	22	2
Trusteeships (secs. 301, 302, and 303).....	144	53	91	56	35	0
Illegal election procedures (sec. 401).....	414	65	349	283	52	14
Breach of fiduciary responsibilities by union officers (sec. 501).....	592	224	368	340	14	14
Embezzlement ⁴	174	105	69	55	0	⁵ 14
Other.....	418	119	299	285	14	0
Inadequate bonding of union officers or employees (sec. 502).....	311	130	181	44	137	0
Illegal loans to, and payment of fines of, union officers or employees (sec. 503).....	6	2	4	4	0	0
Ineligible persons holding union office (sec. 504).....	130	22	108	93	² 12	3
Under Communist prohibition ⁴	35	5	30	29	0	⁵ 1
Under convict prohibition ⁴	92	16	76	64	² 12	0
Applicability of parole board exemption.....	3	1	2	0	0	⁵ 2
Bribery and extortionate picketing ⁴ (sec. 602).....	9	3	6	6	0	0
Criminal contempt (sec. 608).....	0	0	0	0	0	0
Illegal discipline of union members (sec. 609).....	15	2	13	13	0	0
Deprivation of members' rights through violence (sec. 610) ⁴	107	22	85	85	0	0
Miscellaneous ⁶	72	8	64	64	0	0

¹ The number of alleged violations means the number of sections of the Labor-Management Reporting and Disclosure Act of 1959 involved in an investigation. Each section of the act involved in an investigation has been tabulated as 1 alleged violation regardless of the number of complaints or the number of persons and organizations involved.

² Six instances of voluntary compliance gained by the Department of Justice are included in this figure. These 6 instances are not included elsewhere in the figures in this appendix.

³ Includes legal action taken by Department of Justice after that agency had received a complaint (1 officer-Communist and 9 embezzlement cases).

⁴ Under the agreement between the Secretary of Labor and the Attorney General, alleged violations in this category which come to the attention of BLMR are referred to the Department of Justice.

⁵ Application for exemption under section 504 of the act adjudicated by U.S. Board of Parole following BLMR investigation.

⁶ Includes instances in which investigations were conducted to ascertain whether or not a specific violation of the act has occurred following receipt of a nonspecific complaint.

TABLE 2.—*Reports filed for disclosure: Number of reports, by kind, received from July 1, 1960, through June 30, 1961, in fulfillment of the requirements of the Labor-Management Reporting and Disclosure Act*

Kind of report	Number of reports
Labor organization information reports:	
Labor organization information reports, form LM-1.....	12,162
Amendments to labor organization information reports, form LM-1A.....	25,249
Labor organization financial reports, total:	
Detailed financial reports, form LM-2.....	13,353
Short financial reports, form LM-3.....	36,432
Labor organization terminal report.....	1,319
Trusteeship reports:	
Initial reports.....	127
Semiannual reports.....	258
Terminal reports.....	213
Labor relations consultant reports.....	339
Employer reports.....	128
Union officer and employee reports.....	126

¹ This figure does not mean that there are 2,162 more labor organizations than the 52,278 which reported in fiscal 1960. A total of 1,575 terminal reports have been received since the act went into effect, which means that that number of labor organizations either ceased to exist or merged with other organizations. In addition, the Bureau has canceled many files on labor organizations because some organizations submitted more than one information report at different times or because some organizations which are not labor organizations as defined in the act submitted reports.

Table 1. The results of the investigation. The number of species of birds, mammals, and insects found in the various localities is given in the following table.

Locality	Birds	Mammals	Insects
1. The Riverbank	10	5	15
2. The Forest	12	7	18
3. The Hill	8	4	12
4. The Lake	9	6	14
5. The Field	11	8	16
6. The Mountain	13	9	19
7. The Valley	10	6	15
8. The Plain	12	7	18
9. The Desert	7	3	10
10. The Swamp	11	8	16

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BUREAU OF LABOR STANDARDS

The Department of Labor, through its Bureau of Labor Standards, promotes the improvement of labor legislation and administration, protection of occupational safety, participation of young workers, improving working and living conditions for domestic dependent workers, and the welfare and efficiency of transportation workers and persons with disabilities. It is the aim of the Bureau to achieve the highest standards of living for the workers of the United States.

The Bureau of Labor Standards is a national staff bureau established in 1913 to carry out the various functions of the Department of Labor. It is the only bureau in the Department of Labor which is not a part of the Executive Branch of the Government. It is the only bureau in the Department of Labor which is not a part of the Executive Branch of the Government.

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BUREAU OF LABOR STANDARDS

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The improvement of State labor legislation and administration, promotion of occupational safety, protection of young workers, bettering working and living conditions for domestic agricultural migrants, and the receipt and disclosure of information on welfare and pension plans constitute broadly the areas of activity to which the Bureau of Labor Standards' programs were geared in fiscal year 1961.

The annual toll of 13,800 deaths and 2 million work injuries continued to be a target to which Bureau educational and promotional programs were directed. Stressing the need for industrial accident prevention, President Kennedy, soon after he assumed office, wrote to the Secretary of Labor as follows: "Although the rapid pace of scientific and technological advance has minimized certain risks encountered by the working people of the Nation, it has also added new hazards to the old ones which are tragically familiar to us all. Such advance must not be made with unnecessary sacrifice of human life and limb."

The President directed the Secretary to "continue and re-energize" the President's Conference on Occupational Safety and to organize a nationwide conference to be held in 1962. Thus, President Kennedy placed the resources of the Federal Government and the prestige of his office behind the national effort to reduce job accidents. Because of the Bureau's responsibility in the field of accident prevention, organizational activity connected with the President's Conference on Occupational Safety was begun during the fiscal year.

Highlights in other areas were important advances in State labor legislation, particularly in workmen's compensation, migratory agricultural labor, minimum wages, and discrimination in employment. Substantial progress was made in the development of safety standards for young workers. More than 1,800 persons received safety training as participants in courses conducted by the Bureau's teaching staff. Nearly 700 visitors from foreign countries received specialized training, for varying lengths of time, in labor law and industrial safety. In its first full year of administering the safety provisions of Public Law 85-742, which applies to maritime workers, the Bureau observed an encouraging pattern of compliance. Data on some 152,600 welfare and pension plans are now available for public inspection under the Welfare and Pension Plans Disclosure Act of 1958, administered by the Bureau. Efforts to strengthen this legislation to provide adequate protection for some 80 million plan beneficiaries continued during the year.

Labor Legislation and Administration

The emerging and challenging problems confronting the State agencies responsible for administering labor laws and programs, due in substantial measure to such factors as modern advances in technology, increases in and high mobility of our labor force, decentralization of industry, and the shifting of States from an agricultural emphasis to industrialization, have accounted for the increasing demands for the Bureau's technical services in developing and promoting improved standards in the field of labor legislation and administration.

Advice and technical assistance were given by the State Services Division to practically all States as well as to Members of Congress, Federal agencies, management, labor organizations, civic groups, international bodies, colleges, libraries, and other interested groups and individuals in many fields, including workmen's compensation, migratory labor, wages and hours, wage payment and wage collection, child labor and school attendance, industrial relations, discrimination in employment, occupational health and safety, and regulation of private employment agencies.

Assistance to States

Improving General Working Conditions

As in past years, the Bureau's services were geared to subjects of particular interest to the States, with major emphasis placed this year on workmen's compensation, migratory labor, child labor, minimum wages, and industrial relations. The Bureau participated in developing numerous legislative proposals, planning for the administration of new legislation, and improving the administration of existing labor legislation.

To cite a number of examples, suggestions were given North Dakota concerning child labor and minimum wage legislation; a staff member spent 2 days in South Carolina helping the State Committee on Children and Youth draft a child labor bill; assistance was given Wyoming in preparing an amendment to the anti-injunction law, an amendment to the minimum wage law, a labor relations act, and a new child labor law.

Information and advice was given Pennsylvania on proposed minimum wage legislation and on wage payment and wage collection. Alternative provisions were prepared for Indiana for a bill to provide machinery for certification of authorized unions and collective bargaining representatives. An analysis and evaluation was made for Michigan of a proposal to reorganize the Michigan Department of Labor and to establish a safety regulation commission with rule-making authority.

Kansas was given information on child labor legislation and assistance in drafting an elevator safety law; a statement was prepared for Illinois showing present status of safety rule-making and enforcement legislation and suggesting possible improvements in the State program; an analysis

was made for Oregon of the effects on its safety program of pending legislation; consultations were held with the Wyoming Department of Labor concerning inspections of uranium mines, with special emphasis on the occupational health hazards.

Assistance was given Kentucky on minimum wage legislation; information on the regulation of private employment agencies was given to Arizona; Maryland was provided technical assistance concerning orders prohibiting work of persons of specified age groups in certain hazardous industries. Arkansas was provided with information on State labor relations laws; Indiana was supplied with data concerning pending Federal legislation on child labor; and information was given to Delaware on pending crew-leader legislation.

The Council of State Governments appointed an advisory committee to develop suggested language for a State minimum wage law for the consideration and approval by the Council's Committee of State Officials on Suggested State Legislation. A Bureau representative served on the advisory committee and provided considerable technical assistance and advice. Drafts of the "Suggested Language for a State Bill Establishing a Fixed Minimum Wage and a Bill Establishing a Fixed Minimum Wage and Wage Board Procedure," prepared in 1957 by the Bureau in cooperation with other interested groups in response to a resolution of the International Association of Governmental Labor Officials, were used as a basis for study by the advisory committee. The Council of State Governments was also given technical advice and assistance in the preparation of suggested language for legislation on discrimination in employment because of age.

Of significance in 1961 was the continuation of a series of regional conferences participated in by State labor commissioners and officials of the U.S. Department of Labor to exchange views on mutual problems centering on labor legislation and administration, and Federal-State relationships. Agenda for the conferences are planned by the Bureau of Labor Standards in cooperation with the chairman of the Department's Regional Field Staff Committee, and are tailored to problem areas of special interest to the State labor commissioners who attend. Approximately 175 officials representing 28 States and the U.S. Department of Labor attended four conferences held during the year in Kansas City, New Orleans, Chicago, and Boston.

More than 800 technical field consultant services were given in 39 States in 1961. The assistance given covered many fields of labor law and programs for improvement of working conditions, with major emphasis on migratory labor; child labor and youth employment; minimum wage; and in servicing State followup committees of the 1960 White House Conference on Children and Youth.

The consultants also participated in 96 conferences on these matters in the States and in Washington, D.C. The services given by the consultants included assistance to Maryland concerning the experience of other States

in enforcing their child labor laws in summer resort areas; assistance to California on a proposed brochure entitled "Youth Employment and Child Labor Laws"; participation in a meeting of the Wisconsin Planning Committee for a regional conference of State Committees on Children and Youth; preparation of a chart for Minnesota showing minimum age and maximum hours in child labor laws affecting newsboys of 21 States; promotion of a more effective procedure in Kentucky for the issuance of employment certificates; arrangements for use of the Bureau's bulletin, "Some Facts for Young Workers About Work and Labor Laws," in high schools in 20 States.

Bureau consultants also provided data to California for consideration in establishing minimum wages in agriculture for women and minors; assistance to Wisconsin concerning suggested language in a minimum wage law which would include a provision for gratuities in the hourly wage rate. In the field of safety, conferences were held with four State labor commissioners and their staffs and a safety engineer from the Wage and Hour and Public Contracts Divisions to discuss revision of a Federal-State agreement whereby the States would make safety inspections of firms performing Government contract work subject to the Walsh-Healey Public Contracts Act. Technical assistance was given to Michigan concerning amendments of its law regulating private employment agencies; and to North Dakota with data on the development of forms, procedures, and regulations for use in connection with the administration of its recently enacted labor relations act.

The Bureau continued to give technical assistance to the International Association of Governmental Labor Officials and to the International Association of Industrial Accident Boards and Commissions. It also serviced committees and helped to plan convention programs. Two officials of the Bureau serve as secretary-treasurer for the associations.

The year also saw participation of staff in the 1961 White House Conference on Aging, the Bureau having supplied material for the use of the conferees. Numerous conferences and meetings were participated in by the staff, including, among others, the Fourth Annual Conference of the Association of State Labor Relations Agencies; Ad Hoc Committee of the Department on the implementation of White House Conference on Children and Youth recommendations; Conference on Unemployed Urban Youth; Interdepartmental Committee on Children and Youth; Ad Hoc Committee on Job Discrimination; and President's Committee on Migratory Labor. The Bureau is represented on the National Committee for Children and Youth, and a followup organization of the 1960 White House Conference on Children and Youth.

Analysis of Labor Legislation

Analysis of State labor laws and the development of materials on new and revised State labor standards in readily usable form are continuing functions of the Bureau. They represent essential services to meet the

constant flow of requests received from State and Federal officials, unions, employers, and other interested groups and individuals. During 1961, the legislatures of 47 States and Puerto Rico met in regular session. Over 3,000 bills concerning labor standards were recorded and indexed, with the more important analyzed and summarized. Significant advances in legislation made during 1961 include laws in the fields of workmen's compensation, migratory agricultural labor, minimum wages, and discrimination in employment.

Major changes in workmen's compensation laws, in addition to the enactments raising benefits in a number of States, included a second-injury fund for the first time in New Mexico; rehabilitation provisions for the first time in Montana; provision for unlimited medical benefits in Vermont; and liberalization of time limits for radiation disease or occupational diseases generally in half a dozen States.

There were two significant enactments in the field of minimum wages. In Washington, the statutory minimum rate was increased from \$1 to \$1.15 and was scheduled to rise to \$1.25 in January 1962. In Connecticut, the statutory minimum increases from \$1 to \$1.15 on October 1, 1961, and to \$1.25 on October 1, 1963; for restaurant and hotel industries, the \$1.15 rate becomes effective May 1, 1962, and the \$1.25 rate on May 1, 1964.

In the field of fair employment practice acts, Washington amended its law to prohibit discrimination in employment against older workers. Kansas amended its fair employment practice act, which was formerly voluntary, to make it mandatory. In Idaho, a fair employment practice act was enacted, although its coverage is somewhat limited, applying for example, to restaurants and stores but not to factories, and violations of the act were made misdemeanors but no agency was given authority to administer the law.

A major development in the field of industrial relations was the enactment of a labor relations act in North Dakota. Among the laws affecting agricultural workers, the Department of Motor Vehicles in North Carolina was directed to adopt regulations for the transportation of migratory farm workers; the State Legislative Council in Oklahoma was directed to appoint a special committee to study problems of migratory labor; in California, the Department of Public Health was authorized to maintain a health program for seasonal agricultural and migratory workers, and the Housing Division of the Department of Industrial Relations was directed to make a survey of migrant family housing needs. In Colorado, a permanent program was established for education of migrant children, both in regular and summer sessions, and \$99,000 was appropriated for this purpose for the year beginning July 1, 1961; Oregon made its pilot education program permanent; and Pennsylvania provided funds for summer classes in addition to its regular-session program. In New Jersey, where regulations previously in effect required registration of farm labor contractors and crew leaders, a new law now requires the annual registra-

tion with the labor department of crew leaders of day-haul farm or food processing laborers.

A considerable number of Federal bills concerned with labor standards were introduced following the opening session of the 87th Congress which convened on January 3, 1961. Of major importance was a series of bills designed to improve the working and living conditions of migratory agricultural workers and their families, and bills dealing with the development and training of manpower resources; youth employment opportunities; senior citizens service training; Federal-State unemployment compensation programs; discrimination in employment, including older workers; welfare and pension plans; safety; workmen's compensation; and minimum wages. The Bureau was called upon to prepare definitive statements evaluating many of these legislative proposals and to supply background material to congressional committees working on this legislation.

Improving Workmen's Compensation

There was a significant increase in 1961 in the public demand for the Bureau's services in the development and promotion of improved standards in the field of workmen's compensation. Activities in which Bureau personnel participated included a conference at Columbia University to consider the suitability of research projects concerned with workmen's compensation problems, including rehabilitation; a symposium at the University of Wisconsin in recognition of the 50th anniversary of workmen's compensation; a meeting in Chicago sponsored by the Council of State Governments to explore workmen's compensation problems confronting the States when exercising regulatory authority over the use of atomic energy; participation in the subcommittee of workmen's compensation of the President's Committee on Employment of the Physically Handicapped; a meeting of the Atomic Industrial Forum to consider legislation to establish an adequate workmen's compensation program for radiation diseases; and a meeting of the National Rehabilitation Association to consider the advisability of organizing an institute on rehabilitation and workmen's compensation. In addition, the Bureau has been active in the Advisory Committee of the Council of State Governments, drafting suggested language for State workmen's compensation laws.

Technical assistance was given to the Council of State Governments, on time limit provisions in workmen's compensation laws; the Colorado Governor's Committee on the Employment of the Handicapped, and on workmen's compensation provisions generally; the Maryland Governor's Study Commission, on second-injury fund legislation; Advisory Board on Compensation Claims of the United Nations, on deviation from employment and on benefit awards for pain; National Joint Apprenticeship and Training Committee, on liability of its area committees for workmen's compensation; American Farm Bureau and ILO, on workmen's compensation coverage of agricultural workers; Louisiana Legislative Council, in connection with its study of the Louisiana workmen's compensation law;

and the Nebraska State Employment Service, on pamphlets explaining the State second-injury fund provisions. The Bureau's facilities for providing technical assistance and information on workmen's compensation laws and procedures were also made available to the National Association of Claimant's Council of America; American Nurses Association; U.S. Chamber of Commerce; New York State AFL-CIO; faculty members of the Universities of Houston, Minnesota, Pennsylvania, Rutgers, St. Louis, South Florida, and Johns Hopkins; and to writers preparing articles on workmen's compensation for publication in the Wall Street Journal and Reader's Digest.

The technical assistance given to the International Association of Industrial Accident Boards and Commissions in 1961 included, among other things, participation in the 46th annual convention held August 21-25, 1960, in Edmonton, Alberta, and the preparation of the proceedings of the convention. Background materials were also prepared for use by the IAIABC Legislation, Atomic Energy, and Rehabilitation Committees in making their reports to the annual convention.

Improving Migratory Labor Conditions

Substantial progress was made in 1961 in stimulating a nationwide interest for the consideration of remedial measures to improve the working and living conditions of migratory agricultural workers and their families. Concerned with the welfare of approximately 500,000 of these workers who leave their homes and travel throughout the country to work on farms and whose lives are characterized by lack of adequate employment, low wages, poor housing, lack of education, health, and welfare services, the Senate Subcommittee on Migratory Labor of the Committee on Labor and Public Welfare held public hearings and made field trips in various parts of the country. On the basis of the testimony at these hearings and data gathered from many sources, which showed that many of the migrant problems were interstate in nature, a series of legislative measures were introduced in both houses of the 87th Congress, 1st session, to provide decent housing, adequate education and health services, extension of minimum wage provision to agricultural workers, child labor protection, registration of crew leaders, and greater employment opportunities. Bureau personnel provided assistance to the Senate subcommittee in the form of technical information and consultation.

The Bureau continued to work with the States during 1961 in laying the ground for additional State migratory labor committees. Thirty States now have such committees; two were established this year, in Connecticut and Oklahoma. Twenty four of the 30 States were given advisory and consultive services on migratory labor programs by Bureau field staff during the year. Migratory labor problems and programs were also discussed in nine other States which do not have committees. Conferences were held with Governors and their administrative assistants, and with State labor commissioners, representatives of State agencies, labor organizations, employer, civic, and religious groups, and others directly concerned with the problems of migratory labor.

Staff participated as resource people at the National Study Conference in Washington on "The Church and Migratory Farm Labor" sponsored by the National Council of Churches. A Bureau consultant provided technical assistance to the Subcommittee on Migratory Labor of the Oklahoma Committee on Agriculture. Other services provided by the field staff included technical assistance at the Conference on Families Who Follow the Crops in San Jose, Calif.; work as consultant to the California State Migrant Committee of the Council of Churches and to the Special United Presbyterian Study Committee on Labor-Management Relations in Agriculture; participation in a training course for Migrant Ministry personnel of the National Council of Churches held at State Teacher's College, Elizabeth City, N.C.; organization of a 2-day on-the-spot survey of labor camps by State and county officials in the Boot Heel of southeast Missouri where nearly all the migrants in Missouri are employed; and planning with staff members of the Kansas health and public welfare boards the organization of an investigation of migrant worker conditions in that State.

The Bureau continued its active role in the work of the President's Committee on Migratory Labor, with consultants serving on various subcommittees, and as members of the Committee's Working Group, including an ad hoc committee, "Guide to the Responsibilities of Workers Living in Camps." The Bureau also is represented on a subcommittee on families and children of agricultural migrants of the Interdepartmental Committee on Children and Youth.

International Activities

During the year, the Bureau actively participated in and contributed to the Department's international program. Draft position papers were reviewed and comments prepared on a number of ILO agenda items, including equality of treatment of nationals and nonnationals in social security; workers' housing; employment problems and policies; vocational training; social security for migrant and nonnational workers; conditions of agricultural workers; reduction of hours of work; and conditions of employment in civil aviation.

The Bureau also prepared statements and special reports on such subjects as legislation and regulations at the Federal and State levels governing training of young people and adults in the United States in occupations below that of skilled workers; prevention of occupational risks in agriculture; and the prohibition of the sale, hire, and use of inadequately guarded machinery.

In addition, it held conferences with numerous individuals or groups of foreign trainees, who were provided with technical information and advice on all phases of labor legislation and administration. In the field of workmen's compensation alone, conferences were held with 18 trainees from 9 different countries. In the broader field of general labor law, including child labor legislation, industrial relations, and regulation of private

employment agencies, staff members advised with 33 foreign trainees from Brazil, Japan, the Philippines, Pakistan, Burma, Indonesia, Turkey, India, Vietnam, and the British West Indies.

Publications

Bureau staff this year made the major contribution to the Labor Department's comprehensive publication entitled "Growth of Labor Law in the United States," which is now in press. The book describes the basic philosophy, evolution, and present status of the various types of State labor laws covering such fields as child labor and school attendance, hours of work, industrial homework, minimum wage, wage payment and wage collection, industrial relations, occupational safety, workmen's compensation, antidiscrimination, and regulation of private employment agencies. It also contains a chapter on State labor departments.

Other publications printed or duplicated in the field of general labor law include "State Labor Relations Acts," Bulletin 224; "Status of Agricultural Workers Under State and Federal Labor Laws"; "Major Standards Recommended by the International Association of Governmental Labor Officials for State Child-Labor Legislation"; "Minimum Age During School Hours"; "Minimum Age in Agriculture"; "Minimum Age in Manufacturing"; and "Age Discrimination in Private Employment."

Fifteen factual statements relating to various types of labor laws were also brought up to date in 1961 for distribution upon request. The papers which were in greatest demand are those on minimum wage, wage payment and wage collection, child labor, State labor relations acts, regulation of private employment agencies, union-restrictive provisions, and the outline of labor law development in the United States.

In addition, more than 70 reports were prepared to meet special needs for technical information and assistance. A number of articles were also prepared for various periodicals and yearbooks, including the Monthly Labor Review, Encyclopedia Britannica Yearbook, and the U.N. Yearbook on Human Rights.

Publications being prepared in the field of workmen's compensation include a study on the effects of workmen's compensation laws on the employment of handicapped workers; a report on the medical care provisions of State workmen's compensation laws; and the 1960 proceedings of the 46th annual convention of the International Association of Industrial Accident Boards and Commissions. Two issues of the ABC Newsletter, July 1960 and May 1961, were prepared and distributed to the membership of the IAIABC.

On the subject of migratory labor, a publication entitled "Selected References on Domestic Migratory Agricultural Workers, Their Families, Problems, and Programs" was prepared as an aid to committees and citizens working in the States. Another publication, "A Directory of National Organizations Concerned with Migratory Agricultural Workers," is presently being considered for publication in fiscal 1962.

Youth Employment Standards and Services

The objectives of the Bureau's youth employment standards and services activities are to develop and administer programs to protect young workers and to enhance their preparation for gainful employment. The number of young workers entering the labor force is increasing rapidly. It is expected that during the 1960's these young entrants will account for nearly half of the labor force growth. Therefore, programs will be needed to integrate them properly into the work force. Already youth are experiencing much difficulty in successfully achieving the transition from school to work. This is particularly true for those who leave school without completing high school. The estimate is that 30 percent of all young workers entering the labor force during the 1960's, 7½ million youth, will not have completed high school.

Since this problem is steadily increasing, the Bureau made every effort during the year to stress the need for organized community action to help the youth who lack the basic preparation needed for success in today's and tomorrow's labor market. These efforts were in accordance with the recommendations of the Bureau's Advisory Committee on Young Workers, which is composed of leaders from management, labor, education, church, and youth-serving agencies, as well as local, State, and Federal officials.

The Bureau developed a program to stimulate local communities to take action toward solving this problem of unprepared youth. A draft of a handbook was prepared which describes the nature and extent of the problem of unprepared youth and suggests ways a community might organize its resources and facilities to develop programs. Certain successful youth programs already in progress in local communities, such as the projects in Detroit, Mich., and Quincy, Ill., were visited and reviewed.

As an exploratory step in a survey of programs for potential school dropouts which was requested by the Young Worker Section of the National Vocational Guidance Association, questionnaires were sent to 180 individuals reported to be in close contact with such programs. The data in the replies were analyzed and a report prepared.

The Bureau prepared reports, publications, and articles during the year on various aspects of promoting suitable youth employment opportunities and favorable employment conditions. The principal materials prepared included an article on "Why Keep Them in School?," an article for the Britannica Book of the Year on some of the more important developments relating to child labor and youth employment throughout the world, compilation of current information from all bureaus in the Department for inclusion in the 1961 publication of the Interdepartmental Committee on Children and Youth entitled "Programs of the Federal Government Affecting Children and Youth," and a publication entitled "Guidelines for Consideration of the Dropout and Unemployment Problems of Youth."

The Bureau continued to distribute its several pamphlets on better preparation and employment conditions for tomorrow's workers. The more popular publications were "Stay In School," "Some Facts For Young Workers About Work and Labor Laws," "We're Never Too Young to Learn Safety," and "Self-Training Unit on Child Labor Laws for Youth Placement Workers."

About a quarter of a million copies of these were distributed in response to requests.

Employment Certificates and Child Labor Standards

The cooperative agreements under which State employment certificates are accepted as proof of age under the Fair Labor Standards Act were renewed by 45 States, the District of Columbia, and Puerto Rico.

As reported by the States, 904,725 employment certificates were issued during the year.

During the year, a survey was started of State officers that are responsible for the supervision of the issuance of employment certificates. The purposes of the survey were (1) to obtain information on how State forms and instructions are prepared; (2) to learn the methods used to supervise and train staff in local issuing offices; (3) to determine the most effective ways of getting information on child labor provisions of State and Federal laws to issuing officers, employers, minors and their parents, and the general public; and (4) to discover techniques used to prevent child labor violations through the use of certificates in seasonal industries, such as summer resorts and canneries. The analysis of the survey findings will provide a basis for better service by the Bureau to State employment certificate programs.

The Bureau made plans for extending the standards program into new areas included in the increased coverage resulting from the 1961 amendments to the Fair Labor Standards Act. The objective of the plans is the development of standards which afford desirable protection, as well as maximum, suitable employment opportunities. Changes were drafted for Child Labor Regulation No. 3, which governs the employment of minors 14 and 15 years of age who are subject to the child labor provisions of the Fair Labor Standards Act. The extension of coverage in retail establishments by the 1961 amendments made it necessary to determine which occupations should be permitted, which ones prohibited, and what hours provisions should be set that would protect the schooling, health, and well-being of minors 14 and 15 and at the same time keep open opportunities for employment in the retail industry.

Safety for Minors

In the development and promotion of general safety standards for young workers, public hearings were held and new Hazardous Occupations Orders Nos. 14 and 15, as well as amendments to Orders 8, 10, 11, and 12, were issued under the child labor provisions of the Fair Labor Standards Act. These orders, based on investigations by the Bureau, cite specified occupations as particularly hazardous for minors, and set an 18-year age minimum for employment in these occupations.

A revision of Child Labor Regulation No. 5 was prepared, signed by the Secretary, and published in the Federal Register. This revision makes it possible to amend hazardous occupation orders without public hearings, where there appears to be no reason for the delay, inconvenience, and expense which a hearing entails.

Investigative work was completed on occupations in roofing operations, and a report was sent to a group of technical advisors for review.

Preliminary reports were prepared and investigative work begun on occupations in trenching and building excavation operations.

The Bureau embarked on a promotional and advisory program to reduce the number of injuries to minors employed as paid workers in agriculture. A Joint Safety Committee for Farm Employed Youth was organized. The Federal Extension Service, the National Safety Council, American Farm Bureau Federation, National Grange, and National Farmers Union are represented on this committee. A draft of a leaflet on farm safety supervision of minors was also prepared.

Special Studies

The Bureau commenced work on a special project for the Office of Civil and Defense Mobilization on the possible contribution of children and youth under attack conditions. A report covering a historical review of experience with children and youth in the bombed countries during World War II was completed, and development of guidelines for appropriate utilization of youth under 18 was begun.

A notebook describing historical and current material on youth work programs, with special reference to the National Youth Administration and Civilian Conservation Corps, was prepared for the use of the Bureau's staff and for intra-agency use.

A comprehensive statement which summarized most of the current employment and unemployment data available on youth under 20 years of age was prepared for the information of the Bureau's Advisory Committee on Young Workers.

Efforts to expand and improve sources of information on youth's employment problems were continued. Further negotiations were made with the Census Bureau for special tabulations from the 1960 Decennial Census

to assure as much youth-related information as possible. In addition, plans were developed with the Bureau of Labor Statistics for special tabulations of the results from their survey of injuries to minors.

Background materials on consideration of the school dropout and on unemployment problems of youth were developed for the meeting of the Bureau's Advisory Committee on Young Workers, and for the National Conference on Unemployed Out-of-School Youth in Urban Areas sponsored by the National Committee for Children and Youth with a grant from the Ford Foundation.

Technical Assistance

The Bureau continued to render technical assistance to States on forms and instructions, and to prepare technical bulletins dealing with youth employment.

Consultant services and technical assistance on programs of suitable employment opportunities for youth were provided to governmental agencies and private organizations on the national, State, and local levels, as well as to individuals. Closely related to the consultant services was the participation of Bureau representatives on the Interdepartmental Committee on Children and Youth and on two of its subcommittees.

The Bureau participated with other departmental bureaus in the development of the Administration's proposal to Congress of youth employment opportunities legislation.

Discussions with representatives of other Federal agencies and national youth serving organizations were continued to stimulate action to alleviate the school dropout problem.

The Bureau cooperated with the National Committee on Children and Youth and the Conference Coordinator in planning the development of materials for the National Conference on Unemployed, Out-of-School Youth.

Safety of American Workers

Safety Standards and Services

Safety services to workers and employers comprise the activities of the Bureau of Labor Standards in its effort to provide for the safety of American workers. The various programs to provide these safety services include safety training, safety promotion, and safety consultation. In addition to such services, the Bureau's Safety Division administers the enforcement provisions of Public Law 85-742 covering maritime safety. Technical services aim to assure that sound safety engineering principles are employed and that technical information is accurate and adequate. The Bureau cooperates with many outside research and standard-setting organizations

in the industrial safety field through service on technical and advisory committees.

Safety services provided to the States, the Federal Government, the maritime industry, unions, and the public, along with the results accomplished, are summarized as follows:

Services to the States

Safety training of State and Territorial safety personnel is one of the primary functions of the Bureau. Training courses were originally developed to provide background information in safety fundamentals to State inspectors who enforced safety laws or regulations, or to those promoting safety on a consultative basis. The scope of safety training has been broadened in recent years to include representatives of industry, trade associations, municipal employees, and other public and private groups. Where training of other than State personnel is involved it is under the sponsorship of the State labor commissioner. The following show the number of training courses conducted for each category.

Safety training for State personnel

Persons receiving training	Number of courses	States	Persons trained
State safety inspectors and similar personnel.	32	Washington, Virginia, Puerto Rico, Michigan, Kentucky, Alabama, Arkansas, Ohio, Hawaii, Alaska, Illinois, Pennsylvania, District of Columbia, New Hampshire, New Jersey.	827
State personnel (in conjunction with State employee safety program).	7	Arizona.....	266
Public employee and private industry personnel.	13	Maryland, Alaska, New York, Idaho, Arizona, Utah.	457
Apprenticeship students.....	1	Louisiana.....	15
Persons engaged in civil defense.....	2	Alabama, Texas.....	54
Supervisory personnel of member firms of Associated General Contractors of America.	7	Wisconsin, Kentucky, Virginia, Arizona, Ohio, Rhode Island.	191
Supervisory personnel of the Architect of the Capitol.	5	District of Columbia.....	142

During the year, 131 services of a consultative nature were rendered to the various States, the District of Columbia, and Puerto Rico. These consultations involved advising State officials regarding the safety services of the Bureau, arranging for safety training courses, and other safety program activities.

There were 168 requests for safety publications and for other materials available from the Bureau. These requests came from the various States and Territories, industry, organized labor groups, individuals, safety consultants, and foreign government agencies.

Staff personnel of the Bureau attended 26 meetings of various types. These meetings included safety conferences, industry gatherings, meetings of organized labor, civic organizations, and meetings of government and public officials. In addition, Bureau personnel addressed 43 meetings or conferences where safety was the subject of discussion.

STATES SERVED	Training		Consultative				Technical	
	State	Federal	Inspector Training	Federal Safety Councils	Federal Agencies	Union	State	Maritime (5)
ALABAMA	x			2	2	x		
ALASKA				2	2	x		
ARIZONA	x			3	3			
ARKANSAS				1	1			
CALIFORNIA		x		3	3			
CONNECTICUT			x	1	1			
DELAWARE	x			1	1			
DISTRICT OF COLUMBIA				6	6			
FLORIDA	x			2	2			
GEORGIA		x		1	1			
HAWAII				1	1			
IADAO		x		2	2			
ILLINOIS	x			2	2			
INDIANA	x			2	2			
IOWA				2	2			
KANSAS			x	2	2			
KENTUCKY	x			1	1			
LOUISIANA	x			1	1			
MAINE				1	1			
MARYLAND	x			1	1			
MASSACHUSETTS		x		1	1			
MICHIGAN				1	1			
MINNESOTA		x		1	1			
MISSISSIPPI	x			2	2			
MISSOURI				1	1			
MONTANA				1	1			
NEBRASKA				1	1			
NEVADA			x	1	1			
N. HAMPSHIRE								
N. JERSEY	x			1	1			
N. MEXICO	x			1	1			
N. YORK	x			2	2			
N. CAROLINA				6	6			
N. DAKOTA				2	2			
OHIO	x			1	1			
OKLAHOMA				2	2			
OREGON	x			4	4			
PENNSYLVANIA		x		1	1			
RHODE ISLAND				1	1			
S. CAROLINA	x			1	1			
S. DAKOTA				1	1			
TENNESSEE	x			5	5			
TEXAS		x		1	1			
UTAH				1	1			
VERMONT				3	3			
VIRGINIA	x			2	2			
WASHINGTON				2	2			
WISCONSIN	x			2	2			
WYOMING				2	2			

(1) includes safety talks on special hazards and code orientation (2) special industry safety programs (3) State employee safety programs (4) indicates number of PSC serviced within State (5) and (6) maritime service employees provided to the industry within the State.

During the year, Arizona joined the ranks of the several States which have used the services of the Bureau by requesting its help in setting up a statewide safety program for their own employees.

Among other services provided by the Bureau during the year were the issuance of 132 certificates of safety awards for industry in North Carolina, and a survey of the organizational structure and activities of the labor department (or equivalent agency) of each of the individual States.

Specialized materials were prepared by the Bureau for administrative use or for use as an integral part of its services. Major items in this category are a numerical compilation of manufacturing industries of the individual States for the use of State labor departments and the field offices of this Bureau; electric shock hazard demonstration equipment; instructor outlines covering 13 different subjects for use by staff personnel in the presentation of safety courses; occupational safety aids on 9 accident prevention subjects for general distribution and for use as supplementary training aids; 15 instructor's safety lesson plans designed primarily for instruction presented to apprentices; 30 slides, mainly on the subject of radiation, for use in safety training; and 26 other visual aids for safety training and general use.

Services to Federal Agencies

The Bureau offers services to Federal departments and agencies and co-operates with them by extending advisory assistance on the development and maintenance of safety organizations to prevent injuries to Federal employees. Last year, 196 contacts were made with Federal agencies located throughout the United States. These contacts included discussions with authorities at the installations and safety surveys. The conditions found were reported to the heads of the installations with recommendations for correction.

Instructors were furnished by the Bureau to conduct supervisory safety training courses throughout the country. The courses were all sponsored by the field chapters of the Federal Safety Council located in the area where the course was given. The response was most gratifying. A total of 2,033 Federal supervisors participated in 63 courses, of which 45 were of the full-week, 30-hour type. As compared with the previous year, this represents close to a 90 percent increase in the numbers trained.

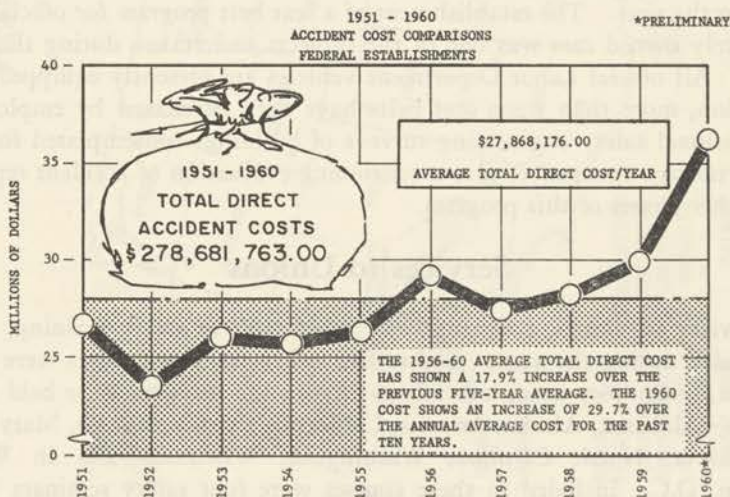
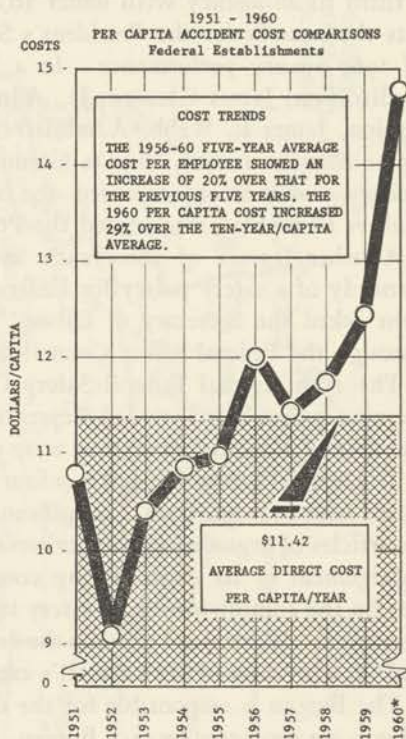
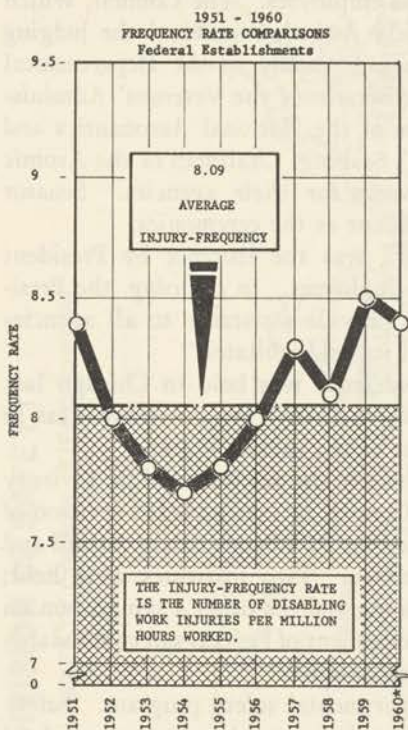
The Bureau serves as secretariat of the Federal Safety Council, established by Executive Order 10194. The Council advises the Secretary of Labor in matters relating to civilian safety in the Federal Government. The Bureau Director is designated by the Secretary of Labor as chairman of the Federal Safety Council.

Three regional councils located in the northeast, south, and southwest sections of the United States, as well as over 100 field councils, are serviced by Bureau staff. During fiscal 1961, consultants made 173 visits to field councils.

DIVISION OF SAFETY

TEN-YEAR STUDY

INJURY-FREQUENCY and ACCIDENT COSTS IN FEDERAL ESTABLISHMENTS



Each year the President issues three awards to the agencies of Government which have made the greatest progress in conducting employee safety programs. One award goes to an agency employing more than 75,000 persons; a second to an agency with from 10,000 to 75,000 employees, and a third to an agency with under 10,000 employees. The Council, which sets the criteria for the President's Safety Award, supervised the judging of 1960 agency performance. In a June ceremony in the Departmental Auditorium, James Gleason, Jr., Administrator of the Veterans' Administration, James E. Webb, Administrator of the National Aeronautics and Space Administration, and Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, accepted the awards for their agencies. Senator Hubert Humphrey represented the President at the ceremonies.

Another feature of this year's award was the issuance by President Kennedy of a safety policy for Federal employees. In so doing, the President asked the Secretary of Labor "to provide assistance to all agencies through the Federal Safety Council and its field affiliates."

The 15th Annual Federal Safety Conference was held in Chicago last October. Speakers included Representative Leslie Arends. New ideas in the field of accident prevention were put before the conferees.

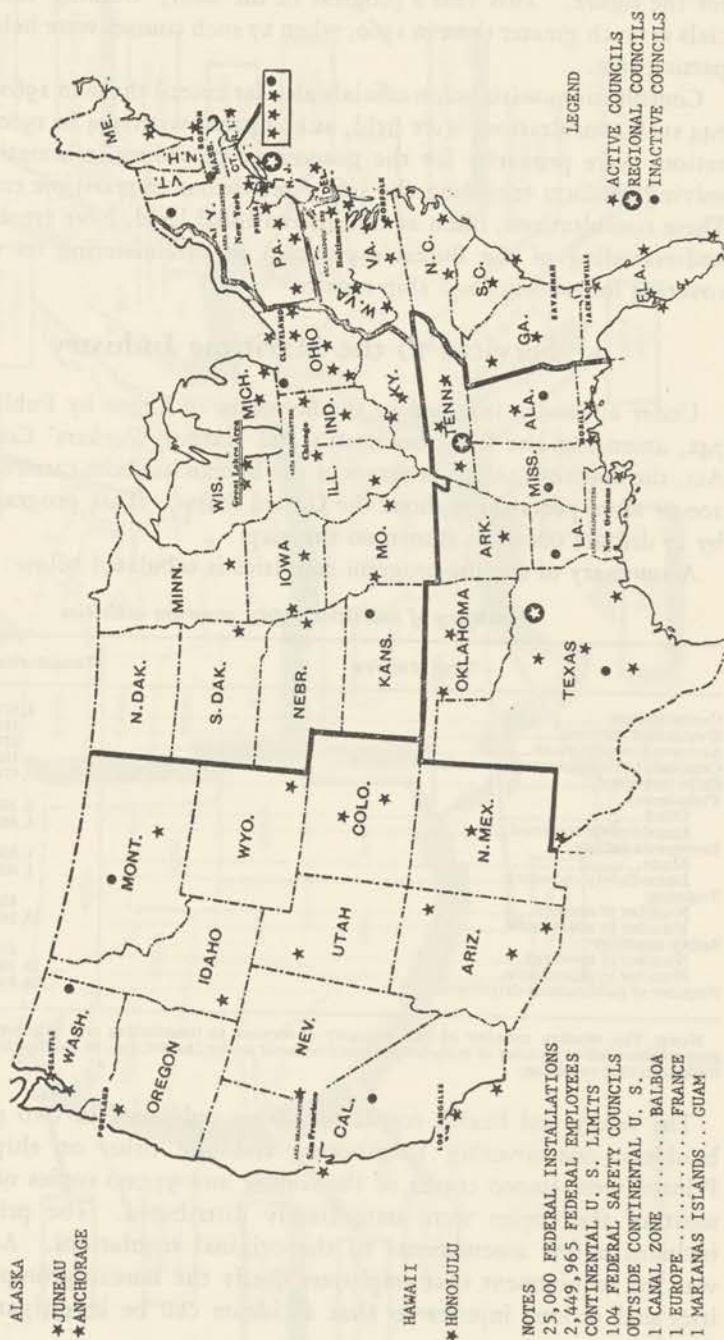
The Federal Safety Council met four times in the past year and its advisory board held four meetings. Significant Council actions included revision of its articles of organization and criteria for the President's Safety Award and enlargement of its coordinating committee. Two institutes were held; one on the administration of safety training and the other a symposium on seat belts. Work was begun on the development of Federal safety standards and on a revision of the Council's executive order.

The Bureau is responsible for the departmental safety program. Safety officers are appointed by each Bureau. Regular quarterly meetings were held during the year. The establishment of a seat belt program for official and privately owned cars was one of the projects undertaken during the past year. All official Labor Department vehicles are presently equipped. In addition, more than 1,200 seat belts have been purchased by employees. Professional safety engineering surveys of buildings contemplated for the Department's occupancy, plus a continuing evaluation of accident reports, are other phases of this program.

Services to Unions

Services to unions, particularly in the matter of safety training, were expanded during the year. Eighty-five safety training courses were conducted, with 1,607 union officials participating. Courses were held in 11 States—Alabama, Alaska, Arizona, California, Florida, Illinois, Maryland, Minnesota, North Carolina, Washington, Wisconsin—and in Washington, D.C. Included in these courses were four safety seminars sponsored by the AFL-CIO for international and local union officials who are being trained to conduct safety training courses in their own unions. This

DIVISION OF SAFETY **FEDERAL SAFETY COUNCIL FIELD SYSTEM**



is the first time such seminars have been held, and they hold much promise for the future. This year's progress in the safety training of union officials is much greater than in 1960, when 27 such courses were held with 548 participants.

Consultations with union officials also far exceed those in 1960. In 1961, 744 such consultations were held, as compared with 344 in 1960. Consultations were primarily for the purpose of providing information and resolving conflicts regarding the safety provisions of maritime employment. These consultations, often at the international level, have created a better understanding of the Bureau's program in administering its regulations covering longshoring and ship repairs.

Services to the Maritime Industry

Under authority invested in the Secretary of Labor by Public Law 85-742, amending the Longshoremen's and Harbor Workers' Compensation Act, the maritime safety program of the Bureau has been carried forward in 100 or more ports throughout the United States. This program is served by 17 district offices as shown on the map.

A summary of specific program activities is tabulated below:

Summary of maritime safety program activities

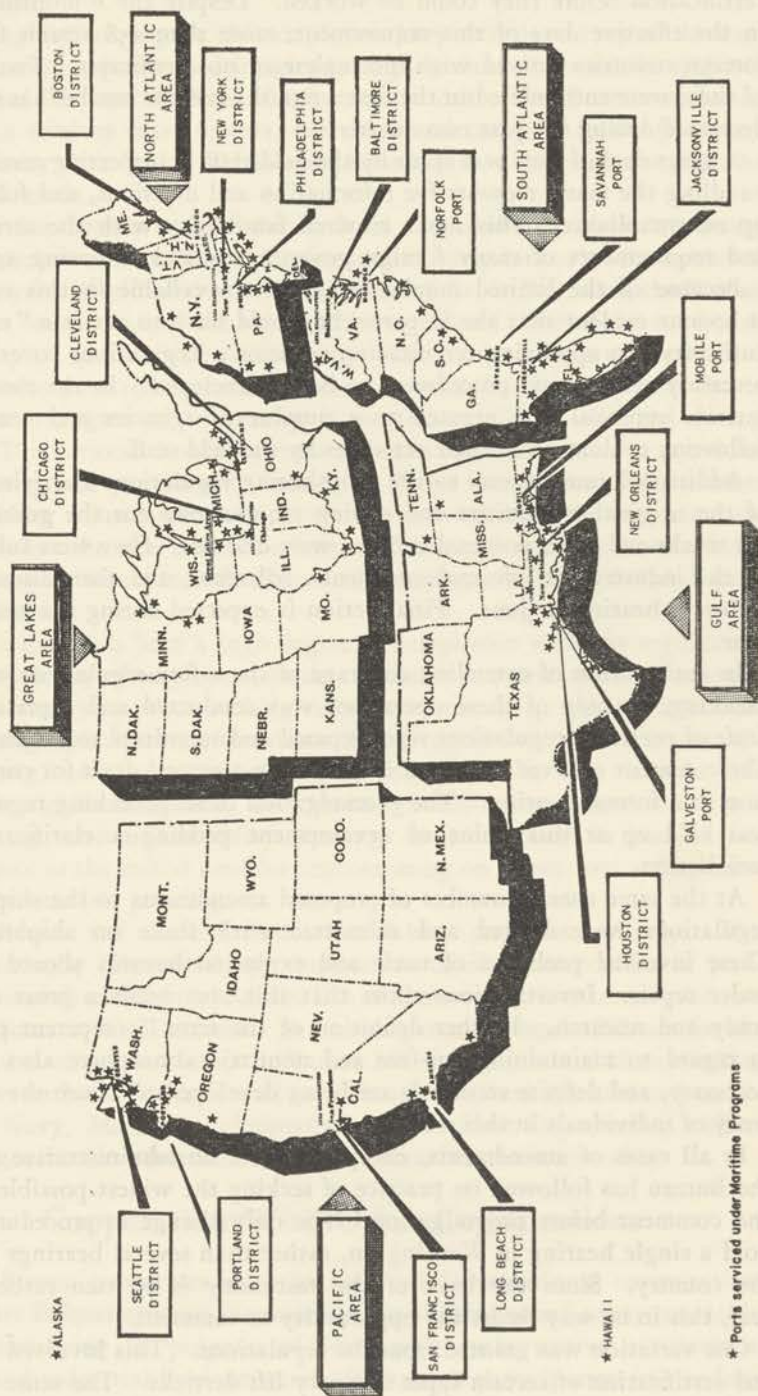
Type of service	Longshoring	Ship repairing
Consultations.....	4,857	2,806
Evaluation surveys.....	181	393
Accident investigations.....	274	164
Complaint investigations.....	189	84
Ships inspected.....	10,674	4,066
Violations:		
Cited.....	2,163	1,910
Immediately corrected.....	1,465	1,033
Recommendations:		
Made.....	1,330	833
Immediately corrected.....	1,000	667
Training:		
Number of sessions.....	438	167
Number in attendance.....	10,148	2,333
Safety meetings:		
Number of meetings.....	474	201
Number in attendance.....	13,360	4,527
Number of publications distributed.....	23,310	17,279

NOTE: The relative number of each category of services in longshoring and ship repairing reflect in general the relative number of man-hours of employment under the act, i.e., 81 million in longshoring, 84 million in ship repairing.

The safety and health regulations were published in two pocket-sized booklets, one covering longshoring and the other on ship repairing. Printed were 50,000 copies of the former and 35,000 copies of the latter; most of the copies were immediately distributed. The printed copies included a few amendments to the original regulations. Among these was the requirement that employers notify the Bureau promptly of fatalities and serious injuries so that accidents can be investigated without delay.

The cargo gear certification regulation went into effect on September 17. This required that all non-U.S. Coast Guard certificated vessels must

DIVISION OF SAFETY AREA AND FIELD OFFICES



★ Ports serviced under Maritime Programs

meet international standards of cargo gear testing, and examination and certification before they could be worked. Despite the 6 months' delay in the effective date of this requirement, more than 158 vessels from 27 foreign countries arrived with incomplete or no certificates. Two-thirds of these were encountered in the first 3 months and the number has steadily decreased during the past two quarters.

A great deal of time was spent by the field staff in inspecting certificates, handling the many requests for information and decisions, and following up on compliance. This work required familiarity with the certificates and requirements of many foreign governments and affiliating agencies.

Because of the limited number of agencies available in this country, it became evident that the Department would have to act as a "national authority" in approving certificating agencies. Regulations covering the necessary criteria and procedures are being developed. In the meantime, interim approval was granted to a number of agencies and companies following evaluation of their activities by the field staff.

Additional amendments to the longshoring regulations clarifying some of the original regulations and setting requirements for the guarding of lift trucks and other powered vehicles were drafted. They were submitted to the industry for informal comments, redrafted, and then discussed in a formal hearing in June. Final action is expected during the next fiscal year.

In anticipation of extending coverage of the safety regulations to ship-breaking, a study of these operations was conducted and a preliminary draft of pertinent regulations was prepared and submitted to the industry. The comment received was used in preparing a second draft for consideration in a formal hearing. The promulgation of shipbreaking regulations was held up at this point of development pending a clarification of jurisdiction.

At the same time, a number of proposed amendments to the ship repair regulations were drafted and submitted with those on shipbreaking. These involved problems of toxic and explosion hazards aboard vessels under repair. Investigations show that this area needs a great deal of study and research. Further definition of the term "competent person" in regard to maintaining gas-free and nontoxic atmosphere also proved necessary, and definite standards are being developed to assure the competency of individuals in this work.

In all cases of amendments, except those of an administrative nature, the Bureau has followed its practice of seeking the widest possible notice and comment before promulgation. The only change in procedure is to hold a single hearing in Washington, rather than several hearings around the country. Since the bulk of the testimony is written rather than oral, this in no way limits the opportunity to comment.

One variation was granted from the regulations. This involved testing and certification of certain types of heavy lift derricks. The sense of this

variation will be included in other forthcoming gear certification procedures.

The regulations require that employers keep records and report data on man-hours of exposure and injuries in employments under the Longshoremen's and Harbor Workers' Compensation Act. The Bureau of Labor Statistics receives these reports, calculates and compiles injury frequency and severity data for individual companies, ports, districts, areas, and the national totals.

There has been a considerable lack of understanding of the reporting requirements with resulting difficulty in obtaining data as to the extent of disability in individual cases. The Bureau of Labor Statistics, the Bureau of Labor Standards, and the field staff have directed their efforts to obtaining complete and consistent reporting. The results which were obtained for calendar year 1960 are subject to some error, but it is expected that a satisfactory degree of uniformity in reporting will be obtained during 1961. The national frequency rates for 1960 calendar year were 131.8 for longshoring and 39.3 for ship repairing. These rates represent the number of disabling injuries per million man-hours worked under the acts and do not reflect the man-hours in related employments in the same companies ashore, which would include office workers and other relatively low-hazard occupations.

While there has been a high degree of compliance with the regulations by the majority of employers, further action was necessary in a few cases. Court action was taken seeking to restrain two ship repair yards from continuing operations in violation of the regulations. In one case the restraining order was granted; in the other case, it was denied. No cases were prosecuted under the criminal procedures contained in the act.

Training sessions and safety meetings have increased in number and attendance as the initial need for concentrating on inspections and enforcement becomes less pressing.

The Bureau and the U.S. Coast Guard have cooperated closely. This has practically eliminated any duplication of effort or conflict in jurisdiction in a situation in which the line of demarcation is extremely narrow and in some cases ill defined. In carrying out its responsibilities for the safety of maritime workers, the Bureau has also maintained close working relations with the States as well as with other Federal agencies such as the Army, Navy, Maritime Administration, and State Department. All of these agencies have interests which are related to maritime safety.

Cooperation With Other Organizations

The Bureau cooperates with national and international organizations and other Federal agencies interested in establishing sound safety standards. It is continuing its program of developing authoritative occupational safety and industrial hygiene standards through participation in standard-setting activities of national organizations. The Bureau now has member-

ship on 39 technical committees and 3 standards boards of the American Standards Association. During the year, the Bureau cast 30 ballots on matters brought before the committees or boards for final approval. Through the secretariat of the International Association of Governmental Labor Officials, the Bureau provides close liaison between the American Standards Association and the State labor departments by selecting State personnel to serve on committees. The participation of IAGLO members on over 40 ASA committees and boards assures that the State administrative viewpoint is considered in the development of all safety standards.

Six new or revised safety standards were approved and published during the year by the American Standards Association. These standards covered elevators, power presses, design and operation of local exhaust systems, and allowable concentrations of toxic dusts and gases covering benzene, xylene, and toluene, respectively. An "Elevator Inspector's Manual" was also approved during the year. Bureau or IAGLO representatives served on all committees.

An organization which has been extremely active during the year is the Federal Radiation Council. The Council, made up of representatives of various Federal agencies, is charged with the responsibility of advising the President on all matters of radiation safety. A Bureau representative attended 63 meetings of the Council, its working group, or task forces.

The Bureau also cooperated with the Atomic Energy Commission in developing a suggested State Radiation Control Act under which some of the responsibility now held by the AEC will be turned over to the States.

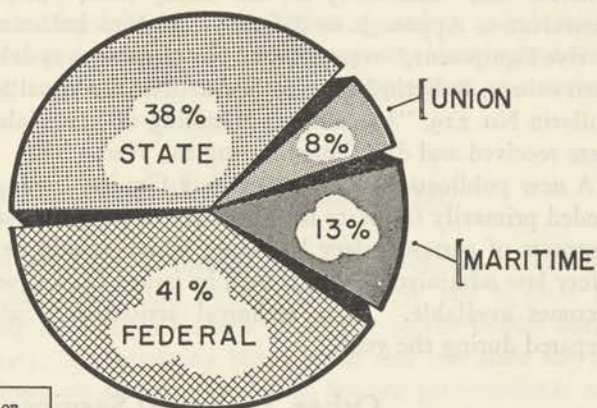
In March 1960, the Bureau became the first of three national centers in the United States for the International Occupational Safety and Health Information Center of Geneva, Switzerland. The Center, sponsored by the International Labor Office and with 23 participating countries, abstracts documents dealing with occupational safety and health and provides its services to public and private institutions and to individuals on a worldwide basis. The Bureau is concerned with three general classes of documents: laws of the Federal, State, and local governments; standards and directives which, although not having the force of law, have the sanction of recognized national authorities, such as the American Standards Association; and other selected documents of Federal, State, and local governmental agencies and nationally accepted standards institutions. Abstracts are imprinted on library index cards and distributed to subscribers to the service from the head office in Geneva. In 1961, the Bureau transmitted 64 abstracts for publication.

Publications

The "Safety In Industry" series of new bulletins has been well received. Since the series was introduced in 1960, more than 82,000 copies of the various bulletins have been distributed free, and over 33,000 copies have been sold by the Government Printing Office. Some of these bulletins are

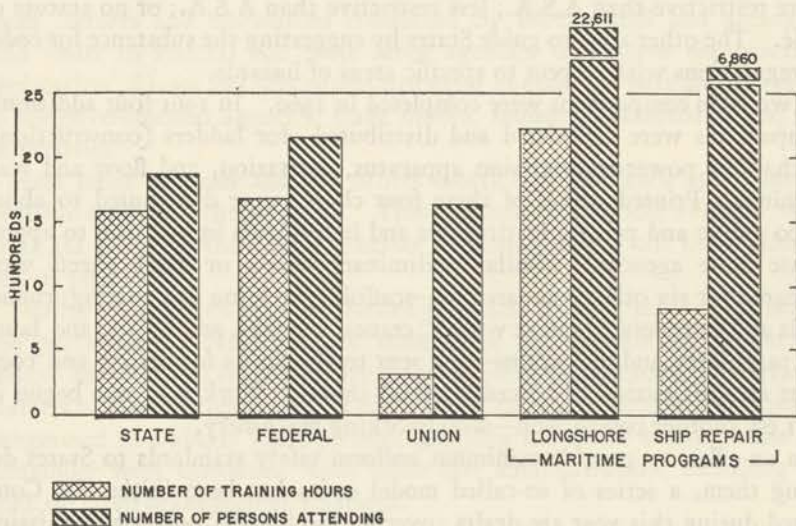
DIVISION OF SAFETY

DISTRIBUTION OF SAFETY TRAINING SERVICES



PERCENTAGE BREAKDOWN OF FORMAL TRAINING SERVICES PROVIDED BY THE DIVISION OF SAFETY DURING FISCAL YEAR 1961.

DISTRIBUTION OF ALL SAFETY TRAINING SERVICES TRAINING HOURS and ATTENDANCE



being used in a manner not contemplated when originally written—for overseas libraries of the International Cooperation Administration, for training purposes by various Federal agencies, and as text material for a State university.

During 1961, two new bulletins were written, printed, and distributed: Bulletin 222, "Chemistry for the Safety Man," and Bulletin 223, "The Consultative Approach to Safety." A third bulletin, "Respiratory Protective Equipment," was prepared but printing was delayed until next year. Two others, Bulletin No. 216, "Control of Electrical Shock Hazards," and Bulletin No. 219, "Mechanical Handling of Materials," prepared in 1960, were received and distributed during the year.

A new publication, "Today's Safety Guides," was started in 1961. Intended primarily for State labor commissioners, the publication consists of abstracts of current safety literature which would be of interest to State safety law administrators. It will be issued from time to time as material becomes available. Three technical articles for Safety Standards were prepared during the year.

Other Technical Services

Prior to this fiscal year, the Bureau began two projects to assist States in developing adequate and effective laws or regulations concerned with occupational safety and industrial hygiene. One project provides information to the States by comparing the provisions of existing State laws or regulations with the requirements of American Standard safety codes and showing the results on charts in terms of: Same as or similar to A.S.A.; more restrictive than A.S.A.; less restrictive than A.S.A.; or no statute or code. The other aims to guide States by suggesting the substance for codes or regulations with respect to specific areas of hazards.

Two code comparisons were completed in 1960. In 1961 four additional comparisons were completed and distributed—for ladders (construction), mechanical power-transmission apparatus, sanitation, and floor and wall openings. Printed copies of these four charts were distributed to about 3,500 public and private institutions and individuals in addition to appropriate State agencies. Similar preliminary charts or work sheets were prepared for six other comparisons—scaffolds; welding and cutting; rubber mills and calenders; abrasive wheels; cranes, derricks, and hoists; and laundry machinery and operations—and sent to the States for review and comment in anticipation of processing final charts. Work was also begun in 1961 on another comparison—woodworking machinery.

In an effort to provide minimum uniform safety standards to States desiring them, a series of so-called model codes has been initiated. Completed during this year are drafts covering mechanical power-transmission apparatus, woodworking machinery, power presses, floor and wall openings, industrial sanitation, and miscellaneous hazards and machines. Others are in preparation.

As a national and international source of technical safety information, the Bureau answers requests for help in solving safety problems from foreign governments, Federal departments and agencies, States, unions, and industry. Last year over 200 such individual requests were received covering such diverse subjects as the hazards of sandblasting, laws and regulations applying to dyestuff, industrial diamonds for drilling tools, trade names of toxic materials, exhaust fumes from diesel engines, guarding of ink mills, hazards of SCUBA diving, operation of cranes near power lines, ventilation for welders, carbon disulphide poisoning, and the operation of construction machinery.

International Cooperation

The Bureau makes available to foreign countries information on labor laws and their administration and on industrial safety and hygiene by (1) providing training for foreign visitors who come to the United States to study labor matters; (2) supplying information and literature for use overseas; (3) furnishing consultant services to foreign governments; and (4) undertaking special projects to help other countries improve labor programs and standards. These activities are coordinated with the Department's Bureau of International Labor Affairs and other agencies of government.

Training Programs for Foreign Visitors

The training program of the Bureau for foreign visitors consists of classroom lectures and discussions conducted by Bureau staff and arranging field visits to Federal and State labor agencies to observe the practical application of laws and procedures discussed in class. Visits are also made to nongovernmental agencies, trade unions, industrial establishments, and universities.

State labor agencies and the others mentioned continued to render invaluable service to the program. These agencies contribute valuable technical aid and give the visitor a better understanding of the United States and its people.

During fiscal year 1961, the Bureau provided training services for nearly 700 participants. Ninety-six of these were participants for whom the Bureau assumed full responsibility for their program and for administrative matters related to their stay. This was the largest number of participants programed in a single year; 35 were studying industrial safety, while the remainder were concerned with labor law administration, including the field of labor-management relations.

The number of visitors receiving training services for whom the Bureau had secondary responsibility was 576. These were visitors who were the principal responsibility of some other bureau or agency, but who wished

to receive instruction in subjects in which the Bureau of Labor Standards has competence.

Periods of study for primary participants ranged from about 6 to 12 months.

A statistical comparison of the number of visitors receiving training in the fiscal years 1960 and 1961 follows:

Foreign visitors programed by the Bureau, fiscal years 1960-61

Year	Primary trainees studying labor law administration	Primary trainees studying industrial safety	Total primary	Total secondary ¹	Grand total
1960-----	43	41	84	804	888
1961-----	61	35	96	576	672

¹ Includes casual visitors.

Consultant Services to Foreign Governments

The Department is frequently called upon by ILO and the ICA to suggest or to provide technically qualified people to serve as consultants in foreign countries. The Bureau assists in this respect and frequently lends members of its staff to serve as consultants abroad. For example, a Bureau staff member was on loan to ILO for 6 months to assist the Government of Panama in implementing its minimum wage law. The consultant worked with governmental officials and helped them establish administrative procedures for determining minimum wages and setting up sound fiscal policies and statistics.

The Bureau also recruited, at the request of ICA, a person to go on a short-term assignment to Chile to assist that government in evaluating present labor programs with a view to making necessary changes and improvements.

Technical Information

The Bureau continued to supply information regarding labor laws and administration and information on industrial safety and hygiene. These requests come from former trainees, governmental officials, universities, industrial establishments, trade unions, labor attachés, and the ICA.

Requests were received from over 50 different countries. Some of these asked for literature or publications while others requested information which required special research. The number of requests averaged four to five per week.

Special Projects

One of the objectives of the Bureau's training program is to enable trainees on their return home to conduct training courses themselves. In carrying out this objective, a series of eight training manuals in the field of industrial safety was completed during the year as well as a series of charts to aid instructors.

The manuals have been made available to the ICA Missions throughout the world for the use of former training participants. The manuals deal with different aspects of safety such as construction, electrical, chemical, mine safety, and others.

Another project, which was begun 2 years ago, will provide a manual to guide ICA officials and foreign governmental agencies in establishing and improving labor ministry programs and agencies. During the past year, studies were made in Mexico, El Salvador, and Honduras. These studies will be used in preparing material for the manual and will supplement material already obtained from countries of the Middle and Far East.

The Bureau has worked closely with the Bureau of International Labor Affairs in connection with international trade fairs. Several trade fairs have emphasized industrial safety, and Bureau staff members advised regarding safety themes and materials to be used in the fairs. At the fair held at Poznan, Poland, in June 1961, a safety engineer from the Bureau and two Polish-speaking safety engineers, recruited by the Bureau, attended the fair. They conducted daily seminars on U.S. industrial safety practices which were attended by approximately 180 engineers, technicians, and industry representatives, gave several talks on industrial hygiene at one of the local technical institutes, held press and radio interviews, and gave demonstrations of safe work practices which were viewed by about 430,000 Polish citizens. As a result, several hundred inquiries have been received from Poland for information and publications about industrial safety and hygiene in the United States.

Welfare and Pension Plans Disclosure Act

Effective January 1, 1959, the Welfare and Pension Plans Disclosure Act requires that administrators of employee welfare and pension benefit plans "publish" both a description of the plan and an annual report showing the plan's financial and operating experience.

Publication is accomplished by making copies of the plan and of the annual reports available for examination by plan participants and beneficiaries at the principal office of the plan, by mailing a copy of the plan description and a summary of the annual report to participants and beneficiaries on written request, and by filing copies of the plan and of the annual reports with the Secretary of Labor, who makes them available for examination in the Department's public document room.

As of June 30, 1961, the Bureau had on file 152,600 plan descriptions, 10,000 of which had been received during the year. In addition, there were available for examination 108,800 annual reports for the year 1959, 104,900 reports for 1960, and 5,300 third-round reports for 1961.

As in previous years, "on-the-face" deficiencies or omissions in plan descriptions were called to the attention of plan administrators through correspondence, and as a result, a considerable number of these were corrected

to conform with the act's requirements. During the fiscal year, 4,300 such letters were mailed.

Also, the Bureau continued its program of notifying plan administrators whose 1959 annual reports were overdue. Over 19,800 notifications of this type were sent during the year and more than 17,500 reports were obtained or otherwise accounted for through this procedure.

Although this operation was generally successful, there were several thousand plan administrators who did not respond to these inquiries, nor did they reply even after a registered letter was sent to them.

A representative group of these remaining cases were reviewed, and 52 files were accepted by the Department of Justice for investigation to determine whether or not the facts would warrant prosecution under the criminal sections of the law.

Of the 52 cases assigned to the FBI for field investigation, the overdue reports were ultimately received from 24; in 27 additional cases, facts were obtained which otherwise disposed of them. One case is still being processed.

No case was found where prosecution was warranted.

At the close of the fiscal year, preparations were being made for a similar check on overdue 1960 annual reports, the last of which should have been received by May 1, 1961. As in 1959, the number of delinquent reports totaled some 27,000.

The Bureau also compiled operating and informational statistics and at the end of the year issued a comprehensive release giving data based on the information contained in the 1959 annual reports. These tabulations showed contributions, benefits paid, assets, premiums, and related details on all plans filed, and for welfare and pension plans separately, broken down by the method of providing benefits, and by major industry division.

Additional tabulations, in process of development, will show how the assets of these plans are distributed, and give overall information on a sample basis for certain other characteristics.

Analysis of these tabulations disclosed that plans on file with the Bureau had assets in 1959 in excess of \$30 billion, and the number of persons covered by these benefits totaled approximately 80 million. The importance of these funds to the Nation's economy, when taken in conjunction with pension reserves of insurance companies of some \$17.5 billion, is obvious, particularly when it is realized that assets alone are growing at the rate of \$4 to \$5 billion a year.

Also obvious is the need to protect these funds and the workers who depend on them for sickness, death, unemployment, accident, and other welfare-type benefits, and for benefits at the time of retirement.

Interest by plan administrators, workers and their dependents, research groups, government agencies, labor, management, and the general public was expressed, as in earlier years, through inquiries and personal visits.

More than 1,090 persons visited the office to examine 30,250 files in the public document room. Also, 28,500 pages of material were reproduced and furnished, on request, at a fee reflecting reproduction costs.

The workload arising out of requests for advisory opinions also continued at a high level resulting in the preparation of 5,370 replies to such letters.

In the area of educational and informational assistance, the Bureau held a series of informal conferences with representatives of accounting, insurance, banking, and employer associations. These meetings proved to be extremely valuable both to the Government and the trade and professional groups. The success of these efforts supports the Bureau's proposals to expand this type of activity, and to experiment with a number of "clinics" in major cities where questions can be aired with local plan administrators and other interested persons.

The most significant single development in the administration of the Welfare and Pension Plans Disclosure Act occurred toward the close of the fiscal year and shortly after when hearings were held on proposals to amend the law.

These hearings, before the House Special Subcommittee on Labor and the Senate Subcommittee on Labor, were the culmination of repeated efforts to draw attention to shortcomings in the present legislation.

The House Committee on Labor and Education reported out a bill which would (1) enable the Secretary of Labor to issue rules and regulations and authoritative interpretations; (2) provide for the investigation and examination of employee welfare and pension benefit plans subject to the act; (3) provide adequate civil and criminal remedies to insure compliance; (4) require that the assets of these plans be protected by bonds or other guarantees; (5) establish an advisory committee to assist the Labor Secretary; and (6) make certain technical changes in the act to correct deficiencies brought out in the course of administering the original law.

The Senate Committee on Labor and Public Welfare also reported out a bill which, in most part, has identical provisions. Further action may be taken in the second session of the 87th Congress which will convene in January 1962.

Status Report—June 30, 1961

Activity	Jan. 1, 1959 to June 30, 1961	Fiscal year 1961	Fiscal year 1960	Fiscal year 1959 (6 months)
Preparation of replies to substantive inquiries:				
Total number received.....	27,330	9,550	11,630	6,150
Mail.....	17,520	5,760	8,020	3,740
Phone.....	9,080	3,520	3,360	2,200
Visitor.....	730	270	250	210
Total number answered.....	26,840	9,150	12,150	5,540
Mail.....	15,460	4,640	7,760	3,060
Phone.....	9,080	3,520	3,360	2,200
Visitor.....	730	270	250	210
Other disposition.....	1,570	720	780	70
Carryover workload.....		90	610	0
Pending backlog (end of year).....	490	490	90	0
Public Disclosure Room:				
Number of visitors.....	1,660	1,090	560	10
Number of reports examined:				
Total.....	36,520	30,240	6,260	20
Plan descriptions.....	17,200	13,280	3,910	10
Annual reports.....	19,320	16,960	2,350	10
Furnishing copies of filings on reimbursable cost basis:				
Number of pages.....	47,000	28,500	18,500	0
Number of filings utilized.....	3,960	2,770	1,190	0
Receiving filings:				
Plan descriptions:				
Number received.....	152,600	10,100	16,700	125,800
Number identified and available for disclosure.....	152,500	10,000	16,700	125,800
Number examined and tabulated.....	150,900	10,400	65,700	74,800
Amended plan description filings.....	43,400	17,700	25,100	600
Annual reports:				
1959—First round:				
Number received.....	109,100	8,600	95,400	5,100
Number identified and available for disclosure.....	108,800	8,300	97,100	3,400
Number examined and tabulated.....	108,800	26,400	82,400	0
1960—Second round:				
Number received.....	105,000	97,500	7,500	0
Number identified and available for disclosure.....	104,900	97,400	7,500	0
Number examined and tabulated.....	19,100	19,100	0	0
1961—Third round:				
Number received.....	9,600	9,600	0	0
Number identified and available for disclosure.....	5,300	5,300	0	0
Number examined and tabulated.....	0	0	0	0
Correspondence (other than substantive):				
Total number of letters.....	88,000	40,200	41,000	6,800
Re overdue plan description.....	2,100	2,100	0	0
Re deficiency in plan description.....	20,000	4,300	15,100	600
Re overdue 1959 annual report.....	27,300	19,800	7,500	0
Re deficiency in annual report.....	900	0	900	0
Other.....	37,700	14,000	17,500	6,200
Overall mailhandling:				
Total pieces handled.....	1,175,200	461,100	428,300	285,800
Number received.....	450,200	171,800	165,400	113,000
Number mailed.....	725,000	289,300	262,900	172,800
Distributing blank reporting forms:				
Total number of pamphlets.....	1,353,000	148,000	237,200	967,800
Plan description pamphlets.....	901,000	46,000	54,800	800,200
Annual report pamphlets.....	452,000	102,000	182,400	167,600

...the principal legislative organs of the Federal Government of the Republic of Poland.

BUREAU OF LABOR STATISTICS

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The theory by Lindvall et al. (1994) is based on a model of the process of the formation of a personality. It is based on a high degree of similarity in the way the world is perceived.

Industry	1907	1908	1909	1910
Manufacturing and construction	100.0	100.0	100.0	100.0
Manufacturing	95.0	95.0	95.0	95.0
Construction	5.0	5.0	5.0	5.0
Transportation and communication	1.0	1.0	1.0	1.0
Retail trade	1.0	1.0	1.0	1.0
Finance, insurance, and real estate	1.0	1.0	1.0	1.0
Government	1.0	1.0	1.0	1.0
Education	1.0	1.0	1.0	1.0
Arts, amusements, and recreation	1.0	1.0	1.0	1.0
Health	1.0	1.0	1.0	1.0
Social services	1.0	1.0	1.0	1.0
Other	1.0	1.0	1.0	1.0
Unemployed	1.0	1.0	1.0	1.0
Unemployed in manufacturing and construction	1.0	1.0	1.0	1.0
Unemployed in other industries	1.0	1.0	1.0	1.0
Unemployed in agriculture	1.0	1.0	1.0	1.0
Unemployed in domestic service	1.0	1.0	1.0	1.0
Unemployed in other services	1.0	1.0	1.0	1.0
Unemployed in government	1.0	1.0	1.0	1.0
Unemployed in education	1.0	1.0	1.0	1.0
Unemployed in arts, amusements, and recreation	1.0	1.0	1.0	1.0
Unemployed in health	1.0	1.0	1.0	1.0
Unemployed in social services	1.0	1.0	1.0	1.0
Unemployed in other	1.0	1.0	1.0	1.0
Unemployed in agriculture	1.0	1.0	1.0	1.0
Unemployed in domestic service	1.0	1.0	1.0	1.0
Unemployed in other services	1.0	1.0	1.0	1.0
Unemployed in government	1.0	1.0	1.0	1.0
Unemployed in education	1.0	1.0	1.0	1.0
Unemployed in arts, amusements, and recreation	1.0	1.0	1.0	1.0
Unemployed in health	1.0	1.0	1.0	1.0
Unemployed in social services	1.0	1.0	1.0	1.0
Unemployed in other	1.0	1.0	1.0	1.0

BUREAU OF LABOR STATISTICS

BUREAU OF LABOR STATISTICS

The Bureau of Labor Statistics expanded its regular work during the past year and initiated several new programs. Among the major accomplishments of the year were (1) more intensive analysis of the trends in employment and unemployment, specifically during the critical phases of the 1960-61 recession, (2) continuing work looking toward the basic revision of the Consumer Price Index, (3) the preparation of a series of special reports on wage and industrial relations issues for the Presidential Railroad Commission as well as other executive and legislative agencies, and (4) further work in the measurement of productivity and the impact of technological change.

As the principal factfinding agency of the Federal Government in the field of labor economics, the Bureau of Labor Statistics is responsible for work in the general field of employment and unemployment, wages, prices, industrial relations, productivity, and industrial hazards. The Bureau regularly publishes numerous statistical series which form the basic foundation of research and analytical work in these areas. In addition, the Bureau's activities include more specialized research studies to provide information needed by the Labor Department or other government agencies.

Data collected by the Bureau are obtained from businessmen, workers, and government agencies on a voluntary basis. Information provided to the Bureau by individuals is treated on a confidential basis, and the Bureau is generally successful in winning a high degree of cooperation in obtaining the needed information.

The results of the Bureau's work are issued in regularly published reports, as well as a series of bulletins on special subjects. The Bureau is responsible for the publication of the Monthly Labor Review, which is widely recognized as a major publication in the field of labor economics.

The following summarizes more specifically the Bureau's activities for the year:

Staff Services

The Bureau provided a continuing analysis and evaluation of current economic developments, focusing primarily on trends affecting the labor situation. The resulting weekly reports and special memoranda were made available to appropriate officials in the Department and in other government agencies.

The Bureau continued to provide, at the direction of the Secretary, advice and assistance on statistical problems to the other bureaus of the

Department and furnished technical help to other groups as a representative of the Department. These activities included technical assistance to the (1) Senate Foreign Relations Subcommittee on Disarmament in connection with the survey on the impact of arms control agreement and (2) the President's Railroad Commission in its study of the railroad industry.

During the year, the method for determining seasonal factors, recently developed by the Bureau, was put in a form to permit its use by other government agencies and private organizations, many of which have availed themselves of this opportunity. Within the Labor Department, the method has been used to determine seasonal factors for a very large number of statistical series. Included are nearly 800 series which the Bureau of Employment Security uses to aid in the allocation of funds to States in connection with several unemployment insurance programs.

The Bureau undertook during the year a comprehensive and systematic review of its probable future data processing requirements and how these requirements could most efficiently be met in terms of the types of equipment now being offered. A program for the gradual introduction of more powerful and efficient data processing equipment has been adopted.

The number of requests for information made to the five regional offices of the Bureau increased sharply. Over 250,000 requests were answered, 50,000 more than in the previous year. In addition, the regional staff was very active in speaking to local groups on a wide variety of economic subjects.

Advisory Councils

The Bureau's two advisory councils, one representing specialists in economic research affiliated with business, and the other economists and statisticians from organized labor, completed the 14th year of continuous advisory service to the Bureau of Labor Statistics.

During fiscal year 1961, the Business Research Advisory Council consisted of 40 members appointed by the Commissioner upon nomination by the National Association of Manufacturers and the U.S. Chamber of Commerce. The council met with the Bureau three times during the year. In addition to council members, 66 other individuals served on committees with substantive interest in the measurement of total construction employment, foreign labor conditions, manpower and employment statistics, consumer and wholesale prices, productivity and technological developments, wages and industrial relations, and work injuries.

The Labor Research Advisory Council continued to provide advice on the Bureau's immediate and long-run programs on the numerous basic technical problems which constantly arise in the Bureau's activities, and to insure understanding and widespread use of the Bureau's statistical series and analytical reports. The council consists of 10 members nominated by the American Federation of Labor and Congress of Industrial Organizations. All research directors of international unions represented in the

AFL-CIO, Railway Labor Executives' Association, and the railroad operating unions are invited to attend the general meetings of the council. The council held two meetings during the fiscal year, and all of the committees of the council met at least once, for a total of 11 committee meetings.

Manpower and Employment Analysis

The Bureau has the responsibility for the collection, analysis, and publication of all current information on the labor force, employment, and unemployment. The Bureau's work in this general area also includes studies of the outlook for employment in specific occupations and industries. There are two basic sources for these data: (1) payroll reports from business firms to the Bureau giving monthly employment, hours, earnings and turnover data; and (2) a monthly survey of a national sample of households, conducted and tabulated by the Bureau of the Census.

Employment, Hours, and Earnings

The 1960-61 recession and the widespread concern with unemployment have focused attention on Bureau activities relating to employment, hours, and earnings. During the past year, the Bureau has been active not only in supplying the normally published information, but also in providing special analyses for the consideration of appropriate public policies.

The current employment statistics and labor turnover programs are cooperative projects operated jointly by the Bureau and cooperating State agencies. Through contracts with the States, the program yields comparable national, State, and metropolitan area statistics from a single survey. In fiscal 1961, a contract was signed for the development of a program in the State of Hawaii, and cooperative employment, hours, and earnings programs now exist in all 50 States and the District of Columbia. Employment, hours, and earnings series are published for all States except Hawaii. Employment series are available for 140 metropolitan areas and hours and earnings for 126 areas.

Seasonally adjusted series on average weekly hours were introduced in the July 1960 issue of Employment and Earnings, and are now published regularly. These data are among the leading economic indicators established by the National Bureau of Economic Research.

The Bureau has compiled labor turnover rates on a national basis since 1929. Beginning in 1956, funds were made available for establishing a cooperative Federal-State labor turnover program similar to the already existing arrangement for joint compilation of employment statistics. Labor turnover rates now are published for 38 States and 68 metropolitan areas.

Major resources of the employment statistics program have been directed toward converting the employment, hours and earnings, and labor turn-

over statistics to the revised Standard Industrial Classification issued by the Bureau of the Budget in 1957. During the transition period, it has been necessary to continue monthly preparation of the presently existing series, while engaged in retabulating and compiling statistics on the 1957 SIC structure from 1958 forward. The conversion of the national series will be completed in fiscal 1962; data for States and areas have already been converted to the new classification system.

Employment and Unemployment Analysis

To speed up the release of the summary figures on unemployment, an advance report is now released that presents the major totals from the monthly sample survey of the labor force within 10 days after the completion of field work by the Bureau of the Census. The complete analysis, which includes the highlights of the payroll reports, is published the following week in the Monthly Report on the Labor Force. This year, the text of the Monthly Report was expanded to cover many of the current labor force problems. Complete and detailed tables, including information on employment, hours, earnings, and labor turnover, are published later each month in Employment and Earnings.

In addition to the monthly reports, a series of special reports provide more detailed analyses of current issues or present supplementary information collected from time to time in connection with the monthly labor force survey.

During the past year, 12 special reports were issued on such subjects as the employment of students, family characteristics of workers, multiple jobholders, part-time workers, white-collar employment, employment of high school graduates, and long-term unemployment.

In order to answer many questions about unemployment, a chart book, "Who Are the Unemployed?," was prepared in cooperation with the Bureau of Employment Security.

In addition to the coverage in the published reports, current employment and unemployment problems were analyzed for congressional testimony and the Council of Economic Advisers. Short-term projections were also prepared for the use of the Council, the Secretary, and others. Long-term population and labor force projections were prepared for the use of the Outdoor Recreation Resources Committee.

Working relations with the Bureau of the Census on the Monthly Report on the Labor Force continued on a highly satisfactory basis, and improvements in the program data collection and tabulation were achieved. Cooperative plans were made for updating the 330-area sample to take account of the results of the 1960 Population Census.

Occupational Outlook Program

The Bureau completed work on an improved and expanded fifth edition of the "Occupational Outlook Handbook," which will be published in the fall of 1961. The new Handbook, the most comprehensive yet issued, presents up-to-date information on employment outlook in more than 650 major occupations, including a number of new chapters which significantly extend the occupational coverage of the book.

The original printing of 40,000 copies of the 1959 edition of this widely used compendium of occupational information designed for use in vocational guidance was out of print 19 months after publication. The Occupational Outlook Report Series—a group of 89 career pamphlets reprinted from the 1959 Occupational Outlook Handbook—greatly exceeded the sales record of the 1957 series. In the first year after publication, 313,000 copies of these reports were sold.

The Occupational Outlook Quarterly, the periodical which supplements the Handbook with information on current occupational developments and trends, gained increasing acceptance among vocational counselors and other subscribers. In addition to reporting on new occupational outlook research, this periodical carries general articles on such subjects as educational trends, labor unions, social security, occupational mobility, and unemployment insurance to broaden public understanding of the institutional framework of the modern world of work.

Further progress was made on the development of experimental publications designed to give junior high school youth a broader and more realistic understanding of occupational opportunities in the United States.

Studies of Employment and Demand for Scientific and Technical Personnel

In recognition of the need for definite information on employment of and demand for scientific and technical personnel, the Bureau, in cooperation with the National Science Foundation, has over the past several years carried out surveys of employment of engineering, scientific, and other technical personnel in private industry. Similar surveys have also been carried on to obtain statistics for State government agencies and for non-profit organizations.

An experimental study aimed at developing methods of projecting long-range demand for scientists, engineers, and technicians was completed for the NSF in fiscal 1961. A report, "The Long-Range Demand for Scientific and Technical Personnel, A Methodological Study," will be published by the NSF in the fall of 1961. Further work by this Bureau in the area of developing long-range projections of demand for scientists, engineers, and technicians, and on assessing the education and training needs implied by these projections, will be carried on in fiscal 1962 with the support of the NSF.

Industrial and Occupational Trends

The Bureau is continuing its pioneering work in projecting manpower trends by industry and occupation. This program, which developed from the needs of the occupational outlook program, contributes information concerning present and future job opportunities.

The Bureau prepared projections of industrial employment and occupational trends for the 1960's which are being widely used as a tool by educators and others responsible for planning training programs and facilities. Information on the changing occupational needs of the economy is essential for more realistic training programs and can contribute to a better alignment between manpower needs and supply.

Prices and Consumption Studies

Significant developments occurred in the price program in fiscal 1961, and underlying theoretical and statistical concepts were reexamined. Of particular importance was the work carried out on the basic revision of the Consumer Price Index, the reweighting of the Wholesale Price Index, and the completion of the interim revisions of the two standard budgets: the City Worker's Family Budget and the Retired Couple's Budget. In addition, indexes were developed for the first time for cities in Alaska; plans were made for joint BLS-Agriculture Department consumer expenditure surveys of the rural population; and a survey was undertaken, at the request of the National Science Foundation, to explore the possibility of preparing indexes of the cost of scientific research and development.

The Price Statistics Review Committee (George Stigler, chairman), established in July 1959 by the National Bureau of Economic Research, under contract with the Bureau of the Budget, to review the Federal price statistics program, issued its report in November 1960. Two hearings were held by the Subcommittee on Economic Statistics of the Joint Economic Committee of Congress to consider the report and discuss its implications with respect to a long-range program for extending and improving the Government's price statistics. Commissioner Clague testified at the second of these hearings.

The Bureau has been studying the committee's report to determine the extent to which its recommendations could be carried out, both under the existing program and under a more expanded program of pricing statistics. The fundamental recommendation of the committee must be considered to be the development of research staffs to explore problem areas, and to develop new techniques for coping with such problems as adjusting for quality changes in price comparisons and introducing new products on a more timely basis. Other specific and important recommendations are for improved sampling methods and for regularly scheduled comprehensive revisions with provision for interim partial revisions as needed.

Consumer Price Index

The Consumer Price Index measures the change in prices of goods and services purchased by wage-earner and clerical-worker families in urban areas. It serves as an economic indicator of retail price movements and, widely used in wage negotiations, constitutes the basis for automatic adjustments under a number of labor-management and other contracts. To insure the reliability of the index as a measure of price change for goods and services which consumers are currently buying, the Bureau in 1959 launched a program which will provide the basis for a major revision of the "market basket," or weights, for the CPI—the first since the last comprehensive review 10 years earlier. The revision will be completed in January 1964, with the publication of a revised index. During fiscal 1961, surveys were made to collect some of the basic data needed for the revision, statistical procedures were intensively reviewed, new concepts explored, and an experimental pricing program was inaugurated.

Because of the many population changes of the last decade, a new sample of 66 cities was selected to represent all urban places in these surveys. Of the cities chosen, 50 will be represented in the revised CPI, while the remaining 16 small cities will be included in the surveys but not in the index. By the end of fiscal 1961, collection of 1960 housing and expenditure survey data was completed in about half of the 66 sample cities (the remaining cities will be surveyed next year and yield 1961 information). Plans were drafted for tabulating and publishing housing and expenditure survey information. In connection with the full utilization of expenditure survey data, the Bureau's Advisory Committee on Consumer Expenditure Surveys proposed that detailed information be made available to research groups for independent analysis.

Housing and consumer expenditure surveys of Alaskan cities, completed the year before in Anchorage and Fairbanks, were conducted during fiscal 1961 in Juneau and Ketchikan. The surveys are part of a 2-year program to calculate consumer price indexes at semiannual periods for four Alaskan cities, and to compare costs in each city with costs of equivalent goods and services in Seattle, Wash.

Complete and simultaneous coverage of the expenditure patterns of the total U.S. population will be obtained for the first time since 1941 by supplementing the BLS urban consumer expenditure surveys with joint BLS-Department of Agriculture surveys of expenditures, income, and savings of rural farm and nonfarm families. These surveys will cover about 5,000 families and will be coordinated with the second "wave" of BLS expenditure surveys to be conducted in 1962. The two agencies will share responsibility for collecting the data, tabulating, and publishing the results, with BLS primarily responsible for the rural nonfarm segment.

Experimental pricing studies designed to provide guidelines for revising the index were begun in fiscal 1961. These studies have a threefold purpose: to provide data for decisions on sampling, to investigate possible

solutions of difficult problems in retail price measurement, and to test alternative procedures for collection of prices. The first experimental pricing project involved the collection of prices of approximately 400 items which are not included in current CPI calculations. The second was concerned with comparing price trends in central business districts with trends in neighborhood shopping centers and suburban areas. Another project dealt with developing a method for the quarterly collection of information on weekly food expenditures in order to measure the influence of seasonal factors on the food expenditure pattern and to provide data for estimating annual expenditures for individual food items. To assist in expanding the CPI to cover single persons, the Bureau inaugurated experimental collection of rental and other information on nontransient rented rooms.

In connection with the regular Consumer Price Index program, compact cars were introduced into the index; the samples of reporters for a number of significant items (mortgage interest, residential property taxes, and hazard insurance rates) were expanded to include representation of the suburbs; and numerous item specifications were reviewed and changed whenever necessary. To measure the impact of seasonality on wholesale as well as retail prices, a program was undertaken to compute seasonal adjustment factors for approximately 250 selected WPI and CPI series. As part of the continuing reappraisal of established procedures, a study was inaugurated to evaluate the techniques used to estimate monthly price movements in those 41 cities which are priced only quarterly, and five alternative methods for collecting food prices were reviewed. Also, considerable effort was devoted to developing factual material on the extent of quality bias in the CPI, reexamining current techniques employed to take account of quality changes, and exploring the use of new techniques.

Standard Family Budgets

The City Worker's Family Budget, developed in 1946-47 and last priced by the Bureau in 1951, is designed to estimate how much it costs a four-person urban family to obtain the goods and services required to maintain a modest, but adequate, level of living in accordance with prevailing standards. The Retired Couple's Budget, developed in 1947 and last priced in 1950, defines a similar standard for a retired couple.

During fiscal 1961, the Bureau completed interim revisions of both the standard family budgets. These interim revisions are based on a new list of goods and services which reflect more nearly the "modest but adequate" level of living in terms of the standards prevailing in the 1950's. For each of the standard budgets, estimates of dollar costs of the total budget and of major types of expenditures were developed for each of the 20 large cities regularly priced for the Consumer Price Index.

Wholesale Price Index

This comprehensive measure of price movements for all commodities sold in primary markets is regarded as a major economic barometer. It is widely used for such purposes as periodic escalation adjustments of long-term contracts and inventory appraisal. During fiscal 1961, the weights for commodities in the Wholesale Price Index were adjusted to reflect their relative importance in 1958, in accord with BLS policy of revising WPI weights whenever data from the industrial censuses become available. The current weight revision incorporates data from the 1958 Censuses of Manufactures and Mineral Industries.

To evaluate the contents of WPI publications with respect to current usage, a survey of users of WPI information was developed. The objective of the users' survey is to improve the overall usefulness of WPI data in terms of program coverage, analysis, and publication policy.

At the request of the National Science Foundation, the Bureau undertook a survey of research and development costs in Department of Army laboratories and major private laboratories under Army contracts. The data collected will be used to develop scientific research development cost indexes. These indexes could then serve as price deflators to obtain dollar series for measuring changes in the actual amount of research development.

Other activities during the fiscal year included the continued evaluation of the over 1,800 index series for which data are collected but not published, and the recommended discontinuance of a large number; the analysis of price movements for a 3-year period of the 22 raw and semiprocessed commodities which constitute the Daily Spot Market Index; and the experimental use of a new schedule designed both to obtain better data and to permit automatic transcription by IBM equipment.

Investigations leading to the development of new indexes and improvement of existing indexes continued. Effective with the January 1961 index, 290 commodity index series were added and 78 deleted. The pricing of new items was initiated for commodity areas not previously covered by the WPI.

Wages, Salaries, and Related Benefits

The Bureau's activities in providing wage data continued to expand during the past year. Occupational wage studies were made in 80 standard metropolitan statistical areas and two smaller areas, completing the 2-year expansion of the labor market survey program started in fiscal year 1960. The labor market surveys provide distributions of wages and salaries for a variety of office clerical and manual occupations, and information on the prevalence and characteristics of related wage benefits and work practices. Among the related benefits and practices studied are paid vacation, holiday, and sick leave plans; shift differentials; health, insurance, and pension plans; work schedules; and minimum entrance rates.

The second annual study of salaries and related benefits for selected professional, administrative, and technical occupations was completed. This study provides national estimates of salary levels and distributions in private industry for each of the occupations covered by defined grade categories, ranging from the beginning level to high levels of professional and administrative responsibility.

Typically, occupational wage surveys with an industry rather than a labor market orientation are nationwide in scope. The principal industries in the economy are studied on a regularly recurring basis over a 5-year period. In fiscal 1961, studies were made in the following industries: banking, hospitals, women's and misses dresses, nonferrous foundries, cigarettes, crude petroleum and natural gas production, cotton textiles, synthetic textiles, candy and other confectionery products, paints and varnishes, machinery except electrical, cigars, textile dyeing and finishing, and communications services.

A comprehensive study was published on salaries and working conditions of professional workers in the social welfare field, started in the prior fiscal year. This survey was undertaken in cooperation with the U.S. Department of Health, Education, and Welfare and the National Social Welfare Assembly.

Annual studies of union wage scales and standard hours of work were made in the construction, printing, local transit, and local trucking industries in 52 cities. Special quarterly surveys of union rates and employer contributions to insurance (welfare) and pension funds were made in 100 cities for 7 major building trades.

A study of the distribution of earnings of nonsupervisory workers in nonmetropolitan areas in the Southern and North Central States was made at the request of the Wage and Hour and Public Contracts Divisions for use by the Department in its continuing appraisal of Federal minimum wage legislation. Also prepared for the Department were special-purpose wage studies in seven industries for use in prevailing rate determinations under the Walsh-Healey Public Contracts Act. Planning was begun for a series of special studies designed for use in appraising effects of the 1961 amendments to the Fair Labor Standards Act.

The monthly report on current wage developments was continued during the year. This report provides information on collective bargaining settlements involving 1,000 or more workers, listing the details of each individual settlement. Statistical summaries of the settlements in major situations under collective bargaining and of all situations in manufacturing industries were issued quarterly and for the calendar year as a whole.

The wage chronology series, a historical record of changes in wages and wage practices in key collective bargaining situations, was maintained on a current basis. Supplements, reflecting current changes, were issued for eight situations.

Wage and salary indexes for selected industries and occupational groups were kept current. These include indexes for public school teachers,

women office workers and industrial nurses, skilled and unskilled plant workers, selected occupational groups for the machinery industries, and for Federal classified civil service workers.

The preliminary report was issued for the study of employer expenditures for selected fringe benefits and of the composition of paid hours for production workers in manufacturing industries relating to calendar year 1959. A comprehensive report is in preparation. Collection of data for a similar study of mining relating to calendar year 1960 was started in the latter part of the fiscal year. This program of studies, still in the developmental stage, represents a major improvement in the body of wage statistics maintained by the Bureau.

Industrial Relations Analysis

The Bureau's diversified program of studies and services in the field of industrial and labor relations was augmented during the year by a number of special projects undertaken for other government agencies. A series of analytical studies of pay and fringe benefit provisions in selected agreements was undertaken at the request of the Presidential Railroad Commission. A comprehensive digest of the pension plans of 33 major railroads was prepared for, and published by, the Subcommittee on Railroad Retirement of the Senate Labor Committee. Several special tabulations of strike data were prepared for the Federal Mediation and Conciliation Service, Congressmen, and local committees concerned with area redevelopment.

Special compilations of collective bargaining agreement provisions were provided to the Department of Defense, the Missile Sites Labor Commission, and the staff of the Armour Automation Fund Committee. Special materials were prepared for the President's Committee on Labor-Management Policy, the International Labor Organization, and other users overseas. Consultative services on research problems were provided to the staff of the Presidential Railroad Commission and the Missile Sites Labor Commission.

In its agreement analysis program, the Bureau completed its first study of subcontracting provisions, and published a bulletin on provisions dealing with rest periods, washup and cleanup time, clothing allowances, and military leave provisions. With data available for the first time on the volume of strikes during the term of agreements, a comprehensive analysis of grievance and arbitration provisions was undertaken to throw light on the limitations written into contracts. The Bureau's calendar of major agreement expirations and reopenings and of deferred wage increases was again issued at the beginning of the year. Work continued on a study of antidiscrimination provisions, characteristics of major agreements, and selected fringe benefits.

A five-part series of bulletins on health and insurance plans under collective bargaining was completed during the year. This was supplemented by a bulletin on paid sick leave provisions in major agreements. The second

bulletin (normal, early, and disability benefits), a three-part series on pension plans under collective bargaining, was published; the third part, on survivors' benefits, was nearing completion at the end of the fiscal year. Also well advanced was an up-to-date digest of 100 selected pension plans.

The Bureau's comprehensive analysis of the benefits and administrative features of all multi-employer pension plans, made possible by the welfare and pension plan disclosure file, was virtually completed by the end of the year. A preliminary release on the prevalence of multi-employer plans was issued early in 1961. Work was started on the Bureau's first digest of selected profit-sharing, savings, and stock-purchase plans for wage and salary workers.

A special study dealing with the dimensions of major strikes during the period 1947-59 was completed and issued during the year. A comprehensive bulletin on work stoppages in calendar year 1959, containing a detailed chronology of the steel strike, was published, as well as a release showing preliminary strike data for calendar year 1960. Also published was an up-to-date report on "national emergency" disputes under the Taft-Hartley Act and two special reports on disputes in particular industries. A cooperative interchange of work stoppage information was arranged with the Department of Defense, the latest among the Bureau's various cooperative arrangements in the collection of strike statistics.

New fields of analysis relating to trade union activities were explored. A comprehensive study of union disciplinary powers and procedures, the first of its kind, was nearing completion at the end of the fiscal year. The Bureau's biennial "Directory of National and International Labor Unions in the United States" and its accompanying union membership survey, begun early in 1961, will provide new insights into the structure of the labor movement and membership trends. Toward the end of the fiscal year, the Bureau started its first membership survey of single-firm and intrastate labor organizations. During the year, lists were prepared of changes in union organizations and personnel, union convention schedules, and firsthand reports of major union conventions.

Productivity and Technological Change

Increased attention was focused on the Bureau's work in the field of productivity. The Bureau's statistics provide the basis for measuring changes in productivity, while its more detailed studies of automation and technological change provide insights into the factors responsible for productivity change and the impact of such change on the workers and business firms directly involved.

Measurement of Productivity

The Bureau currently develops and publishes, on an annual basis, indexes of output per man-hour for the private economy and major sectors and for

a number of selected industries. In addition to extending previously published series, the Bureau has also engaged in developing reports on output per man-hour for a number of additional industries.

The output per man-hour indexes for the private economy and the major sectors, agriculture and nonagriculture, cover the period 1909 to 1960. Starting with 1947, indexes have been developed for the manufacturing and nonmanufacturing sectors as well.

Productivity indexes for the selected industries cover 22 mining, manufacturing, transportation, and communication industries. These indexes have been extended to the most recent period for which data are available.

During the past year, draft reports for the petroleum refining, tires and tubes, and air transport industries, covering the postwar period, were completed and will be reviewed by industry and labor officials. The indexes for these and other new industries will be extended annually following review and initial publication. The report for each industry provides output per man-hour measures for all employees and production workers, as well as the underlying statistics, a description of the industry, a brief examination of the trends disclosed by the index, and a technical note on the procedures and sources.

The Bureau also extended its annual indexes of comparative labor and nonlabor costs, prices, and output per man-hour for the total private economy and the nonagricultural sector. Work continued on the development of unit labor and nonlabor payments for manufacturing and nonmanufacturing industries.

Productivity data were supplied to various interested agencies. Material was furnished to the Joint Economic Committee for the extension of its report on the relationship of productivity, prices, and income. In addition, the Council of Economic Advisers was furnished information on short-term output per man-hour measures, as well as measures for various selected industries.

A Productivity Seminar for the Labor Research Advisory Council was held in October. This seminar was similar to the one held for the Business Research Advisory Council in the previous year. Papers were presented by the National Bureau of Economic Research and by Bureau staff.

Automation and Technological Change

Under the title "Impact of Automation," the Bureau published a collection of 20 articles on various aspects of automation based on studies, reports, and speeches by Bureau representatives and others. Included are summaries of case studies made by the Bureau; general surveys of automation, technological developments and their implications; and articles on the effects of automation on labor-management relations.

A study was completed on productivity trends and technological developments in the bituminous coal industry, covering changes over the past decade. This report is the first of a series designed to investigate the

impact of technological change on key industries of the economy. Developments in productivity, technology, and production are reviewed and data are presented to show the effect of these changes on employment, earnings, costs, prices, and profits. A brief survey of factors affecting the industry's outlook is also included.

The Bureau prepared a statement for the Secretary of Labor on labor implications of automation which was submitted to the Subcommittee on Automation and Energy Resources and published for the use of the Joint Economic Committee in "New Views on Automation."

The Bureau continued to collect data on recently automated plants for the case study program on economic and social implications of automation. A study is nearing completion of the pulp and paper industry which describes technological change in four plants and discusses implications of such changes for labor requirements, retraining programs, industrial relations, and productivity.

Also nearing completion is an annotated bibliography on automation's implications covering technical trends, impact of industrial and office automation, implications for employment, unemployment, training, retraining, labor relations, and business management. Over 400 selected references to books, articles, documents, films, and research projects will be included. A preliminary bibliography of a few recent references was published in May 1961.

Planning work was undertaken for studies of the technological outlook in various industries, covering the status and prospects for important innovations. Plans also were made for studies of the experience of workers displaced from plants by technological change.

Construction Labor Requirements

The Bureau completed the first two in a series of studies exploring the labor generating effects of various types of public and private construction. The studies provide information on both labor and material requirements on the construction site as well as the labor required in all the supporting activities necessary to produce and transport construction materials. The first two studies dealt with school and highway construction. Data collection has been started for public buildings, hospitals, and public housing. Planning, including some pilot work, is in progress for some types of private construction, including private housing.

In continuation of work which has been done for several years in conjunction with the President's staff, the Bureau processed data relating to the inventory of Federal public works projects with the objective of estimating the labor generating potential of these projects.

Special Conditions

Work proceeded in the study of conditions likely to affect the efficiency of the labor force in the event of a nuclear attack on this country. The objective of the project is to identify and measure the impact on labor force productivity of as many factors as possible. The combined effects of the separate factors under various conditions will be calculated when sufficient data have been developed to permit estimates of an overall character.

The factors being examined are (1) personnel efficiency factors relating to workers which are determined by food supplies, housing conditions, morale, etc.; and (2) industrial factors relating to the conditions of plant and equipment, fuel and raw material supplies, and replacement parts.

During the fiscal year, a study was completed of the effects of inadequate food on labor force productivity. Investigations were begun, based on available data, concerning the effects of sublethal doses of radiation on labor force efficiency.

Industrial Hazards

The Bureau's activities in the area of industrial hazards involved not only regular statistical reports on work injuries, but also more detailed studies on the causes of industrial accidents in specific industries.

After extensive discussions with labor and management representatives of the construction industry, plans were being made to undertake a special study of work injuries in heavy engineering and highway construction starting in January 1962. If resources permit, this will be expanded into a 5-year program covering all types of construction.

Two new States, South Carolina and Wisconsin, making a total of 12, joined the list of States cooperating in the annual work-injury rate survey. In both States, the program for collecting data from manufacturing industries started in January 1961. Wisconsin plans to expand their coverage into the nonmanufacturing industries during the coming year.

An extensive one-time study of injury rates, by occupation, in the hotel industry was initiated. Tabulations were started of data collected in the study of injuries experienced by minors. The final report on the one-time study of accident causes in waterworks was sent to the printer.

The Bureau continued to furnish technical guidance to the cooperating State agencies. At the request of the Idaho Workmen's Compensation Commission, its statistical program was reviewed in detail, and suggestions were submitted for major changes in its operation. All suggested major changes were put into effect by the commission.

The chief of the Puerto Rico Department of Labor's Accident Statistics Section was given 6 weeks of training in the survey and analysis procedures of the Bureau in preparation for the task of reorganization in the Puerto Rico office.

A 3-day technical conference attended by representatives from each of the cooperating States was held in Washington. The resulting decisions have greatly improved the operations of the cooperative survey.

The following formal survey reports were issued during the year:

1. Four quarterly injury-rate tabulations covering the experience of 135 manufacturing industries.
2. Estimates of the total volume of disabling work injuries in the United States during 1960 and of the resulting manpower losses.
3. A major report detailing the causes of accidents in the canning and preserving industry.

Special purpose reports prepared during the year included:

1. Three quarterly injury-frequency-rate tabulations in broad detail covering the longshoring and ship-repair industries for the Bureau of Labor Standards.
2. A series of approximately 20 analytical tables on injuries to minors in each of three States, prepared for the Bureau of Labor Standards.
3. Descriptions of several hundred work accidents involving the use of industrial trucks, prepared for the Bureau of Labor Standards.

International Affairs

Monographs entitled "Labor in India" and "Labor in the Sudan" were published. The research staff made a substantial beginning in its new project involving the preparation of comprehensive monographs on the labor law and practice of selected foreign countries; and drafts were completed for 13 of these studies.

Arrangements were made for the staff to undertake the preparation of book-length monographs regarding the manpower resources of foreign countries. Largely on the basis of contract funds received for the preparation of monographic studies, six staff members traveled to foreign countries to collect data on labor affairs.

Congress appropriated funds for a study of intercountry comparisons of labor costs. The first major project was undertaken, a comparison of unit labor costs in the iron and steel industry of the United States, Canada, Japan, and six countries of Western Europe.

Close liaison was maintained with the policy and program officers of the Department's Bureau of International Labor Affairs. The Bureau staff continued to brief American officials, as well as nongovernment American program participants, in connection with prospective visits to foreign countries.

One of the Bureau's reports, "Purchasing Power of Workers in the U.S.S.R.," which appeared in the *Monthly Labor Review*, attracted widespread notice. Permission was given for the reprinting of the article in a volume being compiled at the University of Washington on the Soviet

economy. A popular periodical published in Rome presented an Italian translation of the report.

The Bureau continued its program of conducting courses in the techniques of labor statistics for foreign participants under arrangements with the International Cooperation Administration, the Department of State, and other agencies. The staff provided technical assistance, gave lectures, or otherwise aided in the orientation or training of 1,429 visitors during the year. Discussions were initiated with Puerto Rico authorities regarding the establishment of a program there for training Latin Americans in labor statistics.

A sixth edition of "Economic Forces in the U.S.A. in Facts and Figures" was published. This document is used extensively in orienting foreign visitors with regard to the American economic scene.

BUREAU OF VETERANS
REEMPLOYMENT RIGHTS

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

The Bureau of Veterans' Reemployment Rights assisted thousands of new veterans, survivors, National Guardsmen, and others in securing their civilian jobs after returning from military service.

When a discharge certificate was issued to the unemployed rights personnel of the National Military Training and Service, it was their duty to assist them in securing their civilian jobs. These responsibilities were set in 1945 when the War Relocation Authority was approved by the Congress to improve the reemployment rights of discharged National Guardsmen and others.

Members of the "National Guard" who returned after periods of 1 to 4 months' active duty for training with their civilian employers continuing under training.

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BUREAU OF VETERANS'
REEMPLOYMENT RIGHTS

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

The Bureau of Veterans' Reemployment Rights assisted thousands of ex-servicemen, reservists, National Guardsmen, employers, and unions during the fiscal year in connection with their reemployment rights problems.

New and strengthening amendments to the reemployment rights provisions of the Universal Military Training and Service Act went into effect September 10, 1960. These amendments, contained in Public Law 86-632, were approved by the Congress to improve the reemployment rights of reservists, National Guardsmen, and rejectees.

Specifically, the amendments: (a) equalize the reemployment rights of members of the National Guard who perform initial periods of 3 to 6 months' active duty for training with those granted reservists performing similar training duty (prior to Public Law 86-632, guardsmen had lesser rights under the law); (b) extend reemployment protection to reservists and guardsmen who are disabled while on training duty to the extent that they cannot perform the duties of their former positions; (c) provide that reservists, guardsmen, and rejectees shall be reinstated with the seniority, status, pay, and vacation they would have had if they had not been absent for training duty; and (d) protect the reemployment rights of reservists, guardsmen, and rejectees who are hospitalized incident to training duty or rejection.

The amendments further provide that reservists and guardsmen performing annual training, weekly drills, and other types of training duty, and rejectees, must request a leave of absence from their employers, and the employer must grant such leave. The application period for these trainees was reduced from 30 days to the next regularly scheduled work period after their return from such training. The application period for persons performing initial 3 to 6 months' active duty for training was also reduced from 60 days to 31 days.

From late spring through early summer, the Bureau conducted an extensive publicity program to alert those covered by the new amendments to the requirements imposed on them. The campaign was conducted through national and local news services, radio, and television. The Defense Department, each branch of the armed services, the Ready Reserve, National Guard, and Selective Service System cooperated closely in an information program. By publicizing the requirements of the new amendments, the Bureau was able to avert many disputes which might have arisen as a result of misunderstandings.

The close cooperation between the Bureau and the Department of Defense continued during the year, with all branches of the Armed Forces publishing regulations putting into effect the changes required under the reemployment rights amendments. The program by which ex-servicemen are provided an opportunity to inquire into their specific reemployment rights at the time of separation from the military services was continued and improved upon by each of the services.

Approximately 265,000 requests for information and assistance were received by the Bureau during fiscal 1961. Prompt and detailed attention to these inquiries contributed to a greater understanding of the reemployment statutes and thus reduced the areas of possible misunderstanding that generally result in disputes between employee and employer. When such disputes did occur, the Bureau continued to stress an amicable settlement through roundtable discussions with all of the interested parties. As a result, of the approximately 52,000 problems and 8,362 cases handled during the year, it was necessary to refer only 67 cases to the Department of Justice for litigation.

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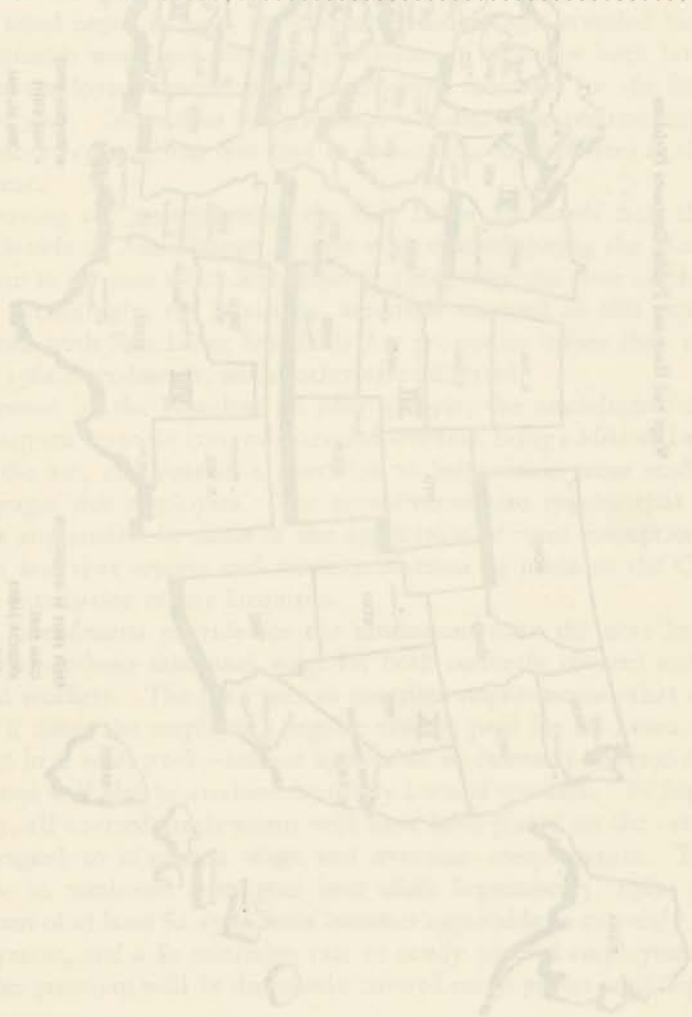
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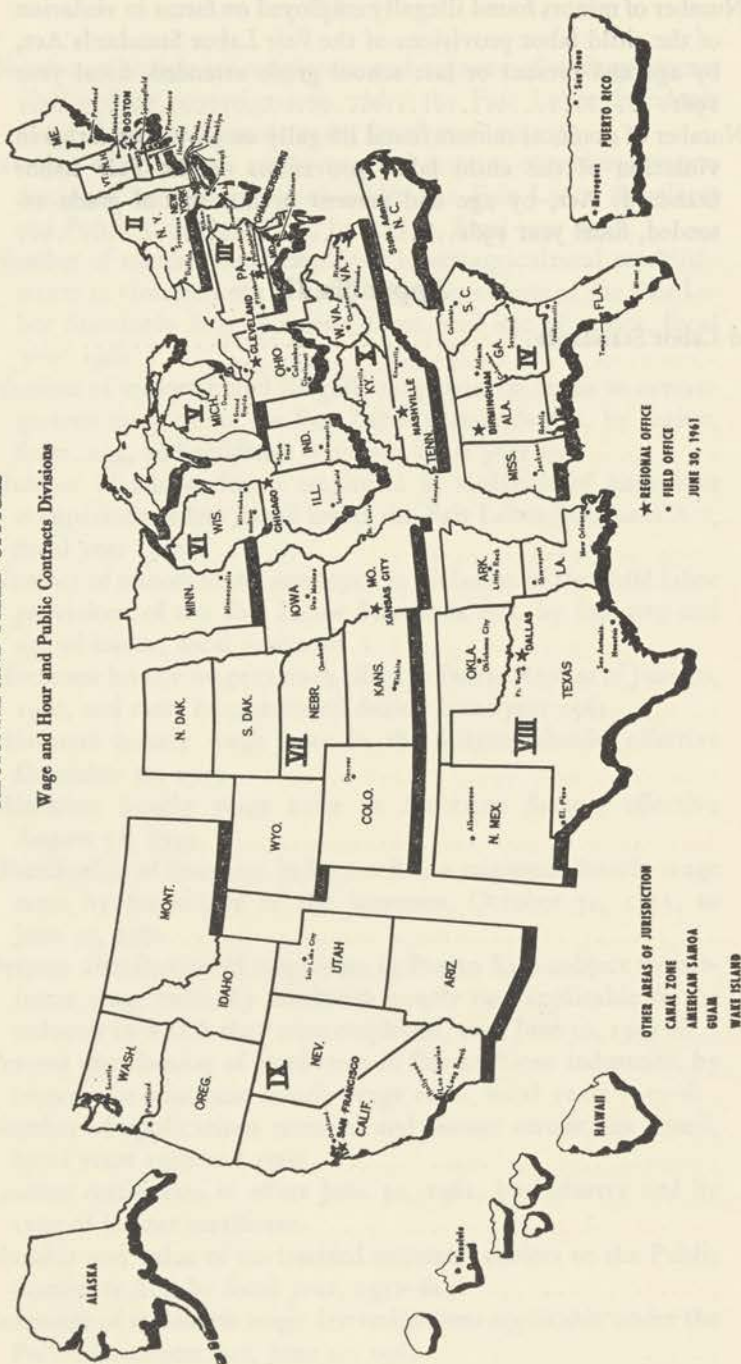
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Wage and Hour and Public Contracts Divisions



Introduction

Again this year the Wage and Hour and Public Contracts Divisions' activities resulted in peak back-wage disclosures and back-wage payments for employees who had received less than they were due under the Fair Labor Standards Act or the Walsh-Healey Public Contracts Act. Continuing a trend begun in 1956, the amount of back wages revealed due under the minimum wage and overtime provisions of either or both laws, and the sum employers agreed to pay to workers, increased for the fifth consecutive year. More than \$30.9 million was due some 202,000 employees and almost \$14.5 million was paid to about 122,000 employees in the 1961 fiscal year.

Improving and strengthening the Fair Labor Standards Act, the Fair Labor Standards Amendments of 1961 were enacted during the fiscal year, but were to go into effect September 3, 1961, after the close of the fiscal year. Accordingly, the Divisions' activities narrated in this report are concerned with Fair Labor Standards Act provisions before their revision by the 1961 amendments, unless otherwise indicated.

Approved by the President on May 5, 1961, the amendments increase the minimum wage for currently covered workers, bring additional workers under the act, and contain a provision to help obtain more readily any back wages due employees. The amendments also require that certain surveys and studies be made of the application of some exemptions from the act and that reports and recommendations be made to the Congress on the elimination of any inequities.

The amendments provide for the attainment over the next few years of a \$1.25-an-hour minimum wage for both currently covered and newly covered workers. The act's present overtime requirements—that not less than $1\frac{1}{2}$ times the employee's regular rate be paid for all hours worked over 40 in a workweek—remain applicable to currently covered employment, and will also be attained for newly covered workers. By September 3, 1965, all covered employment will have been placed on the same basis with regard to minimum wage and overtime compensation. The first increase in minimum rates goes into effect September 3, 1961, when a minimum of at least \$1.15 an hour becomes applicable to currently covered employment, and a \$1 minimum rate to newly covered employment. No overtime premium will be due newly covered employment until September 1963.

It is estimated that the \$1.15 minimum rate will mean direct pay increases for about 1.9 million of the 24 million workers currently subject to the

minimum wage provisions, who are employed by almost 1 million establishments. Of the 3.6 million newly covered workers, about 663,000 are now being paid less than \$1 an hour.

The 1961 amendments mark the first major expansion in the act's coverage since the law was enacted in 1938. In general, the act has applied to employees engaged in interstate commerce or in the production of goods for interstate commerce, unless specifically exempt. Retaining this coverage, the amended act will also apply to other employees of certain large enterprises engaged in interstate commerce or in the production of goods for interstate commerce. Most of these newly covered employees—about 2.2 million of them—work in retail or service trades. Some additional workers will be brought under the law because the amendments narrow or eliminate a few exemptions. The amendments also give the Federal district courts additional jurisdiction to restrain violations of the act, including the withholding of payment of minimum wages or overtime compensation found by the court to be due the employees.

More limited in application than the Fair Labor Standards Act, the other law administered by the Divisions, the Walsh-Healey Public Contracts Act, establishes minimum labor standards for work on Government supply contracts in excess of \$10,000. It authorizes the Secretary of Labor to issue minimum wage determinations on the basis of the minimum wages he finds to be prevailing, and requires payment of not less than $1\frac{1}{2}$ times the employee's basic rate for all hours worked over 8 in a day or 40 in a workweek. It prohibits the employment of children, prison labor, and homeworkers on covered contracts, and contains safety and health provisions.

The Divisions' national office in Washington, D.C., in directing the nationwide field organization, develops plans and policies to insure uniform application of the two laws and supervises the activities of the field. These field operations are conducted through 10 regional offices, a Puerto Rico office, and a cooperating State agency.

The regional offices, each operating under a regional director, are located in Boston, Mass.; New York, N. Y.; Chambersburg, Pa.; Birmingham, Ala.; Cleveland, Ohio; Chicago, Ill.; Kansas City, Mo.; Dallas, Tex.; San Francisco, Calif.; and Nashville, Tenn. Within each region are field offices, totaling 78 throughout the Nation, and about 250 field stations. The office in San Juan, Puerto Rico, has responsibility for operations in Puerto Rico, the Virgin Islands, and the Canal Zone. For North Carolina, there is a State agreement under which the State department of labor makes investigations. Activities in Guam, Wake Island, and American Samoa are under the supervision of the San Francisco regional office through a field office in Honolulu, Hawaii.

As the fiscal year drew to a close, the Divisions' nationwide organization was increasingly concentrating its efforts on preparing for a vigorous, effective, and efficient administration of the amended Fair Labor Standards Act. In the conviction that a prime goal of effective enforcement policy

is to forestall violations, the groundwork was laid for an extensive educational program which would utilize mass communications and special media to inform employers, employees, and the general public about the amendments. The Divisions reviewed and began to revise the interpretative bulletins, regulations, and other official releases which serve as guides to the administration of the act and which are available to the public. Similarly, revision was begun on various nontechnical publications explaining the major statutory provisions in layman's language. Procedures were developed for making investigations in newly covered enterprises and in other industries or businesses which would be affected by the amendments. Plans were made to train the national and field staff in carrying out with maximum effectiveness the duties entailed by the amended act. These and other activities had as their objective the attainment of optimum compliance with the amended law.

Enforcement by Investigation

Disclosure of underpayments in fiscal 1961 increased for the fifth consecutive year. This resulted from a rise in the number of complaints and continued emphasis on discovering and correcting significant violations.

Employers and employees subject to the Public Contracts Act are usually subject also to the Fair Labor Standards Act, and concurrent investigations are made when both laws apply. Investigations for compliance with either or both acts were made in all States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, Wake Island, American Samoa, and the Canal Zone.

Plans were made during the latter part of the fiscal year for actions necessary to meet the Divisions' enforcement responsibilities under the amended act. Among the procedures evolved were those for making investigations involving enforcement of dual wage standards in newly covered establishments. Plans were made for training new employees in the enforcement of the acts, as well as for training the present staff in the enforcement of the amended provisions of the FLSA.

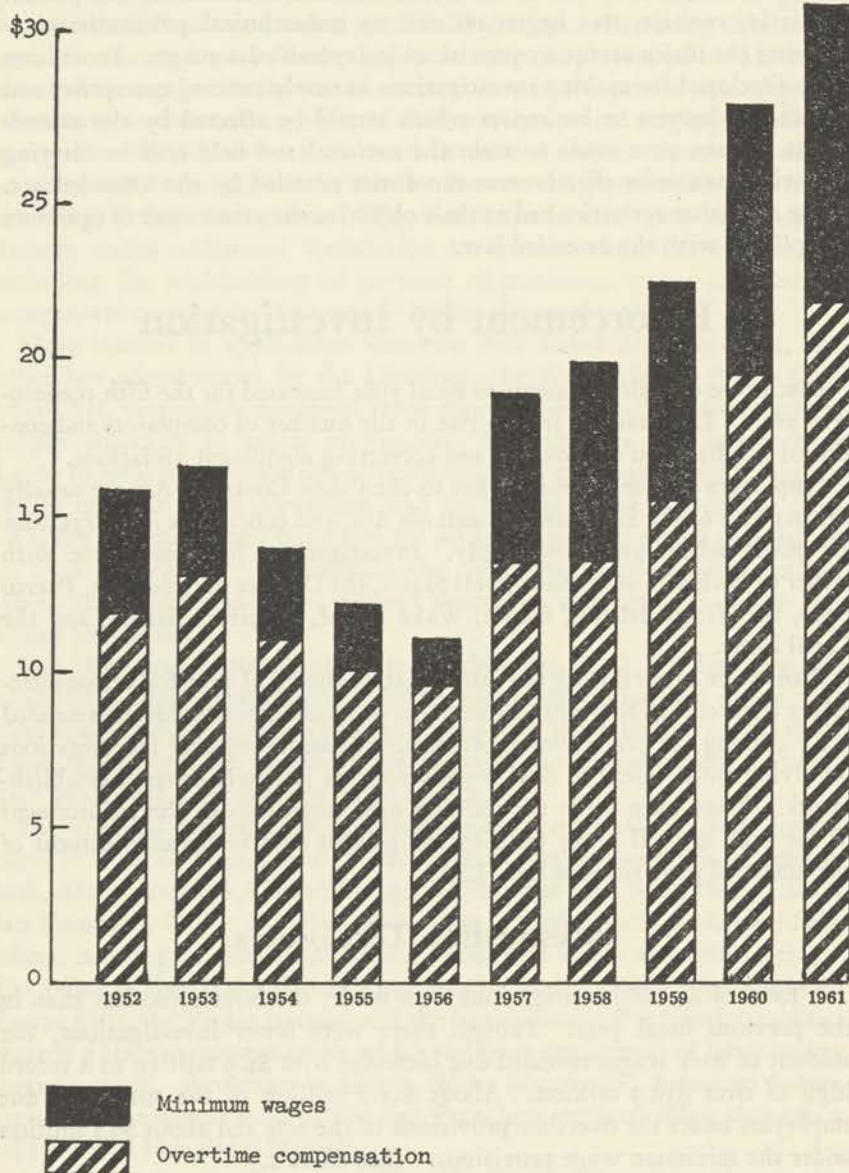
Investigation Disclosures

A total of 44,268 investigations were made, or about 1,500 less than in the previous fiscal year. Though there were fewer investigations, the amount of back wages revealed due increased over \$2.9 million to a record high of over \$30.9 million. About \$21.7 million of the total was due employees under the overtime provisions of the acts and about \$9.2 million under the minimum wage provisions. (See chart 1.)

Investigations made in the fiscal year revealed that 75,051 employees were paid less than the minimum wage provisions required, as compared with 62,253 in the preceding year—an increase of over 20 percent. The number

Chart 1.—Amount of minimum wage and overtime underpayments disclosed, fiscal years 1952-61

Millions



of employees underpaid under the overtime provisions rose by about 6 percent—from 155,746 in fiscal year 1960 to 164,758 in 1961. (See appendix tables A and B.) In all, investigations disclosed 201,810 underpaid employees, with some employees due amounts under both the minimum wage and overtime provisions, an increase of 14,813 over the number of employees revealed underpaid last year.

Thus, with fewer investigations, there were significant increases in the number of disclosures of underpaid employees and in the amounts underpaid. These results were a consequence of increased emphasis on scheduling investigations in areas of potentially serious violations and on complaint investigations.

Complaint and Other Investigation Activity

A substantial proportion of investigator time, 42 percent, was spent on the investigation of complaints. Such investigations accounted for 25 percent of the total investigations made, but revealed over 52 percent of total underpayments, thus illustrating the importance of complaints in the Divisions' investigation program. The number of complaints received this year alleging violation of the acts was 11,934, an increase of 501 over the 11,433 received last year. (See chart 2.)

Investigator time not expended on complaints was used on assignments in industries and areas in which local knowledge and previous investigation results indicated that serious violations were likely to be found.

Back-Wage Payments

About 122,000 employees received payment of almost \$14.5 million under supervision of the Divisions in the fiscal year. This amount represented an increase of almost \$600,000 over similar payments in the previous year.

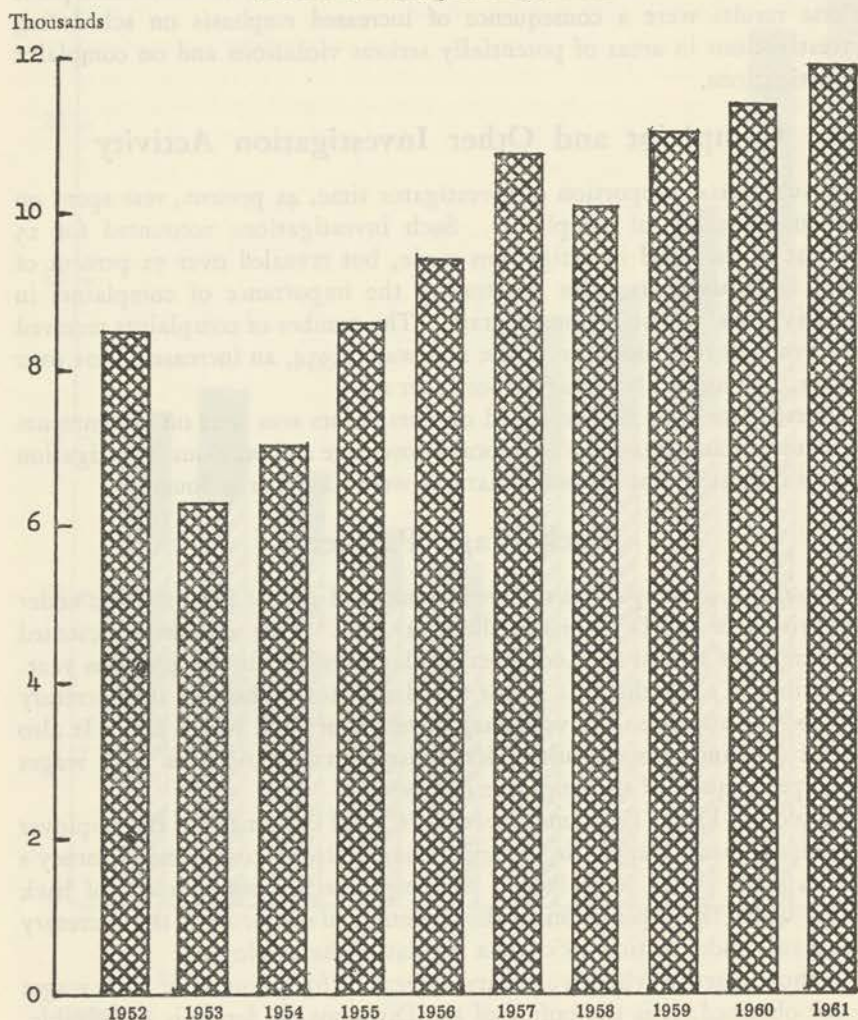
Section 16(c) of the Fair Labor Standards Act authorizes the Secretary of Labor to supervise the voluntary payment of back wages due. It also authorizes him to bring suit under limited circumstances for back wages due, upon request of the employee involved.

Employees have a right under section 16(b) of the act to sue the employer for unpaid back wages, liquidated damages, court costs, and attorney's fees, a right which is waived if the employee accepts payment of back wages under the supervision of the Secretary of Labor or if the Secretary files a suit under section 16(c) on a request of the employee.

In those cases in which voluntary agreement for payment of back wages is not obtained, it is the policy of the Divisions, so far as is practicable, to notify employees of their rights under sections 16(b) and 16(c) of the FLSA.

Amounts due for violations of the Public Contracts Act are owed the Government, and the Secretary of Labor distributes them to the underpaid employees. When necessary, amounts due are determined in administrative proceedings.

Chart 2.—Number of establishments against which complaints were received, fiscal years 1952-61



Legal Actions

A total of 1,503 civil and criminal actions were filed under the Fair Labor Standards Act and the Public Contracts Act, including 82 criminal actions, 352 actions under section 16(c) of the FLSA, and 1,069 other civil actions, including injunctions. In addition, 46 administrative proceedings were instituted under the Public Contracts Act.

A total of 1,533 civil and criminal actions were completed under these acts, including 104 criminal actions, 382 section 16(c) actions, and 1,037 other civil actions. In addition, 57 administrative proceedings were completed under the Public Contracts Act.

The courts imposed fines totaling \$128,112 in criminal cases and \$8,440 in contempt proceedings, of which \$5,790 was in the nature of compensatory fines.

Child Labor Violations

Investigations disclosed 12,732 minors employed contrary to the child labor provisions of the Fair Labor Standards Act. Of this total, 7,005 were working in nonagricultural establishments, and 5,727 were employed on farms during school hours. (See appendix tables C and D.)

This act sets a 16-year minimum age for general employment and an 18-year minimum for occupations which the Secretary of Labor has found and declared hazardous. Provision is made for the employment of minors 14 and 15 years of age outside school hours in a limited number of occupations under regulated hours and conditions. Among exemptions from the child labor standards is one which applies to minors employed in agriculture outside school hours for the school district where they are living while so employed. The minimum age for farm work during school hours is 16 years.

Of the 7,005 minors found working illegally in nonagricultural establishments, 2,958, or 42 percent, were under 16 years of age, and 4,047, or 58 percent, were 16 or 17 years of age, employed in hazardous occupations. (See appendix table E.) The industries in which minors were found illegally employed are shown in appendix table F. Of the 5,727 minors under 16 years found working on 1,921 farms during school hours, 4,179, or 73 percent, were under 14, and 1,548, or 27 percent, were 14 and 15 years of age.

The Public Contracts Act prohibits the employment of boys under 16 or girls under 18 years of age on contracts let by the Federal Government for materials, supplies, articles, or equipment in amounts exceeding \$10,000. Fifty-seven minors were found employed contrary to this act.

Safety and Health Inspections

During the fiscal year, 3,638 safety and health inspections were made in industrial establishments performing on Government contracts under the

Public Contracts Act. These inspections were made by the Divisions' investigators or by State inspectors in some States in accordance with cooperative agreements.

Among the unsafe conditions found were unguarded machinery, such as belts, gears and shafting, insufficient or inadequate fire escapes or fire protective measures, and unsafe floors and elevators. In some cases the washing and sanitary facilities were inadequate. Employees in some plants inspected were exposed to toxic fumes or radiation hazards of serious proportions.

Inspections of uranium mines and mills made in conjunction with the Federal Bureau of Mines, the Atomic Energy Commission, and appropriate State agencies revealed serious safety and health violations.

Pursuant to a cooperative agreement with the Divisions, the Federal Bureau of Mines made 213 inspections of mines producing coal for the Government under the Public Contracts Act. Violations were reported in 111 of these mines.

It was necessary to initiate administrative hearing actions in 31 cases involving safety and health violations, 15 of which involved coal mines. As a result, most of the firms corrected unsafe and unsanitary conditions, and the Secretary of Labor could consider relieving them of the sanctions which are applied to contractors who violate the act. In the absence of such action by the Secretary of Labor, these contractors became ineligible to work on Government contracts for a period of 3 years.

The cooperative agreements with several States covering safety and health inspections were reviewed as a preliminary to improvement of the arrangements. Looking toward the development of standards covering exposure of employees to radiation hazards, the Divisions worked with such Government agencies as the Department of Health, Education, and Welfare, the Atomic Energy Commission, the Federal Bureau of Mines, and the National Bureau of Standards.

Training of Personnel

Employee training aimed at increasing the competence and effectiveness of employees at all levels, increasing their versatility in work assignments, and developing their potential abilities to assume increased responsibilities.

Particular attention was given to the training of new investigators. In addition to intensive classroom training, each new investigator was given closely supervised on-the-job training to assure his capability in discharging his work responsibilities efficiently and effectively.

Much of the training provided other employees was conducted by supervisors in their day-to-day relationship with those supervised; however, this type of training was often supplemented by other individual or group training, using the Divisions' own resources or interagency or nongovernmental facilities.

A continuous evaluation of training activities was made to assure that training provided met operating needs, was practical, economical, and met professional standards, accomplished the training objectives, and provided the knowledge, skills, and performance improvements intended.

Compliance Through Education

The Divisions continued their educational activities to foster knowledge of the acts and thereby promote voluntary compliance with the statutory requirements. The educational-informational programs reached millions of employees as well as their employers through the media of radio and television, trade publications, house organs, the daily, weekly, and labor press, speeches, clinics, seminars, and talks before labor, business, industry, civic, and similar organizations.

Cooperative educational programs were developed with private and government agencies. These programs resulted in broad dissemination of educational materials. Specialized articles, directed to industries or to geographic areas, were prepared and distributed through trade publications, labor papers, and other periodicals.

Local newspaper and radio publicity given to court actions added up to nationwide coverage, thus informing employers and workers of employee rights.

Government agencies, such as the Department of Defense, the Post Office Department, and the Departments of Agriculture, Interior, and Health, Education, and Welfare, again supported the Divisions' programs in those areas where they had direct and related interests.

Private industry, through trade associations, trade publications, and employer organizations, cooperated with the Divisions' educational efforts by reproducing and disseminating materials specially prepared for individual industries. Labor organizations, through their publications, also reprinted various materials prepared by the Divisions. Additionally, organized labor, through its State federations and local central union groups and local unions, fostered other educational efforts of the Divisions by providing the Divisions' regional and field representatives with forums from which they discussed various aspects of the Fair Labor Standards Act. More than 300 such presentations were made throughout the year before labor, industry, business, and other interested groups.

A new departmental policy concerning the publicizing of Fair Labor Standards Act violations was developed during the closing months of the year. All cases that are submitted to the courts for adjudication will be publicized at the time the case is filed and docketed in the court. Similarly, information on the results of the adjudication will be issued at the conclusion of the case. In those instances where an employer refuses to pay back wages voluntarily and the Department does not submit the case to the courts, employees will receive information as far as practicable as to their wage recovery rights.

Heavy emphasis again was given to the child labor informational-educational program. The intensive program was directed primarily to agriculture and industrial employers, educators and public-spirited organizations, and parents and minors.

A new approach was undertaken this fiscal year in an effort to reach the individual families of rural children. It was directed to rural educators. They were provided with an outline of the child labor provisions of the act and were asked to disseminate the information to parents and children residing within their school districts. The National Education Association and State school officials, as well as county superintendents and individual schools, were brought into the program.

The Divisions continued to undertake special programs in seasons when child labor can be expected to increase. Intensive educational efforts were again directed to those geographic areas where families of migratory farm workers live during the winter months prior to their moving across the Nation in the spring to follow the crops. Summer programs emphasized that youngsters could be employed during school vacation months provided their occupations and conditions of employment were in compliance with the law. The autumn campaign combined both child-labor-in-agriculture and back-to-school programs, reminding employers, parents, and youngsters that children should return to schools. Public media and public-spirited citizens played major roles in this effort.

As a result of the enactment of the Fair Labor Standards Amendments of 1961, the Divisions' efforts turned to planning and preparing for an even broader and more intensified educational program than had been conducted in the past. The program would be directed primarily to the newly covered employers and employees, and to the currently covered who would be affected by the increase in the minimum wage rates. During the closing weeks of the fiscal year, new approaches were being considered, as new materials had to be developed to tailor-fit programs to a new audience. At the same time, preliminary work was begun on the revision, as necessary, of nontechnical publications, posters, and other existing informational material. Plans for speaking engagements were being made. Target dates for these and other informational activities were set, so that the educational campaign would be under way well in advance of the effective date of the amended law and thereby promote prompt compliance.

Interpretations and Regulations

The Administrator reviewed and analyzed a number of positions of importance over a wide spectrum of the Fair Labor Standards Act. Such subjects as overtime compensation, employer-employee relationships, and a number of exemptions were prominent matters for administrative interpretations, rulings, or modifications in regulations. Interpretations and regulations are continually reviewed, both to insure their conformity with

authoritative decisions of the courts and to keep them abreast of the changing industrial practices of the economy. A major way of achieving this end is by issuing amended or revised statements of position or criteria contained in interpretative bulletins, regulations, and other official releases.

As efforts to amend the act advanced in the Congress, culminating in the enactment of the Fair Labor Standards Amendments of 1961, the Divisions began work to enable them to issue revised or new interpretations and regulations prior to September 3, 1961, the effective date of the amended law.

Also during the fiscal year, new regulations affecting the Walsh-Healey Public Contracts Act were issued by the Secretary of Labor.

Hours Worked

The Divisions responded to requests for interpretations of "hours worked" under the Fair Labor Standards Act. The problem concerned whether certain time spent by employees was compensable as "hours worked." At issue, for example, was the time spent by employees traveling to and from offshore drilling rigs, and by employees of "manpower supply firms" who wait for assignments at the employer's place of business and who travel from job to job in the course of a day's work.

Overtime Problems

The subject of supplemental unemployment benefit plans, incentive pay, and other supplemental benefits provided in collective bargaining agreements continued to undergo detailed study and evaluation. Among the matters studied was the extended use of an agreed basic rate under section 7(f)(3) of the Fair Labor Standards Act, to be used in computing overtime compensation.

Retail or Service Establishment Exemption

Section 13(a)(2) of the Fair Labor Standards Act provides that the minimum wage and overtime provisions will not apply to employees employed by an exempt retail or service establishment. To be exempt, 75 percent of the establishment's annual dollar volume of sales of goods or services (or of both) must not be for resale and they must be recognized as retail sales and services in the particular industry. In addition, more than 50 percent of the establishment's annual dollar volume of sales of goods or services must be made within the State in which the establishment is located.

In most industries there are no problems in connection with the concept of retail recognition. In others, however, there is often doubt as to whether particular types of sales are recognized as retail, or whether there is a retail concept at all in the industry. Among problems of retail recognition considered during the year were those involving fixed base

operators in the aviation industry, boat yards and marinas, and the lumber and building material industry.

At the fiscal year's end, the Divisions were preparing to publish a proposed determination in the Federal Register stating how the retail and service establishment exemption will be applied to the lumber and building materials industry. The proposed determination embodies facts and considerations which evolved as a result of the Divisions' lengthy and detailed analysis of the industry, in conjunction with extensive hearings with associations and members of the industry.

Motor-Carrier Exemption

The overtime provisions of the Fair Labor Standards Act do not apply to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act of 1935. The scope of the term "interstate commerce" is much broader under the Fair Labor Standards Act than under the Motor Carrier Act.

The Divisions continued to receive for consideration many problems involving this exemption, most of them concerning "private carriers." These problems were the subject of an exhaustive study, in which consideration was given to the Divisions' interpretative position in conjunction with applicable rulings made by the Interstate Commerce Commission. As a result of this study, the Divisions are preparing amendments to Interpretative Bulletin Part 782, on the motor-carrier exemption, to reflect more accurately the distinction between the construction of "interstate commerce" under the Fair Labor Standards Act and the Motor Carrier Act.

Interpretations and 1961 Amendments

As a consequence of the 1961 amendments, the Divisions were faced with the task of interpreting the new and revised sections of the Fair Labor Standards Act. Since the amendments would become effective on September 3, 1961, it was incumbent to undertake as much of this work as possible during the 1961 fiscal year. In addition to necessary conforming revisions in interpretative bulletins or regulations, major interpretative problems arose from the circumstance that more employees would be brought under the law. This was due to two factors. First, coverage was extended to employees employed in certain large enterprises engaged in interstate commerce or in the production of goods for interstate commerce, namely, retail and service, local transit, or other enterprises with a gross annual volume of sales of at least \$1 million, construction or reconstruction enterprises doing a gross annual business of at least \$350,000, and gasoline service establishments with a gross annual volume of sales of at least \$250,000. Second, the amendments terminated or narrowed some

exemptions from the overtime pay provisions, or from both the minimum wage and overtime requirements.

The legislative history of the amendments was studied thoroughly, to comprehend clearly the congressional intent. Even before enactment of the final measure, much analysis and research effort had been expended on the several bills proposed in the Congress. As congressional action advanced, the Divisions' efforts increased. As the fiscal year drew to a close, work was progressing satisfactorily and it was anticipated that many revised or new interpretative bulletins or regulations would be completed and available to the public prior to the effective date of the amendments.

While these efforts were under way, the Divisions also conferred with representatives of organized labor and national and regional associations in a great variety of fields of endeavor, including the retail and service and construction industries, on the effects of the amendments. In addition, the Divisions responded to inquiries from interested associations which posed hypothetical as well as factual situations for consideration.

Public Contracts Act Exemption

The Public Contracts Act authorizes the Secretary of Labor under certain circumstances to make exceptions and grant exemptions from the provisions of the act. A partial exemption was issued for commodity exchange contracts entered into by the Commodity Credit Corporation. These contracts call for the barter of surplus agricultural products in return for foreign strategic materials to be stockpiled in this country. The Secretary of Labor granted the exemption because it appeared that unless he took such action, the barter program could not be effectively implemented. The exemption applies only to the stipulation that the contractor is a manufacturer or regular dealer. The labor standards established under the act must continue to be observed in these barter contracts to the extent that they are performed in the United States.

Safety and Health Regulations

On January 27, 1961, regulations, part 50-204, establishing safety and health requirements under the Public Contracts Act, became effective. These regulations provide a single uniform standard for all work subject to the act. The standards contained in them had previously served as guides to employers but had not been regulatory in nature. Failure to comply with the regulations is a violation of the Public Contracts Act provision that no covered Government contract be performed under conditions that are unsanitary or hazardous or dangerous to the health or safety of the employees working on it.

Administration of Special Minimum Wage Provisions

Even though the Fair Labor Standards Act provides a statutory minimum rate of \$1 an hour, certain employees may lawfully be paid less than that amount. These include workers in Puerto Rico, the Virgin Islands, and American Samoa, who may be paid minimum rates at or below the statutory minimum, as set by wage orders issued in accordance with the act's provisions. Another category consists of learners, apprentices, and handicapped workers who may be paid special minimum rates below \$1 an hour, under conditions set forth in the act and pursuant to certificates issued by the Divisions.

In addition to their duties in connection with the administration of these FLSA provisions, the Divisions also have responsibilities involving the formulation of minimum wage determinations under the Public Contracts Act. The act itself sets no minimum rates, but provides for the payment to covered employees of not less than the minimum rates determined by the Secretary of Labor to be prevailing in their respective industries.

Puerto Rico, the Virgin Islands, and American Samoa

The wage order review program for Puerto Rico, the Virgin Islands, and American Samoa was placed on a biennial basis commencing July 1, 1958. During fiscal year 1961, the first year of the second full biennium, the Divisions conducted a review of minimum hourly wage rates that were below the \$1 level in 18 industries in Puerto Rico, in keeping with the statutory mandate that minimum wage rates be raised as fast as is economically feasible.

Five series of hearings were held in Puerto Rico by 18 industry committees. These committees, composed equally of employer, employee, and public members, recommended increases in minimum wage rates for virtually all of the segments of these industries which were not already at the \$1 level. The Administrator subsequently issued wage orders putting into effect these recommendations embracing a total of 56 separate minimum wage rates.

No industry committees were convened for the Virgin Islands and American Samoa during fiscal year 1961; wage rates for these areas will be reviewed during the second half of this biennium. Appendix table G shows minimum wage rates for all industries in Puerto Rico at the end of fiscal year 1960 and those that were revised in fiscal 1961. Appendix tables H and I show the currently applicable rates for the Virgin Islands and American Samoa.

Since passage of the 1955 amendments to the FLSA, which increased the statutory minimum from 75 cents to \$1 an hour, over 94 percent of the

minimum wage rates in Puerto Rico have been increased in proportions equal to or in excess of the 33 $\frac{1}{3}$ percent increase in the statutory minimum; 68 percent of the rates have been increased 50 percent or more; and almost 19 percent have been increased 100 percent or more. (See appendix table J.) About four-fifths of the rates have been increased by at least 25 cents an hour, the amount of the 1956 statutory increase.

Almost 3 out of 10 workers covered by the act in Puerto Rico at the end of fiscal year 1957 were subject to minimum wage rates of less than 50 cents an hour, and fewer than 2 out of 10 were subject to the \$1 minimum. At the end of fiscal year 1961, only 1 out of 10 workers on the island was subject to a minimum wage rate of less than 50 cents an hour, and almost one-half were subject to the \$1 minimum. (See appendix table K.)

In fiscal year 1957, the first full fiscal year following enactment of the \$1 minimum, the median increase in minimum wage rates in Puerto Rico amounted to 10 cents an hour. The median increase dropped to half this amount (5 cents) in the 2 succeeding years; but in fiscal 1960 it rose to 6 cents, and in fiscal 1961 an additional cent for a total of 7 cents. (See appendix table L.)

In fiscal year 1961, proposals were issued to amend the minimum piece rates applicable to homeworkers in the fabric and leather glove industry and the leather, leather goods, and related products industry in Puerto Rico. These proposals provided for increases commensurate with the increases in the minimum hourly wage rates in these industries.

An amendment to the regulations governing the wage order procedure for Puerto Rico, the Virgin Islands, and American Samoa changed the filing requirements for prehearing statements for persons or firms who propose to offer testimony as to the lack of economic feasibility of higher minimum wage rates. The amendments also eliminated the distinction between parties and witnesses and provided that all interested persons meeting the requirements for participation shall be designated as parties.

The Fair Labor Standards Amendments of 1961 provided for increases of 15 percent in wage order rates for industries in Puerto Rico and the Virgin Islands, effective November 3, 1961, or 1 year after the effective dates of the latest applicable wage orders for the industries, whichever is later. The amendments also contained provisions for industries to apply for relief from these increases under specified circumstances. On May 25, 1961, the Administrator issued regulations governing the filing of such applications, and subsequently 11 industries in Puerto Rico and 1 in the Virgin Islands filed applications.

Learners, Apprentices, and Handicapped Workers

Under section 14 of the Fair Labor Standards Act, learners, apprentices, handicapped workers, and certain messengers may be employed under certificates pursuant to regulations at special minimum rates lower than the statutory or wage order minimum, to the extent necessary to prevent the

curtailment of opportunities for employment. Separate regulations have been established for each category of workers. These regulations and the certificates serve to protect the statutory minimum, while facilitating training opportunities for workers who might not otherwise be able to compete successfully in the labor market.

Learners

Basic learner regulations have been issued prescribing the general terms and conditions for learner employment. Pursuant to these regulations, supplemental learner regulations have been issued for seven industries, prescribing specific terms and conditions for learner employment in each industry and providing for learner rates below the statutory rate. These industries are: apparel, hosiery, knitted wear, gloves, shoes, cigars, and independent telephone. Other supplemental regulations have been issued setting forth a policy of denial of certificates in three industries: luggage, small leather goods, and ladies' handbags; small electrical products; and men's and boys' clothing. The program of review of the learner standards in the supplemental regulations is a continuing one, as is the review of appropriate terms and conditions for individual plant applications for other industries.

During the period prior to enactment of the 1961 amendments to the FLSA, clarifying amendments were adopted to the apparel industry learner regulations. These amendments limited to two the number of occupations in the industry in which a learner may be trained at special minimum rates, and clarified and defined the scope of excluded "cutting room" operations to cover knife or die cutting, spreading, and marking, wherever performed in the plant. In addition, a new regulation was issued setting forth a policy of denial of all learner applications received from plants in the men's and boys' clothing industry. In Puerto Rico and the Virgin Islands, learner rates continued to be revised upward in the light of advances in new wage order minima.

With the imminence of legislative amendments, a comprehensive review was undertaken of the provisions and procedures contained in all learner regulations. Following enactment of the 1961 amendments, numerous exploratory conferences were held with interested parties to obtain the benefit of their viewpoints on the revisions required under the new statutory amendments. Conferences were also held with interested labor and management representatives to explore possible provisions for special minimum rates for two additional categories of workers: (1) newly covered retail trade employees; and (2) a new category of workers included in the section 14 exemption, namely, full-time students working outside of school hours in any retail or service establishment, provided that such employment is not of the type ordinarily given to a full-time employee.

A total of 1,763 learner certificates were issued during the year. As of the end of the year, 1,554 certificates were in effect, authorizing the employment of an estimated maximum of 32,127 learners. At the end of the

preceding year, 1,744 certificates were in effect, authorizing the employment of an estimated maximum of 34,956 learners.

Some 88 percent of the certificates were issued to plants in industries covered by supplemental regulations, of which the greatest concentration, 1,194, was in the apparel industry. The hosiery industry accounted for an additional 167 certificates, and the knitted wear and gloves industries for 109 and 48, respectively. A total of 190 certificates were issued to plants in Puerto Rico and the Virgin Islands.

Details on actions taken during the year and certificates in effect as of the end of the year are contained in appendix tables M and N.

Student-Learners, Student-Workers, and Apprentices

A total of 793 certificates were issued under the student-learner regulations. Each certificate provides for part-time employment integrated with related school instruction. Certificates are issued on an individual basis, typically to high school students in their senior year, enabling them to gain practical experience by supplementing their studies with work. In addition, 34 student-worker certificates were issued to educational institutions, providing for the training of needy students for employment in school-operated shops in order to assist them in defraying school expenses.

The Divisions also authorized the employment of 343 apprentices at special minimum rates, of whom 281 were in Puerto Rico and the Virgin Islands.

Handicapped Workers

A decrease of approximately 9 percent in handicapped worker certificates in regular industry continued the downward trend begun 4 years ago. During the 1961 fiscal year, 910 firms were granted a total of 2,252 certificates, a decrease of 43 firms and 215 workers from the previous year. Of the total certificates granted, 2,181 remained in effect at the close of the fiscal year. These certificates authorize employment at less than the statutory minimum wage for handicapped workers whose employment opportunities are curtailed because of their inability to compete with the nonhandicapped workers.

Over half of all certificated handicapped workers were women, 97 percent of whom were production workers. The majority of male handicapped workers were in maintenance and custodial type jobs.

Three major industry groups—tobacco manufactures, textile mill products, and apparel and other finished products made from fabrics and similar materials—accounted for 60 percent of all certificates. Of these groups, knitting mills accounted for 491 certificates; cigar manufacturers for 283; men's, youths' and boys' furnishings, etc., for 238; women's, misses' and juniors' outerwear for 110; and miscellaneous apparel and accessories for 117.

Of the 910 firms holding handicapped worker certificates, 63 percent had 1 certificate each, and a total of 84 percent had 4 or less.

There were 101 temporary certificates issued for handicapped on-the-job trainees, with an additional 48 certificates issued to extend the training period beyond that in the original certificate. The temporary certificates are issued for the Divisions by State vocational rehabilitation agencies and the Veterans' Administration to handicapped persons who are unable to compete on an equal basis with nonhandicapped workers. The issuance of the temporary certificate by the sponsoring agency, for a period not to exceed 90 days, is to expedite the beginning of the training. Extension certificates are then issued by the Divisions if the training period extends beyond the initial 90-day period.

Following enactment of the 1961 amendments, plans were developed relative to rates to be authorized for handicapped workers in the light of the increase of the statutory minimum and the extension of minimum wage coverage.

Sheltered Workshops

The total number of nonprofit sheltered workshops holding certificates for employment of handicapped persons at special minimum rates increased from 483 in effect at the close of fiscal 1960 to 541 at the close of this fiscal year. There was an increase of approximately 800 handicapped clients served as of the time of application for a certificate.

A comprehensive review of the regulations was made with a view to improvement of the standards in light of the increasing numbers of persons employed and the rapidly growing number of workshops. Surveys made during the year indicate that more people with severer handicaps are being employed than previously, with the workshop programs being modified to suit their needs.

Determinations Under the Public Contracts Act

The growing volume of Government procurement subject to the Public Contracts Act meant that an increasing number of workers were brought within its provisions, which establish minimum labor standards for persons employed on Government contracts for the manufacture or furnishing of materials, supplies, articles, or equipment in excess of \$10,000.

During the 1961 fiscal year, 76,254 nonclassified supply contracts subject to the act were reported to the Divisions by the various contracting agencies of the Government. As appendix table O shows, these contracts had an aggregate value of almost \$17 billion, or 44 percent more than the value of similar contracts reported in the 1960 fiscal year.¹ Thirty-five percent of this procurement was subject to prevailing minimum wage determinations established under the act, which authorizes the Secretary of Labor to issue

¹ These figures do not include classified contracts which are subject to the act but are not reported to the Divisions. These classified contracts are estimated to amount to several billion dollars annually.

wage determinations on the basis of the minimum rates he finds to be prevailing.

At the close of the fiscal year, 52 industries were covered by minimum wage determinations, the hourly rates for which ranged from \$1 to \$2.846 (appendix table P). Five determinations were issued during the year for industries which employed over 277,000 workers of the type covered by the act.

Effective January 7, 1961, the first determination under the act for the electron tubes and related products industry was issued. Minimum hourly rates of \$1.35 for the solid-state semiconductor devices branch and \$1.42 for the electron tube branch were found to be prevailing. Another initial determination, that for the paper and paperboard containers and packaging products industry, became effective February 3, 1961. Minimum hourly wage rates of \$1.30, \$1.53, \$1.37, and \$1.20 were established under that determination for the nontextile bags branch, the corrugated and solid fiber boxes branch, the sanitary food containers branch, and the wrapping products branch of the industry, respectively. The determination permits beginners or probationary workers to be employed at a rate 5 cents an hour less than the applicable minimum during a period not to exceed 240 hours. An initial determination was also issued during the fiscal year for the electronic component parts industry. However, the minimum rate of \$1.23 did not become effective until July 26, shortly after the close of the fiscal year.

Redeterminations, effective June 10, 1961, established rates of \$1.43 an hour for the metal business furniture and storage equipment industry, and \$1.52 for the photographic and blueprinting equipment and supplies industry. The previous rates for these industries had been \$1.10 and \$1.18, respectively.

In addition to these final determinations, the Secretary issued tentative decisions proposing rates for two other industries. For the paper and pulp industry, the Secretary proposed minimum hourly rates of \$1.75 for the primary paper and pulp branch, \$1.54 for rag paper and pulp, \$1.55 for converted sanitary paper products, and \$1.64 for building paper and building board. For the manifold business forms industry, he proposed a minimum rate of \$1.39 an hour.

Hearings were held during the fiscal year for the miscellaneous chemical products and preparations industry, but the tentative decision for this industry was not issued until after the close of the year.

Determination proceedings were initiated during the year for five additional industries in which Government purchases are important. These proceedings concerned redeterminations for the drugs and medicine industry, the electric lamp industry, and the scientific, industrial, and laboratory instruments industry, and initial determinations for the pumps and compressors industry and the engines and turbines industry.

The Fair Labor Standards Amendments of 1961

Efforts to increase the minimum wage to \$1.25 an hour and to extend the protection of the Fair Labor Standards Act to additional employees resulted in the enactment of Public Law 87-30, the Fair Labor Standards Amendments of 1961. These amendments were approved by President Kennedy on May 5, to become effective September 3, 1961.

Initial hearings on these amendments were held in the Senate in 1959 and in the House in 1960. In 1960, both Houses of the Congress passed bills to amend the act. These widely different bills were sent to conference, but no agreement was reached and the Congress adjourned without enacting any amendments to the act.

In 1961, the Administration supported proposals which were embodied in bills introduced by Senator McNamara, as S. 895, and Congressman Roosevelt, as H.R. 3935. These bills were basically similar to the proposals which were approved by the Senate in the 86th Congress but which failed to pass. Hearings were held in the House between February 17 and 24 and in the Senate between February 28 and March 6. On March 24, the House approved by a narrow vote a bill similar to the bill it had passed in the previous Congress. The Senate passed a bill embodying the Administration's proposals, with only minor changes, on April 20. Sent to conference, the bill reported by the conferees was substantially the bill passed by the Senate. The report was agreed to by both Houses and the amendments passed on May 3.

Throughout the period of congressional consideration of amendments to the act, the Divisions furnished economic analyses of various proposed amendments, developed estimates of the impact of proposed minimum wage rates and overtime pay provisions, and furnished other information requested by congressional committees.

The summary which follows highlights in general terms the major statutory provisions before and after the enactment of the 1961 amendments.

Fair Labor Standards Act Prior to the 1961 Amendments

Fair Labor Standards Act as Amended in 1961

COVERAGE

The act applies to employees engaged in commerce (as specifically defined) or in the production of goods for such commerce or in any closely related process or occupation essential to such production.

Coverage is extended to the employees of five categories of enterprises engaged in commerce or in the production of goods for commerce:

1. Any such enterprise which has one or more retail or service establishments and annual gross sales of not less than \$1,000,000 (exclusive of specified taxes) and purchases or receives at least \$250,000 annually

Fair Labor Standards Act Prior to
the 1961 Amendments

Fair Labor Standards Act as
Amended in 1961

COVERAGE—Continued

of goods for resale that move or have moved across State lines.

2. Any such enterprise engaged in the business of construction or reconstruction which has annual gross business of not less than \$350,000.

3. Any gasoline service establishment which has annual gross sales of not less than \$250,000 (exclusive of specified taxes).

4. Any such enterprise engaged in urban or interurban transit operations which has annual gross sales of not less than \$1,000,000 (exclusive of specified taxes).

5. Any establishment in any other enterprise where the establishment has some employees engaged in, or in the production of goods for, commerce and where the enterprise has annual gross sales of not less than \$1,000,000.

MINIMUM WAGE

\$1.00 an hour.

For employees engaged in the type of employment to which a minimum wage of \$1.00 an hour now applies, the minimum wage is increased to:

\$1.15 beginning September 3, 1961

\$1.25 beginning September 3, 1963

For employees engaged in the type of employment which is newly brought under the act and for employees who, by the removal of a specific exemption previously applicable to them, become subject to minimum wage requirements for the first time on September 3, 1961, the minimum wage is:

\$1.00 beginning September 3, 1961

\$1.15 beginning September 3, 1964

\$1.25 beginning September 3, 1965

Section 3(m)

The employee's wage includes the reasonable cost, as determined by the Secretary, to the employer of furnishing the employee board, lodging, or other facilities.

Such costs may not be included if excluded under the terms of a bona fide collective bargaining agreement. In addition, the Secretary is now authorized under certain conditions to determine the fair value of such board, lodging, or other facilities. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining an employee's wage.

MINIMUM WAGE—Continued

Special Minimum Rates

The Secretary may authorize special rates for learners, apprentices, messengers, and handicapped workers, when necessary to prevent curtailment of opportunities for employment.

The Secretary has authority to set lower rates by wage order for employees in industries in Puerto Rico, the Virgin Islands, and American Samoa, pursuant to recommendations of special industry committees.

The Secretary may also authorize the employment of full-time students in retail or service establishments at special rates, provided that such employment is not of the type ordinarily given to a full-time employee.

Provisions are made for a two-step increase in *existing wage orders* in Puerto Rico and the Virgin Islands: (1) 15 percent within 60 days after the effective date of the bill or 1 year from the effective date of the most recent wage order, whichever is later; (2) 10 percent 2 years after the 15 percent rate goes into effect. (Different rates could apply if they are recommended by review committees appointed in accordance with procedures in the act.)

The minimum wage rates for employees in these areas who would be *newly covered* would be established by wage orders effective no sooner than 60 days after the effective date of the bill.

MAXIMUM HOURS

One and one-half times the employee's "regular rate" for hours worked in excess of 40 in any workweek.

No change for employees engaged in the type of employment previously subject to the overtime provisions.

For employees engaged in the type of employment newly brought under the overtime provisions and for employees who, by the removal of a specific exemption previously applicable to them, become subject to the overtime requirements for the first time on September 3, 1961, compensation at a rate of not less than one and one-half times the regular rate of pay is required for all hours worked in workweeks in excess of:

44 hours beginning September 3, 1963

42 hours beginning September 3, 1964

40 hours beginning September 3, 1965

(No overtime requirements during the first two years)

Fair Labor Standards Act Prior to
the 1961 Amendments

Fair Labor Standards Act as
Amended in 1961

EXEMPTIONS

(a) *Employees exempt from minimum wage, overtime, and child labor provisions:*

Section 13(d)

Employees engaged in the delivery of newspapers to the consumer.

No change.

Employees engaged in the making of holly wreaths and the harvesting of evergreens used in the wreaths are partially exempt from the overtime requirements for 14 weeks a year. The child labor restrictions apply.

The exemption is extended to any homemaker engaged in making wreaths composed principally of natural holly, pine, cedar, or other evergreens (including the harvesting of the forest products used in making such wreaths).

(b) *Employees exempt from minimum wage and overtime provisions:*

Section 13(a)(1)

Employees employed in executive, administrative, professional, or local retailing capacity, or as outside salesmen.

The exemption for employees employed in a local retailing capacity is removed. An otherwise qualified employee of a retail or service establishment is not excluded from the exemption for bona fide executive and administrative employees so long as he spends less than 40 percent of his time in non-executive or nonadministrative work.

Sections 13(a)(2)-13(a)(4)

Employees employed by a retail or service establishment (as defined in the act).

Changed to exclude establishments in newly covered enterprises, except that the present exemption continues for any such establishment having annual sales of less than \$250,000.

Employees of the following types of establishments are specifically excluded from the minimum wage and overtime provisions:

Hotels, motels, restaurants, motion picture theaters and hospitals; schools for physically or mentally handicapped or gifted children; institutions which are primarily engaged in the care of the sick, aged, mentally ill or defective residing on the premises; amusement or recreational establishments operated on a seasonal basis.

Section 13(a)(19)

Employees of auto and farm implement dealers: no specific provisions. Such employees are exempt if the establishment by which they are employed meets the requirements of section 13(a)(2).

Any employee of a retail or service establishment primarily engaged in selling autos, trucks, or farm implements.

Fair Labor Standards Act Prior to
the 1961 Amendments

Fair Labor Standards Act as
Amended in 1961

EXEMPTIONS—Continued

(b) *Employees exempt from minimum wage and overtime provisions*—Continued

Section 13(a)(20)

Food handlers: no specific provision. Any employee of an establishment which is engaged in the preparation and service of food is exempt if the establishment meets the requirements of section 13(a)(2).

Employees of retail store lunch counters, certain caterers, and similar retail food services.

Section 13(a)(3)

Employees employed by laundries and cleaning establishments (as defined in the act).

No change.

Section 13(a)(5)

Employees employed in catching and propagating fish and other aquatic products or in processing (except canning) operations, and marketing, distributing, and other handling activities related to these products.

The minimum wage exemption is removed for employees employed in on-shore processing, marketing, distributing and other handling activities. The exemption now applies to employees employed in catching and propagating fish and other aquatic products or in first processing, canning, or packing such products at sea, including going to and returning from work and loading and unloading when performed by such employees.

Section 13(a)(6)

Agricultural employees and employees of certain nonprofit or share-crop systems supplying water for agricultural purposes.

No change.

Additional exemptions for employees engaged in certain activities related to agriculture are provided, as follows:

Section 13(a)(21)

Employees engaged in processing of shade-grown tobacco are nonexempt.

Agricultural employees employed in growing and harvesting of shade-grown tobacco who are engaged in processing such tobacco, prior to the stemming process, for use as cigar wrapper tobacco.

Section 13(a)(22)

Employees engaged in the transportation of fresh fruits and vegetables or harvesters are exempt from minimum wage and overtime if employed by a farmer.

Employees engaged in (a) transporting the fruits and vegetables from the farm to the place of first processing or first marketing within the State, and (b) transporting workers to and from the farm within the State, to harvest such products, whether or not employed by a farmer.

EXEMPTIONS--Continued

(b) *Employees exempt from minimum wage and overtime provisions*—Continued

Section 13(a)(16)

Employees employed in agriculture are exempt from both minimum wage and overtime requirements; employees actually handling livestock at auctions are exempt from overtime requirements. Workers engaged in both types of work in same workweek must be paid minimum wage for entire week. Other work in connection with a livestock auction is nonexempt and defeats both exemptions.

Exempt from overtime; partially exempt from minimum wage requirements.

Employees employed in agriculture even though they also perform certain livestock auction operations in which their employer is engaged as an adjunct to the raising of livestock. In order for the exemption to apply, the employee must be primarily employed in agriculture and is required to be paid the applicable minimum wage for his work in connection with livestock auction operations.

Section 13(a)(10)

Employees engaged within the "area of production" in specified operations involving the handling or processing of agricultural commodities for market.

The ginning of cotton is removed from the scope of this exemption. A separate exemption is provided in section 13(a)(18) for any employee engaged in the ginning of cotton for market in any place of employment in a county where cotton is grown in commercial quantities.

Workers who perform nonexempt work in addition to the operations named in section 13(a)(10) do not come within this exemption.

A new exemption is provided in section 13(a)(17) for any employee employed within the "area of production" by an establishment commonly recognized as a country elevator, including such an establishment which sells products and services used in the operation of a farm, provided that not more than five employees are employed in the establishment in such operations.

Section 13(a)(7)

Any employee to the extent that such employee is exempted by regulations or orders of the Secretary under section 14.

No change.

Section 13(a)(8)

Employees of a weekly, semiweekly, or daily newspaper with circulation of less than 4,000, primarily in county where printed and published or counties contiguous thereto.

No change.

Fair Labor Standards Act Prior to
the 1961 Amendments

Fair Labor Standards Act as
Amended in 1961

EXEMPTIONS—Continued

(b) *Employees exempt from minimum wage and overtime provisions*—Continued

Section 13(a)(9)

Employees of local electric railway, trolley, and motorbus carriers.

The exemption for employees of certain transit systems is limited to employees not in an enterprise described in the new coverage provisions.

Section 13(a)(11)

Switchboard employees of public telephone exchanges with fewer than 750 stations.

Exemption is limited to *independently owned* public telephone companies which have no more than 750 stations.

Section 13(a)(12)

Employees of an employer in the business of operating taxicabs.

No change.

Section 13(a)(13)

Employees or proprietors of certain retail or service establishments which operate as telegraph agencies under certain conditions.

No change.

Section 13(a)(14)

Seamen.

Exemption is limited to any employee employed as a seaman on a vessel other than an American vessel.

Section 13(a)(15)

Certain employees engaged in specified forestry and logging operations if the employer has no more than 12 employees engaged in such operations.

No change.

(c) *Exempt from overtime requirements only:*

Section 13(b)(1)

Drivers, drivers' helpers, loaders, and mechanics of motor carriers engaged in safety-affecting work within the jurisdiction of the Interstate Commerce Commission.

No change.

Section 13(b)(2)

Employees of railroads, express companies, sleeping car companies, and pipe lines.

No change.

Section 13(b)(3)

Employees of air carriers.

No change.

EXEMPTIONS—Continued

(c) *Exempt from overtime requirements only*—Continued

Section 13(b)(4)

Employees employed in canning fish or other aquatic products and byproducts.

Employees employed in processing such marine products and in marketing, distributing, and certain other handling activities related to such products are also exempt from minimum wage provisions.

Employees employed in on-shore canning and processing fish and other aquatic products and byproducts and in marketing, distributing, and certain other handling activities related to such products.

Section 13(b)(5)

Outside buyers of poultry, eggs, cream, or milk in their raw or natural state.

No change.

Section 13(b)(6)

All employees employed as seamen are exempt from both minimum wage and overtime provisions.

Seamen, except those employed on vessels other than American vessels. (Minimum wage exemption is removed.)

Section 13(b)(7)

Employees of urban or interurban transit companies are exempt from both the minimum wage and overtime provisions.

Employees of urban or interurban transit companies. (Minimum wage exemption is removed.)

Section 13(b)(8)

Employees of retail gas or service stations are exempt from both the minimum wage and overtime provisions.

Employees of gasoline service stations. (Minimum wage exemption is removed.)

Section 13(b)(9)

Radio or TV announcers, news editors, or chief engineers are exempt from the minimum wage and overtime requirements under section 13(a)(1) provided they meet certain tests as to duties and salary levels. (Regulations, part 541.)

Announcers, news editors, or chief engineers of radio or TV stations in certain small market areas.

Section 13(b)(10)

Employees of bulk or wholesale petroleum distributors: no specific exemption.

Employees of certain independently owned and controlled wholesale or bulk distributors of petroleum products.

Section 13(b)(11)

Drivers or drivers' helpers making local deliveries: no specific exemption.

Drivers or drivers' helpers paid on the basis of trip rates or other delivery payment plan, if the Secretary shall find that such plan has the general purpose of reducing hours worked by such employees to or below the statutory maximum workweek.

Fair Labor Standards Act Prior to
the 1961 Amendments

Fair Labor Standards Act as
Amended in 1961

EXEMPTIONS—Continued

(c) *Exempt from overtime requirements only*—Continued

Section 7(b)(3)

Partial exemption for employees in industries found by the Secretary to be of a seasonal nature.

No change.

Section 7(c)

Complete and partial exemptions for employees of handlers and processors of farm products under certain conditions.

No change.

Section 7(h)

Employees paid on commission basis: no specific exemption.

Certain employees of retail or service establishments who receive more than half their pay over a representative period in commissions.

CHILD LABOR

Employment of oppressive child labor in commerce or in the production of goods for commerce is prohibited. Oppressive child labor is defined as:

Provisions prohibiting the employment of oppressive child labor are extended to enterprises engaged in commerce or in the production of goods for commerce.

(1) Employment of minors under 16, except that under certain conditions minors between 14 and 16 may be employed outside school hours in industries other than manufacturing and mining; (2) the employment of minors under 18 in occupations found to be hazardous.

Excludes from "oppressive child labor" children under 16 employed by parents or guardian in nonmining and nonmanufacturing occupations. Prohibits shipment in commerce of goods produced in an establishment in or about which within 30 days prior to removal thereof any "oppressive child labor" was employed.

Special child labor exemptions are provided for:

Child actors or performers in motion pictures, or theatrical, radio or television productions.

No change.

Children employed in agriculture outside of school hours.

No change.

ENFORCEMENT AND ADMINISTRATION

The Secretary of Labor is authorized to supervise payment of back wages, and the act provides that employee's acceptance constitutes waiver of right to sue under section 16(b). The Secretary is further authorized, in cases involving settled points of law, to sue

Under section 17, the Federal district courts are also given authority to restrain the withholding of payment of minimum wages or overtime compensation found by the court to be due the employees.

ENFORCEMENT AND ADMINISTRATION—Continued

directly on behalf of any underpaid employee who has made a written request, consent to such suit constituting a waiver of his rights under section 16(b). Under section 17, the Federal district courts have jurisdiction to restrain violations of the act, not including the restraint of any withholding of payment of minimum wages or overtime compensation.

The act contains a 2-year statute of limitations and provision for a good-faith defense to employers who relied on a written ruling, regulation, etc., of the Secretary of Labor.

Expanded Program of Economic Studies

The 1961 amendments to the Fair Labor Standards Act require the Secretary of Labor to study the complicated system of exemptions applicable to the handling and processing of agricultural products, and to report to the Congress the results of the study and submit legislative recommendations designed to simplify and remove the inequities in the application of the exemption provisions. The amendments also require a study of the complex problems involving rates of pay of employees in hotels, motels, restaurants, and other food-service enterprises, and submission to the Congress of a report, with legislative recommendations. In addition, the Department will conduct a study of hours and earnings of workers in laundries and cleaning plants, in response to congressional requests. Plans for these studies were being developed as of the end of the fiscal year.

To provide a basis for evaluating the minimum wages established by the amendments for use in the annual report to the Congress required by section 4(d) of the act, the Divisions also developed plans for broad surveys of wages, hours, and related factors both in industries where the act already applied and in retail trade and the service industries.

A new provision of the act, section 4(e), requires an investigation of any situation in which there is reason to believe that competition of foreign producers in any industry under the act has resulted or is likely to result in increased unemployment in the United States. A report to the President and to the Congress is to be made if the study shows that increased unemployment has in fact resulted or is in fact likely to result from such competition. The report may include information on the increased employment resulting from additional exports in any industry under the act.

Appendix I

APPENDIX TABLE A.—Number of underpaid employees and amount of underpayments disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by fiscal year, 1952-61

Fiscal year	Number of establishments investigated	Number of employees subject to minimum wage ¹	Number of employees underpaid			Amount of underpayments			Payment agreed to by employers	
			Total number underpaid ²	Paid at less than the minimum wage rate	Not paid full overtime compensation	Total	Minimum wages	Overtime compensation	Number of employees ³	Amount ³
1952.....	39,109	2,125,103	208,078	72,157	135,921	\$15,663,912	\$3,891,418	\$11,772,494	144,792	\$8,467,668
1953.....	38,649	2,092,933	193,111	62,266	130,845	16,652,697	3,712,200	12,940,497	114,770	8,282,043
1954.....	39,430	2,019,649	141,368	40,138	101,230	13,774,248	2,716,376	11,057,872	85,049	6,485,545
1955.....	39,330	1,962,278	128,754	36,894	91,860	12,151,077	2,135,731	10,015,346	81,330	6,165,117
1956.....	33,148	1,581,641	112,710	27,617	85,093	11,085,952	1,612,902	9,473,050	74,762	6,051,909
1957.....	48,482	2,296,913	181,910	77,463	104,447	18,834,134	5,289,873	13,544,261	110,379	9,211,286
1958.....	53,796	1,910,127	166,497	63,349	103,148	19,655,269	6,146,385	13,509,914	116,797	10,953,896
1959.....	54,916	1,630,261	177,908	70,467	107,441	22,403,116	6,937,265	15,465,851	124,046	12,885,921
1960.....	45,729	1,441,679	186,997	62,253	124,744	28,033,314	8,693,703	19,369,611	119,373	13,895,377
1961.....	44,268	1,362,145	201,810	75,051	126,759	30,942,531	9,252,992	21,689,539	121,924	14,477,883

¹ Employees engaged in interstate commerce or the production of goods for interstate commerce who are not exempt under sec. 13(a) of the Fair Labor Standards Act, and employees who were working on Government contracts subject to the Public Contracts Act. These data relate to employment during a payroll period, usually that preceding the time of investigation.

² Includes (a) employees who were paid less than \$1 per hour or less than other applicable minimum wage rates and (b) employees paid less than 1½ times the regular

rate of pay for overtime hours worked. The figure shown is an unduplicated count of underpaid employees.

³ The figure shown for each year includes some cases for which disclosures were shown in a previous year but agreement to pay was obtained currently, and excludes some cases for which disclosures are shown currently but agreement to pay was not yet determined.

APPENDIX TABLE B.—Number of underpaid employees and amount of underpayments disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by region, fiscal year 1961

Region	Number of establishments investigated	Number of employees subject to minimum wage ¹	Number of employees underpaid			Amount of underpayments			Payment agreed to by employers	
			Total number underpaid ²	Paid at less than the minimum wage rate	Not paid full overtime compensation	Total	Minimum wages	Overtime compensation	Number of employees	Amount
All regions.....	44,298	1,362,145	201,810	75,051	164,758	\$30,942,531	\$9,252,992	\$21,689,539	121,924	\$14,477,883
I. Boston.....	3,018	110,872	9,434	1,597	8,837	1,380,195	191,945	1,177,250	5,841	722,054
II. New York.....	7,622	296,502	14,953	2,954	12,999	2,061,575	242,142	1,819,433	11,263	1,265,732
III. Chambersburg.....	3,592	125,181	12,768	4,277	10,390	2,030,874	599,953	1,430,921	8,520	1,025,027
IV. Birmingham.....	8,133	136,242	32,000	14,209	26,289	5,545,100	2,324,909	3,220,191	18,354	2,138,411
V. Cleveland.....	2,261	50,301	11,566	1,930	10,680	2,089,905	286,780	1,803,125	6,909	1,031,018
VI. Chicago.....	4,179	191,257	15,354	4,653	12,062	2,107,469	282,890	1,824,579	8,510	1,133,599
VII. Kansas City.....	3,082	57,592	10,976	2,417	9,776	1,671,754	324,992	1,346,762	7,968	1,040,708
VIII. Dallas.....	5,365	114,780	33,054	13,979	26,948	5,615,286	1,902,849	3,712,437	17,452	2,192,200
IX. San Francisco.....	4,319	145,862	21,108	4,399	19,732	3,529,165	466,712	3,062,453	12,004	1,579,630
X. Nashville.....	3,974	103,943	24,152	13,742	17,160	3,547,387	1,880,267	1,667,120	13,908	1,576,226
Puerto Rico.....	612	24,650	8,839	7,538	4,424	572,453	493,130	179,323	7,356	459,655
North Carolina.....	1,111	44,963	7,664	3,356	5,707	702,368	256,423	445,945	3,869	293,633

¹ Employees engaged in interstate commerce or the production of goods for interstate commerce who are not exempt under sec. 13(a) of the Fair Labor Standards Act, and employees who were working on Government contracts subject to the Public Contracts Act. These data relate to employment during a payroll period, usually that preceding the time of investigation.

² Includes (a) employees who were paid less than \$1 per hour or less than other appli-

cable minimum wage rates and (b) employees paid less than 1½ times the regular rate of pay for overtime hours worked. The figure shown is an unduplicated count of underpaid employees.

³ Includes some cases for which disclosures were shown in a previous year but agreement to pay was obtained currently. Excludes some cases for which disclosures are shown currently but agreement to pay was not yet determined.

APPENDIX TABLE C.—Number of minors found employed in nonagricultural establishments in violation of the child labor provisions of the Fair Labor Standards Act, by region, State, and age of minor, fiscal year 1961

State	Number of minors illegally employed		
	Total	Under 16 years of age	16-17 years of age in hazardous occupations
United States.....	7,005	2,958	4,047
I. Boston.....	412	85	327
Connecticut.....	62	6	56
Maine.....	64	18	46
Massachusetts.....	173	34	139
New Hampshire.....	39	11	28
Rhode Island.....	60	13	47
Vermont.....	14	3	11
II. New York City.....	688	226	462
New Jersey.....	123	31	92
New York.....	565	195	370
III. Chambersburg.....	641	246	395
Delaware.....	24	7	17
Dist. of Columbia.....	15	6	9
Maryland.....	60	18	42
Pennsylvania.....	542	215	327
IV. Birmingham.....	669	334	335
Alabama.....	158	67	91
Florida.....	129	71	58
Georgia.....	215	121	94
Mississippi.....	97	44	53
South Carolina.....	70	31	39
V. Cleveland.....	334	198	136
Michigan.....	157	62	95
Ohio.....	177	136	41
VI. Chicago.....	459	117	342
Illinois.....	170	46	124
Indiana.....	82	27	55
Minnesota.....	115	17	98
Wisconsin.....	92	27	65
VII. Kansas City.....	560	248	312
Colorado.....	36	15	21
Iowa.....	100	31	69
Kansas.....	130	44	86
Missouri.....	155	95	60
Nebraska.....	117	51	66
North Dakota.....	3	0	3
South Dakota.....	11	8	3
Wyoming.....	8	4	4
VIII. Dallas.....	1,102	462	640
Arkansas.....	172	77	95
Louisiana.....	212	94	118
New Mexico.....	35	22	13
Oklahoma.....	66	33	33
Texas.....	617	236	381
IX. San Francisco.....	1,194	691	503
Alaska.....	11	4	7
Arizona.....	54	10	44
California.....	740	488	252
Hawaii.....	29	5	24
Idaho.....	8	6	2
Montana.....	58	22	36
Nevada.....	9	5	4
Oregon.....	41	17	24
Utah.....	166	84	82
Washington.....	77	49	28
Guam.....	1	1	0

APPENDIX TABLE C.—Number of minors found employed in nonagricultural establishments in violation of the child labor provisions of the Fair Labor Standards Act, by region, State, and age of minor, fiscal year 1961—Continued

State	Number of minors illegally employed		
	Total	Under 16 years of age	16-17 years of age in hazardous occupations
X. Nashville.....	761	257	504
Kentucky.....	133	38	95
Tennessee.....	258	100	158
Virginia.....	276	105	171
West Virginia.....	94	14	80
North Carolina.....	168	84	84
San Juan.....	17	10	7
Puerto Rico.....	11	5	6
Virgin Islands.....	5	5	0
Panama Canal Zone.....	1	0	1

APPENDIX TABLE D.—Number of minors found illegally employed on farms in investigations made under the Fair Labor Standards Act, by region, State, age, and residence of minor, fiscal year 1961

Region and State	Number of farms in violation	Minors under 16 illegally employed				
		Total	Under 14 years of age		14-15 years of age	
			Local labor ¹	Nonlocal labor ²	Local labor ¹	Nonlocal labor ²
United States.....	1,921	* 5,727	2,464	1,712	961	587
I. Boston.....	5	8	4	2	1	1
Maine.....	4	7	4	2	0	1
New Hampshire.....	1	1	0	0	1	0
II. New York City.....	2	2	0	0	1	1
New Jersey.....	2	2	0	0	1	1
III. Chambersburg.....	13	43	0	32	5	6
Delaware.....	3	20	0	20	0	0
Maryland.....	5	15	0	9	1	5
Pennsylvania.....	5	8	0	3	4	1
IV. Birmingham.....	719	* 1,676	1,272	28	364	11
Alabama.....	164	332	236	20	71	5
Florida.....	18	* 37	21	1	9	5
Georgia.....	309	740	586	5	148	1
Mississippi.....	80	212	165	2	45	0
South Carolina.....	148	355	264	0	91	0
V. Cleveland.....	95	258	19	156	7	76
Michigan.....	32	97	16	53	6	22
Ohio.....	63	161	3	103	1	54
VI. Chicago.....	70	160	3	72	8	77
Illinois.....	23	49	0	16	4	29
Indiana.....	26	53	0	24	2	27
Minnesota.....	4	4	1	0	2	1
Wisconsin.....	17	54	2	32	0	20

See footnotes at end of table.

APPENDIX TABLE D.—Number of minors found illegally employed on farms in investigations made under the Fair Labor Standards Act, by region, State, age, and residence of minor, fiscal year 1961—Continued

Region and State	Number of farms in violation	Minors under 16 illegally employed				
		Total	Under 14 years of age		14-15 years of age	
			Local labor ¹	Nonlocal labor ²	Local labor ¹	Nonlocal labor ²
VII. Kansas City.....	66	184	35	68	42	39
Colorado.....	26	73	3	40	5	25
Iowa.....	3	9	0	6	0	3
Kansas.....	1	6	0	6	0	0
Missouri.....	26	80	30	12	33	5
Nebraska.....	8	14	2	4	4	4
North Dakota.....	2	2	0	0	0	2
VIII. Dallas.....	679	² 2,628	778	1,182	358	309
Arkansas.....	119	539	349	15	168	7
Louisiana.....	36	179	130	0	49	0
New Mexico.....	8	23	3	19	1	0
Oklahoma.....	66	268	20	199	3	46
Texas.....	450	¹ 1,619	276	949	137	256
IX. San Francisco.....	91	² 272	39	164	9	59
Arizona.....	6	18	3	10	2	3
California.....	67	² 210	29	127	7	46
Nevada.....	1	1	0	1	0	0
Oregon.....	11	30	7	17	0	6
Utah.....	5	12	0	9	0	3
Washington.....	1	1	0	0	0	1
X. Nashville.....	62	182	100	8	68	6
Tennessee.....	41	148	95	3	50	0
Virginia.....	21	34	5	5	18	6
North Carolina.....	90	259	187	0	70	2
Puerto Rico.....	29	55	27	0	28	0

¹ Local labor includes all minors who return to their permanent homes at the end of each day's work.

² Nonlocal labor includes all minors who do not return to their permanent homes each day.

³ Includes 3 illegally employed minors for whom no age was reported: 1 nonlocal minor in California; 1 nonlocal minor in Florida; and 1 local minor in Texas.

APPENDIX TABLE E.—Number of minors found employed in violation of hazardous occupations orders issued under the Fair Labor Standards Act, fiscal year 1961

Hazardous occupations order violated	Number of minors involved	Hazardous occupations order violated	Number of minors involved
Total in violation of one or more hazardous occupations orders ¹	4,902	Occupations in mining, other than coal (Order No. 9).....	68
Manufacturing or storage occupations involving explosives (Order No. 1).....	25	Occupations in slaughtering and/or meatpacking establishments and in rendering plants (Order No. 10).....	150
Motor vehicle occupations (Order No. 2).....	3,111	Power-driven bakery machine occupations (Order No. 11).....	37
Coal mine occupations (Order No. 3).....	51	Power-driven paper-products machines (Order No. 12).....	215
Logging and sawmilling occupations (Order No. 4).....	411	Occupations in the manufacture of brick, tile, and kindred products (Order No. 13).....	8
Woodworking occupations (Order No. 5).....	328	Operation and maintenance of circular saws, band saws, and guillotine shears (Order No. 14).....	32
Occupations involving exposure to radioactive substances and to ionizing radiations (Order No. 6).....	4	Wrecking and demolition work on buildings and in shipbreaking (Order No. 15).....	3
Power-driven hoisting apparatus occupations (Order No. 7).....	867		
Power-driven metal-forming, punching, and shearing machine occupations (Order No. 8).....	189		

¹ Represents an unduplicated count of the number of minors employed in violation of one or more hazardous occupations orders.

APPENDIX TABLE F.—Number of minors found employed in violation of the child labor provisions of the Fair Labor Standards Act, by industry and age of minor, fiscal year 1961

Industry	Number of minors illegally employed			
	Total	Under 14 years of age	14-15 years of age	16-17 years of age
All industries.....	17,005	674	2,284	4,047
Agricultural services ²	176	20	77	79
Fisheries.....	1	0	1	0
Mining.....	262	15	31	216
Metal mining.....	8		1	7
Anthracite mining.....	2		0	2
Bituminous coal and lignite mining.....	53	1	4	48
Crude petroleum and natural gas.....	133	8	18	107
Mining nonmetallic metals.....	66	6	8	52
Construction.....	452	25	142	285
General building contractors.....	63	0	33	30
Construction other than building.....	150	13	49	88
Construction, special trades.....	239	12	60	167
Manufacturing industries.....	3,571	347	1,233	1,991
Ordnance and accessories.....	2	0	0	2
Food and kindred products.....	828	103	325	400
Meat products.....	124	13	38	73
Dairy products.....	75	10	22	43
Canning and preserving.....	272	66	147	59
Grain mill products.....	28	2	11	15
Bakery products.....	76	3	23	50
Sugar.....	1	0	0	1
Confectionery and related products.....	14	0	5	9
Beverage industries.....	169	7	51	111
Miscellaneous food preparations.....	69	2	28	39
Tobacco manufactures.....	1	0	1	0
Tobacco stemming and redrying.....	1	0	1	0
Textile mill products.....	76	4	17	55
Broad fabric mills, cotton.....	1	0	1	0
Broad fabric mills, wool.....	1	0	0	1
Narrow fabric mills.....	8	0	4	4
Knitting mills.....	39	1	9	29
Dyeing and finishing textiles.....	8	0	0	8
Floor covering mills.....	5	1	1	3
Yarn and thread mills.....	6	0	2	4
Miscellaneous textile goods.....	8	2	0	6
Apparel, other finished products made from fabrics.....	232	20	89	123
Men's and boys' suits, coats.....	11	0	7	4
Men's and boys' furnishings.....	26	2	8	16
Women's and misses' outerwear.....	92	7	46	39
Women's undergarments.....	21	4	4	13
Hats, caps, and millinery.....	1	0	0	1
Children's outerwear.....	26	2	11	13
Miscellaneous apparel and accessories.....	7	0	2	5
Miscellaneous textile products.....	48	5	11	32
Lumber and wood products.....	601	62	148	391
Logging camps, contractors.....	91	9	28	54
Sawmills and planing mills.....	354	37	86	231
Millwork, veneer, plywood.....	41	0	5	36
Wooden containers.....	47	9	10	28
Miscellaneous wood products.....	68	7	19	42

¹ Includes 3 minors illegally employed under the provisions of both the Fair Labor Standards Act and the Public Contracts Act, as follows: Miscellaneous machinery, 1; transmission and distribution equipment, 1; and communication equipment, 1.

² Includes 9 minors illegally employed on farms in nonfarm operations.

APPENDIX TABLE F.—*Number of minors found employed in violation of the child labor provisions of the Fair Labor Standards Act, by industry and age of minor, fiscal year 1961—Continued*

Industry	Number of minors illegally employed			
	Total	Under 14 years of age	14-15 years of age	16-17 years of age
Manufacturing industries—Continued				
Furniture and fixtures.....	189	14	28	147
Household furniture.....	148	12	19	117
Office furniture.....	8	0	3	5
Public building furniture.....	13	0	1	12
Partitions, store fixtures.....	14	2	4	8
Miscellaneous furniture and fixtures.....	6	0	1	5
Paper and allied products.....	60	4	20	36
Paperboard mills.....	1	0	1	0
Converted paper products.....	25	3	10	12
Paperboard containers and boxes.....	34	1	9	24
Printing and publishing.....	423	50	168	205
Newspapers.....	127	30	54	43
Periodicals.....	8	4	3	1
Books.....	9	1	5	3
Miscellaneous publishing.....	3	0	1	2
Commercial printing.....	236	15	92	129
Manifold business forms.....	2	0	1	1
Greeting cards.....	3	0	2	1
Bookbinding and related industries.....	24	0	3	21
Services for printing trade.....	11	0	7	4
Chemicals and allied products.....	78	0	45	33
Industrial chemicals.....	14	0	7	7
Plastics, synthetic rubber, synthetic fibers.....	3	0	3	0
Drugs.....	5	0	2	3
Soap, cleaning preparations, cosmetics, toilet preparations.....	23	0	20	3
Paints, varnishes, and lacquers.....	1	0	0	1
Gum and wood chemicals.....	8	0	5	3
Agricultural chemicals.....	6	0	1	5
Miscellaneous chemical products.....	18	0	7	11
Petroleum refining and related industries.....	2	0	2	0
Petroleum refining.....	1	0	1	0
Paving and roofing materials.....	1	0	1	0
Rubber and miscellaneous plastic products.....	76	17	31	28
Administrative offices and auxiliary units.....	1	0	0	1
Tires and inner tubes.....	1	0	1	0
Fabricated rubber products.....	10	0	8	2
Miscellaneous plastic products.....	64	17	22	25
Leather and leather products.....	45	7	11	27
Leather tanning and finishing.....	2	0	0	2
Industrial leather belting and packing.....	1	0	1	0
Shoe cut stock and findings.....	3	0	0	3
Footwear except rubber.....	29	5	7	17
Leather gloves and mittens.....	1	0	0	1
Luggage.....	2	0	1	1
Handbags and personal goods.....	6	2	1	3
Leather goods, n.e.c.....	1	0	1	0
Stone, clay, and glass products.....	98	4	30	64
Glass and glassware.....	9	0	0	9
Glass products made of purchased glass.....	12	1	1	10
Hydraulic cement.....	1	0	0	1
Structural clay products.....	11	0	0	11
Pottery and related products.....	15	1	10	4
Concrete, gypsum, and plaster products.....	34	1	9	24
Cut stone and stone products.....	3	0	3	0
Abrasive, asbestos, and miscellaneous mineral products.....	13	1	7	5

APPENDIX TABLE F.—*Number of minors found employed in violation of the child labor provisions of the Fair Labor Standards Act, by industry and age of minor, fiscal year 1961—Continued*

Industry	Number of minors illegally employed			
	Total	Under 14 years of age	14-15 years of age	16-17 years of age
Manufacturing industries—Continued				
Primary metal industries.....	31	5	12	14
Blast furnaces, steel works, rolling and finishing mills.....	7	1	1	5
Iron and steel foundries.....	5	1	2	2
Rolling, drawing, and extruding of nonferrous metals.....	3	0	0	3
Nonferrous foundries.....	15	3	9	3
Miscellaneous primary metal industries.....	1	0	0	1
Fabricated metal products.....	211	7	57	147
Metal cans.....	2	0	0	2
Cutlery, hand tools, and hardware.....	12	1	5	6
Heating apparatus and plumbing fixtures.....	8	1	4	3
Structural steel products.....	100	0	28	72
Screw machine products and nuts, bolts, screws, and washers.....	8	0	2	6
Metal stampings.....	15	2	2	11
Coating, engraving, and allied services.....	25	1	9	15
Miscellaneous fabricated wire products.....	17	0	2	15
Miscellaneous fabricated metal products.....	24	2	5	17
Machinery, except electrical.....	206	17	76	113
Farm machinery and equipment.....	14	0	3	11
Construction, mining, and materials-handling machinery.....	16	1	7	8
Metalworking machinery and equipment.....	58	4	21	33
Special industry machinery.....	15	1	7	7
General industrial machinery and equipment.....	24	1	11	12
Office, computing, and accounting machines.....	7	3	3	1
Service industry machines.....	12	0	3	9
Miscellaneous machinery.....	60	7	21	32
Electrical machinery, equipment.....	97	5	30	62
Transmission and distribution equipment.....	6	0	2	4
Industrial apparatus.....	12	1	1	10
Household appliances.....	4	0	2	2
Lighting and wiring equipment.....	21	4	6	11
Radio and television receiving sets.....	4	0	2	2
Communication equipment.....	21	0	7	14
Electronic components and accessories.....	19	0	7	12
Miscellaneous electrical machinery.....	10	0	3	7
Transportation equipment.....	78	4	33	41
Motor vehicles and equipment.....	25	2	11	12
Aircraft and parts.....	22	1	9	12
Ship and boat building and repairing.....	13	0	5	8
Railroad equipment.....	1	0	0	1
Miscellaneous transportation equipment.....	17	1	8	8
Professional, scientific, and controlling instruments, photographic and optical goods, watches and clocks.....	47	2	18	27
Engineering instruments.....	6	0	3	3
Measuring and controlling instruments.....	8	0	6	2
Optical instruments and lenses.....	3	1	2	0
Surgical, medical and dental instruments.....	10	1	5	4
Ophthalmic goods.....	17	0	1	16
Photographic equipment and supplies.....	3	0	1	2
Miscellaneous manufacturing industries.....	190	22	92	76
Jewelry and silverware.....	7	0	4	3
Musical instruments and parts.....	5	1	1	3
Toys, sporting, athletic goods.....	62	3	36	23
Pens, pencils, office material.....	7	2	3	2
Costume jewelry, miscellaneous notions.....	29	6	11	12
Miscellaneous manufacturing industries.....	80	10	37	33

APPENDIX TABLE F.—*Number of minors found employed in violation of the child labor provisions of the Fair Labor Standards Act, by industry and age of minor, fiscal year 1961—Continued*

Industry	Number of minors illegally employed			
	Total	Under 14 years of age	14-15 years of age	16-17 years of age
Transportation, communication, electric, gas and sanitary services.....	467	24	125	318
Railroad transportation.....	43	0	3	40
Local and suburban transit.....	2	0	0	2
Motor freight transportation and warehousing.....	264	7	61	196
Water transportation.....	19	5	11	3
Transportation by air.....	24	1	15	8
Transportation services.....	20	0	4	16
Communication.....	42	6	19	17
Electric, gas, and sanitary services.....	53	5	12	36
Wholesale trade.....	1,398	134	437	827
Administrative offices and auxiliary units.....	14	1	4	9
Motor vehicles and equipment.....	200	3	46	151
Drugs, chemicals, and allied products.....	36	1	11	24
Dry goods and apparel.....	31	1	9	21
Groceries and related products.....	388	47	113	228
Farm products—raw materials.....	62	13	22	27
Electrical goods.....	52	2	23	27
Hardware, plumbing, and heating equipment.....	57	0	19	38
Machinery, equipment, and supplies.....	79	8	28	43
Miscellaneous wholesalers.....	479	58	162	259
Retail trade.....	254	62	77	115
Administrative offices and auxiliary units.....	35	3	9	23
Other retail trade.....	219	59	68	92
Finance, insurance, and real estate.....	22	4	8	10
Services.....	385	39	147	199
Personal services.....	31	3	19	9
Laundries, cleaning and dyeing plants.....	26	3	16	7
Photographic studios.....	5	0	3	2
Miscellaneous business services.....	177	18	80	79
Auto repair, services, and garages.....	74	13	15	46
Miscellaneous repair services.....	69	3	26	40
Motion pictures.....	2	1	0	1
Medical and health services.....	14	0	3	11
Educational services.....	1	0	0	1
Miscellaneous services.....	17	1	4	12
Industries in Puerto Rico, Virgin Islands, and Panama Canal Zone.....	17	4	6	7

APPENDIX TABLE G.—*Minimum hourly wage rates in effect in Puerto Rico as of June 30, 1960, and rates recommended during fiscal year 1961*

Industry and classification	Minimum hourly wage rate		Effective date of current rate
	June 30, 1960	Recommended during fiscal 1961	
Alcoholic beverage and industrial alcohol.....	\$1.00	-----	Jan. 24, 1957
Artificial flower, decoration, and party favor.....	.70	-----	June 30, 1960
Banking, insurance, and finance.....	1.00	-----	Dec. 30, 1956
Button, jewelry and lapidary work:			
Button and buckle and plastic costume jewelry classification.....	.63	-----	June 27, 1960
Gem stone classification.....	1.00	-----	July 16, 1958
Hair accessories classification.....	.72	-----	June 27, 1960
Hair ornaments classification.....	.76	-----	Do.
Industrial jewel and precious jewelry classification.....	1.00	-----	Do.
Metal expansion watch band classification.....	.87	-----	Do.
Rosary and native jewelry classification.....	.47	-----	Do.
General classification.....	.67	-----	Do.

APPENDIX TABLE G.—Minimum hourly wage rates in effect in Puerto Rico as of June 30, 1960, and rates recommended during fiscal year 1961—Continued

Industry and classification	Minimum hourly wage rate		Effective date of current rate
	June 30, 1960	Recommended during fiscal 1961	
Chemical, petroleum, rubber, and related products:			
Agricultural chemicals, fertilizer mixing, hormones, antibiotics, and adrenalin, miscellaneous rubber products, petroleum refining, and pipeline coating tapes classification	\$1.00		Nov. 17, 1958
Drugs, medicines, bay oil, aromatic alcohol, and toilet preparations classification	.75	\$0.77	Dec. 5, 1960
Industrial inorganic chemicals and rebuilt and vulcanized tire classification	.85, .90	.92	Do.
Miscellaneous chemical and petroleum products classification	.85, .95	.95	Do.
Oil well drilling classification	.85	1.00	Do.
Rubber bucket classification	.75	.75	Nov. 4, 1956
Rubber footwear classification	.80	.83	Sept. 4, 1960
Children's dress and related products:			
Hand-embroidery classification	.47	.59	
Other operations classification	.65	.76	
Communications, utilities, and transportation:			
Drivers, mechanics, and clerical workers in motor-carrier transport and express classification	1.00		July 2, 1960
Other workers in motor-carrier transport and express classification	.90		Do.
Radio broadcasting classification	1.00		Do.
General classification	1.00		July 16, 1958
Construction, business service, motion picture, and miscellaneous:			
Business service, motion picture, industrial and other building construction and special trade contractors, and miscellaneous industry classification	1.00		Jan. 17, 1958
Highway and street and other heavy construction and other service classification	.90	1.00	Sept. 29, 1960
Janitorial service classification	.90	.95	Do.
Corsets, brassieres, and allied garments	.85		May 16, 1960
Electrical, instrument, and related products:			
Classification A (shaver and hair dryer, storage battery, drafting machine, electrical terminal and connector, television antenna and lead-in cable and portable hand tools)	1.00		Nov. 15, 1957
Classification B (electric irons, toaster elements, and hot water heaters; exposure meters, ammeters, voltmeters, accelerometers, and panel instruments; circuit breakers and service entrance equipment; armatures and field coils; switches and fluorescent starters; coils, including magneto coils, and breakers; solenoids, relays, including telephone-type relays, power-type relays and magnetic relay elements; electric wave filters; gyroscopes and related equipment; lighting fixtures and fluorescent lighting lamps (except light bulbs and Christmas lighting sets); floor polishers; soldering guns; electronic heating devices; electronic controls for auto headlight dimmers; electronic data processing machines and systems; soil moisture testing equipment; aircraft test instruments; strain gauge transducers; photoelectric cells; tape recorder heads and erase head assemblies; electronic guns for television picture tubes; and the repair and rewinding of electric motors and other electrical equipment)	1.00		Mar. 13, 1959
Classification C (capacitors, transistors, coils and coil forms, hermetic seals, crystal units, rectifiers, electronic tubes, television picture tubes, television sets, refrigerators, phonographic pickup cartridges, electric baseboard heating units, heating pads and massage pads, Christmas lighting sets, thermometers, drafting instruments, surgical administration sets, and watches)	.90, .95	1.00	Mar. 13, 1961
Classification D (lenses)	.82	.90	Do.
Classification E (transformers, wirewound resistors, and all products and activities not specifically included in any other classification)	.90, .95	.95	Do.
Fabric and leather glove:			
Hand-sewing on fabric gloves classification	.25	.26	June 2, 1961
Hand-sewing on leather gloves classification	.37	.40	
Other operations on hand-sewn gloves classification	.55	.60	
Machine operations on machine-sewn gloves classification	.75	.82	
Other operations on machine-sewn gloves classification	.65	.73	
Fabricated plastic products:			
Dinnerware, sprayer, and vaporizer classification	1.00		Oct. 21, 1957
Phonograph record classification	.95	.96	Mar. 12, 1961
Wall tile classification	.75	.80	Do.
General classification	.70, .72	.74	Do.

See footnotes at end of table.

APPENDIX TABLE G.—Minimum hourly wage rates in effect in Puerto Rico as of June 30, 1960, and rates recommended during fiscal year 1961—Continued

Industry and classification	Minimum hourly wage rate		Effective date of current rate
	June 30, 1960	Recommended during fiscal 1961	
Food and related products:			
Biscuit and cracker classification	\$0.80	\$0.95	Sep. 25, 1960
Canning and preserving classification	.70	.80	
Citron brining and fruit, vegetable, nut, and green coffee grading and packing classification	.60	.65	
Yeast and tuna fish canning classification	.85	1.00	
General classification	.75	.85	
Handkerchief, square scarf, and art linen:			
Hand-sewing classification	.27	.28	Sept. 11, 1960
Other operations classification	.53	.54	
Hosiery	.68		Dec. 17, 1959
Leather, leather goods, and related products:			June 10, 1961
Belt classification	.75	.80	
Hide curing classification	.90	.95	
Sporting and athletic goods classification	.62	.67	
Leather tanning and finishing classification	.57	.66	
General classification	.57	.63	
Lumber and wood products:			
Carpet grippers classification	2 1.00		Dec. 30, 1957
Furniture, woodenware, and miscellaneous wood products classification	.65	.70	Sept. 25, 1960
Lumber, millwork, and balsa wood toys classification	.65, .75	.80	
Swimming pool equipment classification	.80	.90	Do.
Men's and boys' clothing and related products:			May 16, 1960
Work clothing and separate trouser classification	.80		
General classification	.75		
Metal, machinery, transportation equipment, and allied products:			
Fabricated wire products classification	2 1.00		Mar. 13, 1959
Metal spring classification	.90	.97½	Do.
Slide fastener classification	.90	.95	Do.
Wire drawing classification	.96	1.00	Do.
General classification	2 1.00		Nov. 15, 1957
Needlework and fabricated textile products:			Sept. 3, 1960
Crocheted slippers, leather handbags, and other operations on knit gloves classification	.67	.76	
Dungarees, slacks, and related products and other operations on crocheted hats and infants' booties classification	.75	.82	
Hand-crocheting and hand-embroidery of crocheted hats and infants' booties and hand-embroidery of knit gloves classification	.50	.60	
General classification	.77	.83	
Paper, paper products, printing, and publishing:			
Paper box and paper box partition classification	.85, .95	1.00	Sept. 29, 1960
Pulp, paper, and paperboard, paper bag, daily newspaper and news syndicate, photoengraving, filing cards and indexes, phototype letters, paper for sanitary use, and commercial printing by the silk-screen process classification	2 1.00		Nov. 17, 1958
General classification	.85	.90	Sept. 29, 1960
Shoe and related products:	.59	.66	Nov. 26, 1960
Stone, clay, glass, cement, and related products:			
Abrasive products, cement, dry cement mixes, glass and glass products, hot asphaltic plant mix, readymixed concrete, concrete block and tile, concrete pipe, precast concrete construction components, structural clay products, and ceramic floor and wall tile classification	2 1.00		Jan. 10, 1958
Art pottery classification	.50	.57	Dec. 15, 1960
Artificial teeth classification	2 1.00		Feb. 2, 1959
Asbestos cement products, high purity silicon, and crushed stone, sand, and gravel classification	.88, .90	1.00	Dec. 15, 1960
Mica classification	.72	.72	Do.
Vitreous and semi-vitreous china food utensils classification	.70	.78	Do.
General classification	.88, .90	.90	Do.
Straw, hair, and related products:			Dec. 18, 1959
Artists' brush and native handcraft classification	.48		
Hair and bristles processing and other straw, hair, and related products classification	.57		
Hair piece and doll wig classification	.70		
Sugar manufacturing	1.00		Dec. 14, 1957
Sweater and knit swimwear	.96	1.00	Sept. 9, 1960
Textile and textile products:			
Bag cleaning and repairing classification	.60		Dec. 17, 1959
Hooked rug classification	.76		Do.
Multiple-needle power-driven machine operations	.58		Do.
Other operations	1.00		Apr. 12, 1957
Mattress and pillow classification	.68		Dec. 17, 1959
General classification			

See footnotes at end of table.

APPENDIX TABLE G.—Minimum hourly wage rates in effect in Puerto Rico as of June 30, 1960, and rates recommended during fiscal year 1961—Continued

Industry and classification	Minimum hourly wage rate		Effective date of current rate
	June 30, 1960	Recommended during fiscal 1961	
Tobacco:			
Machine threshing, other operations classification.....	\$0.68	\$0.72	June 24, 1961
Filler tobacco processing classification.....	.36	.38	
Wrapper type tobacco processing classification.....	.72	.75	
General classification.....	.85, .86	.90	July 16, 1958
Wholesaling, warehousing, and other distribution.....	1.00		
Women's and children's underwear and women's blouse and neckwear:			
Hand-sewing classification.....	.48	.64	Sept. 1, 1960
Other operations classification.....	.70	.79	

¹ The statutory objective of \$1 an hour having already been achieved for this classification, it was not referred to a committee for review.

² Wage orders were published by June 30, 1960, but did not become effective until July 2, 1960.

APPENDIX TABLE H.—Minimum hourly wage rates in the Virgin Islands, effective December 30, 1959

Industry	Minimum wage rate (cents per hour)
Air transportation.....	¹ \$1.00
Alcoholic beverages and industrial alcohol.....	.65
Banking, real estate, accounting, and insurance.....	1.00
Bay rum and other toilet preparations.....	.80
Fruit and vegetable packing, farm products assembling, and meat packing.....	.45
Jewelry, pen, thermometer, industrial belting, and miscellaneous metal products.....	.65
Shipping, marine transportation, and ship and boat building.....	1.00
Wholesale distribution, trucking, construction, communications, and public utilities.....	.77
Miscellaneous industries (all industries not specified above).....	.60

¹ Effective April 26, 1958.

APPENDIX TABLE I.—Minimum hourly wage rates in American Samoa, effective August 31, 1959

Industry	Minimum wage rate (cents per hour)
Fish canning and processing.....	\$0.75
Shipping and transportation.....	.75
Petroleum marketing.....	.75
Miscellaneous industries (all industries not specified above).....	.55

APPENDIX TABLE J.—Distribution of increases in Puerto Rican minimum hourly wage rates by magnitude of the increases, October 31, 1955, to June 30, 1961

Amount of increase	Number of rates	Percent	Amount of increase	Number of rates	Percent
Percent per hour.....		100.0	Cents per hour.....		100.0
Less than 20.....	1	.7	Under 5.....	1	.7
20 and less than 33 1/3.....	7	4.9	5 and less than 10.....	2	1.4
33 1/3 and less than 50.....	38	26.4	10 and less than 15.....	7	4.9
50 and less than 100.....	71	49.3	15 and less than 20.....	6	4.2
100 and over.....	27	18.7	20 and less than 25.....	13	9.0
			Exactly 25.....	17	11.8
			26 and less than 30.....	14	9.7
			30 and less than 40.....	42	29.2
			40 and less than 50.....	23	16.0
			50 and over.....	19	13.2

¹ Includes 2 rates at \$0.255.

APPENDIX TABLE K.—Percent distribution of employees in Puerto Rico subject to minimum wage rates, by minimum hourly rate applicable to the industry in which they were employed, as of June 30, 1957-61

Minimum wage rates interval (cents per hour)	As of June 30—				
	1957	1958	1959	1960	1961
Total.....	100.0	100.0	100.0	100.0	100.0
Less than 40.....	21.5	16.2	10.0	9.5	9.1
40-49.....	7.2	3.8	2.9	1.8	.5
50-59.....	11.5	9.8	7.2	5.7	1.8
60-69.....	11.2	9.3	7.3	7.0	9.4
70-79.....	14.1	10.4	13.0	13.7	12.4
80-89.....	3.4	14.2	12.0	12.6	13.5
90-99.....	12.5	2.7	7.5	8.7	5.7
100.....	18.6	33.6	40.1	41.0	47.7
Percent below \$0.70 an hour.....	51.0	39.0	27.0	24.0	21.0
Percent at \$1.00 an hour.....	19.0	34.0	40.0	41.0	48.0

APPENDIX TABLE L.—Percent distribution of employees in Puerto Rican industries, by increase in minimum hourly wage rates, fiscal years 1957-61

Increase in minimum wage rate (cents per hour)	Percent distribution				
	Fiscal year 1957	Fiscal year 1958	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961
Total.....	100.0	100.0	100.0	100.0	100.0
No increase ¹	0.9	9.0	18.6	0.9	0.1
0.1-4.9.....	21.2	19.6	31.2	17.3	35.2
5.0-9.9.....	18.6	34.9	31.1	65.3	44.7
10.0-14.9.....	21.5	29.4	17.4	8.5	15.5
15.0-19.9.....	19.7	3.8	0.6	2.0	4.5
20.0-24.9.....	8.0	0.5	1.1	5.9	-----
25.0-29.9.....	8.1	0.8	-----	-----	-----
30.0 and over.....	2.0	2.0	-----	-----	-----
Median (cents per hour).....	10	5	5	6	7

¹ Excludes employees already subject to \$1 rate at the time of review.

APPENDIX TABLE M.—Number of applications received and learner certificates issued, fiscal years 1961 and 1960

Nature of action	Fiscal year 1961	Fiscal year 1960	Nature of action	Fiscal year 1961	Fiscal year 1960
Number of applications received ¹	1,745	2,122	Number of plants holding certificates at end of fiscal year.....	1,431	1,587
Certificates:			Estimated number of learners authorized by certificates in effect at end of fiscal year....	32,127	34,956
Number issued.....	1,763	2,042			
Normal labor turnover.....	1,404	1,555			
Plant expansion.....	359	487			
Number of certificates in effect at end of fiscal year....	1,554	1,744			

¹ Includes applications on which denial and withdrawal actions were taken, in addition to certificate issuance, and a considerable number of individual applications requesting both normal labor turnover and plant expansion certificates.

APPENDIX TABLE N.—*Learner certificates in effect June 30, 1961, by industry and by type of learner certificate*

Industry and type of learner regulations	Number of plants holding certificates ¹	Number of certificates in effect			Estimated number of learners authorized		
		Total	Normal labor turnover	Expansion	Total	Normal labor turnover	Expansion
All industries and areas.....	1,431	1,554	1,388	166	32,127	25,576	6,551
All areas except Puerto Rico and Virgin Islands.....	1,328	1,419	1,300	116	28,976	24,456	4,520
Industries covered by special learner regulations.....	1,325	1,416	1,303	116	28,949	24,429	4,520
Apparel.....	1,034	1,094	1,012	82	23,468	19,978	3,490
Single pants, shirts and allied garments.....	524	552	520	32	13,861	11,936	1,925
Women's apparel.....	459	486	442	44	8,703	7,345	1,355
Sportswear and other odd outerwear.....	40	44	40	4	655	510	145
Other apparel.....	11	12	10	2	249	184	65
Hosiery.....	120	139	119	20	2,383	1,793	590
Full-fashioned.....	30	35	30	5	595	500	95
Seamless.....	90	104	89	15	1,788	1,293	495
Knitted wear.....	84	93	83	10	1,167	962	205
Outerwear.....	13	15	13	2	213	178	35
Underwear.....	71	78	70	8	954	784	170
Glove.....	47	47	47	0	542	542	0
Work gloves (except all leather).....	41	41	41	0	469	469	0
Other gloves.....	6	6	6	0	73	73	0
Cigars.....	5	5	5	0	120	120	0
Shoe manufacturing.....	33	36	32	4	1,266	1,031	235
Independent telephone.....	2	2	2	0	3	3	0
Industries not covered by special learner regulations.....	3	3	3	0	27	27	0
Puerto Rico and Virgin Islands.....	103	135	85	50	3,151	1,120	2,031
Puerto Rico.....	101	133	84	49	3,136	1,115	2,021
Virgin Islands.....	2	2	1	1	15	5	10

¹ Some plants hold more than 1 certificate.

APPENDIX TABLE O.—*Number and value of unclassified contracts subject to the Public Contracts Act, by fiscal year, 1937-61*

Fiscal year	Number of contracts ¹	Value (in thousands) ²	Fiscal year	Number of contracts ¹	Value (in thousands) ²
Total, all years.....	1,171,529	\$243,223,814	1949.....	27,393	\$3,606,280
1937 (9 months).....	3,223	177,789	1950.....	22,349	2,784,325
1938.....	5,158	294,953	1951.....	57,493	10,422,848
1939.....	6,396	528,393	1952.....	65,475	10,978,395
1940.....	9,324	799,733	1953.....	54,210	10,978,817
1941.....	24,333	5,085,694	1954.....	44,081	7,392,035
1942.....	59,536	15,867,769	1955.....	33,270	6,383,855
1943.....	101,224	30,935,632	1956.....	30,916	6,051,504
1944.....	98,167	30,216,662	1957.....	53,002	10,671,587
1945.....	135,280	28,798,335	1958.....	50,519	9,270,474
1946.....	35,396	5,224,234	1959.....	73,525	13,452,536
1947.....	19,303	1,655,595	1960.....	64,339	11,787,570
1948.....	21,413	2,360,105	1961.....	76,254	16,957,694

¹ Includes contracts for which no value was reported on the notice of award; some of these contracts may not be covered by the act.

² For statistical purposes, the amount included for indefinite-amount contracts indicating only an upper limit (e.g., "not to exceed \$50,000") is that limit; contracts for "more than \$10,000" are coded \$10,000; and no value is included for those contracts reported as "indefinite" or for which no value is shown.

NOTE: Amendments and supplemental awards to existing contracts are treated in the same manner as the original contract.

APPENDIX TABLE F.—Summary of minimum wage determinations applicable under the Public Contracts Act, June 30, 1961

Title of industry and date of original determination	Effective date of latest determination ¹	Minimum hourly wage rate		Employees permitted at special minimum rates (other than handicapped) ²
		Amount	Area ³	
Aircraft manufacturing, May 7, 1942	July 8, 1950	\$1.05	Industrywide	Apprentices \$.75 cents ⁴
Aviation textile products manufacturing, Dec. 11, 1942	Oct. 7, 1956	1.00	do.	Learners ⁵ and apprentices ⁷
Battery, May 27, 1957:				Apprentices ⁷
(a) Lead-acid storage battery branch	May 27, 1957	1.35	do.	Do. ⁷
(b) Dry primary battery branch	do.	1.08	do.	Beginners \$1.15 for not more than 3 months; apprentices ⁷
(c) Other battery branch	do.	1.34	do.	Auxiliary workers are exempted from the determination; apprentices ⁷
Bituminous coal (including lignite), Nov. 25, 1955	Oct. 20, 1958		District	
		2.745	1—Eastern Pennsylvania	
		2.745	2—Western Pennsylvania	
		2.745	3—Northern West Virginia	
		2.745	4—Ohio	
		None	5—Michigan	
		2.745	6—Pennsylvania	
		2.745	7—Southern No. 1.	
		2.745	8—Southern No. 2.	
		2.59	9—West Kentucky	
		2.745	10—Illinois	
		2.78	11—Indiana	
		1.40	12—Iowa	
		2.515	13—South-eastern	
		2.59	14—Arkansas-Oklahoma	
		2.59	15—Southwestern	
		2.798	16—Northern Colorado	
		2.796	17—Southern Colorado	
		2.796	18—New Mexico	
		2.82	19—Wyoming	
		2.82	20—Utah	
		2.226	21—North Dakota-South Dakota	
		2.846	22—Montana	
		2.735	23—Washington	
		1.00	In each State where industry has its plants	Learners ⁵ and apprentices ⁷
Cement, Mar. 2, 1940	Oct. 7, 1956			Do. ^{5,7}
Chemical and related products, Apr. 28, 1942:	do.			
(a) Industrial and refined basic chemical products branch	Jan. 23, 1951	1.00	Maryland, Virginia, North Carolina, South Carolina, Tennessee, Arkansas, Mississippi, Alabama, Georgia, Florida, and District of Columbia	Beginners \$1.10 for not more than 320 hours; apprentices ⁷
(b) Cleaning and polishing preparations, insecticides and fungicides, and miscellaneous chemicals branch	Oct. 7, 1956	1.15	All remaining States	Learners ⁵ and apprentices ⁷
(c) Bone black, carbon black, and lamp black branch	Jan. 23, 1951	1.00	Industrywide	Beginners \$1.35 for not more than 320 hours; apprentices ⁷
		1.40	do.	

Cotton garment and allied industries, Aug. 2, 1937	Oct. 7, 1956	1.00	do	Learners ⁶ and apprentices. ⁷
Dental goods and equipment manufacturing, Sept. 23, 1941:				
(a) Durable goods branch	do	1.00	do	Do. ^{6,7}
(b) Consumable goods branch	do	1.00	do	Do. ^{6,7}
Die casting manufacturing, Apr. 5, 1941	do	1.00	do	Do. ^{6,7}
Dimension granite, Jan. 15, 1938	do	1.00	In each State where industry has its plants	Apprentices. ⁷
Drugs and medicine, Sept. 19, 1941	Sept. 1, 1955	1.20	Industrywide	Beginners \$1.20 for not more than 3 months; apprentices. ⁷
Electric lamp, Aug. 20, 1956	Aug. 20, 1956	1.26	do	Apprentices. ⁷
Electron tubes and related products, Jan. 7, 1961:				
(a) Solid-state semiconductor devices branch	Jan. 7, 1961	1.35	do	Do. ⁷
(b) Electron tubes branch	do	1.42	do	Beginners \$1.02 for not more than 480 hours; apprentices. ⁷
Envelope, May 12, 1938	Dec. 5, 1955	1.08	do	Probationary workers \$1.63 for not more than 160 hours; apprentices. ⁷
Evaporated milk, Nov. 3, 1941	Jan. 15, 1950	1.68	do	Learners ⁶ and apprentices. ⁷
Fertilizer, Sept. 12, 1939	Oct. 7, 1956	1.00	In each State where industry has its plants	Apprentices. ⁷
Fireworks, Oct. 15, 1938	do	1.00	do	
Flour and related products, Mar. 5, 1959	Mar. 5, 1959	1.30	do	
Furniture manufacturing, May 13, 1939:				
(a) Metal furniture branch	Oct. 7, 1956	1.00	do	Learners ⁶ and apprentices. ⁷
(b) Public seating branch	do	1.00	do	Do. ^{6,7}
(c) Wood furniture branch	do	1.00	do	Do. ^{6,7}
Gloves and mittens, Jan. 16, 1943	do	1.00	do	Auxiliary workers \$1.18½; apprentices \$1.18½ for first 6 months.
Handkerchief, Jan. 26, 1938	Aug. 27, 1949	1.23	do	
Iron and steel, May 27, 1940				
			Connecticut, Delaware, District of Columbia, Illinois (except the area in and about East St. Louis, Illinois), Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Wisconsin, West Virginia, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Illinois (East St. Louis area only), Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, Industrywide	
Knitting, knitwear, and woven underwear, Apr. 20, 1943	Oct. 7, 1956	1.19	do	Auxiliary workers \$1.14½; apprentices \$1.14½ for first 6 months.
Leather manufacturing, Dec. 17, 1941	do	1.08 ½	do	Auxiliary workers \$1.04; apprentices \$1.04 for first 6 months.
Luggage, leather goods, belts, and women's handbags, Apr. 30, 1943	do	1.00	do	Learners ⁶ and apprentices. ⁷
Men's hat and cap, Aug. 2, 1937:				
(a) Cap and cloth hat branch	Oct. 7, 1956	1.00	do	Do. ^{6,7}
(b) Fur felt hat branch	do	1.00	do	Do. ^{6,7}
Men's neckwear, Aug. 2, 1937	do	1.00	do	Do. ^{6,7}

See footnotes at end of table.

APPENDIX TABLE P.—Summary of minimum wage determinations applicable under the Public Contracts Act, June 30, 1961—Continued

Title of industry and date of original determination	Effective date of latest determination ¹	Minimum hourly wage rate		Employees permitted at special minimum rates (other than handicapped) ²
		Amount	Area ³	
Metal business furniture and storage equipment, Dec. 6, 1954.	June 10, 1961	1.43	Industrywide	Apprentices. ⁷
Office machines, June 18, 1956.	June 18, 1956	1.10	do.	Apprentices. ⁸
Paint, varnish, and related products, Nov. 6, 1941.	July 24, 1958	1.50	do.	Probationary workers, \$1.40 for not more than 480 hours; apprentices. ⁷
Paper and paperboard containers and packaging products, Feb. 3, 1961:	Feb. 3, 1961	1.30	do.	In each branch, beginners or probationary workers may be employed at 5 cents an hour less than the applicable minimum for not more than 240 hours; apprentices. ⁷
(a) Nontextile bags branch.	do.	1.53	do.	Beginners (probationary workers) \$1.06½ for not more than 160 hours; apprentices. ⁷
(b) Corrugated and solid fibers boxes branch.	do.	1.37	do.	Apprentices. ⁷
(c) Sanitary food containers branch.	do.	1.20	do.	Learners ⁸ and apprentices. ⁷
(d) Wrapping products branch.	do.	1.15	do.	Do. ^{8,7}
Paper and pulp, Oct. 15, 1939.	Dec. 5, 1955	1.52	do.	Beginners \$1.15 for not more than 3 months; apprentices. ⁷
Photographic and blueprinting equipment and supplies, Aug. 14, 1939.	June 10, 1961	1.00	do.	Learners ⁸ and apprentices. ⁷
Pressed and blown glass and glassware, July 12, 1938.	Oct. 7, 1956	1.20	do.	Do. ^{8,7}
Rainwear, Dec. 4, 1942.	do.	1.00	do.	Beginners (probationary workers) \$1.01 for not more than 320 hours; apprentices ⁴ \$1.
Scientific, industrial, and laboratory instruments, Sept. 23, 1941.	Apr. 25, 1958	1.00	do.	Apprentices ⁴ \$1.
Seamless hosiery, Aug. 2, 1937.	Oct. 7, 1956	1.05	do.	Beginners (probationary workers) \$1.06 for not more than 320 hours; apprentices ⁴ \$1.
Shoe manufacturing and allied industries, July 11, 1942.	do.	1.20	do.	Apprentices ⁴ \$1.
Small arms ammunition, explosives, and related products, Oct. 19, 1939:	Apr. 20, 1952	1.12	do.	Beginners (probationary workers) \$1.06 for not more than 320 hours; apprentices ⁴ \$1.
(a) Small arms ammunition branch.	do.	1.50	do.	Apprentices ⁷
(b) Explosives branch.	do.	1.00	do.	Learners ⁸ and apprentices. ⁷
(c) Blasting and detonating caps branch.	do.	1.25	do.	Do. ^{8,7}
Soap and related products, Aug. 14, 1939.	Dec. 8, 1958	1.00	do.	Beginners \$1.15 for not more than 320 hours; apprentices. ⁷
Specialty accounting supply manufacturing, Aug. 9, 1939.	Oct. 7, 1956	1.00	do.	Learners ⁸ and apprentices. ⁷
Structural clay products, Jan. 10, 1941.	do.	1.25	In each State where industry has its plants.	Do. ^{8,7}
Surgical instruments and apparatus, Sept. 23, 1941.	Sept. 1, 1958	1.00	Industrywide.	Beginners \$1.15 for not more than 320 hours; apprentices. ⁷
Tsg, Oct. 31, 1938.	Oct. 7, 1956	1.00	do.	Learners ⁸ and apprentices. ⁷

Textile, Oct. 17, 1941:

(a) Cotton, silk, and synthetic textile branch.	Feb. 21, 1953	1.00	do	Learners 12 92 cents for not more than 240 hours; apprentices. ⁷
(b) All other products of the textile industry.	Oct. 7, 1956	1.00	do	Learners 8 and apprentices. ⁷
Tires and related products, June 3, 1960	June 3, 1960	1.77	do	Beginners (probationary workers) \$1.67 for not more than 160 hours; apprentices. ⁷
Tobacco, May 2, 1939	Oct. 7, 1956	1.00	do	Learners 8 and apprentices. ⁷
Toilet preparations and cosmetics, Sept. 19, 1941	do	1.00	do	Do. ⁸
Uniform and clothing, Feb. 25, 1941:				
(a) Suit and coat branch.	do	1.00	do	Do. ⁸
(b) Heavy outerwear branch.	do	1.00	do	Do. ⁸
(c) Wool trousers branch.	do	1.00	do	Do. ⁸
Vitreous or vitrified china, May 19, 1938.	do	1.00	do	Learners and beginners 8 \$1.05 for not more than 320 hours; apprentices. ⁷
Wool carpet and rug, Oct. 15, 1938.	do	1.00	do	Learners and beginners 8 90 cents for not more than 320 hours; apprentices. ⁷
Woolen and worsted, May 14, 1949:	May 7, 1954	1.20	do	
(a) Broad-woven goods, yarn, and thread branch and pressed felt.	do	1.05	do	
(b) All other products of the woolen and worsted industry.	do		do	

¹ Effective date applies to contracts subject to the Public Contracts Act, bids for which are solicited or negotiations otherwise commenced on or after the date specified.

² These determinations apply in all States (except Alaska and Hawaii) and the District of Columbia.

³ Handicapped workers may be employed at wages less than the "minimum hourly wage rate," pursuant to certificates issued by the Divisions under the terms and procedures specified in sec. 50-201.1102 of the general regulations under the Walsh-Healey Public Contracts Act.

⁴ Apprentices are permitted at rates between the indicated minimum for apprentices and the "minimum hourly wage rate," if their employment conforms to the standards of the Federal Committee on Apprenticeship.

⁵ Where rates below \$1 are permitted under the Public Contracts Act, certificates are required under the Fair Labor Standards Act for such employment, if that act applies.

⁶ Learners may be employed at wages less than the "minimum hourly wage rate," pursuant to certificates issued by the Divisions under the terms and procedures prescribed by Regulations Part 522 issued under sec. 14 of the Fair Labor Standards Act.

⁷ Apprentices may be employed at wages less than the "minimum hourly wage rate," pursuant to certificates issued by the Divisions under the terms and procedures specified in sec. 50-201.1103 of the general regulations under the Walsh-Healey Public Contracts Act.

⁸ Learners (or beginners) may not be paid less than the piece rates paid to experienced workers in the same plant.

⁹ Apprentices may be employed at wages less than the "minimum hourly wage rate," as follows: (1) at hourly rates below \$1 under certificates issued by the Divisions under sec. 14 of the Fair Labor Standards Act; and (2) at higher wage rates (but less than the "minimum hourly wage rate") under apprentice agreements recorded as meeting the standards or fundamentals of the U.S. Labor Department's Bureau of Apprenticeship and Training or of a State agency recognized by that Bureau.

¹⁰ Learners may be employed in the occupations of machine operating, machine tending, machine fixing, and jobs immediately incidental thereto. They may not exceed 3 percent of the total number of employees in such occupations except under certificates issued by the Divisions.

APPENDIX TABLE Q.—Number of minors found illegally employed on farms in violation of the child labor provisions of the Fair Labor Standards Act, by age and present or last school grade attended, fiscal year 1961¹

Age	Total all grades ²	Never attend- ed school	Present or last grade attended											Below normal grade for age	
			1	2	3	4	5	6	7	8	9	10	11	Number	Percent of minors of this age found to be illegally employed
Total, all years...	5,689	63	361	523	691	787	887	770	695	538	252	104	18	2,850	50
6 years.....	115	31	74	8	2									0	0
7 years.....	222	12	110	74	24	2								12	5
8 years.....	337	3	83	144	78	26	3							86	26
9 years.....	448	0	35	119	152	113	26	3						154	34
10 years.....	619	4	30	80	169	145	155	35	1					283	46
11 years.....	694	6	12	46	113	162	186	135	32	2				339	49
12 years.....	812	1	7	22	71	134	197	180	150	48	1	1		432	53
13 years.....	905	2	8	18	45	108	140	177	198	180	25	4		498	55
14 years.....	803	2	2	6	26	56	119	152	176	148	87	25	4	539	67
15 years.....	734	2	0	6	11	41	61	88	138	160	139	74	14	507	69

¹ 38 illegally employed minors were omitted for the following reasons: No school information available, 22; age was not reported, 3; too young to be expected to have attended school, 10; and in special ungraded classes, 3.

² The figures between heavy lines in the table indicate normal school attainment for that age child. Based on the usual standard of measurement, developed by the U.S. Office of Education, 6 to 7 is considered normal attendance in the 1st grade, 7 to 8 for the 2d grade, etc., with attendance of 1 grade each year.

APPENDIX TABLE R.—Number of nonlocal minors¹ found illegally employed on farms in violation of the child labor provisions of the Fair Labor Standards Act, by age and present or last school grade attended, fiscal year 1961²

Age	Total all grades ²	Never attend- ed school	Present or last grade attended											Below normal grade for age	
			1	2	3	4	5	6	7	8	9	10	11	Number	Percent of minors of this age found to be illegally employed
Total, all years...	2,278	41	222	287	362	388	367	206	186	91	27	11	0	1,635	72
6 years.....	45	18	27											0	0
7 years.....	87	7	62	14	3	1								7	8
8 years.....	154	2	63	71	11	7								65	75
9 years.....	189	0	28	73	66	20	2							101	53
10 years.....	266	3	24	60	95	64	18	2						182	68
11 years.....	284	6	8	33	81	93	52	9	2					221	78
12 years.....	324	1	4	16	53	79	105	53	10	2	0	1		258	80
13 years.....	349	2	5	11	29	70	83	84	52	12	0	1		284	81
14 years.....	321	2	1	5	16	31	72	89	70	27	8	0		286	89
15 years.....	259	0	0	4	8	23	35	59	52	50	19	9		231	89

¹ Nonlocal minors are those who do not return to their permanent home each day.

² 23 illegally employed minors were omitted for the following reasons: No school information available, 17; age not reported, 2; too young to be expected to have attended school, 2; and in special ungraded classes, 2.

³ The figures between heavy lines in the table indicate normal school attainment for that age child. Based on the usual standard of measurement, developed by the U.S. Office of Education, 6 to 7 is considered normal attendance in the first grade, 7 to 8 for the second grade, etc., with attendance of 1 grade each year.

Appendix II

Child Labor Standards

Fair Labor Standards Act

The child labor provisions of the Fair Labor Standards Act set a 16-year minimum age for general employment, an 18-year minimum age for occupations found and declared hazardous by the Secretary of Labor, and a 14-year minimum age for employment outside school hours in a limited number of occupations under regulated hours and conditions.

These provisions apply to employees engaged in interstate commerce or in the production of goods for such commerce. They also apply to any producer, manufacturer, or dealer who ships goods or delivers goods for shipment in interstate or foreign commerce. Under the 1961 amendments to the Fair Labor Standards Act, coverage has been extended to employment in specified enterprises engaged in commerce or in the production of goods for commerce.

Walsh-Healey Public Contracts Act

The Walsh-Healey Public Contracts Act prohibits the employment of boys under 16 and girls under 18 years of age on contracts let by the Federal Government for materials, supplies, articles, or equipment in amounts exceeding \$10,000.

Investigation Findings

Nearly 13,000 minors were found employed contrary to the child labor provisions of the Fair Labor Standards Act during the fiscal year ending June 30, 1961. Included were 7,005 minors in nonagricultural establishments and 5,727 minors under the age of 16 years who were employed on farms during school hours. In addition, 57 minors were found employed contrary to the Walsh-Healey Public Contracts Act.

Findings in Nonagricultural Establishments

Violations of the child labor provisions of the act were found in all 50 States, Guam, Puerto Rico, the Virgin Islands, and the Canal Zone. Of the 7,005 minors illegally employed, 674, or 10 percent, were under 14 years of age, 2,284, or 32 percent, were 14 and 15 years of age, and 4,047, or 58 percent, were 16 and 17 years of age employed contrary to hazardous occupations orders. (See appendix table C.)

Occupations of Minors Under 16

The minimum age for employment under the Fair Labor Standards Act is 14 years. Although the number of children under this age found working today is small, the Divisions' investigators still find children as young as 7 years of age employed in nonagricultural industries. Among the youngsters unlawfully employed during the fiscal year were:

- Children aged 7, 8, and 9 making out packing tickets for a manufacturer of plastic items.

- An 8-year-old girl and a 10-year-old boy assembling miniature model motors in a tool and machine shop.

- A boy of 12 removing spikes from a railroad bed.

- An 11-year-old boy packing seed for an alfalfa seed company.

- A 10-year-old girl sorting tomatoes in a storage room of a market.

- An 11-year-old boy buffing and vulcanizing tires for a used-tire shop.

- An 8-year-old boy cleaning and sorting hardware and blasting rust off parts for an aircraft overhaul company.

- A girl of 8 and a boy of 10 putting handles on handbags in a factory.

- Boys aged 7 and 9 quarrying rock in a stone quarry.

- A 9-year-old boy running tickets between the floor and office in a tobacco warehouse.

- A 9-year-old boy hand-nailing pallets in a sawmill.

- An 8-year-old girl working as a mail clerk in a printing shop.

Children 14 and 15 years old may be employed only outside school hours in a limited number of occupations under regulations as to hours and night work. Child Labor Regulation No. 3, issued by the Secretary of Labor pursuant to section 3(1) of the act, sets the standards for such employment. Children under 16 are not permitted to work in manufacturing, mining, or processing occupations or in workrooms or workplaces where such operations are conducted. Other kinds of work prohibited to 14- and 15-year-olds include public messenger service and occupations in connection with transportation, warehousing, storage, communications, public utilities, and construction other than office or sales work. Children in this age group are also prohibited from operating or tending power-driven machinery. During fiscal year 1961, investigators found children 14 and 15 years of age employed in such occupations as removing rocks and clay from the conveyor belt of a gravel crusher for a road construction company, pulling a rig for an oil well servicing company, loading and unloading railroad cars at a peanut butter factory, processing turkeys in a slaughterhouse, firing a boiler in a sawmill, and as stevedores at a dock.

Minors Working in Hazardous Occupations

During fiscal 1961, investigators found 4,902 minors employed in occupations covered by one or more of the 15 hazardous occupations orders. Hazardous Occupations Order No. 2, applying to motor-vehicle drivers and helpers, accounted for 63 percent of the violations of these orders.

The next largest proportion of violations found—18 percent—involved Hazardous Occupations Order No. 7, which covers the operation of elevators and other power-driven hoisting machinery. Hazardous Occupations Order No. 4, involving logging and sawmilling occupations, accounted for 8 percent of the violations, and Hazardous Occupations Order No. 5, covering power-driven woodworking machines, accounted for 7 percent. (See appendix table E.)

Among the minors under 18 years of age found employed contrary to the hazardous occupations orders this year were those found working in a stone quarry oiling and greasing the crusher, cleaning under the conveyor, and driving trucks. Others worked in a slaughterhouse shaking hides in the hide cellar and loading the hides on a truck, in a bakery cleaning the vertical dough mixers, in shipbreaking operations, in punch press operations, in a spaghetti factory as dough mixers, and as freight elevator operators. One minor under 18 years of age, employed as a helper on a truck, received less than 15 cents an hour for a 66-hour workweek.

Reports of death and serious injuries that resulted from violation of the hazardous occupations orders indicate the need for strict adherence to these orders.

A 16-year-old boy was killed when the tractor he was operating at a sawmill toppled over a 150-foot embankment into 35 feet of water at the bottom of an abandoned stone quarry. The youth was loading the mill waste into a bucket on the front end of the tractor and emptying it over the edge of the quarry in front of the sawmill when he apparently shifted the tractor into low gear instead of reverse, thus sending the vehicle into the pit. He was employed in violation of Hazardous Occupations Orders Nos. 2 and 4.

A 17-year-old boy died almost instantly when the heavy amperage from a power cable passed through his body. Employed as a burner in ship-breaking operations, he fell against the steel rail and was electrocuted. This type of employment is covered by Hazardous Occupations Order No. 15.

A 17-year-old youth employed as a truck driver in violation of Hazardous Occupations Order No. 2 killed a State trooper and a motorist when the truck he was driving veered off a turnpike road. The boy had fallen asleep at the wheel after having driven for 20 hours with only a cup of black coffee and a candy bar for nourishment during that period.

One minor was killed, another crippled for life, and a third seriously injured when they fell from a roof in a coal-mining operation. These 17-year-old minors were employed contrary to Hazardous Occupations Order No. 3.

Amputation of a 16-year-old boy's leg was required after a freight elevator accident. The elevator brake slipped while the youth was operating the elevator in violation of Hazardous Occupations Order No. 7. As he tried to jump, his leg was caught and crushed.

Of the 13 minors employed in violation of Hazardous Occupations Orders Nos. 2, 7 and 8 in a shoe factory, five caught their fingers in the machines they operated. Severe lacerations and fractures prevented the minors from working for several weeks.

Child Labor Findings in Agriculture

The agricultural exemption under section 13(c) of the Fair Labor Standards Act permits children to be employed on farms during the hours school is not in session in the school district where they are living while employed. This means that there are no restrictions as to age, hours, or working conditions before or after school hours on a school day or at any time on a school holiday, or during school vacation periods.

Investigators found 5,727 minors under the age of 16 years working during school hours in violation of the act on 1,921 farms in 37 States and Puerto Rico during the fiscal year. Of this number, 3,426 were local children and 2,301 were migrant children. This year, as in previous years, the youngest children found employed in violation of the Fair Labor Standards Act worked in agriculture. A fifth of those found employed during school hours were 9 years of age and under, with some as young as 6 and 7 years. Over half were 10 to 13 years of age, and the remainder were 14 and 15 years of age. Over 80 percent of the children found illegally employed during school hours worked in cotton. Others worked in such crops as tomatoes, potatoes, strawberries, peanuts, and tobacco, to name a few of the crops in which oppressive child labor was found.

Investigators of the Divisions have instructions to report to local school officials the names of all minors under 16 found working during school hours, but in several instances these officials were not cooperative when migrant children were involved. Some local school officials rearranged school hours so that children could harvest the crops in compliance with the Federal law. The children in one State, however, who picked berries in the morning and went to school in the afternoon complained of being tired, as did the children in another State who started school at 7 a.m. so they would have their afternoons free to pick cotton. Another minor, who worked on a dairy farm, and who was employed on a split shift from 3 a.m. to 8 a.m. and from 4 p.m. to 7 p.m., could not attend school because he had to sleep during school hours.

Schools in some areas did not hold classes at all during the peak harvesting season. These special arrangements which have been set up to permit children under 16 years of age to work in agriculture full time while still attending school may meet the requirements for the exemption, but the children's education often suffers, either because they are too tired to pay attention or because their schooling is interrupted by a harvest recess.

That children who work in agriculture are often educationally disadvantaged is demonstrated by the results of a survey made by the Divisions of the school grade status of the children found illegally employed. Of the 5,689 children who furnished information on the last grade attended, 50

percent were in grades below normal for their ages. As might be expected, educational attainment in relation to age becomes lower as the children increase in age. Thus, at 14 years of age, 67 percent of the children were enrolled in grades below normal for their ages, and at age 15, the percent was 69. (See appendix table Q.)

The educational deprivation among migrant children is even more serious. The presence of these children in a community often does not come to the attention of the local school authorities until they leave. In some areas the State school laws do not apply to them. As a result, the proportion of children enrolled in grades below normal for their ages tends to be higher. The percent enrolled in grades below normal for their ages was 72 among migrant children. (See appendix table R.)

The exemption for children employed in agriculture outside school hours also makes it impractical to regulate hazardous employment. None of the hazardous occupations orders that have been issued under the act apply to agriculture, even though agriculture is the third most hazardous industry on the basis of the death rate per 100,000 workers.

Some of the accidents that occurred to children employed in agriculture during the year point up the need for regulation. In New England, for example, a 13-year-old boy was crushed to death when the tractor he was operating overturned. When he shifted the gear of the machine into low instead of reverse, the tractor started to climb a brick wall, then slipped backward, crushing the boy beneath it.

Another tractor accident took the life of a 13-year-old boy in another New England State as he attempted to demonstrate his aptitude for tractor driving. He became frightened, "froze" at the controls, and was killed as the tractor toppled over an embankment.

In the South, a 15-year-old boy was killed when his clothing became entangled in the drive shaft of the tractor he was operating and he was pulled under a harrow.

Another 15-year-old youth was killed when the tractor he was operating on the West Coast overturned, pinning him in an irrigation ditch.

A 15-year-old boy in the South caught his leg in a silo, necessitating amputation of the leg above the knee. In the North, a 14-year-old boy had his left arm amputated three inches below the elbow after his coat sleeve caught in a corn picker.

There was increased interest this year in closing the gap in child labor protection for children employed in agriculture. Bills to set a minimum age for farm work and to remove the exemption which permits children of any age to be employed outside school hours were introduced in the House and the Senate. Hearings were held by both the Subcommittee on Migratory Labor of the Senate Committee on Labor and Public Welfare, and the Select Labor Subcommittee of the House Committee on Education and Labor. The Secretary of Labor, testifying before these committees, said that the exploitation of children is one of the more objectionable aspects of the farm labor situation. He pointed out that the time of day or time

of year in which the work is engaged in by young children has no bearing on the question of whether the work is suitable for the employment of children. Even though outside of regular school hours, such employment militates against educational progress.

Also, the showing nationally of the TV film "Harvest of Shame" pointed up the serious educational deprivation faced by the child who follows the crops from place to place.

Employment and Age Certificates

To protect themselves against unintentional violation of the Fair Labor Standards Act or the Walsh-Healey Public Contracts Act, employers are urged to obtain and keep on file age or employment certificates for the minors they hire. Such certificates provide proof that the minors are of the age they claim to be. While neither act requires an employer to obtain such certificates, no violation is charged when an age certificate shows that the minor is of the legal age set for the employment.

Age certificates issued under the laws of 45 States, the District of Columbia, and Puerto Rico are accepted as proof of age for the purposes of both Federal laws under a cooperative program with these jurisdictions. Special arrangements have been made in Alaska for obtaining proof of age.

Federal certificates of age are issued by the Divisions in Idaho, Mississippi, South Carolina, and Texas. A total of 8,773 Federal age certificates were issued in these four States during the fiscal year.

Cooperation With Other Agencies

The Divisions continued their representation on the Interdepartmental Committee on Children and Youth and on the Working Group of the President's Committee on Migratory Labor.

Representatives of the Divisions participated in the followup on the recommendations of the 1960 White House Conference on Children and Youth on the national level through the interagency committee and on the local level through the various State committees on children and youth. A highlight of the followup was the Conference on Unemployed, Out of School Youth in Urban Areas held in Washington in May 1961. The Divisions' staff participated in both the planning for and the workings of the Conference.

Informational Activities

Throughout the fiscal year, as well as during special campaigns, the Divisions conducted an intensive educational program directed primarily to agricultural and industrial employers, educators and public-spirited organizations, parents and minors, in order to bring about a better understanding of the child labor provisions of the act and to effect greater voluntary compliance. Additionally, cooperative educational programs were developed with government agencies and private organizations, thus resulting in greater dissemination of the Divisions' educational materials.

Labor, agricultural, educational, and other public-spirited organizations concerned with youth welfare participated actively in the Divisions' program by disseminating informational materials and conducting educational discussions.

Materials were presented to the cooperating groups in the form of bulletins, pamphlets, news releases, radio and television spot announcements and scripts. Field personnel of the Divisions met with hundreds of local, State, and national groups to discuss various aspects of the Fair Labor Standards Act and emphasized the child labor provisions of the law.

A new approach was undertaken this year, directed to the rural educators. They were provided with an outline of the child labor provisions of the Fair Labor Standards Act and were requested to disseminate the information to parents as well as to children residing within their school districts. The National Education Association and State school officials, as well as county superintendents and individual schools, were brought into the program.

Continuing programs with the Department of Agriculture, the Department of Interior, and the Department of Health, Education, and Welfare assisted materially in the Divisions' educational efforts. Specialized and intensive programs were again directed to those geographic areas where migrants reside during winter months prior to their moving across the Nation in the spring. Through the outstanding cooperation of the farm placement and recruiting staff of the Department of Labor's Bureau of Employment Security and State labor departments, tens of thousands of migrant families were brought into direct contact with the Divisions' materials. Recruiting officers of the Bureau of Employment Security in Florida and Texas, in particular, distributed specially prepared materials to crew leaders and farm contractors during the spring recruiting program. Recruiting officers in other States also participated actively in the program.

As recruiting programs were concluded, radio, television, and local newspapers forcefully emphasized the need for adhering to the child labor provisions of the act. The Divisions' informational programs were publicized in the spring through the excellent cooperation of mass media, i.e., radio and TV, daily and weekly newspapers, labor periodicals, and agricultural county agents' programs. Excellent cooperation was again tendered by the Agriculture Department's national radio programs and the National Association of Educational Broadcasters. The National Association of Radio and Television Broadcasters listed the Divisions' materials in its national directory which went to every radio and television station in the Nation. This listing resulted in many requests for materials.

The summer program again emphasized that youngsters could be employed during school vacation provided their work and conditions of employment were in compliance with the law. Public media again was the major outlet for this program. The fall campaign reminded employers, parents, and the children themselves that youngsters should return to school and resume their education. This campaign was especially stressed in

agricultural areas. Outstanding contributions to this program were made by the Nation's industrial and business groups, and labor organizations, together with civic groups. Well-known persons on Federal, State, and local levels and in the entertainment fields participated actively. They appeared on radio and television, underwriting programs and bylining news spot materials. Major examples of local participation were the programs developed by Radio Station KDKA in Pittsburgh and the Urban League in both Los Angeles and Chicago. State Governors and local officials issued proclamations and announced special back-to-school weeks.

WOMEN'S BUREAU

To give account for a part of the Nation's work force. In 1941, there were 24 million of them on a monthly average. In 1942, when the Women's Bureau was established, the figure was 24 million.

This great swelling of the women labor force means that women are joining working women and householder—often a much larger segment of the population than formerly. In addition, women, because of the military, economic and social changes and opportunities created, are now and perhaps may have challenges for the working woman and for her family, community, and government.

Because of these challenges, the Bureau closely cooperates with

other agencies, particularly those in the labor movement.

By the end of 1942, several other studies were under way to meet the needs of these women. The Bureau is studying large numbers of women and their families and the social and economic changes in the home and the community. Other studies are being conducted to provide information on the needs of children of working women, on the needs of women in the very large group of low-income women.

information is being and will be provided.

Special attention has been given to strengthening working relationships with voluntary organizations, women, and other groups that have worked closely with the Bureau in the past. Deep study is the basis for a series of these groups, called by the Bureau's Bureau for May 1942, to develop new and present activities and to plan for the future. Also plans were initiated for two regional conferences (held in September 1942) to discuss some of the particularly important problems of working women.

In addition to its responsibility for collecting, analyzing, interpreting, and publishing facts on women's employment, the Women's Bureau sponsors and has opportunities, provides national efforts and information concerning protective legislation for women and on all facets of the civil and political status, and participates in the Commission's international programs. The Bureau has responsibility for advising the Department as a whole on policies, programs, and activities that affect working women.

Significant in the history of women's work is a marked shift occurred in the spring of 1942 when the Executive Order to the Department of Labor

agreed upon. The following are some of the projects now being
by the Women's National and American groups, and have a general
agreement with each group. They are: to be in the field, to be
and to be in the management of the program. They
agreed on radio and television, advertising programs and holding
and holding the program. They are now working on the program
developed by the National YWCA in Pittsburgh and the Urban League in
both Los Angeles and Chicago. The program and local officials are
professionals and managers of the program.

WOMEN'S BUREAU

WOMEN'S BUREAU

Women account for a third of the Nation's work force. In fiscal year 1961, there were 24 million of them—on a monthly average. In 1920, when the Women's Bureau was established, the figure was 8¼ million.

This near tripling of the woman labor force means that measures concerning working women and their families affect a much larger segment of the population than formerly. In addition, dynamic changes in the country's economic and social structure and spectacular advances in science and technology pose new challenges for the working woman and for her family, community, and government.

Because of these challenges, the Bureau during fiscal 1961 placed increasing emphasis on learning more about the current and anticipated problems of working women, particularly those in the lower income levels.

By the end of June, special case studies were under way to investigate the impact of automation in specific industries employing large numbers of women, and their training or retraining needs to meet the radical changes in job requirements. Other areas of study included the provision of adequate day care facilities for children of working mothers, extension of minimum wage coverage to the very large group of low-income workers not covered under existing Federal or State laws; and elimination of discrimination in hiring and promotion practices.

Special attention was given also to strengthening working relationships with voluntary organizations, unions, and other groups that had worked closely with the Bureau in the past. Steps taken in this direction included a meeting of these groups, called by the Bureau's Director for May 1961, to review past and present activities and to plan for the future. Also, plans were initiated for two regional conferences (held in September 1961) to discuss some of the particularly important problems of working women.

In addition to its responsibility for assembling, analyzing, interpreting, and publishing facts on women's employment, the Women's Bureau explores career and job opportunities, provides technical advice and assistance concerning protective legislation for women and on all facets of their civil and political status, and participates in the Government's international programs. The Bureau has responsibility for advising the Department as a whole on policies, programs, and activities related to or affecting women workers.

Significant recognition of womanpower as a national asset occurred in the spring of 1961 when the President sent to the Congress a bill to provide

a new Assistant Secretary of Labor—to help the Department of Labor “meet its increasing responsibilities in connection with the growing role of women” in the Nation’s work force.¹ That responsibilities in this area will increase is implicit in the Labor Department’s estimate that the number of women in the labor force will rise by 25 percent in the decade of the 1960’s, compared with a 15 percent rise for men.

Women in the Work Force

Employment and Unemployment

The average monthly number of women who were employed rose at the same rate (3 percent) in fiscal year 1961 as in the previous fiscal year, while the average number unemployed increased by 24 percent—compared with an 8 percent decline in fiscal 1960. Consequently, the unemployment rate for women in the labor force advanced from an average of 5.7 percent in 1960 to 6.8 percent in fiscal 1961. This increase was shared by all age groups, but the highest unemployment rates, and the largest increases in the rate, have been among teenagers and other young women under 25 years of age. Experienced women workers most affected by unemployment have been operatives and other semiskilled workers.

The number of women in the labor force (those working or actively seeking a job) during fiscal year 1961 totaled 24,069,000—up 4 percent from the monthly average for a year earlier. This is a sharper expansion than the gains of 2.3 percent and 1.2 percent in fiscal years 1960 and 1959, respectively.

In the past 2 fiscal years, the number of women in the labor force increased at a faster rate than did the total number of women 14 years and over in the population. This is partly explained by the growing relative importance of the younger and older segments of our population—with the younger group (14 to 24 years of age) seeking employment for the first time, and many of the mature women (45 and over) seeking employment after rearing children. Because they lack appropriate training or retraining for the requirements of today’s job market, some of these women have difficulty finding paid work, and thus add to the unemployment caused by downtrends in the economy.

The recession with its high level of unemployment brought many inquiries about the kinds of jobs women hold, and questions about the employment of women, particularly married women, during periods of high unemployment. In answer, the Women’s Bureau undertook a program to educate the public on the nature of women’s employment, their reasons

¹ The bill became law and the President on August 12, 1961, nominated the Director of the Women’s Bureau to fill the new post. The Senate confirmed the nomination, and the oath of office was given on August 17, 1961. The new Assistant Secretary of Labor was requested to continue as Director of the Women’s Bureau.

Women in the labor force

Women in the population and labor force	Monthly average for year ending June 30		Change from 1960 to 1961	
	1961	1960	Number	Percent
Women, 14 years or more of age.....	64,975,000	63,753,000	+1,222,000	+1.9
In the labor force.....	24,069,000	23,122,000	+947,000	+4.1
Employed.....	22,440,000	21,808,000	+632,000	+2.9
Unemployed.....	1,629,000	1,315,000	+314,000	+23.9
Not in the labor force.....	40,906,000	40,631,000	+275,000	+0.7

for working, and their contribution to the national economy and to family income. In addition to answering individual letters, the Bureau prepared a brief statement—"Are Women Taking Men's Jobs?"—which received wide coverage in newspapers and magazines.

The statement pointed out that most working women are engaged in teaching, nursing, clerical, and service occupations offering little or no competition to men, and, further, that more workers are needed in these occupational fields. Figures on working wives show that more of them work when the husband's income is under \$5,000 than when it is higher. For calendar year 1960, the average annual income of all women who worked full time was \$3,296, as compared with \$5,435 for men. Negro women received even smaller incomes, their \$2,289 average showing their disadvantaged position in the work force. These figures reflect primarily the concentration of working women in lower paid occupations, but also differences in overtime, seniority, and inequitable pay practices, among other factors.

To answer queries about working mothers and to provide a factual base for discussion at the November 1960 Day Care Conference, the Bureau issued a leaflet entitled "Who Are the Working Mothers?" This reported that there are over 8 million working mothers with children under 18 years of age—about one-third of all the mothers with children in this age group. However, only 1 out of 6 mothers with children under 3 years of age works, compared with 2 out of 5 mothers with children 6 to 17 years of age. Most mothers with very young children prefer to stay at home rather than go out to work; nonetheless, there are about 3 million working mothers with children under 6. Demand for this information prompted a second printing of the leaflet, near the end of the fiscal year.

Women as a Source of Emergency Labor

The Director and staff of the Women's Bureau continued during the year to give technical advice and assistance on womanpower aspects of the civil defense and mobilization program.

To shed more light on the availability, skills, and work experience of women not currently in the work force, pilot surveys of the womanpower

reserves were conducted in Sonoma County, Calif., and Thomas County, Ga. These surveys provided information on such items as the personal characteristics, education, skills, and family responsibilities of the women who responded. Survey results showed that a wide variety of skills exist among women not presently working outside the home, including such key skills as nursing and related skills in the medical field. A high proportion of the women, particularly those under 35 years of age, were responsible for the care of young children. Consequently, large scale recruitment among such women for mobilization purposes would necessitate substantial expansion of child-care facilities.

Additional study of survey results, together with a working paper on the recruitment, training, and utilization of women during an emergency, prepared by the Women's Bureau during the fiscal year, are expected to provide further clarification of emergency manpower plans.

Opportunities in Specific Occupations

Two additional bulletins were completed in the Bureau's series of counseling materials on employment opportunities for women. One is "Careers for Women in the Biological Sciences" and the other, "Careers for Women as Life Underwriters."

Continued interest in the expanding scientific and technical areas of work gave rise to the biological sciences booklet, which urges young women with a scientific bent to give serious consideration to this field as a possible career. It is designed to give students and their parents, teachers, and counselors the kinds of information that will help toward making a sound decision in the choice of a career. It describes the types of employers and jobs in this field, the necessary educational preparation, earnings and other work factors, how to find employment, and future prospects. An accompanying leaflet, "Job Futures for Girls in Biology," highlights information given in the bulletin.

Women now represent but a small proportion of full-time life underwriters (life insurance agents), but many have been quite successful and this field is open to mature as well as younger women.

In cooperation with the National Association of Life Underwriters, the Bureau surveyed opportunities for women in this field and published findings in a bulletin and leaflet, both entitled "Life Insurance Selling—Careers for Women as Life Underwriters." The publications, which describe the nature of the work and requisites for success, give information about income, hours of work, how to get started, and opportunities for training and advancement within the industry.

In addition, brief reports on 14 occupations in which women make up the majority of workers were prepared for the 1961 edition of the "Occu-

pational Outlook Handbook." They dealt with the employment outlook for:

Beauty operators	Occupational therapists
Dental hygienists	Practical nurses
Dietitians	Physical therapists
Home economists	Registered professional nurses
Librarians	Secretaries, stenographers, and typists
Medical record librarians	Social workers
Medical technologists	X-ray technicians

Because technological changes are creating many new types of jobs, the Women's Bureau initiated a study of employment opportunities for women as technicians (for example, electronic technicians) in the fields of engineering, mathematics, and the physical sciences. The resulting report—to be used primarily by high school students and their advisers—will describe the types of work activity in the various technical occupations, the training needed for these positions, employment and advancement opportunities, and will include information about earnings and other work factors. It will also report efforts made both to stimulate interest in this employment field, and to establish training facilities for these new occupations.

In line with its interest in encouraging capable young women to consider science careers, the Bureau participated in two conferences sponsored by associations of physicists during fiscal year 1961. The first, held in New York, was called by the American Institute of Physics. Scientists, educators, employers, and counselors discussed the institute's proposed pamphlet—designed to attract more young women to careers in the physical sciences. Another conference, composed of a similar group in the Washington area, considered ways and means of having more emphasis on physics courses in high school and junior college curricula, encouraging young women to enter this field, and providing part-time work for women with science training.

Special Studies

To learn more about the current status and future plans of college women who have reached an age when family responsibilities make fewer demands on their time, the Bureau undertook an exploratory study in cooperation with the Alumnae Advisory Center of New York. Questionnaires were mailed to about 675 alumnae of the class of 1945 from four participating colleges; more than 85 percent of the alumnae responded. Survey findings will yield facts on the education and employment status of respondents, their marital and family status, extent and kinds of voluntary service, and their future plans for education and employment. It is hoped that analysis of the data will shed more light on the educational, training, and counseling needs and interests of college-educated women and help point the way to future action which may be needed.

As part of its continuing program of promoting the adoption of the principle of equal pay for equal work, the Bureau undertook in fiscal year

1961 the collection of information on pay practices which result in unequal pay for women doing the same or comparable work as men.

The impact of automation and other technological change is the subject of other special studies planned and at the investigative stage before the end of fiscal 1961. For example, a survey of displaced women workers in the meatpacking industry will give information on their characteristics, past training and job experience, mobility, and future plans—particularly with respect to training or retraining for other employment. Two similar studies cover women in the telephone industry and women factory operatives.

Training and Retraining

Pertinent to the Labor Department's program for development of the skills of the work force are a bulletin and a leaflet on training opportunities for women, released by the Bureau during fiscal year 1961. The leaflet, entitled "Suggestions to Women and Girls on Training Opportunities for Future Employment," highlights information from a study made the previous year which resulted in the bulletin "Training Opportunities for Women and Girls." These reports are designed to stimulate wider interest both in the provision of training opportunities and in their use by women and girls seeking employment. The study takes into account the major types of public and private training facilities, and covers 63 different occupations for which initial and preemployment training is available for jobs not requiring a college degree.

In its continuing search for retraining opportunities for mature women, the Bureau participated in a conference of a planning group assembled by the National Institutes of Health to review a project to train college educated women 40 years of age and over for mental-health and other types of counseling.

Day Care

The first National Day Care Conference, sponsored jointly by the Women's Bureau and the Children's Bureau, took place in November 1960. This conference, which culminated months of extensive planning, brought together over 400 representatives from public and private organizations concerned with the provision of good day care services for children. Organizations represented included women's and civic groups, trade unions, private welfare and health associations, and State and Federal agencies.

The conference opened with a symposium in which four nationally known experts presented facts and observations based on personal experience that provided the basis for 12 discussion groups which covered five major topics: essential elements in a good community day care program; varieties of services to meet special day care needs; promoting of adequate standards; promoting of community responsibility; and financing day care services.

Among the Bureau publications provided for use of conference participants was a specially prepared Women's Bureau leaflet, "Who Are the

Working Mothers?" Also provided was a report, "Resources of National Organizations for Day Care of Children Under 12," which gives results of a joint Women's Bureau-Children's Bureau survey. The complete report of the conference provides summaries of the symposium and discussions, and presents major recommendations on meeting the needs for day care services throughout the country.

As a result of the conference, many communities are surveying their needs, making studies of standards for personnel and effective recruitment methods, and expanding their existing services.

To meet the growing volume of requests (received prior to and after the conference), the Women's Bureau has expanded its program of providing advisory services and technical information in the day care field.

Legislation

Since women constitute one third of the labor force, the Women's Bureau has a concern with the legislative program of the Labor Department and carries responsibility for advising the Secretary on the aspects of this program relating to women. The Director of the Bureau has consequently made known the Bureau's position on a number of bills before the 87th Congress, including those concerned with migratory labor, training and retraining, fair labor standards, and unemployment compensation.

The Bureau regularly prepares basic materials on legislation affecting women, and furnishes technical advisory services, on request, to governmental bodies (Federal and State), international agencies, women's and civic organizations, unions, and other interested groups and individuals. Technical information and services are given also on various related subjects—including standards for women's working conditions and day care for children of working mothers.

Minimum Wage

The extension of coverage and improvement in the minimum wage level through periodic revision of industry wage orders under State minimum wage laws have always been of major concern to the Bureau—because of the large numbers of women in occupations not covered by the Federal Fair Labor Standards Act. This subject continues to retain importance, since the FLSA amendments of 1961, which extended coverage in some areas, did not extend coverage to a number of low-wage industries employing large numbers of women, especially nonwhite women. The women not covered by the FLSA—who are employed in retailing, hotels, restaurants, laundries, and other service establishments—have a vital interest in State minimum wage laws.

Of the 35 jurisdictions with minimum wage laws, 25 authorize issuance of wage orders for a specific industry after recommendation by wage

boards—which may establish or increase a minimum wage rate. During fiscal 1961, a total of 33 wage orders were revised or newly issued in 9 jurisdictions.

Of particular interest were wage orders issued by wage boards in two States—California and New Jersey. In California, minimum wage rates were established in two wage orders covering agricultural occupations and “on-the-farm packing sheds.” California is the second State to bring agricultural women and minor workers under coverage of minimum wage rates (the first was Wisconsin). In New Jersey, a new beauty culture wage order was the first in any State to set a minimum wage of \$1.50 an hour; this order was recently upheld by the New Jersey Superior Court.

In Washington State, a somewhat different situation existed. Here a new minimum wage law was enacted, but it provided for numerous specific exemptions from coverage. Acting under the former minimum wage law for women and minors, the State department of labor and industries requested Women’s Bureau help preparatory to the issuance of wage orders for occupations exempted from the new statutory rate. The Bureau provided technical assistance in the planning and execution of an hours and earnings survey for use by wage board conferences, furnished technical information on wage board procedure, and special material on State practices in the establishment of minor and learner rates. On the basis of wage board recommendations, minimum wage rates are now being established (under the original Washington State minimum wage law for women and minors) for workers in hospitals, nursing homes, and several other low-wage groups.

The Women’s Bureau also furnished technical advice and assistance to unions and other interested groups in various States on the development of cost-of-living budgets for self-supporting women, for use as a yardstick in establishing minimum wages.

Other forms of assistance were given in a number of States to labor unions and other groups who were working toward enactment of new minimum wage laws. In the case of Delaware, for example, the Bureau worked with an interagency committee and the State labor department on plans for obtaining basic factual information on hours and earnings. The Illinois State Labor Department was given information on existing methods for handling deductions from the minimum wage for uniforms, meals, and lodging.

Technical advice and assistance were also given through participation in meetings such as the conference of minimum wage administrators at the Bureau of Labor Statistics’ Interstate Conference held in Rhode Island, and regional conferences of State labor commissioners held by the U.S. Labor Department in various States. For the annual meeting of the International Association of Governmental Labor Officials, the Women’s Bureau cooperated in preparation of the minimum wage agenda.

To help meet the continuing needs of States for experience and information on minimum wage administration, the Bureau made plans toward the

end of the fiscal year to resume its former practice of holding an annual conference of State minimum wage administrators. In addition, State minimum wages and related programs will occupy a prominent place in the Bureau's planned series of regional conferences on working women's problems.

Part II of the Bureau's basic publication in the minimum wage field, Bulletin 267, "State Minimum-Wage Laws and Orders," was brought up to date through issuance of slipsheet insertions containing digests of new actions. Also completed during the fiscal year was revision of another publication, "State Minimum Wage Law and Order Provisions Affecting Working Conditions" (Bulletin 280).

Women's Hours and Working Conditions

Requests for Bureau services reflected increased public interest in hours of work and working conditions of women. On the one hand, the preponderance in the labor force of married women and women in the extreme upper and lower age brackets has directed increased attention to the need for insuring the adequacy of basic standards and protective legislation which will meet the particular needs of these groups. On the other hand, the growing employment of women workers and the increasing recognition of women's important contribution to the national economy have given rise to demands for greater flexibility in laws governing their hours and conditions of employment, consistent with maintaining the health and welfare of individual women workers.

Both aspects were reflected in the many bills dealing with special labor laws for women introduced in the various State legislatures. Digests of State legislation on women's hours and working conditions which was enacted in 1961 were prepared by the staff of the Women's Bureau and distributed, on request, to governmental and voluntary groups.

A bill introduced in one State would have relaxed its maximum hour provisions without establishing any substitute standards. In this case, the Bureau was requested to furnish technical information on relaxation provisions in laws of other States to the State labor department, which supported the bill, and to women's organizations and unions, which opposed it. Although the bill in question was defeated, the facts brought out in connection with legislative hearings on this and other similar measures indicate widespread need of review of hours legislation in the light of the Government's accelerated defense program. To meet these needs, the Bureau has begun a study of existing hours standards for women from two aspects: (1) the adequacy of such standards for safeguarding women's health, and (2) the need for flexibility to permit adjustment of standards in an emergency.

At the request of the AFL-CIO the Bureau compiled detailed information on the application of maximum hour standards in various States to women in executive, administrative, and professional positions.

The revision of the major technical bulletin on "State Hours Laws for Women" (Bulletin 277) was completed during the fiscal year and sent to press. In addition, a major part of the work was completed on a new bulletin, covering provisions providing for overtime work and/or overtime pay in State maximum hour and minimum wage laws.

The Bureau was called on frequently by employers and unions for information on recommended standards on weight lifting by women, often for the purpose of incorporating such standards in collective bargaining agreements. Information also was provided on laws and standards for employment before and after childbirth.

Women's Civil and Political Status

The Bureau maintained its task of compiling information in the Bulletin 157 series on the legal status of women in the United States. Revision of the separate State reports in this series was completed during the previous fiscal year, and preparation of the U.S. summary, showing the principal rules and exceptions in the 50 States and the District of Columbia, was carried forward.

The growing public concern with improvement of laws affecting women's family and property rights was evidenced by the flood of proposals introduced in 1961 State legislatures, and the corollary increase in requests for Bulletin 157 from organizations, individuals, and State government bodies.

Technical assistance was given to women's organizations concerned with improving women's legal status, such as a special digest of the revised inheritance law providing equal treatment of surviving husbands and wives which became effective on July 1, 1960, in one particular State.

For the sixth consecutive year, the Women's Bureau furnished materials, on request, for the annual session of Girls' State. Held in every State, these sessions are sponsored by a national patriotic and civic organization, and bring together girls from the junior class of the high schools in the State. The publications and reports specially prepared by the Women's Bureau for the girl participants, as well as other Bureau publications used by the leaders, furnish the basis for study of laws of the individual States which will affect the girls in adult life. In 1961, special family and property laws and labor law reports were prepared for eight States, and materials furnished these and other State sessions.

To answer numerous inquiries on the proposed "Equal Rights" amendment to the Constitution, the Bureau brought up to date a technical article prepared earlier by the Library of Congress.

Equal Pay and Elimination of Discriminatory Employment Practices Based on Sex

Twenty States have equal pay laws.² A number of unions and employers have established the equal pay principle in collective bargaining, and others are becoming interested in doing so. As a consequence, there have been increased numbers of requests to the Women's Bureau for information and advisory services in this area. Such aid was given to voluntary agencies supporting enactments of equal pay bills in 10 States. State labor departments, employers, unions, and voluntary organizations were also recipients of technical assistance.

For example, the Women's Bureau furnished the National Committee for Equal Pay, at its request, with sample questionnaires which could be adapted for their use in acquiring information on employment and wage practices.

Revision of the Bureau's leaflet "Equal Pay Facts" was completed during the fiscal year, and distribution was made of the revised edition of the "Equal Pay Primer" and a map—both completed early in calendar year 1960.

International Program

In the international field, the Bureau furnishes technical and advisory assistance to official international agencies and to organizations here and abroad that are interested in advancing women's economic, legal, and cultural status; it carries responsibilities in the Government's technical assistance and foreign leaders and specialists programs; gives assistance to new women's bureaus and to labor departments in other countries seeking to establish bureaus or divisions concerned with women's employment, welfare, and status. In addition, it cooperates with national women's organizations on their international programs designed to improve the status of women and to create better understanding and good will.

International Government Organizations

The Director of the Women's Bureau was a member of the U.S. delegation to the June 1961 Conference of the International Labor Organization, held in Geneva, which discussed for the first time at a June conference the program and procedures of the ILO in making available technical assistance to developing countries.

The Bureau prepared comments during the year on a number of ILO reports as they affect women, including the ILO draft report on the operation of the nightwork convention for women, and the ILO report on conditions of agricultural workers for the ILO Conference of American States in Buenos Aires, April 1961. The Bureau also prepared material for the State Department's Yearbook on Human Rights.

²Another State enacted an equal pay law while this report was in press.

A major contribution by the Bureau was the preparation of the U.S. Government reply to two ILO questionnaires. One dealt with employment discrimination against married women, and the other with access of women to training and employment of women in certain technical and related occupations. Comprehensive reports on these subjects, prepared by the United Nations Secretariat on the basis of replies from governments, served as the factual basis for action by the U.N. Commission on the Status of Women at its 15th session. As in previous years, the Women's Bureau provided a technical legal adviser to the U.S. delegation to the Commission.

Highlights of the session were the adoption of a resolution recommending the abolition of discrimination against women in employment, and the adoption of the text of a draft convention and recommendation on marriage which provides that countries would establish a minimum age of marriage, require full and free consent of both parties, and provide for compulsory registration of marriages. The draft international instrumentation on marriage will be presented at the 1961-62 session of the General Assembly and, if approved, will then be open for ratification by governments.

For the Organization for European Economic Cooperation, the Bureau prepared a detailed summary of the available data since 1940 on the employment and marital status of women in the United States.

For the Inter-American Commission of Women, technical information was prepared on retirement age in hazardous occupations, on nightwork, and on maternity benefit provisions for employed women. A Bureau staff member served as alternate delegate at the Commission's extraordinary session called in April 1961 for the purpose of revising its rules of procedure.

Foreign Leaders and Specialists

The Women's Bureau planned or helped to plan programs of study and observation, as well as itineraries and private home hospitality, for 64 women leaders from 38 countries in South America, Africa, Europe, and Asia who were in the United States on grants from the International Education Exchange Service of the Department of State. In addition, the Bureau had complete responsibility for several other groups, including four women leaders from the Ryukyu Islands and two women from Indonesia.

Among the visiting leaders were social workers, trade union leaders, members of government legislative and judicial bodies and executive departments, career advisory officers, research editors, writers, publishers, psychologists, educators, and leaders of women's organizations and cultural councils. The interests of all these women centered on matters affecting women and children, covering a wide range of subjects in the areas of education, health, welfare, employment, and civil and political status.

To extend the growing national and local interest in the exchange-of-persons program, the Bureau staff met with members of unions, women's voluntary organizations, associations, and others to give background information on the program, to increase the number of groups available for

local sponsorships, and to widen the areas of home hospitality to include, for example, farms and small communities, and workers' homes in industrial areas.

The Bureau staff also assisted in or held orientation sessions for 73 men and 21 visiting teams from 34 countries, and explained conditions of women's employment, including labor laws affecting their work, and the economic, civil, and political status of women.

This work contributed to mutual understanding between the United States and people of other countries. Many of the foreign visitors, after returning home, have extended knowledge of this country abroad, and they and their associates have continued to request assistance which can be supplied in many cases through Bureau publications. In fiscal year 1961, the Bureau gave information and publications to 32 women from 12 countries.

Other Bureau contributions included the preparation of articles for publication in other countries (describing, for example, the problems and progress of working women in the United States), and the participation in conferences of public and private groups that give services to international visitors.

The Bureau joined in training sessions for Federal Government staff members scheduled for overseas assignments—giving them data and other information about the employment and civil and political status of women in the United States. They were told also of the services and publications available through the Women's Bureau.

Technical and Advisory Assistance

At the request of the Philippine Government, the Chief of the Bureau's International Division spent 6 weeks in that country to help establish the newly created Women's and Minor's Bureau of the Philippine Department of Labor. She assisted in outlining the functions, objectives, and staffing patterns of the new Bureau; in the planning of short-term objectives and long-range proposals; and in laying the groundwork for cooperation of regional and provincial labor offices and of organized groups (civic, labor, business, and professional). At the request of the Washington office of the International Labor Organization, a copy of the material prepared in Manila was sent to the ILO Secretariat in Geneva for its use.

Throughout the year, the Bureau complied with other requests for aid and information from a variety of groups in other countries as well as in our own. For example, it gave information on health facilities in places of employment to a government department in New Zealand; on employment problems of women with family responsibilities to an international welfare organization in Paris; and on equal pay to a committee of voluntary organizations in Western Australia.

The Bureau prepared special materials for various women's organizations in the U.S. A typical example was the request for materials to be used by

one group in its year-long study program on the international aspects of women's status.

Informing the Public

As one aspect of its congressional mandate to promote the welfare of working women, the Women's Bureau has responsibility to keep the public informed of progress on continuing problems, shifts in program emphasis to meet new problems, and of factors that will present future challenges.

To do this, the Bureau served the public during fiscal 1961 in a variety of ways: consultant services and speaking trips by the Director and Bureau staff members, conferences, Bureau publications, news releases, articles for periodicals of all kinds (such as magazines, professional journals, and year-books), local and network radio and television, interviews and correspondence with writers and research workers, correspondence with hundreds of inquirers, news letters, and a new exhibit illustrating facts about women workers.

The widening scope of problems confronting women workers was confirmed by mounting demand during the fiscal year for more facts and for more technical and advisory assistance by the Director and Bureau staff.

Conferences and Meetings

The Director and staff participated actively in many conferences held to discuss the problems of working women specifically, and of women's status generally. These conferences and meetings have a twofold function: They point up the need for strengthening or improving some aspects of the Women's Bureau's programs, and they spur private and public agencies and organizations toward pertinent study and action at the national, State, and local level.

For example, a conference held in the spring of 1961 by the United Packinghouse, Food, and Allied Workers revealed the need for more information on declining employment of women in this industry—which results in part from technological change. Before the end of fiscal year 1961, the Women's Bureau planned and had under way a study to acquire factual information about job obsolescence and the other factors affecting employment of these workers.

Another conference, called by the AFL-CIO Industrial Union Department in June 1961, was attended by representatives of about 25 trade union groups from many parts of the country. Bureau staff participated in planning the agenda, and in discussions on women's job opportunities, protective legislation, living standards, and working mothers. They participated also in a Trade Union Women's Seminar on Women and Human Rights.

To take inventory of past accomplishments on behalf of women, review present activities, and plan for the future, the Director of the Bureau called

a meeting (held in May 1961) of representatives of national organizations which have multipurpose goals and common interests—not only with the Bureau but also with each other. Among those attending were representatives of unions which have large numbers of women among their membership.

The Bureau's Director was key speaker at many conferences and meetings, including the national convention of the General Federation of Women's Clubs, the annual meeting of the National Consumers League, and a Seminar for Press and Radio Women from 20 countries. Bureau staff addressed or participated in a wide variety of meetings, such as the White House Conference on Aging, the Conference of the Women's Africa Committee, the annual convention of the American Association of Junior Colleges, and the 15th annual convention of the National Civil Liberties Clearing House.

In many cases, the Bureau's Director was asked to delineate the new Administration's legislative program, and to assess and explain the impact of proposed and enacted legislation on women workers and on the Bureau's programs. Both the Director and Bureau staff alerted women's volunteer and professional organizations, unions, and other groups to the importance of expanding their knowledge of Federal and State legislation affecting women workers—particularly minimum wage.

Because of the genuine need revealed in these meetings, and in letters from individuals and organized groups, the Bureau in the spring of 1961 initiated plans for two regional conferences to discuss all aspects of the status and welfare of women workers. Held in September 1961, the conferences were cosponsored by the Department with other government agencies and private organizations.

Field Visits

Members of the Bureau's small field staff visited 54 communities in 24 States during fiscal year 1961. They worked with local leaders and groups, with specialists in various fields of interest, and with Federal and State agencies—on all aspects of the status and welfare of women workers. They also served as speakers, panelists, and consultants, appeared on radio and TV programs, and, on request, assisted organized groups and State agencies in planning factual surveys for use of wage boards being convened to make adjustments in the level and coverage of minimum wages.

The field staff also helped local communities to plan and conduct earning opportunities forums for mature jobseekers, and they assisted in followup discussions assessing results of forums. They stimulated interest in and developed plans for the first two Bureau conferences on working women (in California and Michigan), and among the panels they moderated was one at a southern university on recruitment of nurses.

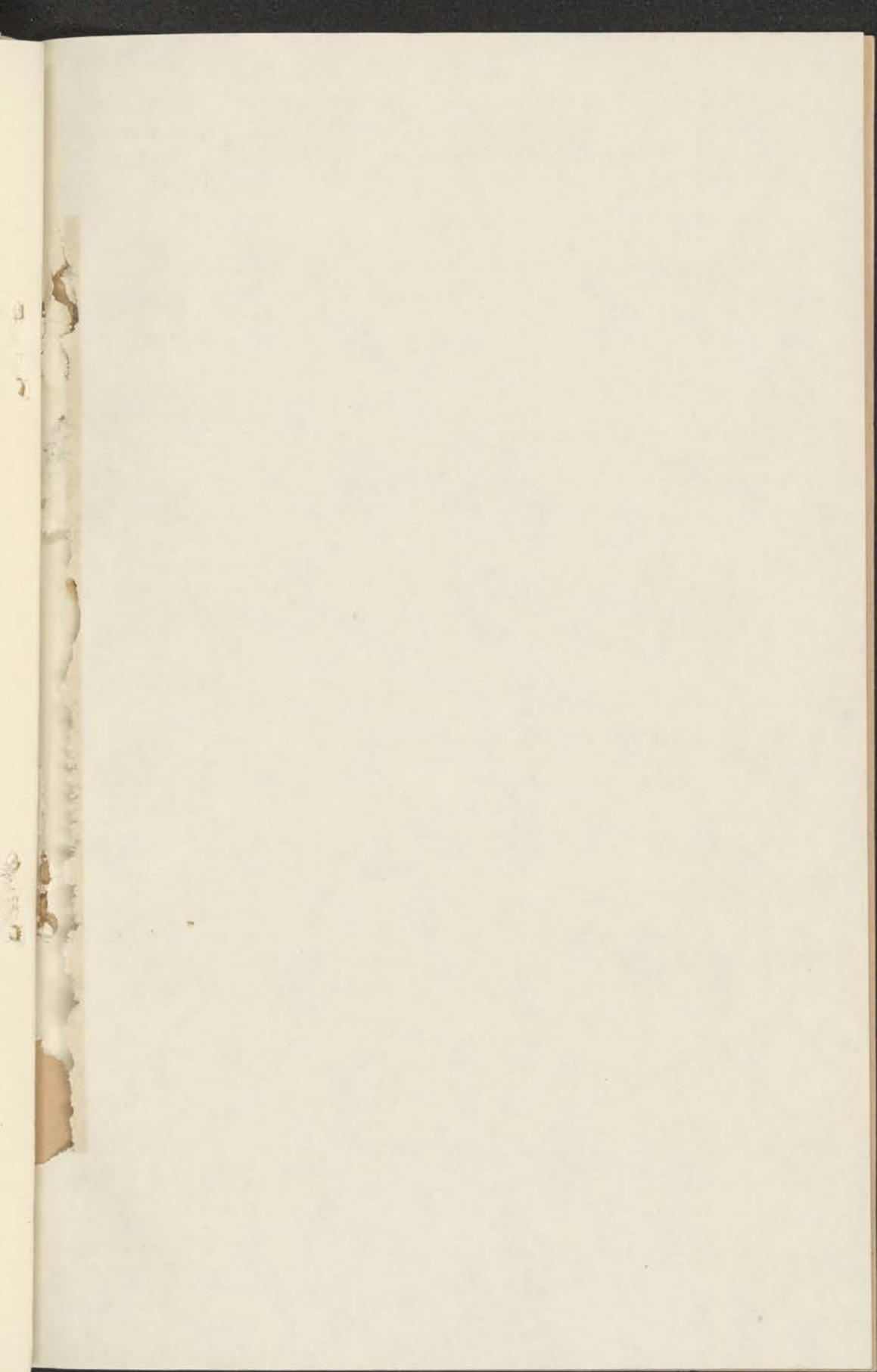
Field activity afforded many opportunities to furnish information about the anticipated increase between 1960 and 1970 in the number of women workers, and to explain the implications of the increase. This meant

creating an awareness of the need for education and training, and for legislation to improve women workers' welfare and status, as well as consideration of the employment problems of minority groups and the impact of automation and other technological change on women's jobs.

Other Activities

More than 166,000 pieces of literature were distributed in answer to specific requests received during the year—an increase of 55 percent over fiscal 1960. Most of the material consisted of leaflets, pamphlets, and bulletins written and published by the Women's Bureau. These requests came from students; educational institutions (primarily vocational counselors); public and private libraries; government agencies—executive, legislative, and judicial at the local, State, and national level; business and industrial firms and associations; labor unions; and other groups and individuals.

Many requests for information received and answered during the latter half of fiscal 1961 came from women who were seeking and could not find employment, and from other women who were trying to learn what could be done to improve their working conditions. These requests pointed up the need for action programs not only by the Women's Bureau and the Labor Department as a whole, but also by other Federal agencies, State governments, and private organizations.





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