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Forty-sixth

Annual REPORT

of the United States Department of Labor

FISCAL YEAR 1958

UNITED STATES DEPARTMENT OF LABOR

James P. Mitchell, *Secretary*

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UNITED STATES DEPARTMENT OF LABOR ANNUAL REPORT, 1958

UNITED STATES DEPARTMENT OF LABOR

James P. Mitchell, *Secretary*

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UNITED STATES DEPARTMENT OF LABOR
ANNUAL REPORT, 1958

Contents

Page

Report of the Secretary of Labor 1

Appendices

Reports of the Office of the Secretary

Administrative Assistant Secretary 27
Director of Information, Publications, and Reports 31
Executive Director of International Labor Affairs 33
Director of Personnel 45
Solicitor of Labor 46

Bureau Reports

Bureau of Apprenticeship and Training 57
Bureau of Employees' Compensation 69
Employees' Compensation Appeals Board 81
Bureau of Employment Security 87
Bureau of Labor Standards 155
Bureau of Labor Statistics 177
Bureau of Veterans' Reemployment Rights 197
Wage and Hour and Public Contracts Divisions 203
Women's Bureau 253

REPORT OF THE SECRETARY OF LABOR

REPORT OF THE SECRETARY OF LABOR

During fiscal year 1958, the Department of Labor was concerned with the major problems of recession, rising prices, and the public's concern with the conduct of labor-management relations. These were in addition to its regular administrative functions, which affect the day-to-day living and working conditions of most of the 78 million Americans who held jobs at some time during the year.

The third recession since the end of World War II began during the fiscal year. Before it reached its low, toward the end of the fiscal year, it brought postwar highs in unemployment and a considerable reduction in hours worked. The Department participated in a number of governmental actions and policy decisions to improve the economic situation and to reduce the hardships of affected workers. These included direct means, such as enactment of the Temporary Unemployment Insurance Act of 1958 to assist jobless workers who have exhausted their unemployment benefits under State laws; encouraging States to strengthen their unemployment insurance laws; and a broad variety of general stimulants to overall business activity, especially in the fields of housing, defense procurement, and business credit.

A steady rise in consumer prices, in contrast to the downward course of business and employment, was another economic development of major concern to the Department. The price trend, although affected by temporary factors, mainly reflected long-term forces, and pointed up the need for more adequate knowledge about the influence of wages and profits upon prices.

A special problem during the year was the question of the role of the Government in the protection of workers' interests in health, welfare, and pension funds and in the democratic functioning of trade union activities.

In addition to its direct and advisory functions, the Department played a major role during the recession in presenting its data promptly and with sufficient detail and analysis to assist Government, business, labor, and the general public to attack the recession effectively.

As the fiscal year ended, the economic indicators were again pointed upwards. It had again been demonstrated that weakness in specific areas could be contained by firmness in other sectors of this huge and complex economy, and that adherence to time-tested economic practices, based upon faith in the strength of our free system, was more to be relied upon than new formulas calling for drastic governmental intervention. Em-

ployment and the workweek were increasing, personal income was advancing to record levels, housing activity was expanding, consumption was again on the rise, Government outlays for essential needs were moving up, and declines in business investment were moderating. However, it was not yet clear how long it would take for unemployment to return to peacetime lows; moreover, the expectation of inflation was again becoming an important factor in public thinking.

The Economic Setting

Fiscal year 1958 began with overall employment, gross national product, and industrial activity—the major measures of national economic strength—at peak levels. But weaknesses were already evident in the durable goods industries and in housing activity; and these resulted in a relatively sharp business downturn, which reached bottom around early spring. As the fiscal year drew to a close, it became clear that many of the downward pressures had already spent their force, and rising personal incomes, buttressed by Government action, were calling for increased output and employment.

Between the beginning and the end of the fiscal year, gross national product fell about 4 percent, nonagricultural payroll employment about 4 percent, and industrial production about 8 percent. In each case the year-end figure, after allowing for seasonal factors, was significantly better than in early spring.

The downturn during the year was caused by the convergence of several factors, all involving the durable goods sector of the economy. Capital investment programs, initiated in 1955 and 1956, were terminating, so that the demand for plant and equipment tapered off from the alltime peak. Simultaneously, housing activity was declining, and eventually reached a 9-year low, largely because of a shortage of investment money for Government-assisted mortgages. Contributing to the problems of the hard goods industries was a reappraisal of the Nation's defense policy, which resulted in a temporary slowing down of procurement.

Consumers at the same time reduced their outlays for automobiles and other durable goods for a variety of reasons. Record buying during the 2 previous years had left a fairly high stock of relatively new goods in the hands of consumers. The demand for furniture and appliances was slowed down by the decline in new housing. And the rise in many consumer prices cut into purchasing power.

These unfavorable forces contributed towards a sharp decline in inventories, as businessmen produced and shipped from materials on hand, not rebuilding stocks until absolutely necessary. Causing the economic decline to be even sharper than it might otherwise have been was an unusually severe winter in the eastern part of the country, and extremely wet weather in the West.

The effects of these declines were moderated, however, by two major forces. Consumer demand for nondurable goods and services continued strong. Total consumer expenditures had sagged slightly—less than 1 percent—during the middle of the fiscal year, but they recovered in the final quarter, to match the record set in the first quarter. And Government efforts to stimulate homebuilding, to make investment money more readily available, and to step up defense production had positive results by late spring.

The strength of consumer demand was supported by the stability of personal income during the recession. Labor income dropped by some $9 billion at seasonally adjusted annual rates from August 1957 to April 1958, but nearly two-fifths of that decline was offset by increased unemployment insurance payments and increased outlays under the expanded old-age and survivors insurance program. Wage and salary payments began to recover late in the fiscal year as a result of an improvement in employment and hours worked, and in rising wage rates. There was some drop in business and professional income over the year, but this was about offset by a rise in farm income, and dividend and interest payments held steady despite a substantial drop in corporate profits. On balance, total personal income declined less than 2 percent from its peak to the low point, and by June it had again reached its prerecession peak.

Housing starts began to increase strongly in the spring, mostly as a result of the liberalized terms of FHA and VA mortgages in the 1958 Emergency Housing Act together with generally easier credit and lower interest rates. The Government also sharply stepped up its defense procurement in the second half of the fiscal year, thereby permitting factories to proceed with the ordering of materials and to rebuild their staffs. In addition, spending by State and local governments continued its long-term uptrend to serve a population which was growing not only in numbers—3 million during the year—but also in demand for various services.

The overall employment situation reflected these developments. The number of workers on nonfarm payrolls declined from 52.2 million in July 1957—the alltime high, if allowance is made for seasonal variation—to 50.2 million in July 1958. The sharpest drop occurred during the winter of 1957–58. By April, the declines appeared to have ceased, and small gains (on a seasonally adjusted basis) were recorded in later months. Workers in manufacturing firms, particularly in the hard goods industries, were the most seriously affected; fewer were employed this July than a year earlier in every major manufacturing industry. The largest losses—a quarter million jobs or more—were in the transportation equipment, machinery, and primary metals industries. Employment reductions also occurred in some of the nonmanufacturing industries, including transportation, mining, trade, and contract construction. But there were minor gains in finance and services, and a sizable rise in State and local government employment.

Hours of work in manufacturing plants, which had begun to decline during fiscal year 1957, continued to drop sharply until the spring of 1958.

By July, the workweek had recovered substantially, but was still six-tenths of an hour less than it had been a year earlier.

Agricultural employment continued downward: the average number of farmworkers in fiscal 1958 declined by about 300,000 from the preceding year to 6.1 million. In part, this decline marked a continuation of the long-term trend toward larger farms and higher productivity of farmworkers, and to some extent it reflected unusually poor weather for farm operations during several months in the second half of fiscal 1958.

Despite the reduction in job openings, the civilian labor force continued to grow, averaging about 650,000 more than in the previous fiscal year. Unemployment increased with the rise in size of the labor force, the layoff of workers, and the decline in new job opportunities. The number of unemployed, at 5.3 million in July of 1958, was 2.3 million greater than in July of the previous year, and the highest in the postwar period. The seasonally adjusted unemployment rate (which makes allowance for normal seasonal variations as well as growth in the labor force) was above 7 percent during most of the spring and summer of 1958, higher than in either of the previous postwar recessions.

Both men and women experienced greater unemployment during this year than last. There was a relatively sharper increase among men because the durable goods industries were hardest hit. Over the year, unemployment rates doubled for both white and nonwhite men, with the rates for nonwhites continuing to be more than double those for whites. Because of the slower rate of hiring, unemployed persons were generally out of work longer in 1958 than in 1957. By July 1958, about 900,000 persons had been unemployed 6 months or longer; about half of these were factory workers.

Insured unemployment followed a similar trend; it began to rise earlier in the fall than it usually does, and the rate of increase steepened considerably in late December and January. The peak came in mid-April 1958, when 3.4 million workers were claiming benefits under State and Federal programs, nearly 2 million more than a year earlier, and the highest in the postwar period. More than 8 percent of the workers covered by State and Federal programs were receiving benefits. Durable goods manufacturing States, and particularly automobile and steel centers, were hardest hit. After mid-April, there was a sharper than seasonal decline; and by the end of the fiscal year the national total had dropped to 2.6 million, or a rate of 6.1 percent.

Some part of the decline in insured unemployment since the spring was due to the large number of claimants who exhausted their benefits. The temporary unemployment compensation programs instituted in the summer of 1958 helped to provide for these unemployed. In mid-July 1958, there were about 500,000 jobless workers claiming extended insurance benefits under these temporary programs.

The number of labor market areas having serious unemployment problems—6 percent or more unemployed—also increased sharply. At the be-

ginning of the fiscal year, in July 1957, 24 of the 149 major areas were included in this category, nearly all of them being places with long-term unemployment difficulties. A year later, 89 areas were classified as having serious unemployment, and 21 of these had 12 percent or more unemployment. The concentration of areas with serious unemployment was very heavy in the Northeast and industrial Midwest, where metal goods manufacturing is dominant. In addition to these 89 major areas, 182 smaller places were also listed as having a substantial labor surplus, compared with 61 in July a year earlier.

On wages and industrial relations, the chief effect of the business recession was to reduce weekly earnings as hours of work were shortened, to delay some major collective bargaining settlements, and to curtail the volume of strike activity. With the decline in the average workweek in manufacturing, weekly earnings fell from an alltime high (except for December 1956) of $83 in September 1957 to about $80.60 in February 1958. However, with the uptrend in hours of work during the last few months of the fiscal year, weekly earnings also recovered, reaching $83.10 in June.

Most major collective bargaining agreements concluded during the year provided for substantial increases in wage rates, averaging the same size as the year before. There was some reduction in the number of supplementary benefits that were liberalized, however. In many important sectors of the economy, wage rates increased as a result of contracts negotiated in previous years; these provided for both a specified "deferred" wage rate increase and adjustments in hourly pay with changes in the Consumer Price Index. With the continued rise in retail prices of goods and services, wage increases under these long-term contracts were as large during this fiscal year as during the preceding year, or larger.

Idleness because of strikes amounted to an estimated 15,800,000 man-days during the year—a drop of more than 40 percent from the 28,200,000 man-days recorded for the previous fiscal year, and a postwar low.

The problem of inflation was highlighted during the fiscal year by the apparent contradiction of prices rising at a time when unemployment was increasing and production was receding. Consumer prices for goods and services rose 2.6 percent over the year from July 1957 to July 1958, and commodity prices at wholesale increased 0.8 percent. The price increases, however, reflected both temporary and long-run forces which were not directly related to the overall condition of the economy.

The temporary factors, mainly affecting foods, resulted from severely cold weather in southern growing areas, which reduced the availability of fruits and vegetables, and the rebuilding of livestock herds, which resulted in relatively small supplies of meat. Thus, the sharpest rise in the Consumer Price Index, 3.7 percent, was in food, with meat prices up 9 percent and fruit and vegetables up nearly 4 percent; in the Wholesale Price Index most of the advance was due to a rise of 5 percent in the processed foods group. The longer-run factors, which are little affected by a short-lived recession, were reflected mainly in a steady rise—3.4 percent during the

year—in the cost of services. Durable goods prices rose 1.5 percent, and nondurable goods other than food rose 0.5 percent.

At the primary market level, commodities other than farm products and foods were about unchanged on the average. Marked reductions occurred in fuels, which declined after the Suez crisis; in lumber, in response to the drop in residential building; and in metals, chiefly nonferrous metals and steel scrap, because of slowing activity in metal-using industries. All of these groups reached bottom late in the fiscal year, and were rising again as the year ended. Noteworthy increases over the year, on the other hand, came in machinery and paper; both of these groups rose in the first half of the fiscal year, and leveled off in the second.

Output per man-hour for the total private economy increased about 2½ percent during calendar year 1957. This was somewhat higher than the long-term annual rate of change, but somewhat lower than the postwar average. The farm sector continued to show a very high rate of increase, close to 7 percent, but the rate for the nonfarm sector was below average. Output per man-hour does not rise at a steady pace year after year, so the trend for any one year may not be indicative of future developments.

By the end of the fiscal year, the stage seemed to be set for a substantially higher level of activity. The consumer, having cut his debt and increased his savings, was in a better position to buy. Housing activity had risen to the best rate in more than 2 years. The decline in plant and equipment outlays was coming to an end. Inventories had so diminished in many industries that reordering was becoming substantial. And the Federal Government was committed to outlays some $7 billion greater than in the previous year, and considerably in excess of likely receipts.

Legislative Program

Among the proposals of the Department enacted during the second session of the 85th Congress were the following:

1. Legislation providing for temporary additional unemployment compensation benefits under the Federal-State unemployment insurance system. (Public Law 85–441, approved June 4, 1958.) However, this law does not include railroad workers, as recommended by the Department.

2. Legislation providing for biennial rather than annual review of industry committee wage rates under the Fair Labor Standards Act for Puerto Rico, the Virgin Islands, and American Samoa. (Public Law 85–750, approved August 25, 1958.) This legislation makes it unnecessary to review those wage rates which are equal to the general statutory minimum rate (at present $1 an hour). No congressional action was taken, however, on the Department's proposal to provide for the review of wage rates by the Secretary of Labor.

3. Legislation authorizing the Secretary of Labor to prescribe and enforce safety standards to be maintained by employers of employees

covered by the Longshoremen's and Harbor Workers' Compensation Act. (Public Law 85–742, approved August 23, 1958.)

4. Legislation bringing ex-servicemen under a permanent unemployment insurance program to replace the temporary program which was terminated as to all those entering the Armed Forces after January 31, 1955. (Public Law 85–848, August 28, 1958.)

5. Extension of the Mexican migratory farm labor program for 2 years beyond June 30, 1959—the termination date which had been prescribed by section 509 of the Agricultural Act of 1949. (Public Law 85–779, approved August 27, 1958.)

6. Legislation substituting a percentage for the dollar ceiling on United States contributions to the International Labor Organization.

7. Legislation providing for reporting by administrators of pension and welfare plans. (Public Law 85–636, approved August 28, 1958.) However, this legislation is materially different from the proposal recommended by the Department of Labor in this area. As the President pointed out in his message of approval, the law contains serious shortcomings and will require extensive amendment.

The Department's legislative program included the following proposals in the area of labor-management relations, none of which were enacted:

One proposal would have required unions, including regional and State conferences, and employers where appropriate, to file full and detailed reports with the Secretary of Labor describing union organization and structure, and reports regarding the handling of all union funds and the exchange of funds between employers and union officials, including those involving possible conflicts of interest. It would have authorized the Secretary to make these reports available to the public and to investigate their propriety and accuracy, and would have imposed administrative sanctions for failure to file the reports.

It would also have imposed a fiduciary relationship on union officers and agents having money or property in their possession by virtue of their position, and would have permitted union members to sue dishonest labor officials in Federal or State courts.

Other provisions in this proposal would have made Federal felonies of the embezzlement of union funds, the making of false entries in, or willful destruction of, any books or records required to be kept by unions, and bribery transactions between employers or their representatives and unions or their representatives to influence improperly the action of the recipients relating to labor-management relations. Also they would have imposed civil, criminal, and administrative sanctions upon any union for failure to file annual reports certifying that union members have the right to elect their officers by secret ballot at prescribed intervals.

Several amendments to the Labor Management Relations Act of 1947 drafted by this Department were introduced in Congress this year.

One amendment would have extended the secondary boycott provisions of that act to cover pressures applied directly against employers, to cover

union inducements directed to individual employees, and to afford protection to employers not presently covered. It would have removed the present application of these provisions to union activity directed against secondary employers performing "farmed-out" struck work or engaged at the same construction site with the primary employer.

Another amendment would have made it an unfair labor practice for a union to engage in coercive picketing to force an employer to recognize it as the bargaining representative of his employees or to force the employees to accept it as their bargaining representative where it is clear that the employees do not desire the union.

A third amendment would have eliminated the present prohibition against the voting by replaced economic strikers in representation elections and placed the question of voting eligibility in the administrative discretion of the National Labor Relations Board.

Other amendments were designed to eliminate the jurisdictional "no-man's land," to strengthen and improve section 302 of the act making employer payments to employee representatives unlawful, and to permit, under certain appropriate conditions, Board certification of unions of employees in the building and construction industry without prior representation elections.

In the field of labor standards legislation, the Department continued its recommendations of the previous year to extend the coverage of the Fair Labor Standards Act to employees in large enterprises substantially engaged in interstate commerce. Adoption of the following specific amendments was again urged:

An amendment to include in the interstate commerce coverage of the law employees who are engaged in the activities of any business enterprise in which (a) the total annual value of incoming merchandise, materials, or supplies moving directly across State lines to its place or places of business is $1 million or more, and (b) 100 or more employees are employed by the employer.

Amendments to exclude from certain minimum wage exemptions contained in the present act employers of 100 or more workers, so as to insure the protection of a minimum wage to employees who come within the interstate commerce coverage of the act either under the present language of the law or under the proposed amendments.

Appropriations

Appropriations for the Department for the fiscal year 1958 totaled $1,185,597,400. Of this total, $38,283,400 was for administrative expenses, and provided for 5,285 positions. The balance of $1,147,314,000 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, and payments under the

Federal Employees' Compensation Act. Included in the grants to States is the special appropriation of $665,700,000 for temporary unemployment compensation extended to persons who have exhausted benefits due to economic conditions. Only $450,000 of this grant was used in fiscal 1958; the balance of $665,250,000 is available for continuation of the program up to April 30, 1959.

	Positions	*Amount*
General administrative salaries and expense items:		
Office of the Secretary	180	$1,480,000
Working Capital Fund	118	.....
Office of the Physically Handicapped	15	182,575
Office of the Solicitor	319	2,321,000
Bureau of Labor Standards	96	802,425
Bureau of Veterans' Reemployment Rights	65	542,000
Bureau of Apprenticeship	491	3,600,000
Bureau of Employment Security	753	5,958,000
Mexican Farm Labor Program	333	2,250,000
Bureau of Employees' Compensation	462	2,885,400
Bureau of Labor Statistics	953	7,200,000
Women's Bureau	61	462,000
Wage and Hour Division	1,439	10,600,000
Subtotal	5,285	38,283,400
State grants and benefit payments:		
Grants to States for employment security program	.....	292,814,000
Unemployment insurance benefits, veterans	.....	76,800,000
Unemployment insurance benefits, Federal workers	.....	54,400,000
Temporary unemployment compensation	60	665,700,000
Employees' compensation benefits payments	.....	57,600,000
Subtotal	60	1,147,314,000
Grand total	5,345	1,185,597,400

Employment Security

The burden of rising unemployment tested the efficacy of the Nation's employment security programs for providing unemployed workers with income until new jobs could be found, and for bolstering national purchasing power. The unemployment rise was first felt in the 1,800 local employment offices of the Federal-State system of unemployment insurance. The unemployed first sought jobs, but, if jobs were not immediately forthcoming, they called to claim their unemployment insurance benefits.

In most localities the number seeking jobs far exceeded the job openings listed. Particularly hard hit were workers in heavy manufacturing centers and production-type occupations. Although employers reduced employment levels and curtailed their hiring generally, white-collar workers were the least affected. Compared with last year, placements of professional and managerial workers by the public employment service actually increased.

Also, as a result of increased efforts in behalf of the older worker, the percentage of older workers in total placements was increased during the year, and over a million jobseekers in the "over 45" bracket were placed. While employment service placement activities were hampered by economic conditions and reduced hiring, the usual interference from the handling of larger volumes of claimants in the employment offices was kept to a minimum this time by the use of emergency additional quarters and staff to handle peak loads.

Fortunately for the Nation and its newly unemployed, the unemployment insurance programs had been greatly strengthened since the last recession, even though serious shortcomings persisted. The amount of weekly benefits and the duration of those benefits had been increased, thus putting more dollars into the pockets of the unemployed. Unemployment insurance protection also had been extended to many millions of workers, so that almost 80 percent of the nonfarm wage and salary workers were covered.

As joblessness increased during the fall, and as increasing numbers of laid-off workers contacted local employment security offices in the various States, the obviously most important task was to provide income promptly to those who could not be placed in jobs. Official records show that the Federal-State system met this challenge by working overtime, by expanding local office facilities, by cutting red tape, and by putting the interests of the unemployed above other considerations. October, November, and December produced new evidence of the capacity of the employment security program's unique ability to channel cash promptly in the form of weekly benefit checks into the households of the unemployed and into national purchasing power. During these months and on into the early months of 1958, the flow of checks to workers and into community and national purchasing power almost paralleled the rise in unemployment. From payments of $113 million in September, benefit totals rose to $207 million in December and to a record $400 million in March. Benefit disbursements for the fiscal year were almost $3 billion. This program helped more people than ever before, paying one or more benefit checks to 7,800,000 individuals. The average weekly benefit check was just above $30—nearly $3 more than in the previous year.

Records show that the unemployment insurance programs provided a bulwark in the maintenance of total personal income as well as of the individual incomes of unemployed workers who qualified for benefits. Thus, during the year, employment security won unprecedented national recognition as the Nation's quickest and most automatic economic stabilizer and its first line of defense against personal hardship. In millions of homes, the words "employment security" meant continuance of personal income when the breadwinner's regular paycheck stopped. In thousands of communities, employment security meant continued purchasing power, when employer payrolls were cut.

Although undoubtedly many suffered because unable to meet their financial obligations, the restorative impact of these payments on the

morale of the recipients and in the economic resuscitation of local business was great.

The unemployment insurance system, however, proved to be still inadequate in some States. Not only in some instances were the benefit amounts as prescribed by State law insufficient, but worse, they were allowable for too short a duration. Nearly 1.8 million individuals exhausted their benefit rights during the year. These workers found that, though covered for a few weeks or months, the time too quickly came when no further benefits were forthcoming. And then they had nowhere to turn for economic assistance.

To meet this problem, President Eisenhower proposed and the Congress adopted legislation to provide funds to States agreeing to act as agents of the Federal Government in extending temporarily the duration of benefits to workers who have exhausted their unemployment insurance benefits under the Federal-State system. Nearly one-third of the States had taken advantage of this legislation by the end of the year. And five States temporarily amended their own laws to make benefits available for longer intervals, drawing on State unemployment reserves for this purpose. Altogether 70 percent of the covered workers are protected through the new Federal program or a State-sponsored program extending duration of benefits.

Labor Statistics

During this year of business recession, it was inevitable that people would be more than usually concerned with economic statistics. Employer associations, labor unions, the publishers of news organs, professional workers in the fields of public policy, and agencies at all levels of government made urgent demands for information.

Under these circumstances, the techniques and procedures employed by the Department over many years of trial and testing were found to be of outstanding worth and timeliness.

In the development of public policy, especially with regard to the distressing problem of unemployment, the Department's statistical services were utilized heavily by two major advisory organizations: The Council of Economic Advisers, and the Joint Economic Committee of the Congress. Among the statistical items most in demand were employment and unemployment, hours and earnings, construction activity, price indices, and productivity.

Related programs receiving special attention include the development of a Federal-State cooperative labor turnover program, the relationship of prices to economic growth and stability, and the economic impact of the $1 minimum wage.

A substantially revised edition of the Occupational Outlook Handbook was published in September. By the end of the fiscal year, over 20,000 copies had been purchased, thus demonstrating the value of this publication

as a useful source of information to employment officials and vocational counselors.

As usual, considerable effort was made during the year to improve the Department's various statistical series, and to make available to the public the vast file of information available on labor-management bargaining agreements.

Legal Action

The principal regulatory laws administered by the Department of Labor are the Fair Labor Standards (Wage-Hour) Act, the Walsh-Healey Public Contracts Act, and the Davis-Bacon Act and related statutes dealing with wage rates on Federal construction projects and on certain other federally assisted construction work. During the past fiscal year, several alltime highs were reached in connection with administrative and enforcement activities under these laws.

Litigation activity in fiscal 1958 resulted in the largest number of cases ever filed under the Fair Labor Standards Act and the Public Contracts Act, as well as the largest sum recovered by the Department in a single suit. A total of 1,289 civil and criminal cases were filed under those acts while continued litigation in the textile industry resulted in the recovery of $449,557.40 to employees, which was the largest recovery by the Department in one action. Proceedings were completed in 1,163 cases under the Fair Labor Standards and Public Contracts Acts, including 148 criminal actions, in 138 of which judgments of conviction were rendered. A total of 990 injunctions were obtained and 25 other civil actions were closed. In addition, 38 administrative proceedings under the Public Contracts Act were completed, and 37 were instituted. Briefs filed in Federal and State appellate courts totaled 32, of which 4 were in the United States Supreme Court. Twenty-five of these briefs were filed in enforcement actions under the Fair Labor Standards Act, and 5 were concerned with the Public Contracts Act.

Departmental activity relating to the enforcement of the Walsh-Healey Public Contracts Act and the administration of the Mexican labor program was facilitated by two significant court of appeals decisions. One of these cases held that the Government need not wait for the completion of the administrative hearing authorized by the Public Contracts Act before bringing a court action to collect liquidated damages. The other case permitted the Federal Government to recover the wage payments it was required to make for defaulting employers pursuant to its guaranty to Mexican workers under the Migrant Labor Agreement of 1951, despite the failure of the Governments of the United States and Mexico to process complaints in 10 days as directed by that Agreement.

In line with expanded construction activity, the collection of wage data for use in the administration of the Davis-Bacon Act and related statutes was accelerated. Under these laws, 33,283 wage determinations

were made—an all time high. This number included 2,969 under the Federal-Aid Highway Act. In addition, the Department received an alltime high of 906 enforcement cases under the laws relating to labor standards on these construction projects, while a record number of 72 firms and individuals were listed as ineligible to receive Government contracts for 3 years by the Comptroller General. A total of $302,903.61 in back wages was collected for 3,441 underpaid employees, and $36,210 in penalties was assessed for 8-hour law violations.

Fair Labor Standards and Public Contracts

The 1958 fiscal year marked the 20th anniversary of the enactment in June 1938 of the Fair Labor Standards Act, which took effect on October 24, 1938. Setting standards on a minimum wage, on overtime pay, and on the protection of child labor for employees engaged in or producing goods for interstate commerce, the act has had continuing value as a support for the wage structure in times of recession; and in prosperous times, as protection for both the worker whose employer is failing to keep up with modern developments, and that employer's competitors.

Over the past 20 years, the act has been amended so that its standards would not become obsolete. A large body of court decisions has been built up on many aspects of the law. In addition, numerous administrative actions, taken under the authority of the statute, have modified its application to meet changed conditions.

After 20 years of experience with this law, there is now substantial acceptance of its basic provisions by affected employers. To aid them in compliance, the Wage and Hour and Public Contracts Divisions of the Department conduct vigorous educational programs and endeavor to maintain the law's viability in relation to evolving business practices and technical changes. For instance, during fiscal 1958, the divisions proposed to amend, or amended, various statements of position or rulings contained in interpretative bulletins and regulations on such matters as overtime pay, the retail establishment exemption, the exemption for executive, administrative, and professional employees, and recordkeeping.

Conscientious enforcement is nevertheless necessary on a continuing basis to secure and maintain uniform application and compliance with the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act. During the past 20 years, as a result of several hundred thousand investigations, employers have agreed to pay back wages amounting to more than $180 million to about 4 million employees. In fiscal year 1958, employers agreed to pay $10,954,000 to 117,000 employees as the result of investigations, the largest sum obtained by the Divisions for workers covered by the act in any year since 1946, and almost $20 million in underpayments was found due, the largest amount during any year of the past decade.

Of more than 11,500 minors found employed contrary to the child labor

provisions of the Fair Labor Standards Act in fiscal 1958, over 7,200 were working in nonagricultural establishments and almost 4,500 on farms. Over half the children found unlawfully employed in nonfarm establishments were working in violation of the Secretary's orders setting a minimum age of 18 for employment in designated hazardous occupations.

Because the Divisions' staff, though nationwide, can investigate annually only 5 or 6 percent of the 900,000 establishments employing the 24 million workers now covered by the Fair Labor Standards Act, there is a premium on the effective direction of investigative effort. The emphasis in current investigation programing is to delegate increasing responsibilities to field and subfield office levels, where the experience of officials of many years' standing serves to pinpoint local industrial conditions that result in violations.

Although the Fair Labor Standards Act establishes a general statutory minimum wage, which has been $1 an hour since March 1, 1956, the Divisions have responsibilities in connection with the setting of minimum wage rates for certain employment in areas in which the $1 minimum does not apply. Thus, under provisions of the law that authorize the setting of minimum rates at or below $1 an hour through industry committee procedures for industries in Puerto Rico, the Virgin Islands, and American Samoa, wage orders have been issued establishing minimum rates of $1 an hour for about 30 percent of the employees in these areas.

In addition, prevailing minimum wage determinations are made by the Secretary of Labor under the Public Contracts Act, which applies to Government supply contracts in excess of $10,000. Two minimum wage determinations were issued during the year—$1.20 an hour for the scientific, industrial, and laboratory instruments industry, and $1.50 for the paint, varnish, and related products industry. In addition, the Secretary issued proposed determinations for three industries: surgical instruments and apparatus, drugs and medicines, and bituminous coal.

In connection with the Divisions' responsibilities in the field of minimum wage studies, deriving from the statutory requirement of an annual evaluation and appraisal by the Secretary of Labor of the minimum wages established by the Fair Labor Standards Act, the collection of data and a substantial part of the analysis of a 3-year program of studies projected in fiscal 1956 had been completed by the year's end.

Workmen's Compensation

Fifty years have elapsed since the original act providing limited workmen's compensation benefits to certain civilian Federal employees was enacted in 1908. Today there are approximately 3½ million workers, including 1 million employees of private enterprise, covered under this and subsequent Federal legislation. During fiscal year 1958, nearly 98,000 in-

juries to Federal employees were reported under the Federal Employees' Compensation Act. Expenditure for the payment of compensation, medical, and other benefits to injured beneficiaries and their families amounted to $59.6 million.

For the same period, over 102,600 work injuries to employees of private enterprise covered under the Longshoremen's and Harbor Workers' Compensation Act were reported. Disability and death benefits in cases closed during the year amounted to $11.6 million.

Further decentralization of the Federal Employees' Compensation Act was accomplished during the year with facilities for the local adjudication of claims established in district offices located in Boston, New York, and Chicago. With previously established facilities in San Francisco, approximately 50 percent of the Federal Employees' Compensation Act activity is now processed by district offices in the field.

Women Workers

Women's employment reflected major trends in the overall economy. Although there was a seasonal decline during the winter, the number of women in the labor force was about the same in July 1958 (22.7 million) as in July 1957. There was a drop of half a million in employed women, and a corresponding rise in the number of women unemployed. In some occupational groups, however, such as the professional and the managerial, the number of employed women increased; and the largest occupation for women—clerical work—continued to employ over 6 million women.

In teaching and nursing and in the critical scientific fields, the demand for well-trained workers remained strong. Twenty-eight programs where mature women college graduates can prepare for teaching in their own communities were reported, in addition to more than 100 listed previously. Measures by which communities can increase the supply of nurses were outlined in a pamphlet on salaries and working conditions of nurses and other hospital personnel, based on a survey of 16 metropolitan areas. And a leaflet—Is "Math" in the Stars for You?—addressed to girl students was distributed to high schools all over the country.

In connection with the Department's older worker program, earning opportunities forums for older women workers were held in six communities. These forums were sponsored by local women's and civic organizations with the cooperation of the State employment service and the U. S. Department of Labor.

For the second consecutive year, the Department issued a report on the employment status of college women in the winter after their graduation. The most striking change was in the average starting salary of employed women graduates—$3,446 in 1957, compared with $3,141 a year earlier.

Technical assistance on legislation and administration in fields im-

portant to women workers, such as minimum wage, equal pay, and working conditions, was furnished to State labor departments, women's and civic organizations, and unions requesting it. Six jurisdictions raised their statutory minimum wage rates; and 9 issued a total of 35 new or revised wage orders, over half of which set minimum wages of $1 or more an hour.

In the field of women's civil and political status, eight additional State reports were revised and brought up to date in the series on the legal status of women in the United States. A special study of State laws governing minimum age at marriage was prepared at the request of the Department of State for use at meetings of United Nations bodies.

Labor Standards

The development and administration of sound labor laws and the promotion of programs to improve the working and living conditions of wage earners continue to be among the Department's principal activities. This responsibility stems from the organic act by which Congress created the Department of Labor. Operating on the premise that sound labor standards are helpful to management and labor, and that they advance the well-being of workers and increase efficiency in production, the Department provides technical assistance to States seeking to improve their labor legislation and administration.

During 1958, the legislatures of 17 States and Puerto Rico met in regular session, and 7 of these States as well as 11 others met in special session. Some 1,400 bills and acts relating to labor were recorded and indexed by subject, with the more important bills and all of the acts analyzed. This activity serves as the basis for furnishing State labor departments, and other interested groups, with data on State legislative trends in the field of labor.

The prevention of occupational injuries and the promotion of suitable employment for young people are high in importance on the list of activities with which the Department is concerned in the field of labor standards. Training foreign labor officials in labor legislation and administration, as well as in occupational safety and health, provides an effective method of sharing our progress in this area to create better working conditions in the free countries undergoing industrial expansion.

Safety training courses, offered by specialists of the Department, help conserve the Nation's manpower by cutting the annual toll of job injuries. In recent years, industrial accidents in this country have caused 14,000 deaths and nearly 2 million injuries annually. The Department's training program provides State and Federal personnel, as well as representatives of management and labor, with an opportunity to obtain instruction in safety fundamentals or in some specialized aspect of industrial safety. During the year, over 2,300 individuals with safety responsibilities took advantage of these training facilities by participating in one or more of the 90 courses conducted.

Of major importance to management, labor, and government in planning and executing programs to safeguard workers is the President's Conference on Occupational Safety, the national forum on prevention programs. This year the Conference brought together 3,000 leaders from all segments of the economy to assess safety needs in a rapidly changing technology. Experienced in special fields of safety, experts examined problems of radiation control, human motivation in relation to job accidents, industrial medicine's role in preventing accidents, and other facets of the Nation's safety problems. Results of the Conference were published in a Report to the President, which states broad principles and methods of safeguarding the Nation's workers in the decade ahead.

Recent years have brought encouraging progress in improving the working and living conditions of migratory agricultural workers and their families. Twenty-one States now have organized methods of meeting this problem, as compared with only 6 States 4 years ago. Assistance to States in the development of programs and in the preparation of legislation and administrative regulations to improve the plight of these workers is one of the Department's services in increasing demand.

The Department is vitally concerned with the protection of young workers and in broadening opportunities for young people to obtain suitable jobs. This becomes an increasingly important responsibility because of the upsurge in youth population. By 1965 there will be 4 million more young workers in the labor force than there were in 1955. To prepare for this addition to the labor force, the Department, through a nationwide educational campaign, has urged young people to stay in school, develop their skills, and graduate. Progress in this effort is seen in a new chart book, Young Workers Under 18—Today and Tomorrow, which shows that attending school is becoming more and more the main activity of the 14 to 17 year old group. A decade ago 68 percent of our 16 and 17 year old boys and girls beyond the usual compulsory school-attendance age were enrolled in school. Today 80 percent of these boys and girls are enrolled.

As part of the program for the safety of young workers, hazardous-occupations orders are issued under the child labor provisions of the Fair Labor Standards Act. During the year, public hearings were held on proposals to permit 16 and 17 year old trainees to work part time under vocational education programs in industries using certain woodworking, metalworking, and paper-products machines. The Department also cooperated with key national education groups to increase and improve the teaching of safety in the classroom. With the help of an advisory committee of experts on programs for children and youth, the Department seeks to keep before the public the constant need of all young people for adequate child labor protection, education, training, and employment opportunity.

Mexican Farm Labor Program

During the past year, significant improvement in the Mexican national program has been made in three fields: wages, feeding, and housing.

Important policy decisions were issued in connection with testing the adequacy of piece rates paid to Mexican national workers. Their purpose was to assure that the employment of Mexican nationals at such piece rates does not adversely affect wages and working conditions of domestic workers. In several areas of the country, intensive work with reference to the Department's wage policies resulted in substantial improvements in the earnings of workers, and established patterns of action for next year. The Department is working closely with employers to assist them in taking the immediate responsibility for improving earnings.

Minimum standard menus for feeding Mexican national workers were adopted to assure that Mexican workers fed at employers' central feeding facilities received a variety and adequate quantity of wholesome food. A vigorous enforcement program has been carried out.

During the year, improved housing conditions were evident in all parts of the country, as a result of the application of minimum housing standards adopted in March 1957. The cooperation of employers is evident in the large sums of money spent for the general improvement and construction of new housing. The California Division of Housing, for example, in its report to the Governor reported more than $14 million spent during the fiscal year ending June 30, 1958, for new construction and the modernization of workers' housing.

Apprenticeship and Training

Assistance in setting up or improving training programs was given to 145,000 establishments and 6,800 joint apprenticeship committees. More than 18,000 firms were assisted in setting up training programs for journeymen in new processes and methods. Nearly 35,000 apprentice registrations, completions, or cancellations were recorded, and some 5,000 new or revised written apprenticeship programs were reviewed. Completion certificates were issued to 8,500 apprentices, and certificates of meritorious service were awarded to 250 persons giving voluntary help in the development of training programs.

A project to install or improve training was completed in the foundry industry, with 2,000 firms receiving technical assistance. Plans were initiated for similar projects in the following industries: Electrical contracting, paper and pulp manufacturing, the tool and die making industry, and aircraft-missiles manufacture.

Training materials centers were established in the public library systems in Bridgeport, Phoenix, and Toledo, and in the library of the American Society of Training Directors located in Madison.

The staff assisted in planning and conducting three multistate apprenticeship conferences—Eastern Seaboard, Southern, and Middle Atlantic—and the National Railroad Apprenticeship Conference. In addition it participated in some 63 national conventions, the American Apprenticeship Round Table, and the American Society of Training Directors Conference.

International Labor

The increased importance of the labor factor in international affairs since World War II has provided the setting for the Department's involvement in international labor matters. Fiscal 1958 saw a continuation of the growth and adaptation to existing circumstances which have marked the Department's postwar experience in the international labor field.

During the year, further emphasis was given to the Department's role as the agency of the Federal Government primarily responsible for United States participation in the International Labor Organization. At the June 1958 International Labor Conference, the Secretary of Labor (who had spoken as a visiting Minister at two previous sessions of the Conference) was present as chairman of the United States delegation. The moral force of the free world was marshalled at the 1958 Conference when better than a two-thirds majority of the delegates from 66 countries refused to accept the credentials of, and thus expelled from the Conference, the representatives of the puppet Hungarian regime.

The international activity at present requiring the most staff attention in the Department is the exchange-of-persons program. The Department's work in this field began in the late thirties in connection with the United States Government's program of cooperation with the other American republics. There has been a great numerical increase in the years since in the number of labor visitors annually programed in the Department. A total of 849 visitors in the labor field from 54 countries, including many less-developed countries, were programed by the Department in fiscal 1958.

The number of labor attachés—full-time foreign service labor officers in whose work the Department of Labor as a member of the integrated foreign service has much interest—increased during the year from 46 to 48. World coverage by the Department's series of directories of foreign labor organizations was completed by the publication of directories of labor organizations in Africa, Asia, and Australasia. Studies of various international trade secretariats, the important international organizations of national unions in different countries of specific crafts or industries, were initiated, and one study was completed. The particular labor problems of several individual foreign nations were intensively considered and possible action programs in the labor field were developed by departmental officials.

Close attention was paid to the labor implications of international trade, particularly with problems associated with the renewal by Congress of the President's authority to negotiate reciprocal trade agreements. Labor

representation was arranged at international trade fairs in Berlin, Osaka, and Casablanca.

The Department has given increased attention to gathering and analyzing information about labor developments in other countries, so that labor factors can be given appropriate consideration in developing the foreign policy of the United States.

Reemployment Rights

The reemployment rights accorded servicemen and reservists are not limited to time of war or national emergency. These rights are designed to assist eligible ex-servicemen and reservists to return to their preservice employment on an equal footing with those whose civilian careers were not interrupted.

The Department of Labor's operations consist primarily of obtaining voluntary compliance through a program of assistance to servicemen, reservists, their employers, and labor organizations. Through the cooperative efforts of the Department of Defense and the Department of Labor, a program has been developed to provide ex-servicemen and reservists at the time they are released from military duty with an opportunity to request specific information or assistance with respect to reemployment rights. This enables rights and obligations of ex-servicemen and employers to be clarified before serious disputes arise.

Where settlement of an ex-serviceman's claim cannot be reached through the Department's machinery, the case may be referred through the Solicitor's Office to the Department of Justice for litigation if the ex-serviceman so requests.

APPENDICES

OFFICE OF THE SECRETARY

OFFICE OF ADMINISTRATIVE ASSISTANT SECRETARY

The Administrative Assistant Secretary has primary responsibility for the formulation, presentation, and execution of the Department's budget; the financial management and control of all available funds; the direction of the Department's organization and management processes; and for appropriate manpower utilization. He is a member of the Secretary's Policy Committee and the Secretary's Program and Operation Committee, and is the liaison officer with the Congress and the Bureau of the Budget on all matters having to do with appropriations or other related budget and management problems of the Department.

The Administrative Assistant Secretary and his staff serve continuously in an advisory capacity to top staff as well as to all bureau heads and their staffs. Bureau programs are evaluated in terms of efficiency of management, economy of operation, and coordination. This office prepares and promulgates administrative and other procedures on operations; it directs organization and management studies, control of space, property, procurement, records, and library services; and it makes surveys of new methods and equipment for labor saving and economy, and installs them with resulting improved production.

This was an unusual year in budget history. Ordinarily the Department prepares no more than 15 budget submissions; these in themselves involve considerable preparation of material, conferences, evaluation, and review. In this fiscal year 1958, a total of 27 appropriation requests were necessary and were submitted to the Bureau of the Budget and the Congress, based largely on newly proposed legislation or need for increases in existing activities due to unforeseen changes in economic or other conditions. The review, discussions, and conferences in the Department, with the Bureau of the Budget, and finally with the Congress were necessarily numerous, adding largely to the work of this office and to Bureau administrative offices. New legislation proposed for which budgets had been prepared and passed in the 85th Congress, second session, are:

1. Temporary Unemployment Compensation Act, P. L. 85–44, approved June 4, 1958, providing for temporary extension of unemployment benefits under the Federal-State system.

2. Longshoremen's and Harbor Workers' Compensation Act, Safety Rules Amendment; P. L. 85–742, approved August 23, 1958, to provide a system of safety rules, regulations, and safety inspection and training.

3. Welfare and Pension Plans Disclosure Act, P. L. 85–836, August 28. 1958, to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

4. Ex-servicemen's Unemployment Compensation Act of 1958, P. L. 85–848, August 28, 1958, to provide a permanent unemployment compensation program for ex-servicemen similar to the program which now exists under title XV for civilian employees of the Federal Government.

Accomplishments during the year were more significant than in any prior years toward a goal of immediate readiness to provide administrative support for the Department's emergency programs in the event of enemy attack. Permanent headquarters for the Department's communications officer for emergency operations were established at the relocation site. This action, together with the decentralization of departmental peacetime functions and changes in the official stations of certain regional employees, provides a nucleus of staff in the vicinity of the relocation site to man communications. These employees have been trained in the techniques of the Interagency Communications System. They also participated in the annual national relocation exercise. Thus the past practice of detailing Washington office employees to the relocation site for participation in the communication phase of annual exercises is no longer necessary. This accomplishment provides a more realistic plan for the continuity of substantive operations. Auxiliary facilities for electric power were installed at the relocation site to provide added assurances of operational continuity.

Finding suitable space for several relocation and decentralization programs in some bureaus was a major project. The Bureau of Employees' Compensation decentralized some of its operational units from Washington to Boston, Chicago, and New York City. In New York City, the Longshoremen's and Harbor Workers' unit was relocated to the same premises as other BEC operations. The Research Branch of the same bureau and a major portion of the Department's regional activities were transferred to the departmental relocation site. Other moves and relocations included new quarters for the Bracero Reception Center at Eagle Pass, Tex., and transfers of several units to other locations in Washington due to demolition of some of the World War II temporary buildings.

Congressional approval has been secured for acquisition of a building in the District of Columbia for housing the offices and facilities of the District of Columbia Unemployment Compensation Board and the public employment service for the District of Columbia. The cost of acquiring this building is to be paid from funds appropriated for grants to States for administration of employment security through amortization of the total cost over a period of years. This is an arrangement similar to that made with many States for the same purposes in order for them to secure suitable quarters, and will result in improved service quarters as well as economy.

A joint project of the Office of the Administrative Assistant Secretary and the Bureau of Employment Security, on the method of determining budgets for State agencies for administering employment security functions,

resulted in some recommendations which are already in effect. Further recommendations are expected in fiscal 1959.

Conversion of the telephone service of the Department from the manual to the dial system was completed in December 1957.

Fire and accident prevention surveys were arranged at reception centers for housing and processing farm laborers who are imported under P. L. 78 at the request of operators of farms in agricultural States when domestic farm labor is unavailable. The centers surveyed are located at El Centro, Calif.; Nogales, Ariz.; and El Paso and Hildalgo, Tex. Departmental safety specialists were used. Not only has this resulted in recommendations for improvements and changes but also in an education in safe conditions and practices for supervisory personnel in the locations. Recommendations have been carried out and safety committees have been appointed at all installations for continuous safeguarding and improvement of premises.

Establishment of procedures for procurement and other centralized type services under the working capital fund has resulted in improved service and economy in operation. The prescribed General Services Administration regulation for quantity ordering is being carried out effectively.

New techniques in duplication processes through the installation of a "Headliner" and a "Giant Enlarger" enable reproduction of exhibit and other materials which previously had to be lettered by hand. Microfilming has replaced photostat operations, and is both more economical and expedient.

Plans were initiated for a departmentwide survey of all operations requiring or having a potential use of mechanical equipment to determine possibility of more efficient and economical techniques.

Several major paperwork management projects in fiscal year 1958 were effected through arrangement of studies by the National Archives and Record Service:

1. Office of International Labor Affairs: A survey of all areas of paperwork management resulted in adoption of recommendations for simplified correspondence methods, an improved mail and control system, and installation of an improved filing system.

2. Office of the Secretary: Consultations resulted in recommendations for improvements in the filing system which are in process of installation.

3. A study is now in progress in the Office of the Administrative Assistant Secretary on filing methods.

In addition to the above, records control schedules providing for disposition of records of the Bureau of Veterans' Reemployment Rights and the Women's Bureau were approved by the 85th Congressional Committee on Disposition of Executive Papers. With approval of these schedules, periodic disposition of all major accumulations of records of the Department is authorized.

About 13,400 cubic feet of records were disposed of, an increase over last year of 700. Major bureaus are now systematically carrying out disposal procedures.

The Department participated in the Government campaign to increase employee savings bond purchasing, and achieved the 50 percent goal set up by the Treasury Department.

The Department's incentive awards program continues to be an activity in which employees are participating in steadily increasing numbers.

While year-end statistics reflect more than a 20 percent increase in number of suggestions received over the previous year, recorded suggestions during the first half of the fiscal year exceeded the number received in any other previous 6-month period.

Approved performance awards held to the previous year's level, but a reduction in total personnel during the year slightly improved the percentage of employees given these awards.

The number of employees receiving honor award recognition hit a new high this year with the change in rules on length of service to give credit for total civilian and military Federal service (rather than Department of Labor service only). In the honor award phase of the program, including length of service, approximately 2,350 employees received recognition.

A significant number of these awards were presented at an honor awards ceremony held in observance of the Department's 45th anniversary on March 4, 1958. On this occasion, the Department was fortunate in having the Vice President as guest speaker.

The Library added 9,902 volumes to the cataloged collection, circulated 49,998 books and periodicals, and answered over 12,000 reference questions. The Library serves the Federal Mediation and Conciliation Service, the President's Committee on Employment of the Physically Handicapped, the President's Committee on Migrant Labor, and the President's Committee on Government Contracts in addition to the Department of Labor. During the past year, 1,297 people not connected with any of these organizations came to the Library to use its facilities. Many others use it through interlibrary loans.

OFFICE OF INFORMATION, PUBLICATIONS, AND REPORTS

Routine operations of the Washington office involved the preparation and issuance of news releases; preparation and display of exhibits; review and clearance of all publications, reports, and news releases of the Department; preparation and issuance of publications of departmentwide significance; contact with Washington representatives of the various news media; and the output of information to 550 labor papers.

Upon request, the Department participates in various conferences and conventions of labor unions and business and professional organizations. Departmental representatives deliver addresses as requested, set up exhibits depicting the services of the Department, and explain the ways in which the Department serves the public. Representatives participated in several hundred such conventions and conferences during the year.

A 90-foot exhibit was completed for use of the International Cooperation Administration, and is being shown in various cities of the Near and Far East. So far it has been to Greece, Turkey, and Iran. For the Bureau of Labor Standards a 24-foot exhibit on safety programs is in preparation, and 2 large exhibits were completed. Other exhibits were prepared, as follows: 16 portables of medium size for the Wage-Hour Division; 12 portable and 2 medium for the Bureau of Apprenticeship; 2 large for the Bureau of Employment Security; 4 small table exhibits and 3 regular for the Women's Bureau; and 4 for the President's Committee on Employment of the Physically Handicapped.

The office published:

Subject Listing of Publications of the U. S. Department of Labor, 1948–57.

Labor Charts. This is a new assembly of 17 charts of interest to workers and their employers. Published free of cost monthly, it is in extensive demand, and seems to meet a real need.

Brief History of the American Labor Movement (35¢). This is a revision of an earlier publication.

In addition to the above:

The text of a major volume on How American Buying Habits Change was completed, and is expected to be published about May 1959.

The first draft of another major volume, Farm Labor Fact Book, was completed. Publication is expected during fiscal 1959.

Work is in progress on a book dealing with the problems of automation in our modern industrial society.

A revision of an earlier publication describing the functions of the Department is in preparation for issuance early in 1959.

The Office answered some 65,000 inquiries made by telephone or in person by the public and the press or by other departments, and performed other duties and activities required to inform the public fully on the policies and programs of the Department.

OFFICE OF INTERNATIONAL LABOR AFFAIRS

The Office of International Labor Affairs, under the guidance of the Assistant Secretary of Labor for International Labor Affairs, continued its operations in the field of international labor affairs and its coordination of the Department of Labor's programs in this field, during fiscal year 1958.

A total of 849 foreign visitors were programed in the Department, a continuation of the program involving foreign visitors in the trade union and technical labor and manpower fields. The labor attaché corps was again expanded. Training of labor attachés and Foreign Service as well as Department of Labor officers included a course at the Foreign Service Institute and a conference for American labor attachés and labor reporting officers assigned to United States Embassies in the European countries.

The Secretary of Labor served as U. S. Government Delegate to the 42nd International Labor Conference along with the Assistant Secretary for International Organization Affairs, Department of State. Sessions of the ILO Governing Body, several industry committees, and the 41st ILO Conference on Maritime Problems were attended by Labor Department staff members who served as delegates or advisers.

The Department continued to be active in preparations for a number of meetings of the United Nations, its Economic and Social Council, the various commissions, and a number of the specialized agencies such as the Food and Agricultural Organization and the UN Educational, Scientific, and Cultural Organization.

The participation of the Department in international trade fairs continued on a modest scale, with American trade unionists participating in trade fairs in Berlin and labor presentations in Osaka and Casablanca.

During the year, the Office of International Labor Affairs observed the 10th year of its existence. In this connection it issued a summary report on its decade of activities for the use of Foreign Service officers and other overseas personnel, dealing with labor and manpower problems in American posts and missions around the world.

Technical Cooperation and Exchange of Persons

The Department's technical cooperation and exchange-of-persons activities centered upon the arrangement of programs in the United States in labor and related fields for visitors from abroad, the recruitment of Ameri-

can technicians for foreign assignments, and the rendering of technical advisory services. While the majority of these operations were carried out at the request of the International Cooperation Administration (ICA) of the Department of State, programs were also developed for leaders and specialists selected by the International Educational Exchange Service (IES) of the Department of State, for fellows given awards by the United Nations and the International Labor Organization (ILO), and for visitors sponsored by the European Productivity Agency (EPA) as well as for a few under the auspices of the Department of the Army.

Foreign visitor arrivals in the Department during the year numbered 849 from 54 countries: 237 from the American Republics; 89 from the Near East, South Asia, and Africa; 191 from the Far East; and 332 from Europe. There were 669 arrivals under the ICA program, 129 under IES, 23 under UN and ILO, 24 under EPA, and 4 under the Army program. Primary fields of interest were as follows: Trade union activities and labor-management relations, 688; industrial safety and labor law administration, 32; employment security, 26; labor statistics, 13; and industrial training, 90. Trade unionists accounted for 617 arrivals, 125 were from government organizations, 78 from management, and 29 from other organizations.

The following major types of projects for foreign visitors were carried out during the year:

Programs of 5 to 6 weeks for ICA labor groups from France, Italy, Austria, West Berlin, and Japan, in various technical phases of trade union activities, labor-management relations, and productivity in industry.

Technical programs of 3 months' duration for ICA trade union groups from underdeveloped countries, particularly from Latin America, in trade union activities and labor-management relations.

Programs under ICA sponsorship for Latin American trade unionists to study trade union and labor-management relations subjects at the University of Puerto Rico for 3 months, followed by a 2-month program of observation in such fields in the States.

Trade union leadership programs under ICA sponsorship lasting from 6 to 7 months, mainly for French and Italian groups, but also including participants from several underdeveloped countries. These provide for an academic course of about 3 months specially arranged at one of the colleges or universities, for internship with American unions for about 2 months, and for field observation trips of several weeks.

Programs of 3 to 12 months for government technicians coming as individuals or groups under ICA or ILO auspices, from ministries of labor or other agencies in underdeveloped countries. They consist of technical courses in governmental administration in one or more of the Department's bureaus, field programs with Federal and State agencies, and academic courses as appropriate.

Programs of 6 to 12 months under ICA, UN, or ILO sponsorship for skilled or semiskilled industrial technicians from abroad, principally from

underdeveloped countries. These provide for placement in United States industries for training in industrial production techniques.

Programs up to 2 months for leaders in labor and related fields from other countries of the free world, invited to visit the United States under the IES program. These consist of arrangements which satisfy the visitor's own interests and provide exposure to a broad cross section of American life and geography, with the view toward promoting better cultural understanding.

Programs of about 4 months for specialists in labor and related fields from other countries of the free world, invited to visit the United States under the IES program. They provide for longer study of the American scene and the visitor's professional field than is possible under the leaders' program. Of special significance is the multicountry trade union project carried out each year. It provides for a stay of about 1 month in a selected community for the visitor to become acquainted with various aspects of community life as well as his professional field; a seminar on labor-management relations at a university; internship with American unions; and a field trip into several areas and communities making up a good cross section of the country.

An agreement between the Department of Labor and the European Productivity Agency was signed during the year which provided for the Department to make program arrangements in the United States for six groups sponsored by the Agency and made up of trade unionists from European countries. These projects have covered the study of such subjects as social and economic aspects of technological improvement, trade union training and education programs, trade union research, and protection of workers against radiation hazards. The Agency's projects were carried out during fiscal year 1957 under the agreement between the Department and the International Cooperation Administration. But it was decided that, beginning with fiscal year 1958, the EPA would enter into direct agreements with United States agencies as appropriate to obtain their services.

The success of these activities is in great part due to the continuation of the excellent cooperation received from American trade unions, industrial establishments, educational institutions, State and municipal agencies, and numerous community and private organizations. These organizations spend a great amount of time in discussions with foreign visitors, provide access to their staff and facilities, and arrange considerable hospitality for the visitors in private homes or elsewhere. This help is important in satisfying the technical and professional interests of the visitor, as well as in having him experience the warmth of American friendship and gain a good insight into the life of our country. Efforts were continued to coordinate contacts with such organizations so as to spread and lighten the burden as much as possible.

The Department provided several specialists from its staff for overseas technical assignments with the International Cooperation Administration

and the International Labor Organization in labor and manpower fields. Help was also given in recruiting specialists from State agencies, industry, and other organizations. The Department issued a policy statement during the year encouraging highly qualified Department of Labor staff to accept posts abroad as an aid in carrying out assistance programs and to broaden staff experience and develop background for a bigger and better contribution to Department of Labor programs.

Publications of the Department were either provided or identified for purchase in answer to inquiries from former visitors, from officials and agencies in foreign countries, and from technical assistance offices and experts abroad. Replies to technical questions from such sources were also prepared. While these services consume much less staff time than do other activities, they represent a valuable supplement to other services as well as a beneficial follow-through effort.

Publications on International Trade Union Organizations

Two new directories of foreign labor organizations were published: the Directory of Labor Organizations in Asia and Australasia, and the Directory of Labor Organizations in Africa. The Directory of the International Confederation of Free Trade Unions (ICFTU) was again revised. The Office of International Labor Affairs has now released directories covering the entire world both in the national and international field. These directories, which list the labor organizations of each country, their leading officials and publications, and their affiliations with international labor organizations, have been widely used in government, labor, and business circles. They have proved valuable in bringing to light information useful to those organizations active in combating Communist influence in the labor movements of the free world.

Work on the studies of the structure, functions, and effectiveness of international trade secretariats was continued during the year. Two additional studies of international trade secretariats were nearing completion at the end of the year: a study of the International Metalworkers Federation, and a study of the International Union of Food and Drink Workers associations. A study of the International Landworkers Federation had been previously released. Preparations were made to obtain background material on the international trade secretariats of Postal, Telegraph, and Telephone International, the Public Services International, the Miners' International Federation, and the International Federation of Textile Workers' Associations. The studies provide needed information regarding the activities of these international organizations which is of value to those national unions of the same or similar crafts throughout the world that are playing an increasingly effective role in stemming Communist influence.

Foreign Service

The year saw growth in the number of labor officers in the Foreign Service. The corps of labor attachés, Foreign Service officers who spend their full time on labor matters, increased from 46 to 48 during the year. For the first time new labor attachés were assigned at Karachi, Pakistan, and Beirut, Lebanon. Other new labor attaché positions, particularly in the less developed areas of the world, were being actively considered. Together with some 100 other part-time labor reporting officers located in virtually every American Foreign Service post in the world, the existence of the labor attachés helped to assure that labor's role in the contemporary world scene would be taken into account in the formulation of American foreign policy.

Within the purview of the Foreign Service Act of 1946, the Department continued to participate in selecting, assigning, training, assisting, and evaluating Foreign Service labor officers in all appropriate ways. The Department's membership on the Board of Foreign Service, the Board of Examiners for the Foreign Service, the Appointments and Assignments Board, and other formal and ad hoc committees enabled the Department to participate fully in the selection and assignment of these officers.

Training of Foreign Service labor officers was accomplished through a variety of means. Lectures were given by Department personnel to the Foreign Service junior officer and mid-career courses. Briefing sessions were arranged in the Department for large numbers of officers. And the Department participated both in planning and providing lecturers for the second annual labor training course given at the Foreign Service Institute of the Department of State.

During the year, a labor attaché conference was held at Munich, Germany, from June 4 to 9, 1958. The conference was jointly arranged by the Departments of State and Labor. Some 40 persons, including Foreign Service and International Cooperation Administration labor officers assigned in Europe, several representatives of the Departments of State and Labor and the United States Information Agency from Washington, and the 2 labor attachés stationed in Africa, took part in the week-long period of intensive discussion.

Hundreds of requests from overseas for specific publications or other information were answered by the Department, and a wide variety of publications in the labor field were regularly sent to overseas posts. The Department's instructions to Foreign Service posts, and appraisals of incoming dispatches from these posts, were planned to insure that needed information was obtained in Washington and that the work done by officers abroad was appraised. Through reports on individual officers and Labor Department participation on the annual Foreign Service Selection Boards of the Department of State, the Department played its role in the evaluation of the work of labor officers.

Overseas Labor Programs

In carrying out the Department of Labor's responsibilities in the development and implementation of American foreign policy, with particular relevance to foreign policies and objectives that affect working people, area specialists have been studying and analyzing labor and manpower problems and developments country by country, formulating departmental policy toward the country, and developing action programs in the labor field. Proposals for their incorporation in overseas country programs operated by other agencies are made as appropriate.

The staff of area specialists in the Department was strengthened through the addition of a specialist on Africa. The Department was fortunate to obtain as the first incumbent in this position an individual whose previous service as labor attaché in several posts and as consul general in Africa gave him the needed background experience. Currently, there are five area specialists in the Office of International Labor Affairs—for Europe, the Near East and South Asia, Africa, the Far East, and Latin America.

Representatives of the Department of Labor, in cooperation with the State Department, International Cooperation Administration, and United States Information Agency, developed proposals for making surveys of human resources and manpower requirements in countries participating in the mutual security program; particularly with reference to training managerial, supervisory, technical, and engineering personnel in countries planning for economic development and industrialization. Action programs in countries where the training of such personnel will be appropriate would follow where the basic manpower surveys point to the need for such programs.

International Labor Organization

Within the Department of Labor, which is the agency of the Federal Government primarily responsible for United States participation in the International Labor Organization, ILO work is coordinated by the Office of International Labor Affairs. (The United States joined the ILO in 1934, 15 years after its creation in 1919 as an outgrowth of the labor and social demands of World War I. In 1934 there were 60 member nations in the ILO; today there are 79.)

The technical work, including the preparation of reports, replies to questionnaires, and comments on ILO reports and instructions for the guidance of United States delegates to ILO meetings, is performed initially by OILA or, at its request, by the bureaus of the Department or other agencies of the Federal Government. Through the years the various bureaus of the Department of Labor have made many significant contributions to effective United States participation in the ILO.

In these activities, the Department of Labor has been governed by the basic United States objectives of (1) strengthening the economic and social fabric of the free world and so encouraging the alleviation of those conditions of misery and frustration upon which communism breeds; (2) improving labor standards and living conditions around the world so that international trade, including the development of foreign markets for American goods, is expanded and America's high labor standards are protected from international trade competition based upon unreasonably low labor standards abroad; and (3) seeking effective forums in which to present economic and social concepts of the United States to the rest of the world.

In addition to the fact that the Assistant Secretary of Labor for International Affairs is the U. S. Government representative on the ILO Governing Body, the Department arranges for representation from Government, labor, and management groups for 10 to 15 ILO meetings each year; maintains liaison with employer and worker groups concerning the issues to be considered at these meetings; and holds discussions and briefing sessions with those selected to attend the meetings either as delegates or advisers.

Although the nature of the Department's participation has remained fairly constant, the same cannot be said of the substance and extent of that participation. The growth of industrial committee activity, the increasing importance of the ILO technical assistance program, Russia's re-entry into the ILO, and the growth of interdepartmental collaboration on ILO matters have steadily increased the volume of work pertaining to ILO. On the substantive side, emphasis has been placed on activities that seem to hold the best prospect for practical accomplishment, and which will contribute most to strengthening democratic institutions and the free world.

The United States has had some success in shifting the emphasis of ILO activities away from the traditional standards development work, to operational programs, practical research and technical work on specific problems (safety, industrial relations, increasing productivity, and the like), and the dissemination of information. For example, it has welcomed and supported energetically the ILO concern with increased productivity as a means of raising living standards. In most of its aspects, higher productivity is the result of cooperative efforts by management and labor. The ILO, with the active participation of labor and management, is in a unique position to make a lasting contribution to this field.

U. S. delegations have taken a positive role in the development of an ILO program to promote a broader understanding in the field of labor-management relations. This is an effort to show the ways in which management and labor can learn to work together and settle their differences with a minimum of governmental interference.

During the past year, the Office of International Labor Affairs performed staff work for United States participation in three major conferences and three important industrial committee meetings. It recommended United States experts who attended four meetings on technical subjects under

consideration by the ILO, and prepared for the three Governing Body sessions held.

The 42nd session of the International Labor Conference was held in Geneva, Switzerland, in June 1958. Secretary of Labor James P. Mitchell, who headed the U. S. delegation, read a message from President Dwight D. Eisenhower which spelled out the reasons for the U. S. Government's continued support of the ILO. The President said, in part:

"Throughout its history, the International Labor Organization has worked effectively to secure the foundations of peace. As a persistent champion of human values, it has advanced the right of each person to live in dignity and to prosper according to his ability. By promoting higher living standards, improved methods of production and greater labor-management cooperation, the ILO has promoted the welfare of all. . . . It is essential for the cause of peace that this creative work be continued and expanded."

The more important decisions taken by the Conference during this session included the adoption of four new international instruments: A convention and a recommendation calling on ILO member States to take steps to eliminate discrimination regarding employment and occupation; and a convention and recommendation on the conditions of employment of plantation workers. A general discussion was also held on the subject of "Hours of Work."

The Conference took preliminary action (with a view to final discussion next year) on four other instruments: Proposed draft conventions on (1) minimum age for admission of fishermen to employment; (2) medical examination of fishermen; (3) fishermen's articles of agreement; and a recommendation on the organization of health services in places of employment.

It adopted resolutions concerning the living standards and conditions of employment of plantation workers; occupational diseases; publication of labor laws; human rights; industrial health and safety campaigns; manpower aspects of economic development; management development; measures to promote employment and action against unemployment; unemployment in agriculture, and the influence of agrarian reform on the improvement of the social conditions of agricultural workers; the setting up of a special committee on conditions of fishermen; expansion of international trade; labor-management relations; and increased technical assistance for the integration of indigenous populations into the economic, social, and cultural life of their countries.

The United States pledged the cooperation of this government in an ILO on-the-spot survey on freedom of association. The Director-General, in his reply to the discussion on his report, announced that the Government of the U. S. S. R. had also invited the ILO to send a study mission to that country as part of the same survey.

Unprecedented action was taken by the Conference when the credentials of the entire Hungarian delegation to the Conference were rejected. This

action was based upon challenges arguing that the current Hungarian regime is maintained in power solely by the armed might of an outside government—the U. S. S. R.—and thus the Hungarian delegation was not representative of the Hungarian people.

The United States participated in the three Governing Body sessions (137th, 138th, and 139th) held during the year. In addition to handling the usual flow of administrative work, approval of budgets, and supervision of the work of the International Labor Office, the following significant actions were taken at these sessions:

Establishment of a new Committee on Forced Labor; consideration of proposals made by the Director-General relating to freedom of association; and improvement of the practical methods of working of the International Labor Conference.

Establishment of an ILO African regional office, in 1959, and an Advisory Committee for Africa; approval of a report on social policy in nonmetropolitan territories.

Discussion of an ILO report on the world employment situation.

During the year, a number of meetings of committees of experts attended by United States representatives were convened on such subjects as radiation protection, workers education, social policy in nonmetropolitan territories, and fires and electricity in coal mines.

Three important industrial committees held meetings: the Sixth Session of Iron and Steel in Monterrey, Mexico (October 1957); the Fifth Session of Chemicals, Geneva (February 1958); and the Sixth Session of Textiles, Geneva (April 1958). All three committees considered safety and health items in their industries as well as conditions of work and social problems; the conclusions of these committees were referred to the Governing Body for appropriate consideration.

Of special significance during the year were two ILO conferences which have met at periodic but infrequent intervals in the past—the Asian Regional Conference, and the Maritime Conference.

Nineteen countries participated in the meeting of the Fourth Asian Regional Conference held in New Delhi, India, November 13–25, 1957. Agreements were reached that have a bearing on our sharing of experiences with this important area of the world. The more important actions taken at this meeting were: Rejection of a resolution presented by the Indian Government delegation which proposed that the Conference request the ILO Governing Body and the annual conference to assure that the Peoples Republic of China participate in future Asian regional conferences; approval of a resolution calling upon governments to consult appropriate trade unions and employers' organizations; approval of resolutions on small-scale and handicraft industries, on agriculture, and on labor-management relations.

Albert C. Jacobs, consultant to the Secretary of Labor and president of Trinity College, Hartford, Conn., headed the U. S. delegation to the 41st (Maritime) session of the International Labor Conference which was

held in Geneva from April 29 to May 14, 1958. This was the first maritime session of the Conference since the 28th session, held in Seattle in June 1946. It was attended by 370 delegates, advisers, and observers representing the governments, and shipowners and seafarers of 46 member countries.

The Conference examined for the second time (for final decision) a number of questions previously considered by the Preparatory Technical Maritime Conference, held in London from September 19 to October 2, 1956.

The Conference adopted seven new international instruments: two conventions and five formal recommendations. One of the two conventions concerns seafarers' national identity documents; the other is a revision of the Wages, Hours of Work, and Manning (Sea) Convention, first adopted in 1946. One of the recommendations also deals with wages, hours of work, and manning. The others concern the engagement of seafarers for service in vessels registered in a foreign country, the contents of medicine chests on board ship, medical advice by radio to ships at sea, and social conditions and safety of seafarers in relation to registration of ships. On the sixth item of its agenda, the Conference adopted a resolution on the jurisdiction competent to suspend or cancel officers' competency certificates.

Action on these instruments brings the total number of conventions adopted by the several maritime conferences to 27 and the recommendations to 15; these make up what is called the International Seafarers' Charter.

The Conference also adopted resolutions on the 40-hour week on board ship; refugee seafarers; welfare in port; health and hygiene on board ship; crew accommodations; the manning of ships; convocation of the Joint Maritime Commission; atomic power and shipping; fishermen's questions; safety of life at sea; and the limitation of shipowners' liability.

International Trade

The Secretary of Labor, the Under Secretary, and the Assistant Secretary of Labor for International Affairs served on the newly created Trade Policy Committee, a Cabinet level committee established to consider major policy aspects of the reciprocal trade program. The Department continued its active participation in the activities of the Interdepartmental Committee on Trade Agreements and the Committee for Reciprocity Information. A number of problems pertaining to specific industries—wool fabrics, cotton textiles, cotton apparel, lead and zinc, tuna fish, and others—were considered by these interdepartmental groups. In addition, preparations were made for the 13th Session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT), in which problems of import restrictions, the relationship of the European Common Market and the proposed Free Trade Area to the GATT, and other substantive issues affecting the flow of trade were major considerations

Individual bilateral consultations with a number of countries on their trade restrictions were also featured.

In testifying in support of the reciprocal trade program, the Secretary of Labor stressed the effects of the program on workers of this country, both as they are affected by export industries in the United States and by domestic industries with which foreign goods are in competition. He pointed out that the jobs of 4½ million workers are attributable to foreign trade, and that expansion of trade leads to expanded employment opportunities for American workers.

The Congress enacted legislation to extend the reciprocal trade program for a period of 4 years from June 30, 1958. Department of Labor representatives assisted congressional committees as technical experts during the course of the consideration of this proposed legislation. Along with the extension of the program, the legislation provided for moderate tariff-reducing authority to the extent of 5 percent per year for 4 years, and also provided certain additional steps for considering the interests of domestic industries which consider themselves to be adversely affected by competition from foreign goods on which tariff concessions have been granted.

During the year, major tariff negotiations were held between Brazil and the member countries to the General Agreement on Tariffs and Trade. These negotiations were required because Brazil converted its entire tariff structure to a new *ad valorem* basis. The Department of Labor furnished a representative of the Bureau of Labor Statistics for participation on the United States delegation to these negotiations.

International Trade Fairs

The Department, through the Office of International Labor Affairs, again participated in the interagency committee which carries out the President's Special International Program. A labor team sent abroad as a complementary part of the United States exhibit in the Berlin International Trade Fair proved effective as a direct instrument of United States policy in this field. A two-man team was in Berlin where they gave workers firsthand information concerning working and living conditions in the United States. They explained informally the role of labor and trade union organizations in this country. Meeting with workers who have been targets of Communist propaganda, the labor team had opportunity to evaluate and refute misleading information about the United States. The questions asked by workers in the countries visited concerned automation, productivity, full employment, social security and unemployment benefits, collective bargaining, union contract provisions, grievance procedures, and general working conditions. Interest was also manifest in matters such as the attitude of organized labor in the United States towards discrimination, integration, and labor racketeers. These questions and the ensuing discussions revealed widespread lack of under-

standing of the true social, economic, and political status of the American worker.

In this instance, as in previous labor team participation in international trade fairs, the labor team was composed of two American trade unionists who spoke the language of the other country. Their worker-trade union status plus their language facility not only removed barriers to a free exchange of ideas but resulted in open and prompt acceptance of the team members by their fellow trade unionists and government officials concerned with labor.

Labor participation in the Osaka, Japan, Trade Fair consisted of a pictorial display utilizing large photographic murals on the subject of automation to tie in with the theme of the United States exhibit.

For Casablanca, Morocco, labor provided an exhibit of specially posed photographs, reproduced as slides in an automatic projector, illustrating formal training through apprenticeship in the graphic arts trades. This exhibit was included in the Education Section of the United States Pavilion of the Casablanca Trade Fair.

OFFICE OF PERSONNEL ADMINISTRATION

During fiscal year 1958, the Office of Personnel Administration made special studies of both the immediate and long-range manpower needs of the Department, and took action to meet them. One such action was the hiring for summer employment of college students who had completed three or more years of study with majors in economics, statistics, and industrial relations.

During their employment, the students assisted the professional staff of the Department on price research projects, apprenticeship committee operations, and other useful activities. From this experience they received good orientation in the work of the Department and the careers which it offers to well-qualified college-trained men and women. In addition to providing a direct source of recruitment for permanent employment, this student assistant program also serves to disseminate information and to develop interest about the employment opportunities in the Department of Labor among faculty members and students of the colleges to which the student assistants return.

Other action to meet the Department's manpower needs included greater utilization of the skills of handicapped persons, and the organization of a board of civil service examiners in Washington to conduct examinations for occupations which occur principally in this Department. Lists of candidates were established for the positions of employment service adviser, social insurance adviser, and social research analyst at the intermediate levels.

The Office of Personnel Administration developed and issued to all employees a Merit Promotion Guideline, the first step in giving effect to the new Federal merit promotion program prescribed by the Civil Service Commission. The new Guideline establishes the standards which will be applied in the development of specific Merit Promotion Plans for appropriate groups of positions in the Department. These plans will be developed and placed in effect during fiscal year 1959.

Another achievement was the development of classification standards, and their submission to the Civil Service Commission for approval and publication, for positions in the Wage and Hour Investigation Series. A beginning was also made during the year in the revision of standards for apprenticeship representatives; and the Department collaborated with the Civil Service Commission in revising standards for death and disability claims examiner and social insurance adviser.

Employee training was strengthened through the development of a Conference Leader's Guide for use in training supervisors in improved methods of employee interviewing and counseling. Also a training guide on secretarial practices was prepared and made available.

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OFFICE OF THE SOLICITOR

The Solicitor acts as legal adviser to the Secretary of Labor, the Under Secretary, the Assistant Secretaries, the heads of bureaus, and other officials in the Department of Labor and as the Department's chief law officer. He is responsible for the performance of all legal services for the entire Department, including the handling of legal proceedings arising under the statutes administered and enforced by the Department. The Solicitor also performs 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.

The Solicitor has a staff of attorneys in Washington and in the field offices located throughout the United States and Puerto Rico. The Washington office is organized functionally into seven divisions.

Trial Litigation and Administrative Legal Services

The Branch of Trial Litigation of this Division is responsible for the trial litigation functions performed in the Washington office and for the supervision of the trial litigation work of the Department's regional attorneys in the courts and before hearing examiners for the enforcement of statutes administered by the Department. In addition, the Branch is responsible for the proper preparation of all criminal cases affecting or involving the Department for submission to the Department of Justice. Upon request, the Branch provides assistance to United States Attorneys in the preparation and trial of such cases and supervises the participation of the regional attorneys in these cases.

A total of 1,289 civil and criminal cases under the Fair Labor Standards Act and the Public Contracts Act were filed during the fiscal year 1958, the largest number of such cases ever filed. Of the 1,158 civil actions, 1,096 were commenced under sections 16 (c) and 17 of the Fair Labor Standards Act or section 2 of the Public Contracts Act, and 62 represented other civil actions. Criminal actions were instituted in 131 cases.

Proceedings under these acts were completed in 1,163 cases during the fiscal year. A total of 990 injunctions were obtained, 833 by contest and

157 by consent, and 25 other civil actions were closed. Criminal actions under the Fair Labor Standards Act were completed in 148 cases, and convictions were obtained in 138 instances. There were no acquittals, and 10 cases were either dismissed or nolle prossed. In addition, Walsh-Healey administrative proceedings were instituted in 37 cases and 38 cases were completed during the year.

Fines totaling $147,693 were imposed by the courts in criminal cases, and $4,500 in contempt proceedings.

Restitution of back wages was made as follows: Criminal cases, $255,-622.76; civil cases, $1,264,629.71; contempt, $84,833.15; for a total of $1,605,085.62. In addition, $62,371.41 was recovered as liquidated damages in Walsh-Healey administrative proceedings during fiscal year 1958.

The Branch of Administrative Legal Services provides legal assistance in departmental administrative actions and proceedings and participates in such judicial review of administrative determinations as is provided by the Administrative Procedure Act, the Fair Labor Standards Act of 1938, and the Walsh-Healey Public Contracts Act.

Continued litigation in the textile industry has resulted in the recovery of $449,557.40 to employees. This sum, the largest recovered by the Department in a single suit, was due because many of the parties to the litigation did not pay the wage determined by the Secretary of Labor to be prevailing in the industry during the period when the Secretary was enjoined from enforcing his determination. In the action involving the wage determination for the coal industry, the Supreme Court denied a petition for certiorari, leaving in effect the decision of the court of appeals approving the Department's long-standing interpretation of the "open market" exemption against a contention which would have cut out of the Walsh-Healey Act the bulk of its coverage.

The Branch provided legal services, during fiscal 1958, leading to the issuance of two prevailing minimum wage determinations. Also, the Branch represented the Department in hearings and engaged in prehearing activities directed toward the issuance of prevailing minimum wage orders for 14 other industries, including coal, textiles, paper and pulp, evaporated milk, and structural steel.

Administrative actions in which legal services were provided by the Branch included 9 formal and informal hearings in various proceedings under the Fair Labor Standards Act, and wage orders for 80 classifications in 25 industries in Puerto Rico and for all industries in the Virgin Islands and American Samoa. Thirty other documents amending the Code of Federal Regulations and 106 documents for publication in the Federal Register were prepared by the Branch for the various bureaus and offices of the Department.

Appellate Litigation

This Division is responsible for appellate litigation, including briefing and argument in the appellate courts, in actions appealed under the Fair Labor Standards Act, and certain other statutes administered by the Department.

During fiscal year 1958, a total of 32 briefs were filed in Federal and State appellate courts, of which 4 were in the United States Supreme Court. A total of 25 of these briefs were concerned with cases brought under the Fair Labor Standards Act; 5 were concerned with the Walsh-Healey Public Contracts Act. One brief was filed in the Supreme Court of Alabama where, as *amicus curiae*, the Department supported the position that the Fair Labor Standards Act does not pre-empt the field of child labor regulation to the exclusion of an Alabama law. Another brief, prepared in conjunction with the Department of Justice, was in a Mexican labor case.

Of the 17 Federal courts of appeals decisions rendered in fiscal 1958 in which the Department was interested as a party or as *amicus curiae*, 10 were favorable to the Department. In addition, petitions for Supreme Court review in 4 cases, in which the decisions of the courts of appeals sustained the Department's position, were successfully opposed.

Six of the cases decided by the courts of appeals during the year involved questions of general coverage of the Fair Labor Standards Act. *Mitchell* v. *Kroger Company*, 248 F. 2d 935, held traveling auditors of an interstate grocery chain to be engaged in commerce. In *Rennekamp* v. *Mitchell*, 251 F. 2d 488, certiorari denied, 356 U. S. 950, employees of a small low-power radio station, remote from the State line but broadcasting wire service news, were held covered. *Mitchell* v. *Empire Gas Engineering Co.*, 13 WH Cases 721, held that the act covered the "new construction" of a jet fueling system on an old airfield abandoned for military use after World War II but being reconverted into an airbase for the U. S. Strategic Air Command. The court rejected the employer's contentions that the work was not covered because it was "new construction" and also because it related to an "instrumentality of war." In *Mitchell* v. *Lublin, McGaughy & Associates*, 250 F. 2d 253, the court of appeals ruled against the Department's position on coverage of employees of an architectural-engineering firm operating offices in two States and engaged in preparing plans and specifications primarily for State and Federal Government construction projects, many of which were for the improvement of interstate instrumentalities or facilities.

Several of the Fair Labor Standards Act decisions concerned exemption questions. *Mitchell* v. *Kroger*, supra, held the retail exemption inapplicable to the auditors auditing the books of individual retail stores, on the ground that the auditors were attached to the chain organization's central office rather than to the individual retail stores. In *Libby, McNeill & Libby* v. *Mitchell*, 13 WH Cases 704, the Fifth Circuit held that it was proper for the Secretary, in determining seasonality of industries under the section 7 (b) (3) exemption, to allow the seasonal exemption to canning and

processing of citrus juice but to deny it to certain byproduct operations carried on simultaneously.

Two significant decisions concerning the Walsh-Healey Act were rendered. In *Ruth Elkhorn Coals, Inc.* v. *Mitchell*, 248 F. 2d 635, certiorari denied, 355 U. S. 953, the court of appeals held that the "open market" exemption did not exempt bituminous coal from the act, even though such coal could be purchased in the open market, because the exemption excluded from coverage only purchases the Government itself was authorized to make in the open market. *United States* v. *Winegar*, 254 F. 2d 693, held that the administrative hearing authorized by the Walsh-Healey Act for determining violations need not be completed before a court action to collect the resulting liquidated damages can be brought. Since the 2-year statute of limitations applicable to court actions under the act runs from the date of violations, it is important that the Government be able to bring such actions before completing the time-consuming administrative hearings.

The attempt by an employer of Mexican labor to avoid financial responsibility for violations of the Migrant Labor Agreement between this country and Mexico was successfully resisted in *United States* v. *Morris*, 252 F. 2d 643, which held that the 10-day period provided in the Migrant Labor Agreement for processing complaints of violations is directory only, so that the failure of the two governments to process complaints in 10 days does not defeat the Federal Government's right to recover wage payments it is required to make for defaulting employers.

Of the courts of appeals decisions unfavorable to the Department, the Supreme Court has granted a petition to review one, and the Solicitor General has filed petitions for review of two others. Of the remaining four unfavorable decisions, petitions for rehearing are pending in three. The only adverse decision which is being left unchallenged is *Mitchell* v. *Bass*, 252 F. 2d 513, which involved a matter of procedural law and rested on a narrow ground to which the trial procedures of the Department may be able to adjust without harmful effects.

Employees' Compensation

This Division is composed of two branches, the Branch of Appeals and Review and the Subrogation Branch. The Branch of Appeals and Review renders legal services to the Bureau of Employees' Compensation in the administration of the workmen's compensation program of the Federal Employees' Compensation Act and extensions thereof, covering (1) civil officers and employees of the United States and the District of Columbia, and (2) private employees within the regulatory jurisdiction of the Federal Government. Under the supervision of the Solicitor's Office, the Subrogation Branch directs a program of bringing civil actions for damages against third parties in cases of injury and death of employees protected by the Federal Employees' Compensation Act.

Through the Branch of Appeals and Review, the Solicitor's Office represents the Director of the Bureau when compensation awards are appealed to the Employees' Compensation Appeals Board of the Department of Labor, a quasi-judicial body whose decisions are final and not subject to further review. In addition to legal advice furnished to the Bureau in the fiscal year through conferences and opinions, the Branch represented the Director in approximately 296 appealed cases in which the latter's decisions were reviewed by the Appeals Board. In 130 of said cases, hearings were held, with representation by this Division and oral argument.

Workmen's compensation provisions applicable to private employments, with respect to which the Solicitor's Office provides legal services to the Bureau, are contained in 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. Legal services are also provided in connection with the administration of the War Risk Hazards Compensation Act.

Authority to adjudicate claims under the Longshoremen's Act and extensions thereof is vested by law in the deputy commissioners of the Bureau of Employees' Compensation, who are appointed by the Secretary of Labor to preside as hearing officers in the 13 compensation districts established to serve the United States and territories. Other compensation districts serve, respectively, the claims arising outside the United States and the District of Columbia. The decisions of the deputy commissioners under these acts are subject to judicial review in the United States District Courts. Among other kinds of assistance which the Solicitor's Office supplies the Bureau is the defense of actions or awards of the deputy commissioners. During the year, 30 civil actions were filed in the United States District Courts and 5 cases were appealed to the United States Circuit Courts of Appeal.

While there is no provision authorizing judicial review of the decisions of the Bureau of Employees' Compensation or Employees' Compensation Appeals Board under the Federal Employees' Compensation Act, this does not inhibit attempts to obtain judicial review. Two civil actions were brought within the fiscal year seeking such review.

The Subrogation Branch supervises the prosecution of civil actions brought against third parties whose negligence causes the injury or death of Federal employees. These actions are for reimbursement of compensation paid by the Bureau of Employees' Compensation under the Federal Employees' Compensation Act. In the fiscal year, the gross sum of $3,266,053.14 was collected from third-party wrongdoers in a total of 1,217 cases. This was an increase of approximately $800,000 over the amount recovered in fiscal year 1957. After deducting the expenses of litigation, a net recovery of $2,390,874.70 for the fiscal year was made available to the Federal Government to be applied as an offset to compensation payments made in these cases under the Federal Employees' Compensation Act.

Wage-Hour and Veterans' Reemployment Rights Interpretations

The Branch of Wage-Hour Interpretations of this Division furnishes advice and assistance in the interpretation of several of the statutes administered by the Department, particularly the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, and the Eight Hour Laws. The Branch does this by rendering either written or oral opinions to the public in response to individual request, to other Government agencies, and to bureaus and regional offices within the Department. These opinions express the position of the Department which will be used as a basis for enforcement activities.

During the 1958 fiscal year, the Branch rendered approximately 6,500 oral and written opinions. In addition, it reviewed approximately 800 opinions which were prepared elsewhere, particularly in regional offices, and took such action as seemed appropriate to make sure that they correctly reflected the official position of the Department. Extensive work was done on bulletins for public distribution setting forth in detail the views of the Department and the basis and authority for them.

The Branch of Veterans' Reemployment Rights Interpretations gives legal advice to veterans, employers, and other interested parties in connection with the reinstatement of servicemen in their former employment, after military service and training duty, in accordance with the provisions of the Universal Military Training and Service Act, the Reserve Forces Act of 1955, and related earlier statutes.

Aid is furnished by the Branch to the Department of Justice in litigation concerning veterans' reemployment rights. During fiscal 1958, such aid was given in 16 cases by this Branch and 5 regional attorneys. In addition, 148 veterans' reemployment rights files were analyzed and transmitted to the Department of Justice for litigation.

The Branch held over 500 conferences during the year on the legal problems of veterans' reemployment with the Bureau of Veterans' Reemployment Rights, veterans, employers, and others. It also issued 12 analyses of court decisions, prepared 324 original opinions, and made post-reviews of 127 opinions of regional attorneys.

The Branch participated in drafting amendments to the Universal Military Training and Service Act which were incorporated in H. R. 8522.

Manpower and Employment Security

This 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 renders legal services to the Department, chiefly the Bureau of Employment

Security, and to other interested agencies regarding the Federal-State system of unemployment compensation programs, the programs providing unemployment compensation for veterans and Federal civilian employees, and the temporary unemployment compensation program.

New developments in fiscal 1958 requiring services of this Branch included the enactment by Congress of the Temporary Unemployment Compensation Act of 1958 and by the Puerto Rican Legislature of an unemployment compensation law patterned for inclusion in the Federal-State system of unemployment compensation programs. Regulations to implement the Temporary Unemployment Compensation Act of 1958 were drafted by the Branch and have been signed by the Secretary of Labor and published in the Federal Register. Services were performed in connection with laying the groundwork for the operation of the Puerto Rican law and proposed Federal legislation required to include Puerto Rico in the Federal-State unemployment compensation system.

Legislation that would establish a permanent unemployment compensation program for ex-servicemen neared enactment at the end of fiscal year 1958. The Branch performed numerous services in connection with this proposal, legislation to amend title IX of the Social Security Act and the provisions of that act regarding unemployment compensation for Federal employees, and other proposed Federal legislation.

Amendments to the Social Security Act under which excess Federal unemployment tax collections are distributed to the States to be used for unemployment benefits or appropriated for costs of employment security administration continued, during fiscal 1958, to account for a great share of the workload. These amendments stimulated some of the legislative proposals for amending State unemployment compensation laws and acts amending those laws which were reviewed by the Branch to make certain that they conform with Federal law. The Branch also reviewed regulations implementing laws enacted by State legislatures in 1957 and 1958, State court decisions, and memoranda and documents issued by the Bureau of Employment Security. In performing these services the Branch furnished advice and assistance upon a great many problems and issued interpretations of law with respect to the programs with which it is concerned.

Through the Manpower and Employment Security Branch, this Division renders legal advice to the Bureau of Employment Security in all legal matters relating to the operation of the Federal-State employment service. All of the costs of administering the State public employment offices are covered by Federal grants made pursuant to certification by the Department of Labor under the provisions of the Wagner-Peyser Act. The eligibility of a State for these funds depends upon its adherence to certain statutory requirements contained in that act and compliance with the regulations and policies of the Department of Labor. Difficult legal problems arose during the year in the determination of whether the Department should refer workers to certain establishments affected by labor disputes.

A major aspect of the legal services which this Branch performs is in

connection with the Mexican labor program. Numerous problems were presented during the year concerning the application of the statute (title 5 of the Agricultural Act of 1949, as amended) which conditions the admission of certain aliens, seeking to enter the United States from the Republic of Mexico to perform labor, upon the unavailability of qualified workers in the United States and the maintenance of certain labor standards. The Branch also rendered substantial guidance and assistance in connection with the Migrant Labor Agreement under which agricultural work is performed by Mexicans.

During the fiscal year, $132,615 in back wages were recovered for the Mexican workers. In addition, approximately $58,000 has been paid out, to date, under the Government's guarantee to the Mexican workers. Approximately $18,500 of this amount has been recovered through litigation. Of the balance, $12,000 has been determined to be uncollectible by the various United States Attorneys and $27,500 is in various stages of litigation. The designee of the Secretary of Labor, an attorney in this Branch, considered and disposed of 23 appeals taken by employers and Mexican workers from determinations made with respect to their obligations under the Migrant Labor Agreement and the Standard Work Contract.

The assistance rendered by this Branch in a landmark case, *United States* v. *Morris*, 252 F. 2d 643, contributed significantly to the decision, discussed above in the section on the Division of Appellate Litigation. This case, which involved important legal issues regarding the obligation of employers to pay the prevailing wage, and the Government's authority to recoup wages paid out under this guarantee after the employer's default, was of extreme importance to the administration of the Mexican labor program.

Wage Determinations

Through the Wage Determinations Branch of this Division, the Office of the Solicitor predetermines prevailing wage rates which are the minimum rates permitted to be paid on Federal construction contracts and on other construction work financed or assisted by the Federal Government. During this fiscal year, 33,283 wage determinations, a new alltime high, were issued under the Davis-Bacon Act and related statutes. This was a substantial increase over the previous year's record of 28,065. The 33,283 total included 2,969 wage determinations issued for initial construction on the national system of interstate highways authorized by the Federal-Aid Highway Act of 1956.

The collection of wage data by the Branch was accelerated in line with expanded construction activity. Arrangements were made for submission of data by employer and employee organizations, in addition to the utilization of a private construction reporting system serving most of the country. State highway offices were visited in fulfilling the consultation-liaison

required by the Highway Act. The above factors contributed to outgoing correspondence, which totaled 49,395 pieces. In addition, numerous on-the-spot wage surveys were made by representatives of the Branch and of the regional offices.

The Division's Branch of Coordination and Enforcement administers the functions vested in the Secretary of Labor by Reorganization Plan No. 14 of 1950 to achieve coordination of enforcement of the wage determination provisions of the Davis-Bacon Act and related statutes. During fiscal 1958, the Branch received a record total of 906 new enforcement cases. In cases involving flagrant violations, action is taken to have the Comptroller General place the contractors involved on the list of persons and firms ineligible to receive Government contracts for 3 years. An alltime high of 72 firms and individuals were placed on the list this year. Restitution totaling $302,903.61 was secured for 3,441 workers found underpaid. The year also witnessed significantly increased activity in criminal prosecutions under the False Information Act, the Anti-Kickback Act, and the Eight Hour Law of 1892, in connection with labor standards violations and the submission of false payroll information.

The Branch continued to conduct educational programs and issued a series of All Agency Memoranda on coverage problems of general enforcement interest to contracting agencies. Conferences were held with agency personnel and investigations were jointly conducted with agency representatives to assist the agencies in adequately discharging their labor standards enforcement obligations.

An increasing volume of copies of the Construction Workers Guide and other publications pertaining to construction labor standards was distributed to employee and employer groups and to the public generally. Interpretations and opinions involving the Davis-Bacon and related acts and resultant compliance problems, both written and oral, were issued in record numbers. This type of increased activity not only evidences a marked interest by those affected in the field of compliance, but enables the Branch to achieve a greater degree of preventive enforcement. By resolving difficulties beforehand and by alerting the agencies, the contractors, and the workers of their rights and responsibilities, costly enforcement actions in terms of time, money, and sanctions are significantly decreased.

Legislation, General Legal Services, and Hearings

This Division is composed of three branches. The Branch of Legislation and General Legal Services handles the legislative work of the Department, and it also performs general legal services for the Office of the Secretary and the other offices and bureaus of the Department. The hearing

examiners of the Hearing Examiners Branch preside over administrative hearings under the Walsh-Healey Public Contracts Act and various other statutes, and render decisions in proceedings based on complaints in violation of the Walsh-Healey Act. The Branch of Special Services assists in the preparation of opinions rendered by the Employees' Compensation Appeals Board.

Principally concerned with legislative matters, the Branch of Legislation and General Legal Services provides the Secretary with assistance in the development of the Department's views on pending legislation and prepares draft bills and reports to congressional committees embodying these views. The 503 legislative reports prepared during the fiscal year 1958 was a new high for this type of activity.

Among the draft bills prepared during the year were bills to:

1. Provide for reporting and disclosure in labor-management relations matters in order to afford greater protection for the rights of individual workers, management, unions, and the public.

2. Amend the National Labor Relations Act and the Labor Management Relations Act so as, among other things, to extend and improve the secondary boycott provisions and forbid coercive organizational or recognition picketing by a union where workers obviously do not want it.

3. Authorize the Secretary of Labor to prescribe and enforce safety standards to be maintained by employers of employees covered by the Longshoremen's and Harbor Workers' Compensation Act.

4. Provide for temporary additional unemployment compensation benefits for certain persons who have exhausted their rights to unemployment compensation under State laws and under the Federal programs providing such compensation for railroad workers, Federal civilian employees, and Korean veterans.

At the request of congressional committees, and to assist officials of the Department in testifying before those committees, legal analyses and opinions, explanatory statements, and comparative charts dealing with bills under consideration in Congress are furnished. During fiscal 1958, 1,760 statements were prepared by this Branch on request—an increase of 243 over the previous year.

In addition to the legislative work, the Branch performs various legal services for the bureaus and offices. In rendering such services during the year, the Branch prepared 568 analyses, memoranda, and orders. The 779 letters prepared for the signature of the Secretary exceeded the number for the previous year by approximately 21 percent, while 1,521 letters were drafted for the Solicitor's signature.

The Branch of Legislation and General Legal Services also furnished legal services in connection with the interests and activities of the Department in international labor affairs. It assisted in the preparation of the United States Position Paper on a proposed ILO convention and recommendation relating to discrimination in employment. This was prior to the adoption by the International Labor Conference at its 42nd session,

June 1958, of a convention and recommendation dealing with this subject. In September 1957, the Solicitor attended the Second International Congress of Labor Laws in Geneva, under the auspices, among others, of the Director-General of the ILO.

The hearing examiners of the Hearing Examiners Branch conducted 30 hearings and issued 34 decisions during fiscal 1958 in proceedings involving violations of the provisions of the Walsh-Healey Public Contracts Act. Twenty-four of these decisions were concerned with violations of the health and safety standards of the act, 18 with the act's minimum wage and overtime requirements, and 1 with violations of its child labor provisions. In addition, 6 hearings were held in proceedings involving the determination of the prevailing minimum wages in particular industries pursuant to the provisions of the Walsh-Healey Act.

The hearing examiners also presided at two hearings under other acts. One of these was conducted in proceedings under the Railway Labor Act to determine the merit of a labor organization's claim to participate in the selection and designation of the labor members of the National Railroad Adjustment Board. The proceedings involved in the second hearing had been brought under the Fair Labor Standards Act to determine whether the Secretary of Labor should broaden the exemptions for student-learners enrolled in cooperative vocational training programs for employment in occupations previously declared to be hazardous.

The Branch of Special Services of this Division provides necessary legal services to the Employees' Compensation Appeals Board in connection with the adjudication of compensation cases on appeal to the Board. It furnishes legal advice to the Board in connection with the adjudication of such cases, writes the opinions expressing the Board's decisions, and performs special research assignments requested by the Board or by the Solicitor. During the past fiscal year, 242 decisions were written.

BUREAU OF APPRENTICESHIP AND TRAINING

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During the fiscal year 1958, the Bureau of Apprenticeship and Training carried out its responsibility of working with management and labor in formulating industrial training programs. Through various studies, it assisted in determining the need for apprenticeship and training in a number of areas and, with local cooperation, established programs in specific jurisdictions.

The Bureau stimulated business and industry in analyzing their individual skilled manpower needs currently and in the future. It urged these establishments to provide for tomorrow's needs by training today. Whenever possible, the Bureau provided technical assistance.

Bureau personnel, both in Washington and in the field, carried out the following five specific functions:

1. 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.

2. Endeavored to create public awareness of the need for apprenticeship and training; publicized outstanding training systems; and encouraged employers, labor organizations, and individuals to take appropriate action to insure the required number of skilled workers.

3. 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.

4. Worked with management, labor unions, and State apprenticeship and community agencies in developing organizational machinery for training programs and apprenticeship systems.

5. Through its technical staff, developed training aids and other devices to increase the effectiveness of apprenticeship and training, and served as a clearinghouse for training materials.

Field Operations

Over 80 percent of the approximately 500 employees of the Bureau are in field offices in the United States and Hawaii. These persons provide direct technical assistance to employers and employee organizations, both individually and jointly, on training problems, and seek to create an awareness among the public of the need and opportunities for industrial training.

In fiscal 1958, a total of 85,731 establishments received service, as did 6,813 joint apprenticeship committees. This included technical assistance to 18,089 firms and, in setting up and maintaining training programs for journeymen in new processes and methods, to 1,207 joint apprenticeship committees.

The field staff participated with other agencies and private groups in 8 community manpower studies. Training material centers were promoted in a number of areas and established in 3 cities. Members of the field staff followed up on the foundry survey of 1957 when some 3,000 job foundries were contacted to determine present training practices and future manpower needs.

Promotional activities included 2,205 speeches at conventions and conferences, 125 radio and television appearances, 1,212 completion ceremonies, 1,797 articles in newspapers and magazines, and 473 showings of training films. Staff members also assisted in the planning and conducting of 3 multistate apprenticeship conferences and a national railroad conference in which approximately 2,000 labor and management officials participated.

The services of four field representatives were made available on a loan basis to the International Cooperation Administration and the Office of International Labor Affairs for an average of 10 weeks each. A total of 121 foreign trainees were placed with various industries for training in American methods of administration and technology, requiring the field staff to devote approximately 3 percent of its time in arranging for approximately 470 man-months of training.

August 3, 1958, marked the 10th anniversary of the International Branch of BAT, and the August issue of BAT News featured this event. During the 10-year period, trainees have been programed from 28 different countries, with 1958 seeing the first trainees from Ghana and Iceland.

Management Services

The Division of Management Services placed major emphasis on improving practices in planning, communications, and budget control.

To strengthen the planning process in both field and headquarters offices, the Division developed a system for both planning and reporting activities. Procedures geared to changes in program direction were developed and will be put into effect in fiscal 1959. These will be reviewed and revised after a 6-month trial period.

Improvement of Bureau communications was a major objective. Among the activities undertaken to achieve this were: Establishment of a Bureau communications system, for dissemination of instructions and information to the staff; adoption of standard correspondence practices in the headquarters office; and training in effective writing for technical and clerical personnel.

An improved budget control system was installed. This provides data

from which quicker and more accurate determinations can be made of the budget status of all established positions, current payroll costs, and pending personnel actions affecting payroll.

National Industry Promotion

Highlight of the year's activity was the excellent bureauwide cooperation on industry projects. With the assistance of all divisions, a summary report and promotional aid were developed for the follow-up in the foundry industry. Using this tool, the field staff completed the foundry project calling on more than 2,000 firms. While foundry employment was not as high as previously reported, the follow-up resulted in a 27 percent increase in apprenticeship and training in this industry.

Initial top management and labor clearances were secured for 4 industry projects for fiscal 1959. Interest in and support of national organizations are assured in the electrical contracting, pulp and paper, aircraft and missile, and tool and die nationwide research and promotional campaigns. A preliminary study of tool and die contract shops showed that 421 of the 1,012 affiliated with the National Tool and Die Manufacturers Association have registered programs and are training apprentices. Through the bureauwide industry projects committee, a research and promotional tool has been developed for use of the field staff in contacting more than 3,500 firms in these 4 industries in fiscal 1959.

Five transportation programs received national recognition during fiscal 1958, bringing the total to 25 now registered with the Bureau. Transportation companies registered included Long Island Railroad, Railway Express Agency, Jacksonville Terminal Co., Chicago and Eastern Illinois Railroad, and the Houston Belt and Terminal Railroad.

Two additional national apprenticeship coordinators were employed by industry, one by the Associated General Contractors of America, and the other by the Structural Clay Products Institute. There are now 27 national apprenticeship and training coordinators.

The Division of National Industry Promotion participated in 63 national conventions; 16 National Joint Apprenticeship Committee meetings; made 17 addresses at national conventions; attended 8 multistate and other national conferences; and had working relationships with 221 national associations and 77 international unions.

The Division assisted the American Society of Training Directors with its 14th annual conference in Washington, where a Bureau exhibit was viewed by more than 1,000 training directors. Bureau personnel worked on preliminary planning for this conference, and served as hosts to 5 industry trade group meetings. The Department of Labor was host to the American Apprenticeship Round Table at its 15th annual meeting in Washington, when apprenticeship representatives of 30 top companies discussed apprenticeship trends and problems.

Representatives of the Division of National Industry Promotion authored several articles in leading trade association publications as part of the Bureau's program to advise on training needs and to stimulate action on the part of the association and its members.

Public Information

The Office of Information and Publications provided editorial assistance to the various divisions of the Bureau, and made use of mass communication media to publicize the Bureau's activities.

In addition, some 168,400 Bureau publications were sent in answer to requests from employers, trade associations, labor unions, school officials, students, public libraries, private citizens, representatives of State, Federal, and foreign governments, and Bureau field representatives.

Thirteen news releases were prepared and 18 exhibits provided for apprenticeship, labor, and trade association conventions, State fairs, and similar group meetings. Technical assistance was given to the Office of International Labor Affairs and to the United States Information Agency in the preparation of a 16-panel manpower exhibit for overseas distribution.

One television script was drafted for field use and 96 film slides produced. Considerable time was devoted to the drafting and production of a series of flip charts to be used as a promotional tool in the 5 industry projects campaigns (aircraft-missiles, electronic, electrical, paper and pulp, tool and die).

The Office designed and arranged for the printing of the Waterville, Me., manpower survey; issued a booklet, Planned Training . . . Your Future Security, for high school career days; and a leaflet, Now Is the Time To Train. Covers and layout were handled for the draftsmen, electrical, and bricklayers standards; a foundry training promotional aid; two training and industry publications for the Division of Review and Registration; and three publications for the Division of Research.

A representative of the Office visited Lockheed Aircraft Co. at Marietta, Ga., West Virginia Paper and Pulp at Charleston, S. C., and Harig Tool and Die in Chicago, and prepared illustrated articles for the June Journal of the American Society of Training Directors. This issue featured apprenticeship. The West Virginia Paper and Pulp article was originally written for the April overseas labor packet of the United States Information Agency.

Reprints of 12 articles, dealing with apprenticeship and training, in national publications were ordered for public distribution. In addition, the Office redesigned and arranged for printing the certificate for completing apprentices.

In fiscal 1958, the Office started a monthly staff publication, BAT News. Reports from the national office and the field indicate this has not only been well received but is meeting the objective of closer liaison with all segments of the Bureau's personnel.

Research

The research program provides basic economic and manpower data to assist the Bureau in promoting sound training practices in industry. Published research studies are a source of information to management, union officials, and others seeking ways to organize and improve apprenticeship and training programs to meet the need for skilled workers. Among these studies are: (1) Surveys of particular industries to determine training needs, what training is being done, and what measures should be recommended to develop additional training; (2) surveys to evaluate the contributions of apprenticeship and other training to the Nation's skilled work force; and (3) case studies of outstanding training programs to determine factors accounting for their success.

Each year the Research Division conducts several research studies related to the Bureau's overall program. A report on labor-management cooperation in training patternmakers, a case study of the operations of the Chicago Pattern Makers' Joint Apprenticeship Committee, was published. During its first 16 years of operation, approximately 100 pattern shops participated in this jointly sponsored program to meet requirements for journeyman patternmakers. Of the 463 apprentices enrolled in the program during this period, 229 achieved journeyman status, and 97 were in training in July 1957. Employers and unions in other localities will benefit by studying the operations of this outstanding joint apprenticeship committee.

An article describing the results of the study of foundry skill requirements and training needs of production and job foundries was published in the October 1957 issue of the Monthly Labor Review. In addition to presenting survey findings, the article summarized action taken in the industry to improve the skills of its workers. The research staff participated in the development of the booklet on foundry training used by the field representatives in their promotional work.

Training development projects in the electrical contracting, tool and die, paper and pulp, and aircraft and missiles industries require considerable planning, particularly as regards the factfinding phases of the projects. Studies of training needs of the industries, and the extent to which these needs are being met, provide information to the Bureau in carrying out its promotional programs. In conducting such studies, the Division cooperates closely with management, labor, and other private and government organizations at national and local levels. Preliminary work concerned with the factfinding phase in the electrical contracting industry was completed so that field work on the project could begin in July 1958.

In addition to carrying out its own program of research studies, the Research Division relies heavily on the findings of other research organizations. A publication outlining the research interests of the Bureau and pointing up areas in which additional research is needed was released in October 1957. The report is designed to encourage research organizations of management, labor, colleges and universities, and other institutions to

undertake projects concerned with skill development in industry. The publication outlines some of the research work that has been conducted or is under way. It offers technical assistance to researchers doing studies on skill development in industry. During the past year, the Research Division provided information and technical assistance on approximately 20 research projects conducted by private organizations. The results of most of these studies will be published by organizations sponsoring the research.

Review and Registration

Major activities during fiscal 1958 included further simplification of statistical procedures and apprenticeship records, the solution of apprentice classification problems arising from the national highway construction program, improvement and extension of review service on apprenticeship standards and occupations, and more effective liaison with other government agencies whose activities are related to the Bureau's work.

During the fiscal year, 4,915 new or revised apprenticeship programs, submitted by Bureau or State apprenticeship agency field staffs, were reviewed.

Among important national apprenticeship programs or proposals reviewed were: Revised policy statement, Molders and Foundry Workers; redraft of proposed Lithographic Standards; addition of lineman trade to National Electrical Standards; second edition of Glaziers and Glassworkers National Standards; Railway Express Agency program; and proposed revision in Veterans' Administration regulations pertaining to procurement of tools for disabled veterans in apprenticeship programs.

In the 21 States and Alaska which the Bureau served as registration agency, a total of 34,457 apprentice registrations, completions, or cancellations were recorded. A total of 8,513 apprentice completion certificates were issued. Certificates of meritorious service to apprenticeship were awarded to 253 individuals, representing management, labor, and the schools. Certificates of registration, in recognition of new or revised apprenticeship systems, were issued to 1,069 companies or joint apprenticeship committees.

Extensive changes were introduced in statistical processing of data on registered apprentices. The practice of maintaining a national roster of individual apprentices in the Washington office was abandoned in August 1957. This eliminated the need for punching biographical data on I. B. M. cards covering each apprentice. It also eliminated listing these data on I. B. M. tapes. As a result, it was possible to reduce the cost of machine tabulation operations. The Division also cooperated in a survey of Bureau statistical procedures undertaken by a BLS staff member. A number of requested statistical reports were prepared.

Planning has progressed in developing a simplified summary reporting

of apprentice registration actions for the field staff. Methods of collecting statistics to improve the accuracy of this data are under study.

The rapidly developing national highway construction program resulted in the need for a clear definition of the type of apprenticeable occupations which would be recognized by the Office of the Solicitor of Labor under Federal wage determination regulations. The operating engineer craft posed particular problems due to variances in practices as to apprentice training qualifications. Conferences were held with highway contractor groups, and with officials of the Solicitor's Office. Information on training practices used by equipment manufacturers was obtained. As a result, three categories of operating engineers were recognized experimentally for wage determination purposes and apprentice training. It is expected that this effort to standardize on classifications will have a beneficial effect on the development of apprenticeship and training for operating engineers in the wide variety of equipment involved.

A number of problems developed during the year requiring attention of the staff in conjunction with officials of other Federal agencies:

Members of the staff participated in departmental meetings concerned with the study of child labor standards, including the employment of minors in agricultural work and exemptions for exceptional children from child labor standards.

Bureau officials attended a number of labor conferences on the adequacy of present governmental data and statistics on the employment of migratory workers.

Officials also conferred with BLS on reissue of the Job Guide for Construction Trades. The BLS pamphlet Mathematics and Your Career was reviewed and changes suggested. This publication is aimed at helping students understand the importance of mathematics in various occupations. An article on "Opportunities in Construction Trades" was prepared for Occupational Outlook. It concerned opportunities for those interested in entering the building trades through apprenticeship.

Information relating to apprentice employment under Federal wage determination regulations was provided to a number of enforcement officials of Federal agencies. The Division cooperated with the Solicitor's Office in checking apprentice wage schedules, and 9,151 project wage determinations were distributed to the apprenticeship field staff.

The Division conferred with Government Service Administration officials on the establishment of standards for employment and training of apprentices in maintenance crafts employed by that agency.

A new series of apprenticeship publications pertinent to the interests of particular trades or industries was started. Three such trade and industry pamphlets were prepared during fiscal 1958: Aviation industry occupations, including manufacturing, transportation, and service; industrial plant and equipment maintenance; and mechanical repair and personal service trades.

The Division prepared a report on training and vocational education requested by the president of the AFL–CIO Metal Trades Department and

furnished statistical data on construction and metal trades to the AFL–CIO. Conferences were held with officials of the United Association of Plumbers and Pipefitters as to proper identification of apprentices in refrigeration and air-conditioning work, and a suitable classification was agreed upon. Division representatives met with lead-burning industry officials to work out details of their national program. Data on training in the use of precision instruments in the machine-tool trades were prepared for the International Association of Machinists. A Division representative participated in the first national conference of full-time local training directors of the electrical contracting industry.

The Division chief conferred with the Solicitor's Office and others regarding legislative proposals affecting apprenticeship, including a bill relating to disclosure of health, welfare, and pension funds. An analysis was prepared of S. 3974 concerning labor-management practices, and another clarifying legality of apprenticeship and training funds under the Labor Management Act of 1947. The deductibility of certain expenses of apprentices while attending school was discussed with Internal Revenue officials, and a bulletin was prepared for the field staff.

A study of the Brown-Olds NLRB decision was made concerning the functioning of joint apprenticeship committees.

State-Federal Relations

The Division of State-Federal Relations was established to work with the States in correlative areas of interest in the promotion and development of the national apprenticeship program. It prepares recommendations, programs, and plans on policies and procedures to encourage and create an atmosphere of mutual understanding and cooperation in the promotion of apprenticeship by State and Federal agencies.

During fiscal year 1958, the Division carried out the following activities in assisting the States and Bureau staff:

1. Developed a continuing program of review of practices and procedures to improve the correlation of State and Federal apprenticeship activities; and instructions on the preparation of material used by other divisions when developing plans that affect the States or are of interest to them.

2. Worked with the field staff in providing recommendations and plans, and in supplying information to enable them to perform their liaison work with the States more effectively; prepared material for regional directors on specific activities when working with the States.

3. Maintained, on a current basis, information concerning State apprenticeship activities, legislation, policies, practices, procedures, and other information needed to understand the various State plans. This information has been used by members of the Bureau staff (headquarters

and field) in planning activities, determining policies, and answering inquiries that affect the States.

4. Represented the Bureau at national, sectional, and State meetings, to promote a more coordinated and effective apprenticeship program with the States. Also represented the Bureau at numerous conferences with State officials to encourage increased promotional efforts in a coordinated State-Federal apprenticeship program.

5. Represented the Bureau in meetings, conferences, and through correspondence in dealing with problems of mutual interest with the States; provided assistance and suggested methods for maintaining continued effective working relationships.

6. On request, provided consultative services to members of the Bureau staff on proposed State apprenticeship legislation, amendments to legislation, and recommended procedures in setting up proposed State apprenticeship activities; prepared proposals and developed material for other divisions dealing with areas of activity of interest to the States; provided assistance to BAT staff in working on programs with the States.

7. Operated a continuing informational service to the States to keep them informed of the latest apprenticeship developments as they occur, and secured information requested by the States; conducted an exchange of informational and promotional pamphlets prepared by the States; checked with the States concerning activities that affect them; and assisted the States by informing them on changes while working out details with them.

8. In addition to State-Federal relations activities, provided staff services in connection with the Federal Committee on Apprenticeship, in preparing for meetings of the committee and reporting on the results of these meetings; also prepared information of interest to members to keep them informed between meetings.

Training Service

In fiscal 1958, greater emphasis was placed on staff development activities. The two major categories are on-the-job and auxiliary methods.

Regional directors have the responsibility for staff training within their regions, and 10 full-time training technicians were assigned to regional offices to assist in carrying out training responsibility. Regional training committees were also established to serve in an advisory capacity to regional directors on such matters as identifying training needs, selecting training methods, administering training, and evaluating the results of training.

Recommendations of the committee are usually carried out by a technician under guidance of the regional director and the committee.

To assist the technicians in implementing the training recommendation of the committee, the Training Service Division prepared materials and "tools" as requested. It also provided the technicians with projection equipment, recording machines, drafting equipment, and other supplies.

Materials and tools were demonstrated at two conferences, planned exclusively for the development of the technicians' ability.

Following are examples of types of material and tools demonstrated: Management and Supervisory Charts, High School Career Day Outlined Presentation and Sample Speech, The Conference Method, Visual Aids, and Foundry Promotional Packet.

Certain of the above materials have been adopted by industry and governmental agencies.

The technicians develop material and training aids to meet specific situations. Successful items were presented at the technicians' conference where they were evaluated and revised for national use.

Additional items of projection equipment were assigned to regional offices enabling the field staff to make presentations to larger audiences. These presentations created community awareness of the need for manpower studies and development. Three sets of slides identifying these needs were made available to the regions.

The Division prepared 34 releases on professional aids and suggestions to the field and national staff. In one region, "Our Manpower Future" was presented 226 times to a total of 10,885 representatives of public groups.

Studies were made at the Atomic Energy Commission's Hanford installation to determine standards of performance required of pipefitters, boilermakers, and electricians in the construction and operation of reactors. Findings of these studies were made available to the respective international unions, with appropriate follow-up to promote training with each craft as indicated by the studies. Application of these findings was recommended to Ingalls Shipbuilding Corp. at Pascagoula, Miss. This is the first private yard to receive contracts to build atomic power submarines. It will also install atomic reactors in two large tankers.

Clerical training was conducted on a continuing basis in several regions and in the Washington office.

The Industrial College of the Armed Forces continued to enroll field representatives in its field conferences, and 13 representatives completed these conferences during the year.

BUREAU OF EMPLOYEES' COMPENSATION

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This year marks the 50th anniversary of workmen's compensation in the United States. The original Federal act providing limited benefits to certain civilian Federal employees injured at work was passed in 1908. By 1916 a uniform system for all civilian Federal employees was designed by legislative enactment. In 1927 a separate act established benefits for employees in private offshore stevedoring pursuits and also for shipyard repairmen.

Later legislation has encompassed private employees in the District of Columbia, defense base workers, Outer Continental Shelf lands activities, and civilian workers employed by nonappropriated fund instrumentalities of the Government. Other acts administered by the Bureau of Employees' Compensation require continued benefits for injuries sustained by emergency relief workers, civilian war risk casualties, military reservists, and war claims cases.

Despite this necessarily complex network of legislation and heterogeneous coverage, the basic purpose of the Federal workmen's compensation system is a very simple and specialized one. It is to provide immediate care for the injured employee. The essential elements of this care are timely first aid, adequate medical attention, compensation for loss of earning capacity, and rehabilitation.

As a pioneer venture, workmen's compensation provided great impetus to accident prevention and significant expansion in the field of other social benefit legislation. Compensation benefits are paid by the Federal Government to its own injured employees through appropriated funds; those to private employees are provided and paid by commercial insurance or supervised self-insurance. Altogether, probably 3.5 million workers are covered under the system in the event of a work injury. Both traumatic injuries and occupational diseases are ordinarily compensable. During 1958, Federal disbursements for compensation benefits, including medical, amounted to $59.6 million, up 6.2 percent from the previous year.

Federal Employees' Compensation Act

Nearly 98,000 civilian Federal employees reported work injuries during 1958, substantially the same number as in 1957 but up 15 percent over the base period 1947–49. Because of curtailed coverage for military reservists, reported fatalities dropped from 1,116 in 1957 to 456 in 1958.

Despite spectacular improvements in accident prevention in many Federal establishments, analysis of casualty rates over the past 5 years shows the overall frequency of disabling injuries practically unchanged at 7.8 per million man-hours of exposure. The severity rate reflects a favorable 10 percent decrease. The cost factor based on a rate per $100 payroll remains substantially the same at 25 cents, that is, one-quarter of 1 percent of payroll; but the cost per employee covered has increased nearly 9 percent due mostly to increased wage rates upon which compensation benefits largely depend.

During the past 5 years, the average evaluation of an approved fatal case has increased from $39,300 to $49,600, up 26.2 percent, while the average number of 240 dependents per 100 cases has remained the same. Disability compensation per compensated nonfatal case has increased 28.4 percent. Admittedly difficult as it is to measure satisfactorily the adequacy of Federal compensation benefits, the fact remains that over 98 percent of the disability cases receive their full two-thirds or three-fourths rate of compensation for compensated periods of total disability, whether of a temporary or permanent nature. The three-fourths rate of compensation, based upon wage rate earned at time of injury, is payable during periods when the injured has a dependent. Empirical data in thousands of cases point clearly to the fact that the average group rate is between 70 and 72 percent.

Use of sick leave rights, during which time up to 100 percent of wages is paid, provides an even more favorable position. Of the 102,924 case closings during 1958, there were 43,840 approved nonfatal cases with disability of 1 full day or more beyond the day of injury. Of these, 31,088 cases, by resorting to their leave privileges, averaged over 85 percent of their wage rate during their disability period; the other 12,752 cases were compensated from the Federal Employees' Compensation Fund. During 1958, 33,830 cases were compensated, including 20,696 that remained active as of June 30. Of the active compensated cases, 10,674 were fatal.

Total disbursements made from the Federal Employees' Compensation Fund amounted to $59.6 million in 1958. Of this amount, death compensation claimed $26.4 million, or 44.3 percent. Nearly 70 percent of the death compensation was due to fatalities arising under the military reservist program. Disability compensation for civilian Federal employees totaled $23.1 million, and medical treatment $7.7 million. Practically all of the remaining $2.4 million was attributable to cases reported under the War Hazards Act, War Claims Act, Civilian War Benefits Act, and emergency relief acts, and for Civil Air Patrol and Reserve Officer Training Corps injury cases.

During 1958, further decentralization of this activity was provided for in the appropriation act. Facilities for the local adjudication of claims were established in District offices of the Bureau in Chicago, Boston, and New York City. These three, together with the previously established facilities in the office in San Francisco, provide services for about 50 percent

of activities previously handled in the central office. The establishment of decentralized facilities provides increased opportunities for the injured employee to consult with officials of the Bureau and enables the latter to establish closer working relationship with Federal facilities and help expedite the adjudication of claims.

A sample study of 1,165 compensated disability cases for the last half of the fiscal year 1958 indicates average improvement of 26 percent in submission time for claims, and a substantial curtailment in adjudication time, such that the overall average time taken from stoppage of pay to payment of compensation is reduced nearly 35 percent. Administrative plans are being made to obtain authority to carry out a complete decentralization of the Federal workmen's compensation program.

The utilization of Federal medical facilities, principally those of the U. S. Public Health Service, for treatment of injured Federal employees has continued at a high level. The newly decentralized offices have made it possible to develop closer and more realistic liaison with many of the governmental hospitals and medical facilities. This is helpful in medical care of injury cases. Closer cooperative relationship has been established with the vocational rehabilitation offices of the various States. Public and private rehabilitation centers have been used during the year for special surveys to determine work tolerance and other factors required in vocational rehabilitation efforts.

In connection with the special studies of obscure or unusual cases arising out of industrial conditions, the facilities of the Wright-Patterson Air Force Base have been made available to Federal civilian employees of air bases throughout the United States and to employees of other Federal establishments on clearance with the Office of the Surgeon General of the Air Force. At this facility, cases of alleged occupational disease are given a complete medical workup, including the analysis of materials believed responsible for the disease, and analysis of working environment when indicated.

This arrangement has proved to be of considerable assistance in resolving occupational disease cases of obscure or unknown etiology. A list of designated physicians was maintained during the year and there was additional extension of these facilities to some of the suburban areas of large metropolitan cities. There are about 3,000 designated physicians throughout the country. These physicians are selected because of their qualifications as surgeons, orthopedic surgeons, or general practitioners.

Private Employment Work Injuries

Private employment subject to Federal workmen's compensation jurisdiction may conveniently be divided into the following groups: Longshoremen engaged in offshore stevedoring; ship repairmen; certain other employees engaged in maritime employment on navigable waters of the United

States; employees of private enterprise in the District of Columbia; defense base workers; employees engaged in operations conducted on the Outer Continental Shelf exploring for, developing, removing, or transporting by pipeline the natural resources of submerged lands; and certain civilian employees of nonappropriated fund instrumentalities of the Federal Government. Such coverage does not include a master or member of a crew of any vessel, or an officer or employee of the United States Government or of any State or foreign government.

Coverage for civilian employees of nonappropriated fund instrumentalities was provided by recent legislative enactment, Public Law 85–538, July 18, 1958. Included are certain employees of the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Ship's Store Ashore, Navy exchanges, Marine Corps exchanges, Coast Guard exchanges, and other instrumentalities of the United States under the jurisdiction of the Armed Forces. This legislation increases significantly the Bureau's jurisdiction over occupational injuries to nonfederal employees working within or outside the continental limits of the United States, and adds appreciably to the complexity of its administrative duties. Additional responsibility is also inherent in Public Law 85–477, June 30, 1958, whereby provisions of the Defense Base Act are extended to certain employees of contract work performed outside the continental United States, under the Mutual Security Act.

The exact number of workers in these various private employments subject to Federal workmen's compensation is not known. It is believed that close to 350,000 longshoremen, ship repairmen, and other maritime workers are affected. Nearly 300,000 employees of private enterprise in the District of Columbia are covered. Defense base workers and others probably bring the total employment coverage close to the million mark.

Injuries reported during 1958 declined somewhat from the previous year, but the total of 102,633 cases was still higher than in 1956. Longshore and shipyard repair operations showed an 11 percent decrease in the number of injuries reported. Reports of injury under all other coverage totaled 31,557 in 1958, practically identical with that of 31,718 in 1957. The total number of deaths reported decreased from 205 in 1957 to 185 in 1958. Many of these deaths were later found not to be work connected, bringing the average annual number of awards during the past 3 years down to 103.

The professional task of determining the precise merits of all these nonfatal and death cases entails considerable work on the part of 14 district offices. During 1958, there were 34,061 personal interviews with claimants and employers or their representatives, 13,764 informal conferences relating to claims, 6,938 independent medical examinations ordered, and 371 formal hearings completed. Although such administrative activity in 1958 remained relatively the same as in the previous year, the number of informal conferences on claims increased 16 percent. On June 30, 1958, nearly 6,800 families or individuals were receiving compensation benefits under these various Federal compensation acts affecting employees of private

industry. This represents a 17 percent increase over the comparable figure for 1957. Included in the group were 1,088 families of fatally injured workmen.

Total compensation, exclusive of medical, in cases closed during the year amounted to $11.6 million, of which $8.9 million was attributable to injuries sustained by longshoremen and harbor workers, and $1.6 million to beneficiaries under the District of Columbia Workmen's Compensation Act. Reduction of the former 7-day waiting period to 3 days has increased the number of compensated cases nearly 32 percent since the legislation of July 26, 1956; at the same time average weekly disability benefits have advanced close to 35 percent. The aggregate amount expended in closed cases does not adequately reflect these significant relative changes. The present maximum of $54 compensation per week provides the full two-thirds rate of wages for compensated periods in disability cases up to a weekly salary of $81. In regard to medical care, the various Federal acts have from the beginning of such coverage in 1927 provided benefits unlimited both as to time and amount, a historical precedent set by the original Federal Employees' Compensation Act of 1916.

Program Objectives

Major program objective is the completion of plans for more expeditious servicing of beneficiaries through complete decentralization of administrative functions. Pilot tests, one of more than 6 years' duration, show conclusively the relative feasibility and advantages of such an approach. Research facilities also need to be strengthened. Continued emphasis during the coming year will be placed upon further improvements in claims forms and procedures, with particular attention to the pressing problem of securing more complete and expeditious reports of injury and claims from the employing agencies in which injuries occur.

APPENDIX TABLE 1.—*Operations under the Federal Employees' Compensation Act* [1]
July 1, 1953, to June 30, 1958

Item	Average 1947, 1948, and 1949	Fiscal year				
		1954	1955	1956	1957	1958
A. Injury cases reported:						
Nonfatal	83,599	87,468	87,743	91,507	96,978	97,334
Fatal	1,091	2,637	1,578	1,291	1,116	456
Total	84,690	90,105	89,321	92,798	98,094	97,790
Index	100	106	105	110	116	115
B. Employment coverage (average; excludes reservists)	2,100,000	2,407,500	2,393,249	2,396,571	2,433,698	2,389,458
C. Casualty rates: [2]						
Frequency per million man-hours	8.67	7.79	7.71	7.81	8.00	7.76
Severity per million man-hours	680	590	590	552	568	533
Cost per $100 payroll	$0.17	$0.26	$0.27	$0.25	$0.27	$0.25
Cost per employee	$4.63	$10.36	$10.81	$10.93	$12.00	$11.26
D. Number of injury cases reported by establishment:						
Executive Office of the President	1,541	48	27	40	58	54
Department of State	283	274	308	309	343	306
Department of the Treasury	2,388	1,942	1,954	1,838	1,941	1,752
Department of the Army	17,065	16,014	14,198	13,553	12,832	12,151
Department of the Air Force	6,192	7,762	7,654	8,645	10,120	10,473
Department of the Navy	8,830	6,004	5,760	5,777	5,664	5,618
Department of Justice	437	745	801	871	944	1,017
Post Office Department	25,129	31,882	34,993	38,771	42,663	43,152
Department of the Interior	3,827	4,141	3,824	3,979	4,158	3,978
Department of Agriculture	4,031	4,397	4,381	4,821	5,326	5,468
Department of Commerce	1,206	1,503	1,533	1,536	1,812	1,865
Department of Labor	79	58	74	81	92	84
Department of Health, Education, and Welfare	599	670	727	856	1,096	1,182
General Services Administration	1,804	1,997	1,851	1,561	1,745	1,821
District of Columbia Government	716	800	872	810	735	816
Tennessee Valley Authority	982	1,774	1,775	1,224	1,173	1,224
Veterans' Administration	6,532	5,877	5,503	5,194	4,733	4,497
All other agencies	3,049	4,217	3,086	2,932	2,659	2,332
Total	84,690	90,105	89,321	92,798	98,094	97,790
E. Final disposition of injury cases:						
Minor injury cases	36,585	44,849	45,985	48,266	51,851	53,064
Disability 1–3 days	10,862	12,439	12,018	13,037	13,334	11,313
Covered by leave	18,924	20,091	19,302	21,091	20,699	19,775
Compensated, nonfatal	10,101	13,557	11,935	11,187	11,230	12,752

Compensated, fatal	498	391	383	297	359	382
No dependents, fatal	93	105	123	66	95	21
Disapproved	3,762	4,874	4,134	3,341	2,957	2,660
All other	2,682	3,905	3,468	3,090	2,903	2,957
Total	83,507	100,211	97,348	100,375	103,428	102,924
Index	100	120	117	120	124	123
F. Number of cases being compensated at the end of fiscal year:						
Nonfatal	4,939	7,919	7,770	8,428	9,060	10,022
Fatal	5,262	7,909	8,821	9,710	10,479	10,674
G. Number of cases in which fatal awards were made during year	755	1,380	1,308	697	802	577
Number of widows	545	1,273	972	568	733	514
Number of children	1,023	1,972	1,535	943	1,187	841
Number of parents	127	70	105	71	47	39
Number of brothers and sisters	301	21	44	12	12	9
Number of other dependents	12	4	1	1	1	2
Total number of dependents	2,008	3,340	2,657	1,595	1,980	1,405
Average number of dependents per case	2.7	2.4	2.0	2.3	2.5	2.4
H. Three basic averages (excludes reservists): [2]						
Average evaluation per fatal case	$11,210	$39,258	$38,668	$43,690	$50,617	$49,570
Average evaluation per nonfatal disabling injury	$158	$435	$483	$489	$491	$518
Average days lost per nonfatal disabling injury	27	44	47	46	45	43
I. Disbursements:						
Disability compensation	$5,354,032	$16,962,576	$17,817,188	$19,270,835	$21,059,183	$23,092,928
Death compensation	4,001,944	(17,186,229)	(21,122,799)	(22,192,233)	(25,343,774)	(26,351,750)
Federal employees		7,632,559	7,841,142	7,741,754	8,379,225	8,309,793
Reservists		9,553,670	13,281,657	14,450,479	16,964,549	18,041,957
Medical treatment and supplies	2,603,390	6,104,608	6,720,151	6,583,440	7,071,615	7,669,346
Miscellaneous costs	108,489	233,037	223,755	231,609	267,782	384,856
Enemy action, Public Law 784 and 896	1,626,398	(2,340,627)	(1,627,719)	(1,600,887)	(1,611,671)	(1,392,829)
War Hazards Act, Public Law 784		190,627	168,118	139,057	126,552	125,814
War Claims Act, Public Law 896		2,150,000	1,459,601	1,461,830	1,485,119	1,267,015
Civilian war benefits		52,261	42,936	42,804	35,239	21,179
Emergency relief acts	610,957	800,119	767,896	708,931	676,323	618,830
Civil Air Patrol					26,826	57,901
Reserve Officers Training Corps						16
Total	14,305,210	43,679,457	48,322,444	50,630,739	56,092,413	59,589,635
J. Emergency relief cases still active:						
Nonfatal	411	203	192	190	179	177
Fatal	2,402	1,412	1,324	1,252	1,157	1,137

[1] Excludes emergency relief acts except where specifically indicated; includes reservists 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 includes evaluated future cost in open cases that occurred in the years covered. Rates and averages in C and H are preliminary for 1958.

APPENDIX TABLE 2.—*Operations under the Longshoremen's and Harbor Workers' Compensation Act, and extensions thereof, July 1, 1953, to June 30, 1958*

Item	Average 1947, 1948, and 1949	Fiscal year				
		1954	1955	1956	1957	1958
A. Injury cases reported:						
Nonfatal	157,954	102,988	93,325	100,790	111,339	102,448
Fatal	280	214	167	171	205	185
Total	158,234	103,202	93,492	100,961	111,544	102,633
Index	100	65	59	64	70	65
B. Kinds of employees injured:						
Longshoremen	52,806	28,046	28,801	31,542	36,080	33,762
Harbor workers	61,496	41,097	33,609	38,213	43,746	37,314
Defense base workers	14,465	7,415	4,534	4,261	4,374	4,905
District of Columbia private employees	29,467	26,644	26,138	26,142	25,986	25,223
Outer Continental Shelf			410	803	1,358	1,429
Total	158,234	103,202	93,492	100,961	111,544	102,633
C. Final disposition of injury cases:						
Number of cases closed:						
Longshoremen's and Harbor Workers' Compensation Act	116,857	72,066	64,541	71,553	79,212	74,954
District of Columbia Workmen's Compensation Act	30,033	27,819	26,651	26,892	26,359	26,390
Defense Base Act	14,659	8,003	5,061	4,782	4,592	5,118
Outer Continental Shelf Lands Act			365	747	1,220	1,461
Total	161,549	107,888	96,618	103,974	111,383	107,923
Evaluation of cases closed (excluding medical):						
Longshoremen's and Harbor Workers' Compensation Act	7,143,222	8,925,454	8,768,049	8,018,233	8,780,437	8,903,192
District of Columbia Workmen's Compensation Act	867,512	1,352,922	1,221,247	1,216,943	1,475,985	1,618,305
Defense Base Act	630,141	520,330	494,405	353,724	837,092	839,021
Outer Continental Shelf Lands Act			14,793	38,022	139,188	195,131
Total	8,640,875	10,798,706	10,498,494	9,626,922	11,232,702	11,555,649
D. Number of fatal awards made during the year:						
Longshoremen and harbor workers	91	49	35	86	70	54
District of Columbia private employees	21	18	16	17	18	17
Defense base workers	33	6	26	18	15	8
Outer Continental Shelf Lands Act workers				2	3	1
Total	145	73	77	123	106	80

E. Number of cases still active:						
Longshoremen and harbor workers	11,293	12,118	11,980	12,195	15,163	13,968
District of Columbia workers	2,737	2,452	2,763	2,779	3,362	3,150
Defense base workers	1,970	1,809	1,571	1,317	1,335	1,323
Outer Continental Shelf Lands Act workers			63	145	327	377
Total	16,000	16,379	16,377	16,436	20,187	18,818
Index	100	102	102	103	126	118
F. Kind of insurance coverage:						
Insurance companies:						
Longshoremen's and Harbor Workers' Act	271	290	294	299	270	290
District of Columbia Act	82	114	118	123	133	141
Defense Base Act	46	71	71	72	83	84
Outer Continental Shelf Lands Act			24	40	81	89
Self insurers:						
Longshoremen's and Harbor Workers' Act	268	272	264	270	262	255
District of Columbia Act	71	71	71	68	67	64
Defense Base Act	19	18	18	18	18	15
Outer Continental Shelf Lands Act			8	9	10	9

APPENDIX TABLE 3.—*Appropriations and expenditures, fiscal years 1954–58*

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 the end of fiscal year	Total appropriations	Net expenditures
Year ending June 30:					
1954	$2,290,000	$2,286,830	$1,297,925	$43,679,457	$43,679,457
1955	2,338,095	2,335,794	1,290,598	48,322,444	48,322,444
1956	2,612,700	2,612,334	1,467,891	50,630,739	50,630,739
1957	2,639,471	2,638,031	1,523,301	56,092,413	56,092,413
1958	3,214,834	3,212,647	1,931,270	59,589,635	59,589,635

APPENDIX TABLE 4.—*Trust fund accounts for fiscal years 1954–58*

Longshoremen's and Harbor Workers' Compensation Act	1954	1955	1956	1957	1958
Balance, July 1	$705,233.46	$734,522.62	$778,135.85	$794,602.91	$796,904.47
Receipts, fiscal year	37,158.06	34,805.30	31,548.60	33,484.65	33,890.90
Future proceeds from investments adjusted for prior year		[1] 19,439.00			
Total	742,391.52	788,766.92	809,684.45	828,087.56	830,795.37
Expenditures:					
Purchase premium		131.48			
Purchase accrued interest		6.34	128.45	724.45	
Repayment to insurance carrier		1,000.00			
Compensation, section 8 (f)	417.12	1,504.08	3,105.51	4,167.91	3,833.39
Compensation, section 8 (g)	2,103.01	2,148.57	1,739.71	5,402.10	9,981.92
Prosthetic appliances	5,348.77	5,840.60	10,107.87	5,249.57	5,166.87
Transportation					
Reimbursement to salaries and expenses				18,500.00	570.73
Discount on purchase of investments				−2,860.94	
Total	7,868.90	10,631.07	15,081.54	31,183.09	19,552.91
Balance, June 30	734,522.62	778,135.85	794,602.91	796,904.47	811,242.46

[1] Adjustment.

APPENDIX TABLE 5.—*Trust fund accounts for fiscal years 1954–58*

District of Columbia Compensation Act	1954	1955	1956	1957	1958
Balance, July 1	$107,147.33	$111,953.75	$118,176.20	$119,283.30	$121,585.81
Receipts, fiscal year	7,613.58	9,574.30	3,923.70	7,002.40	4,952.40
Total	114,760.91	121,528.05	122,099.90	126,285.70	126,538.21
Expenditures:					
Compensation, section 8 (f)					
Compensation, section 8 (g)	88.58	55.85			
Prosthetic appliances	2,718.58	3,296.00	2,688.15	4,698.66	2,834.20
Transportation					
Purchase accrued interest			128.45	53.73	
Discount on purchase of investments				−52.50	
Total	2,807.16	3,351.85	2,816.60	4,699.89	2,834.20
Balance, June 30	111,953.75	118,176.20	119,283.30	121,585.81	123,704.01

EMPLOYEES' COMPENSATION APPEALS BOARD

EMPLOYEES' COMPENSATION APPEALS BOARD

To the uninformed, an air of mystery prevails as to the mechanics of the operation of and procedure before the Employees' Compensation Appeals Board. A broad outline of how the Board operates may do much to give a comprehensive picture of its processes, the rights on appeal, and the method of orderly procedure. The Federal Employees' Compensation Act is the exclusive remedy for Federal employees for injury or disease sustained in the performance of duty.

The Employees' Compensation Appeals Board consists of three members appointed by the Secretary of Labor. It is separate and distinct from the Bureau of Employees' Compensation. The administration of the Federal Employees' Compensation Act is vested solely in the Bureau. The Board is a quasi-judicial body, which was established by Congress in 1946, with exclusive jurisdiction to consider and decide appeals by Federal employees from final decisions of the Bureau of Employees' Compensation pursuant to the provisions of the Federal Employees' Compensation Act. Prior to that time there was no provision for review, although the Federal Employees' Compensation Act had been in existence since 1916. A decision of the Board is final and not subject to court review. The jurisdiction of the Board extends to questions of fact, as well as law, and to questions involving the exercise of discretion. Board review is limited to the case record upon which the Bureau rendered its decision; new evidence may not be submitted to the Board.

Appeal is a matter of right, if the application for review is filed within 90 days from the date of the Bureau's decision. For good cause shown justifying delay, the Board may extend the time for filing to 1 year. The application for review may be made on a form which the Board has available for this purpose. However, the Board will accept an informal request for appeal provided it furnishes sufficient information to identify the appellant, the decision to be reviewed, and succinctly states the ground of the appeal. It is not necessary for an appellant to be represented before the Board, but if he wishes he may designate a representative.

Within the discretion of the Board, at any stage of the proceeding, a party in interest may inspect the case record in the office of the Board in Washington, D. C. In some circumstances, the record is made available for inspection at a regional office of the Bureau of Employees' Compensation.

When an appeal is docketed, the Bureau is furnished with a copy and is permitted 30 days within which to file with the Board the original record of the case and its reply, which usually takes the form of a memorandum in justification of its decision. Since either the Bureau or appellant may demand oral argument of the issues on appeal, the Bureau memorandum states whether oral argument is, or is not, requested. The applicant then is furnished with a copy of the Bureau memorandum and is given an opportunity to respond thereto. If the Bureau does not request oral argument, appellant is advised of his right to request it and, if he does not do so within a specified time, the case is submitted to the Board for decision without oral argument.

If either party requests oral argument, a hearing is scheduled. The Board sets the issues to be heard and sends notices to the parties at least 10 days in advance of the hearing. Under present practice, hearings are held only in Washington, D. C. The hearing procedure is informal. An appellant may appear in person before the Board or by representative. The failure of an appellant to be present will not prejudice his case. Oral argument is first presented by appellant. The Bureau's representative then makes his presentation, following which appellant is given an opportunity for rebuttal. As new evidence may not be introduced, the parties must confine oral argument to the evidence already in the record or to the legal issues raised.

The only difference in procedure between cases submitted on the record and "hearing" cases is that in the latter the parties have the opportunity orally to stress and argue points which are considered significant. Each Board member personally reads the record, regardless of whether it is a hearing case or one submitted on the record. This permits the most careful evaluation of all of the evidence by all three members before a decision is reached.

In each appeal reviewing the merits of a claim, the Board's decision is accompanied by a written opinion setting forth the salient facts, the conclusions, the law, and the reasoning upon which the Board based its action.

The Federal employee aggrieved by an adverse decision of the Bureau is entitled to the highest standards of appellate review. The Board endeavors to maintain such standards and to achieve through its procedures and practices a just decision in every appeal.

The processing of most of the cases follows the above pattern. However, many other actions may develop, such as motions to dismiss the appeal because of alleged lack of a final decision by the Bureau or contention of other basis for lack of Board jurisdiction, motions to remand for a particular purpose, etc., which may necessitate a variance from the procedure outlined dependent on the nature of the motion or allegation. In any event, in each case the Board enters a formal order disposing of the matter on appeal. The order may affirm or reverse the decision of the Bureau or may remand the case to the Bureau for such further proceedings

as the Board may direct. The Board also may enter an order dismissing the appeal for lack of jurisdiction or inherent insufficiency or permitting withdrawal of the appeal. A copy of the Board's order is sent to all parties in interest.

All fees for legal services performed in connection with the appeal require the approval of the Board. Receipt of any fee or other consideration for such legal services without Board approval is a misdemeanor. Application for approval is submitted by an itemized statement of the extent and character of necessary work performed before the Board and a fee is approved in an amount which is considered fair and reasonable. Legal services performed before the Bureau of Employees' Compensation require a separate application to be submitted to the Bureau for its approval.

The opinions of the Board are comprehensive and constitute a valuable fund of precedent which serves not only to guide the Bureau in the adjudication of claims but also as an important source of reference to injured employees, attorneys, and others concerned with problems of workmen's compensation. Each decision with opinion is first issued in multilith form. Later the decisions are assembled and printed in volumes. At present, the Board's decisions through June 1956 have been published in 8 volumes. The volumes now are available for reference to anyone who wishes access to the Board's decisions at 180 depository libraries, at the workmen's compensation commission of each State, and at the regional offices of the Bureau of Employees' Compensation. In addition, there has been a limited distribution to various university and law libraries throughout the United States. The volumes may be purchased from the Government Printing Office, which has a limited supply. The prices are volume 1, 65 cents; volume 2, 75 cents; volume 3, 60 cents; volume 4, $2.00; volume 5, $1.75; volumes 6 and 7, $2.75 each; and volume 8, $2.25.

The Board commenced the fiscal year with 152 pending cases. During the year, 287 new appeals were docketed, making a total of 439 cases. The Board disposed of 299 cases, ending the year with 140 open cases. Of these open cases, 80 were ready for Board adjudication, of which 39 had been "decided" in executive session and were in the process of preparation of formal decision with opinion. The remaining 60 open cases were not in posture for decision and were awaiting either a Bureau pleading or appellant's reply or some other preliminary action.

The average time lapse from the date of filing an appeal to the date of closing was 8.7 months for cases in which hearings were held, and 8.9 months for cases submitted on the record. The average for all cases was 8.8 months. Applications for approval of attorneys' fees were received in 14 cases.

BUREAU OF EMPLOYMENT SECURITY

CONTENTS

	Page
Introduction	91
The Economy in Fiscal Year 1958	92
Trends in production	92
Employment and unemployment	92
Characteristics of the unemployed	93
Area labor market developments	94
Local occupational shortages	95
Unemployment Insurance	95
Paying benefits to the unemployed	96
Financing of unemployment insurance	96
Financing benefits	97
The problem of "exhaustees"	99
Temporary unemployment compensation	100
Unemployment insurance for ex-servicemen	101
Permanent improvement of the program	102
Employment Service	105
Placement activities	105
Employer relations	106
New tool for matching workers and jobs	107
Services to the professional worker	108
Talent scouting through aptitude testing	109
Serving special applicant groups	110
Counseling service	114
Strengthening local office internal operations	115
Community employment programs	116
Farm Placement Service	116
Recruitment of local labor	118
Domestic migrant farm labor	119
Improved conditions for migrant labor	119
Foreign workers	120
Farm labor committees	122

	Page
Veterans Employment Service	123
Training program	123
Veterans' organizations	123
Other programs	124
New applications and placements	124
Occupational Research and Information	124
Job opportunities information	124
Current occupational information	125
Job Guide for Young Workers	125
Technicians' study	126
Progress toward a new DOT	126
Industry manpower surveys	127
Putting Labor Market Facts to Work	127
Informing the public	127
Improved information for economic analysis	129
Improved assistance to State agencies	129
Special Activities	132
Management improvement	132
Administrative financing operations	134
Defense readiness and manpower mobilization	135
Federal Advisory Council	137
International labor activities	138
Appendix Tables	141

Introduction

The Bureau of Employment Security is the Federal partner in the nationwide Federal-State employment security system. This system serves the people of the Nation by providing free job services to workers and employers, and by providing income to meet the essential nondeferrable expenses of workers when they become unemployed.

The operation of the employment security system in fiscal year 1958, as in other years, was shaped by events in the economy. In a recessionary year, those operations are expanded and take on added significance as more workers call upon the services provided by the system. In a recessionary year, too, the information garnered through the operation of the system and analyzed by the Bureau takes on added significance. Statistics on such matters as the extent of employment and unemployment and the classification of area labor markets become guideposts for legislative proposals and policy determinations.

The strength of the system, tested as never before in its history, was evidenced during the economic downturn of fiscal year 1958.

At a time when local public employment offices were overflowing with workers filing unemployment insurance claims, 250,000 high school seniors about to commence their work life received counseling and assistance in selecting jobs in line with their interests and abilities. At a time when nearly $3 billion in benefits was being paid out to unemployed workers, 1 million job placements of workers aged 45 or over were made. While local public employment offices were being reorganized to accommodate the 3¼ million unemployed who crowded the doors in an average week, nonagricultural jobs were found for nearly 1,231,000 veterans—more than 103,000 of them disabled.

In October 1957, when the Russian "sputnik" went into orbit and the United States awakened to its shortage of engineers and scientists, the new national network to recruit professional workers, and the new specialized recruitment technique for the placement of engineers, proved of value.

Progress was made in other phases of the system's programs. Work went forward on such diversified projects as the Dictionary of Occupational Titles, the review of procedures governing foreign workers, and studies to improve the service of the 1,800 local offices affiliated with the Bureau.

Problems, some of them long-standing and many of them relating to the policies and operations of the unemployment insurance program, were brought to the forefront of public thinking during fiscal year 1958. The

amount of benefit payments, the duration of payments, and the question of how to assist the unemployed worker who experiences a prolonged period of unemployment were subjected to close scrutiny. Legislative action on both State and Federal levels took cognizance of these and other problems relating to unemployment insurance.

This report describes actions taken on local, State, and Federal levels as they relate to all programs for which the Federal-State system is responsible. The accomplishments of the system, in meeting the continuing challenge of protecting the job security of America's work force, are recorded against the economic climate of fiscal year 1958.

The Economy in Fiscal Year 1958

Trends in Production

One of the most significant single indicators of economic conditions in the United States is gross national product, which estimates the value of total goods and services produced. Consequently, the economic changes in fiscal year 1958 can be summarized by changes in gross national product.

Gross national product was at an annual rate of $441 billion in the April–June quarter of 1957, and rose to a record rate of $445.6 billion the following quarter. In the ensuing 6 months, however, gross national product declined sharply to $425.8 billion in the first quarter of 1958, a drop of 4.4 percent, and rallied to $429 billion the next quarter.

Industrial production began to slip in August 1957, dropping fairly sharply in the next few months until a low of 126 percent of the 1947–49 average was reached in April 1958. Industrial production increased in the next 3 months, but the July 1958 rate of 133 percent was 12 points lower than a year earlier.

Most of the reduction in industrial production over the year was in durable goods manufacturing, with machinery and transportation equipment production showing especially sharp declines.

Employment and Unemployment

Changes in employment and unemployment levels during the year followed closely on changes in the output of goods and services. The total number of workers in civilian jobs dropped sharply from a record level of 67.2 million in July 1957 to 62.0 million workers in February 1958, as reductions stemming from the recession were augmented by seasonal cuts. Small seasonal gains in the next 2 months, and somewhat more than seasonal advances in the ensuing 3 months, brought civilian employment to 65.2 million in July 1958, or 2 million lower than a year earlier. About half of this decline reflected the relatively low level of farm employment in July 1958.

Although there were gains in the last months of the fiscal year, nonfarm employment of wage and salary workers in most major industry divisions in July 1958 was lower than a year earlier. The greatest over-the-year loss was a drop of 1.5 million workers in manufacturing, which reduced the total number of factory workers to 15.2 million in July 1958. Employment losses in durable goods industries accounted for more than four-fifths of the employment drop in manufacturing. Partly offsetting these declines were employment increases over the year in State and local government, and in service and miscellaneous industries.

Unemployment in July 1958 totaled 5.3 million, or 2.3 million higher than a year earlier. The rate of unemployment (seasonally adjusted) was 7.3 percent, an improvement from the April level when 7.7 percent of the civilian labor force were jobless, but well above the 4.2 percent figure of a year earlier.

Insured unemployment increased from an average of 1.3 million in July 1957 to 2.5 million workers in July 1958—a 95 percent increase. The peak during the year came in April when insured unemployment reached 3.3 million—120 percent higher than in April 1957.

Increases in unemployment were widespread, and, as indicated by both the rates and volumes of insured unemployment, there were relatively sharp increases in all States. In mid-July 1958, the rate of insured unemployment nationally was 6.2 percent, compared with 3.3 percent a year earlier. All but one of the 22 States west of the Mississippi River had rates below the national average, while in 15 States east of the Mississippi River, the rates were above the average.

Characteristics of the Unemployed

The increase in the number of unemployed workers was accompanied by major changes in the characteristics of the unemployed. Though workers in all major industrial groups were affected, the sharpest unemployment rise was among durable goods manufacturing workers. The unemployment rates of workers in the mining and transportation equipment industries were about doubled. The smallest relative increases over the year were among service and public administration workers.

Unemployment rose more sharply among men than among women workers. The 3.5 million unemployed men in July were nearly twice the number a year earlier, while the number of jobless women rose by 50 percent over the year to 1.8 million in July 1958.

The sharpest rise in the rate of unemployment was among men workers in the 25–44 year age range, although their rate in July 1958, as a year earlier, was below the average for all workers. Unemployment of youths and of men under 25 continued to be considerably higher than the national average. Workers 45 years of age and over had lower than average rates of unemployment in July 1958, as in 1957, but their unemployment generally lasted longer.

Area Labor Market Developments

Employment declined between July 1957 and July 1958 in five-sixths of the 149 major areas which comprise the regular labor market reporting program of the Bureau and its affiliated State employment security agencies. Even in those areas where employment gains were reported, unemployment increased to some extent, as the job pickup failed to keep pace with normal growth in the local labor force.

In some areas, unemployment began to turn upward relatively early in the fiscal year, as revised defense procurement schedules forced cutbacks in aircraft employment in a number of the industry's major production centers. By the middle of the fiscal year, joblessness was rising rapidly in most centers, spurred by a mounting volume of curtailments in autos, machinery, metals, and other durable goods industries.

The employment situation steadied in most sections of the country by late spring, however. Unemployment began to recede slowly from the early spring peaks as weather conditions improved and a number of nonmanufacturing industries expanded seasonally. As the fiscal year drew to a close, small gains in durable goods were contributing to the pickup in employment in some areas.

The generally unfavorable employment and unemployment developments of fiscal year 1958 resulted in sweeping changes in the Bureau's classifications of local areas according to the relative adequacy of their labor supply. In July 1957, when the fiscal year opened, 24 of the 149 areas were classified in the labor surplus groupings (D, E, and F). This number had increased to 89 by July 1958—the highest total since the present area classification system was introduced in 1951.

At the same time, the number of areas classified as having relatively low unemployment or overall labor shortages (Groups A and B) decreased steadily throughout the early months of the year, and finally dropped to zero by mid-March. Forty-one of the 149 major areas were listed in the Group B (low unemployment) category, and two in Group A (overall labor shortages) in July 1957.

On the other hand, 60 major areas reported that local labor surpluses remained relatively moderate (Group C classification) in July 1958, despite the overall employment downtrend of the past year. This group included such key centers as Boston, San Francisco-Oakland, Washington, D. C., Cincinnati, Atlanta, Seattle, Dallas, New Orleans, and Denver. In a number of other Group C areas—among them, Des Moines, Iowa, Sacramento, Calif., Omaha, Nebr., Madison, Wis., and Oklahoma City, Okla.—unemployment in July 1958 was considerably below the average for the country as a whole.

A complete listing of year-end (July 1958) area classifications showed the 149 major areas grouped into the following labor supply categories: Group A, none; Group B, none; Group C, 60; Group D, 49; Group E, 19; Group F, 21. In July 1957, the areas were classified as follows: Group A,

2; Group B, 41; Group C, 82; Group D, 16; Group E, 7; Group F, 1. In addition, 182 smaller areas were listed in the substantial labor surplus category in July 1958, as compared with 61 a year earlier.

Local Occupational Shortages

Local occupational shortages, as measured by State inventories of job openings in clearance (out-of-area recruitment), decreased in calendar year 1957. The downtrend anticipated the recession. From the post-Korean peak of 42,000 vacancies in November 1956, a low was reached in November 1957 when local public employment offices listed 14,000 jobs in clearance. This was the smallest November figure since 1950, the earliest period for which comparable data are available. Over 70 percent of the July-to-November 1957 decline of approximately 15,000 openings was accounted for by reductions in vacancies for professional and managerial workers and for skilled craftsmen.

After November 1957, total job openings recovered slightly and for the second half of the fiscal year fluctuated at about 15,000. The upswing in openings after November was largely in professional classifications—especially electrical and civil engineers, nurses, social and welfare workers, and teachers. Of the 15,000 openings listed in July 1958, nearly 9,000 were vacancies for professional personnel.

Unemployment Insurance

During fiscal year 1958, the role of unemployment insurance as an economic stabilizer for the community and the family came into prominence, as insured unemployment reached the highest levels in the history of the program. Workers' earnings reached a peak of nearly $250 billion, at a seasonally adjusted annual rate, in August 1957, from which point they declined steadily to a low of $241 billion in April 1958. Unemployment insurance benefits helped to offset this decline as they rose from an annual rate of $1.4 billion in August 1957 to $4.7 billion in April 1958.

At the beginning of the year, about 42.8 million individuals were employed in jobs covered by the Federal-State unemployment insurance program. Covered employment declined during the year as unemployment benefits rose sharply month by month to amounts over twice the levels of the previous year. Benefits totaling $2,927,929,000, approximately $1½ billion more than during the previous year, undoubtedly contributed significantly toward stabilizing the Nation's economy in general and the economic life of hard-hit industrial communities in particular. In addition, the payments provided by private supplemental unemployment benefit plans to jobless workers, particularly in the automobile and steel industries where unemployment was especially heavy, further compensated for the wage

losses of these workers. Noteworthy is the fact that the steel workers' private benefits continued even after State benefits were exhausted.

A recent nationwide survey indicated that in 1 out of every 6 families one of its members, usually the primary earner, was unemployed sometime during fiscal 1958. For many of these families, unemployment insurance provided all or nearly all of the income available for expenses during such periods. For these people, such benefits represented the main defense against the effect of the recession on their personal finances.

Paying Benefits to the Unemployed

A basic rule in unemployment insurance operations is the payment of benefits to eligible workers at the time they need it. The 1957–58 recession created complex administrative problems. Between the end of October and the end of February, weekly insured unemployment almost tripled, from 1¼ million to 3¼ million. In a number of local offices, the rise was even more drastic. In Hartford, Conn., for example, claims rose within 3 months from about 10,500 to over 41,000. Prompt payment of benefits became difficult in offices crowded beyond their capacity.

Emergency measures were taken in almost every aspect of the process. The Bureau provided advice and assistance as the States took direct action to cope with the sudden flood of claimants.

Temporary staffs were hired. In a few months, agency staffs increased by about 13,000. But untrained and unskilled people cannot be used on tasks requiring technical know-how, as in the operation of an electronic data processing machine, or requiring legal and program know-how, as in the assessing of disqualifications. The physical set-up of some local offices was found inadequate to handle the increased claims loads. In some cities, additional office space could be rented. But generally, additional nearby office space centrally located for the majority of workers could not be obtained on a short-time lease.

The problems were met by combinations of procedural shortcuts, double shifts, and overtime. As a result of these emergency measures, benefits were, on the whole, paid promptly. For example, in the last 3 months of fiscal year 1957, 82 percent of the first unemployment insurance checks were paid within 2 weeks of the claim. In the same period in fiscal year 1958, when unemployment was approaching its top plateau, 81 percent were paid within 2 weeks.

Financing of Unemployment Insurance

Money for the employment security system is appropriated by the Congress. The year opened with the States and the Bureau prepared, budget-wise, to handle an average of 1,300,000 unemployed claimants per week. As the number of insured unemployed began to mount rapidly, it

became clear that existing funds and existing methods of allocating the funds would be inadequate.

In December, with the approval of the Bureau of the Budget, administrative funds were provided the State agencies on a deficiency basis. Congress acted swiftly in passing a supplemental appropriation. The appropriation total for administration of the full employment security program was $292,814,000.

At the beginning of the fiscal year, reserve funds available for payment of benefits under all State unemployment programs combined totaled $8.5 billion. However, since each State can only draw on its own reserve funds, an analysis of reserve fund adequacy must be based on individual State reserves rather than on nationwide data.

Financing Benefits

At the beginning of the fiscal year, most State reserves seemed strong and secure. Reserve funds in 45 of the 51 State jurisdictions were at levels high enough to finance benefit payments at the rate experienced in the last fiscal year for an additional 3 or more years; about half of the States had reserve funds amounting to at least 7 times the benefits paid in fiscal year 1957.

The rather ample reserve funds that were available in most States at the beginning of the year reflected, to a large extent, the favorable economic conditions and peak employment levels that had prevailed since the 1954–55 recession; as a result, benefit payments during this period were moderately low and were exceeded by the amount of tax and interest income realized by most State funds.

In 9 States, however, despite moderate benefit payments, total income over the last several years has been lower than aggregate benefit payments, and as a result reserve funds in those States declined steadily, both as a percentage of taxable wages and as a multiple of the benefits paid during the year. By the beginning of this fiscal year, reserve funds in 5 of these States amounted to less than 5.0 percent of taxable wages. In 3 of the 5 (Delaware, Oregon, and Pennsylvania), the decline was due primarily to the lack of balance between total income and the moderately low total of benefit expenditures over the last few years. In the other 2 States (Alaska and Rhode Island), benefit costs experienced in recent years approached or exceeded 2.7 percent of taxable wages.

In the remaining 4 States (Maryland, Michigan, Tennessee, and West Virginia), the reserve funds were still above 5.0 percent of taxable wages at the beginning of this fiscal year although they were declining at an increasing rate.

Nevertheless, at the beginning of the fiscal year, in only 1 of the 9 States were the reserve funds so low that it was eligible for a loan. Alaska had borrowed $3,000,000 in fiscal year 1956, repaid it in fiscal year 1957 and,

in the same year, reborrowed $2,630,000. In the early part of fiscal 1958, Alaska was eligible for an additional loan.

Sharply increasing unemployment which began around the second quarter of this fiscal year resulted in the highest benefit payments on record for any fiscal year. Income to the 51 State funds, on the other hand, approximated $1.8 billion—including taxes paid by employers, interest earned on reserve funds, and surplus Federal taxes (over administrative expenditures) collected during fiscal 1957 and credited to State accounts at the beginning of this fiscal year. The imbalance between income and benefit payments during the year caused total State reserve funds to drop from $8.5 billion to $7.4 billion at the close of the year, the lowest level since the end of fiscal 1951.

However, not all State reserve funds decreased during the year; reserves in Arizona, the District of Columbia, Hawaii, Louisiana, New Mexico, and South Dakota were higher, dollar-wise, at the end of the year than at the beginning of the year. In most of the others, State reserve funds during the year decreased by relatively small amounts.

Generally, the States that suffered heavy drains on their reserve funds were the States in which income and benefits payments had not been in balance during recent years.

	Benefit reserves (in millions)	
	Beginning fiscal 1958	*End fiscal 1958*
Delaware	$15.6	$10.9
Michigan	301.1	156.1
Ohio	619.8	501.9
Oregon	44.9	23.0
Pennsylvania	361.3	208.9

At the end of the fiscal year, five States had reserve funds equal to less than twice the amount of benefits paid during the year. Since benefit payments during this fiscal year were at record high levels in most States, substantially above normal long-range costs, it is not likely that any State which has reserves higher than twice the benefits paid during this year will experience any financial problems in the immediate future, especially in view of definite signs of an upturn in economic conditions at the close of the year.

The heavy drains on the reserve funds of four additional States permitted them to become eligible for loans under the provisions of the Reed Act. Two States became eligible for loans during the year, Alaska and Oregon, and the other two, Michigan and Pennsylvania, became eligible on the last day of the fiscal year. Both States that were eligible for loans during the year borrowed funds from the loan fund: Alaska borrowed an additional $2,635,000 and Oregon borrowed $14,000,000. Oregon, however, repaid its loan before the end of the year as a result of a question raised with respect

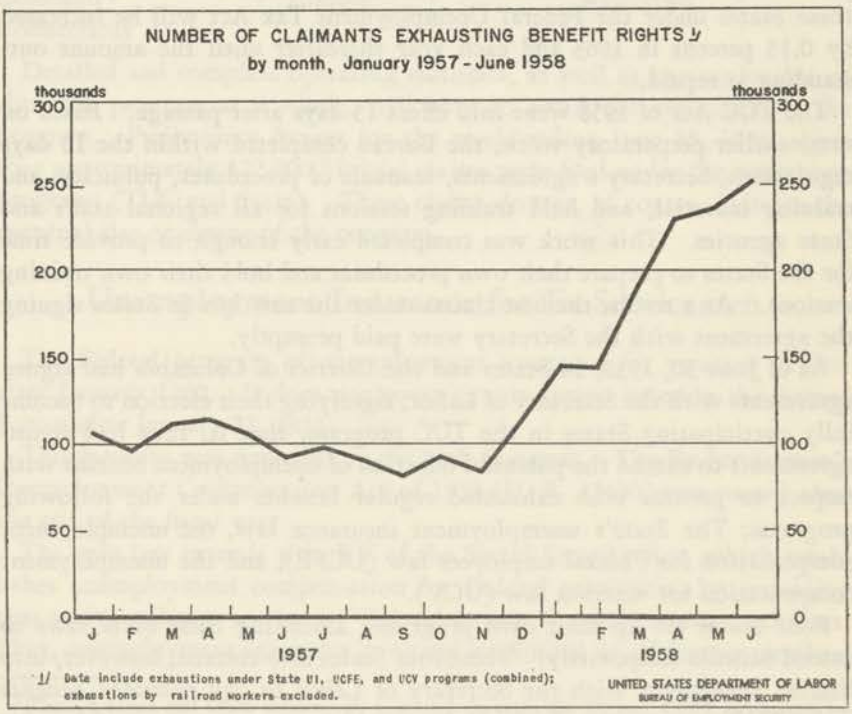
to the authority of the Governor, under State law, to request a loan under the provisions of the Reed Act. Consequently, at the close of the year, only Alaska owed funds to the loan fund—a total of $5,265,000.

At year end, the cash balance in the loan fund was $205,268,575. However, under the terms of the act setting up the loan fund, the 4 States eligible for loans at the close of the year could borrow, in the first quarter of fiscal year 1959, a total of approximately $247 million, a sum in excess of the balance of the fund. In Oregon and Pennsylvania, however, legal questions concerning the right of the State Governor to request a loan might prevent these States from borrowing.

The Problem of "Exhaustees"

From December 1957 to January 1958, the number of persons exhausting their unemployment benefit rights increased from less than 111,000 to over 147,000. In April, the number reached over 230,000. The rate of increase eased somewhat between April and June; nevertheless, in the last month of the fiscal year, almost 254,000 claimants exhausted benefit rights.

For the entire year of 1957, some 1.2 million claimants exhausted benefit rights; the first 6 months of 1958 equaled this figure.



Temporary Unemployment Compensation

In response to the increased number of exhaustees, Congress met the problem by passing the Temporary Unemployment Compensation Act of 1958, signed on June 4, 1958.

The TUC 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 have exhausted their regular unemployment benefits after June 30, 1957, or such later date as the State selects. The total amount of additional benefits may not exceed 50 percent of the total amount of regular unemployment benefits to which an individual was entitled during the benefit year in which he exhausted his regular claim. In effect, this provides a 50 percent increase in duration of benefits. The temporary benefits are not payable for weeks of unemployment beginning after April 1, 1959.

The act provides, generally, that the same eligibility, disqualification, and weekly benefit amounts applicable to regular claimants under the State employment security laws will also apply to TUC claimants.

The administrative and benefit costs of the TUC program are borne by the United States Treasury. These amounts, with the exception of unemployment benefits paid under Federal programs, must either be restored by the signatory States or the 0.3 percent tax imposed on employers in these States under the Federal Unemployment Tax Act will be increased by 0.15 percent in 1963 and each year thereafter until the amount outstanding is repaid.

The TUC Act of 1958 went into effect 15 days after passage. Based on some earlier preparatory work, the Bureau completed within the 15 days regulations, Secretary's agreements, manuals of procedures, publicity, and training material, and held training sessions for all regional staffs and State agencies. This work was completed early enough to provide time for the States to prepare their own procedures and hold their own training sessions. As a result, the first claims under the new law in States signing the agreement with the Secretary were paid promptly.

As of June 30, 1958, 14 States and the District of Columbia had signed agreements with the Secretary of Labor, signifying their election to become fully participating States in the TUC program; that is, they had signed agreements to extend the potential duration of unemployment benefits with respect to persons who exhausted regular benefits under the following programs: The State's unemployment insurance law, the unemployment compensation for Federal employees law (UCFE), and the unemployment compensation for veterans law (UCV).

Four States set up their own programs, amending their State laws to extend benefits temporarily. These four States also entered, however, into limited agreements with the Secretary of Labor to pay extended benefits under TUC to veterans. Eight States signed agreements to extend benefits under TUC to UCFE.

By June 30, 1958, States with about 67 percent of the labor force protected by regular unemployment insurance programs had adopted the Federal temporary unemployment compensation program, or temporarily extended duration under their own State law.

Fully participating States under TUC program as of June 30, 1958 (14 States)

Alabama	Indiana	New York
Arkansas	Maryland	Pennsylvania
California	Michigan	Rhode Island
Delaware	Minnesota	West Virginia
District of Columbia	New Jersey	

Limited participating States under TUC program as of June 30, 1958 (12 jurisdictions)

I. Federal employees and veterans (8 jurisdictions)

Alaska	Idaho	Puerto Rico
Arizona	New Mexico	Virgin Islands
Florida	Oregon	

II. Veterans only (4 States)[1]

Colorado	Illinois	Wisconsin
Connecticut		

Detailed and complete operating statistics, as well as any evaluation of the TUC program as a whole, will have to await the expiration of the program. Preliminary figures for the week ending June 28, 1958, show that approximately 172,000 [2] initial claims were filed under the temporary programs (TUC and State). These claims do not, of course, indicate the eventual size or extent of the program.

Unemployment Insurance for Ex-Servicemen

The Federal program of unemployment insurance for veterans expires after January 1960. It does not cover ex-servicemen entering the Armed Forces after January 31, 1955.

This inequity was remedied by the 85th Congress. The Ex-Servicemen's Unemployment Compensation Act of 1958 (H. R. 11630) was passed after the end of the fiscal year.

The new law extends title XV of the Social Security Act, which establishes unemployment compensation for Federal employees, by providing that active military service is "Federal service," under certain conditions. Thus, unemployment insurance coverage is afforded to all former members

[1] These 4 States and Ohio temporarily extended duration for UI and UCFE exhaustees by action of the legislature. Ohio subsequently signed an agreement.

[2] Excludes Connecticut; data not reported.

of the Armed Forces, whether Korean veterans or other ex-servicemen. Benefits are payable under this law for weeks of unemployment ending after October 27, 1958.

Permanent Improvement of the Program

The experience of the year highlighted certain inadequacies of many of the unemployment insurance programs. These inadequacies reflected not only a need to extend the protection of the system to millions of workers presently excluded, but also a general need to increase the size and duration of benefits to those workers now protected.

At the State level, legislation during the fiscal year, excluding the temporary emergency extensions discussed above, followed the pattern of most even numbered years. Only a minority of the legislatures met. Consequently, relatively few changes were made in the State unemployment insurance laws.

During 1958, five States including Louisiana, whose law was approved July 9, 1958, increased the maximum basic weekly benefit by amounts ranging from $2 to $10—Arizona from $30 to $35, Delaware from $35 to $40, Kentucky from $32 to $34, Louisiana from $25 to $35, and New York from $36 to $45, retroactive for benefit years beginning after July 1, 1957. Kentucky changed from an annual wage to a high-quarter formula for computing the weekly benefit amount. Mississippi enacted a flexible maximum of the lesser of $30 or 55 percent of the State average weekly wage in covered employment. However, because of the $30 limitation, the maximum basic weekly benefit amount was not actually increased.

Including the 1958 amendments, maximum basic benefits now range from $26 in 3 States to $45 in Alaska and New York. Over one-half of those in the covered labor force are employed in the 21 States which have a maximum basic weekly benefit amount of $35 or more, and about one-fourth are in 8 of these States which provide a maximum of $40 or over. A distribution of the number of States by specified maximum weekly benefit amounts is shown below:

Maximum weekly benefit	Basic benefits		
	Number of States	Percent of covered workers	With dependents' allowances [1]
$50 or more	----------	----------	5
$40–$49	8	24.9	3
$35–$39	13	26.0	2
$30–$34	21	38.3	1
$26–$29	9	10.8	----------

[1] Same maximum in the District of Columbia with or without dependents.

Five States amended the duration provisions of their laws during the 1958 legislative sessions. Kentucky changed from a 26-week and Mississippi from a 20-week uniform duration period to a variable duration period

of the lesser of 26 weeks or one-third of base period wages. Louisiana increased its variable duration period from the lesser of 20 weeks or one-third of base period wages to the lesser of 28 weeks or two-fifths of base period wages. Delaware made no change in its maximum variable duration period of 26 weeks but increased the duration fraction from 26 to 29 percent of base period wages. Massachusetts increased its extended duration period from 10 to 18 weeks for an individual certified as attending an industrial retraining course, and specified that such individual shall be deemed to be available for work.

Including the 1958 amendments, maximum weeks of duration now range from 16 weeks to 30 weeks. In 6 States it is now possible for all eligible claimants to receive 26 weeks of benefits, and in Pennsylvania 30 weeks. About one-fourth of the covered labor force work in these 7 States. In 24 other States some claimants may receive benefits for a maximum period of 26 weeks, in one State for 26½ weeks, and in Louisiana for 28 weeks. Fifty-three percent of the covered work force are in these 26 States. Altogether, 77.9 percent of the covered workers are employed in the 33 States with maximum potential duration of 26 weeks or more of benefits as shown below:

Maximum duration (weeks)	Number of States		Percent of covered workers in States [1]
	Uniform potential duration	Variable duration	
Total	13	38	100.0
30	1		7.7
26 to 28	6	26	70.2
20 to 24	6	9	17.7
16 to 18		3	4.4

[1] Percent of covered workers in States in terms of total of uniform and variable duration.

Future Action

There still remain on the average about 13.3 million workers who are denied unemployment insurance protection by reason of the employment in which they are engaged. The various types of excluded employment and the average number of workers affected are listed below:

Worker exclusions from unemployment insurance coverage, fiscal year 1958 [1]

Type of employment	Average number of workers (millions)
State and local government employment	5.2
Domestic service in private homes	2.4
Employment with small firms below State size-of-firm restrictions	1.9
Agricultural employment (including agricultural processing)	1.9
Employment with nonprofit organizations	1.7
Miscellaneous exclusions	.2
Total workers excluded	13.3

[1] Members of the Armed Forces were included after the end of the fiscal year.

The President in his most recent Economic Report to the Congress repeated the recommendation made in previous reports for the extension of the Federal Unemployment Tax Act to firms in industry and commerce which employ under 4 workers. The President also urged those States which have not already done so to provide unemployment insurance coverage to State and local government employees. While approximately 300,000 such workers now have unemployment insurance protection, there remain some 5.2 million State and local government workers who are excluded. Coverage of these employees is exclusively a matter for State action since the Federal Government under the Constitution cannot tax State or local governments or their instrumentalities.

Duration

The problem of exhaustees, and the action taken by Congress to provide temporary extension of benefits, has already been described. Provision for and payment of such extended benefits, along with the accumulation of research into the post-exhaustion experience of unemployed workers, will focus attention in the States on the adequacy of the duration provisions in their laws. The completed post-exhaustion studies show that large proportions of exhaustees continue to be unemployed well beyond the period compensated, particularly during a recession. The fact that 2 States now provide for more than 26 weeks of benefits in their laws, coupled with the enactment of the programs for temporary extension of benefits, indicates the need for reexamining the thinking associated with duration which has kept benefits limited to 26 weeks or less.

Benefit Amounts

The adequacy of the weekly benefit amount has also come in for its share of attention. Findings from studies conducted in this area have emphasized the inadequacy of weekly benefits, particularly for the worker who is the main wage earner in the family. All of these studies show that benefits fall considerably short of meeting the day-by-day expenses of the family for food, shelter, clothing, and medical care. Making up the deficit and keeping up regular payments on installment purchases force many a family to use up its limited savings, or go into debt or both. These findings take on even greater significance when one considers that the increase in unemployment during the past year was concentrated among young men upon whom the burden of family support falls the heaviest and whose savings or other liquid assets are likely to be the least.

Financing

Financial experience during the fiscal year emphasized the need for more adequate tax policies and tax structures in some States. Of the handful of States with the least adequate reserve funds at the close of the year, most reached their low levels, as a result of low employer tax rates in comparison with moderately low benefit costs, during the last several years when

employment was at peak levels. As a result, when the sudden and heavy increase in unemployment occurred last fall, reserve funds in those States were not high enough to withstand the heavy drains. This condition was aggravated further by relatively low current tax rates and legal provisions in State laws that prevented immediate increases in tax income.

Experience during the current fiscal year indicated that a Federal loan fund limited to a cash balance around $200 million, under the current provisions of the Reed Act, is inadequate to meet State needs when a sudden and sharp increase in unemployment brings severe, concentrated drains on State funds.

Employment Service

This year marks the 25th anniversary of the nationwide employment service, the part of the Bureau of Employment Security which is concerned with finding jobs for workers and workers for jobs. These activities take place in the 1,800 local offices of the State employment services.

The changing patterns of business activity during the 12 months of the fiscal year 1958 confronted the United States Employment Service and the local offices with a shrinking demand for workers, while at the same time the number of workers seeking help in finding jobs increased.

This situation tested the operations of the employment service to the maximum. How such aspects of its functions as local office operations, employer relations, occupational analysis and research, professional and special applicant services, counseling and testing services, and community employment development responded to the challenge in the fiscal year 1958 is described in the following sections.

Placement Activities

The industrial distribution of nonfarm employment during 1958 was somewhat different from the previous fiscal year, and this had its effect on turnover, the availability of job openings, and placements made by the local State employment offices.

There was a marked difference, also, in the occupational distribution of placements. Professional and managerial placements accounted for the only actual increase (4.5 percent) over the 1957 volume. (See table, p. 106.)

The total of nonfarm placements in 1958 was 5,235,910. This was 12.1 percent below the 1957 volume of 5,957,490 placements.

A total of 10,413,000 persons applied for work at local public employment offices during fiscal year 1958, as compared with 8,546,000 during the previous year. Counseling interviews also increased slightly, from 1,508,000 in 1957 to 1,543,000 in 1958. Individuals tested dropped from 1,446,600 in 1957 to 1,350,000 in 1958. However, the testing of aptitudes, through the use of General Aptitude Test Battery, developed by the employment service, increased by about 25,000 over the previous year.

Comparison of nonfarm placements, 1957 and 1958

	Fiscal year 1958	Fiscal year 1957	Percent change between 1957-58
Industry division:			
Total	5,235,910	5,957,490	−12.1
Forestry and fishing	9,952	9,752	+2.1
Mining	23,632	33,692	−29.8
Construction	405,908	457,508	−11.3
Manufacturing	1,218,435	1,562,025	−22.0
Transportation, communication, and public utilities	231,817	304,325	−23.8
Wholesale and retail trade	1,167,360	1,316,974	−11.4
Finance	107,167	113,452	−5.5
Total service	1,895,414	1,988,167	−4.7
Domestic	1,167,270	1,219,295	−4.3
Government	173,707	168,718	+3.0
All other	2,518	2,877	−12.5
Occupational group:			
Total	5,235,910	5,957,490	−12.1
Professional and managerial	128,799	123,298	+4.5
Clerical and sales	763,738	845,747	−9.7
Service	1,729,513	1,861,534	−7.1
Skilled	283,674	320,728	−11.5
Semiskilled	673,694	818,137	−17.6
Unskilled and other	1,656,492	1,988,046	−16.7

Employer Relations

The activities of the Bureau's employer relations program are directed toward encouraging wider use of the State employment services through direct contact with top management of multistate firms, with employer associations, and with government procurement officials. Parallel to this objective, the program also assists State employment services to develop job opportunities for workers, identify the specific employment needs and problems of individual employers, and provide appropriate services to meet those needs.

In fiscal year 1958, employment service representatives from 26 States and 4 regional offices participated with representatives from industry, universities, unions, personnel groups, trade associations, and sales management groups in employer relations workshops. Major emphasis in the workshops was given to kinds of services needed in selected industries; working relationships needed with trade associations, unions, government organizations, and personnel groups; promotion techniques used in finding jobs; organization and operation of employer relations programs in metropolitan areas; employer relations programs in periods of labor surplus; and responsibilities of the State office employer relations technician and techniques for developing an effective statewide employer relations program.

In turn, training was provided by State agencies to employers in the use of various employment service tools to be directly applied in their own personnel work.

A cooperative program was developed with the American Association of State Highway Officials, the American Road Builders Association, the

National Association of County Officials, the American Municipal Association, the Council of State Governments, the Bureau of Public Roads of the U. S. Department of Commerce, and Federal, State, county, and municipal officials to encourage their contractors to make full use of public employment services to meet the manpower demands of the stepped-up highway construction program.

A cooperative program, developed at the request of the Linen Supply Association of America, with more than 1,000 company members, was completed with the publication in June 1958 of a book entitled "Employment and Training Guide for the Linen Supply Industry." Bureau staff launched the project and technicians of the Illinois State Employment Service completed the work with the association and made studies at selected plants in the Chicago area. Copies of the Guide containing the results were made available by the association and distributed to the State agencies for the use of local employment service offices in providing maximum service to the linen supply and laundry industries.

Liaison activities with the Department of Defense and its military services were continued to assure continuity of working relationships in view of the customary and frequent changes in assignments of military procurement officials, and to acquaint them with the role of the employment service in assisting contractors to meet their manpower requirements.

As one result of this work, the headquarters of the Air Materiel Command, U. S. Air Force, issued instructions to its field installations to file all current and future vacancies for civilian personnel, when eligibles are not available from civil service lists, at the nearest local office of the State employment service. The field installations were also advised to authorize out-of-area recruitment for openings which cannot be filled locally. Following up these arrangements with the manpower representatives of AMC district offices in Philadelphia, New York, and Chicago showed that in all three instances the AMC instructions were being followed.

As a result of employer relations promotional activities, company executives of about 80 of the Nation's major employers and about 40 national trade associations encouraged their plants and branch establishments to make use of State employment service facilities and services; and trade association managers and directors publicized such services through articles and descriptive statements published in their magazines, bulletins, and newsletters.

New Tool for Matching Workers and Jobs

The Estimates of Worker Trait Requirements for 4,000 Jobs is a volume providing ratings for each job in terms of aptitudes, interests, training time, temperaments, physical capacities, and working conditions, arranged alphabetically by job title. It also provides manuals and procedures for defining and applying the ratings to job descriptions. The volume, a byproduct of the functional occupational classification program, was dis-

tributed to the States in fiscal year 1958 for use in placement and counseling activities in the local offices.

Through 12 regional training sessions, the technique of estimating worker traits was introduced to the State agencies. A total of 31 agencies installed the worker trait program in pilot offices during the year.

Preliminary evaluations of their pilot installations by several States indicate that the technique, when properly applied, has generally improved the quality of application cards and orders. It was usually found to have wider application for entry, handicapped, and counseling cases than for other applicants.

Considerable progress also was made toward the development of a new occupational classification structure which, it is anticipated, will replace the structure in the Dictionary of Occupational Titles (DOT). The new structure is designed to express more effectively the pattern of skills, knowledges, and abilities of the worker. On the basis of this tentative structure, work has also started in grouping the additional 18,000 jobs in the DOT. Specially trained occupational analysts from 5 States are assisting in this work.

Services to the Professional Worker

On October 9, 1957, an experimental network of local public employment offices cooperating in special placement procedures for professional occupations was merged into the national clearance system and expanded to include 83 key employment offices throughout the Nation. The purpose was to improve placement service in the professional field through direct contact between the office serving a professional worker and any other office listing a suitable job opening in the biweekly State inventories of job openings.

Four national professional societies requested the United States Employment Service and its affiliated State employment services to provide job placement service at their annual conventions. As a result, the employment service was enabled to expand occupational coverage in placement service and to encourage development of year-round placements to members of the professional societies. Definite gains in understanding and acceptance by large groups of professional employers and applicants also resulted.

A program of service to retired or involuntarily released military personnel was continued and expanded. Operational responsibility was assigned to the USES for the District of Columbia, since the armed services retired officers' activities units operate from the Pentagon. Close cooperative efforts between these two offices resulted in improved methods of dealing with the special placement problems faced by this group of entrants to the civilian labor market. Many of these applicants have entered the teaching field as instructors in mathematics and science.

A specialized recruitment technique for the placement of engineers affected by temporary cutbacks in the aircraft and related industries

proved to be very effective. Applications from all areas were forwarded to USES for D. C., which coordinated the placement activity by a job development campaign with government agencies and private industry.

Fourteen States maintained separate teacher placement services, and in the remaining States teachers were served through regular placement facilities. Plans were developed with the American Association of University Women, the Labor Department's Women's Bureau, and the USES to utilize the teaching ability of qualified AAUW members to help alleviate local shortages of teachers.

Nurse-medical placement services functioned effectively in such cities as New York, Boston, Kansas City, Salt Lake City, and Johnstown, Pa. Meetings were held in Washington, D. C., with nursing and medical associations to develop ways and means of locating qualified nursing and medical personnel.

In the changing labor market of the period, positive recruitment—where the employer-hiring representative recruits in a number of local offices on itineraries arranged by the employment service—continued to be the preferred method for fast recruiting of large numbers of personnel. Telephone referral, in which employers interview out-of-area applicants by telephone, was promoted vigorously by the employment service as a fast and inexpensive way to recruit. This method allows employers to tap applicant supply in smaller and off-the-beaten-path areas without the added expense of personnel time and travel.

Talent Scouting Through Aptitude Testing

An awakened interest in the early identification of aptitudes has resulted in an increasing demand for aptitude testing services to help youth assess their abilities in arriving at suitable vocational choices in line with their potentialities. The United States Employment Service's General Aptitude Test Battery (GATB) has been used extensively in identifying the occupational potentialities of high school seniors about to seek their first job. In addition, many school officials have requested GATB testing for students in the 9th to 12th grades.

Tentative norms are being developed on the basis of data already available for 5,921 high school students in the 9th and 10th grades tested by 8 State employment services. To verify the tentative norms, an experiment was undertaken for testing 9th, 10th, and 11th grade students and retesting the same students in the 12th grade to determine the effects of growth and education. Nineteen State agencies tested a total of 36,207 students in large, medium, and small schools between February 1 and April 30, 1958. A study was also started to determine the usefulness of the GATB in measuring academic as well as occupational abilities.

A new edition of the occupational aptitude pattern norms for the GATB was published which provides standards for interpretation of aptitude test scores in terms of the requirements of about 600 occupations. Emphasis in

validation studies was placed on new occupations that are originating as a result of the emergence of new technologies in such fields as missile development and electronics. Both unions and employers were greatly interested in test-selected apprentices and other entry workers from local employment service offices after test norms were established as a result of such studies; they cooperated by making available sample groups of employed workers. To date, about 700 employers and about 40,000 workers have cooperated in the Federal-State employment service occupational validation of the USES aptitude tests.

During the year, the Bureau granted permission to the U. S. Air Force to use the GATB in making an aptitude survey of enlisted men to determine how the abilities of Air Force recruits compared with the general population. The Ordnance Civilian Personnel Agency is using the GATB to conduct research on about 5,000 workers in approximately 40 of its installations throughout the Nation to develop test norms which can be used by the agency to upgrade and transfer its civilian personnel. The project will also provide data regarding the occupational potentialities of the agency's total civilian work force.

BES cooperated with the American Institute for Research in the use of the GATB in a pilot study conducted in connection with a nationwide research project on "The Identification, Development, and Utilization of Human Talents." A psychologist concerned with bio-astronautics operation was also granted permission to use the GATB in a study of the differential aptitudes required of airmen in the operation of equipment related to reentry vehicles for the Atlas and Thor missiles.

A suggested plan of cooperation with the Bureau of Apprenticeship and Training (BAT) in referring test-selected applicants to apprenticeable and other trainee jobs was prepared and distributed to the State employment security agencies. A leaflet entitled "Aptitude Testing of Potential Trainees" was prepared and distributed to all BAT field representatives and to all State employment security agencies for use in making arrangements with joint apprenticeship committees for the referral of test-selected workers and for employer contacts.

There has also been an increasing international interest in the GATB. It has now been translated into a number of foreign languages, and research is being conducted by 182 individuals or organizations in 42 countries to adapt and standardize it for use on populations in those countries. Thus far the Bureau has received copies of the French, German, Japanese, Portuguese, Spanish, and Turkish translations.

Serving Special Applicant Groups

Older Workers

An accelerated program of service to older workers was carried out nationally during fiscal 1958, based on findings in the 1956 studies on older

workers and the subsequent development of improved methods and techniques for serving these jobseekers.

Improved methods for serving older workers were introduced by the Bureau through a series of regional conferences held throughout the Nation. State administrators, specialists, and trainers were prepared to launch statewide programs for training State and local office personnel. Over 5,000 State and local office personnel have since received this training.

The Bureau's program of improved and expanded service to older workers consists of two important aspects. First is improvement of direct services to middle-aged and older jobseekers in the local employment offices. These services include increased use of job counseling and of aptitude and proficiency tests; assistance in presenting qualifications effectively to employers; solicitation of suitable job opportunities; referral to training facilities, or to other community agencies, for further training or other needed services; and special efforts to eliminate or modify age restrictions in job orders.

Second, the Bureau and the affiliated State employment services are engaged in widespread and sustained community programs to convince management, labor, and the general public that age barriers in hiring are economically unsound. This program consists of such activities as visits to individual employers to discuss employment and practices affecting the hiring of older workers; discussions with groups of employers; discussions with civic, fraternal, and other groups; and stimulation of the establishment of statewide and local committees to bring to the attention of the public actions which can be taken in the community.

The results of the increased efforts on behalf of older workers are evident in the statistics for fiscal year 1958. They show that over 1 million placements of jobseekers 45 years and over were made through the employment service offices. The percentage of older worker placements to total nonagricultural placements rose steadily from 18.2 percent in July 1957 to 21.7 percent in April 1958. This proportionate rise is especially significant since it occurred during the period of declining job opportunities, when placement prospects of older jobseekers ordinarily are more severely affected than those of other jobseekers.

The increase in percentage of placements was not centered on one or two occupational categories, but was across the board. The greatest rise was in the professional and managerial group (one of the groups with a high degree of age restrictions, according to the 1956 study). The next highest rises were, in order, in the semiskilled, skilled, and clerical and sales occupations—indicating increased effort not only to place older workers but to place them in jobs utilizing their skills and experience.

To aid in proper utilization of skills, about 112,000 job applicants 45 and over were provided job counseling service during the fiscal year. In addition, group guidance sessions, staff clinics, and other specialized group sessions were used in efforts to assist older jobseekers in overcoming problems interfering with successful job search.

Services to Youth

Services to youth through local employment service offices fall into four major categories, each of which requires different procedures.

Graduates.—In the counseling program for graduating seniors, the employment service worked in 7,878 of the Nation's 25,000 high schools in the school year 1956–57. There were increases in the percentage of high schools served in all but 9 States in 1957–58. The current emphasis in programing for youth services is to extend service to graduates entering the labor market from small towns and rural areas.

About one-third of a high school class customarily needs employment service counseling services. In school year 1956–57, counseling interviews were held with 227,419 seniors. Ninety-six percent of those counseled were given the General Aptitude Test Battery (GATB). There were 58,328 placements of June 1957 graduates, in jobs which were to last 6 months or more.

Dropouts.—Approximately a million children drop out of school each year. Most of these have a need for some assistance by the employment service in resolving employment problems. Thirty State employment services were known to have formal programs for job counseling assistance to school dropouts in school year 1956–57, the last year for which figures are available.

In Philadelphia, the Pennsylvania State Employment Service is doing outstanding work with mentally retarded youth and with youth referred by agencies interested in the prevention of juvenile delinquency.

Students for Summer Jobs.—Forty State employment security agencies have reported outstanding programs for students seeking summer jobs. In many localities, this is carried on in cooperation with junior chambers of commerce or other service clubs.

The Bureau has provided consultation service and materials to youth leaders in the 4–H Clubs, National Grange, and the Inter-Organization Committee on Rural Youth. All these organizations have been taking a new interest in career exploration, largely because of the increasing number of youth who must leave the farms each year.

Services to Minority Groups

Cooperation with the President's Committee on Government Contracts was strengthened through the distribution of materials to aid employment service staff members in the application of Point D of the Minority Groups Policy. This point calls for cooperation with procurement agencies and other appropriate agencies of the Government in their efforts to secure compliance with nondiscrimination clauses in Government contracts.

Selected data covering employment, unemployment, and industries in metropolitan areas with nonwhite populations in excess of 50,000 were prepared and presented at the National Newspaper Publishers Convention in Washington, D. C., May 12–13, 1958.

A digest of the Civil Rights Act of 1957 and a statement on the Bureau of Employment Security's minority groups program was prepared to be included in Notes on the Economic Situation of Negroes in the United States revised by the Bureau of Labor Statistics, May 1958.

Material on various minority groups in the United States was submitted to be included in the Department of Labor's position paper to be presented at the ILO meeting in Geneva, June 1958.

A new evaluation method developed to assist local offices in appraising their services to minority groups, the Basic Data Study, consisting of instructions and a series of tabulation forms, was developed during the year. A successful test run was made at the Columbus, Ohio, office in August–September 1957.

Ex-Servicemen.—An analysis was made of employment assistance provided by State agencies to releasees at military separation points, and a summary statement was prepared for the information of the agencies. Large numbers of men are still being separated, and the need for services given at the separation centers will continue for the foreseeable future.

Reservation Indians.—There was exploration of further cooperation with the Bureau of Indian Affairs in its program of relocation of reservation Indians. Under this program, which provides for the vocational training of some 1,000 Indians per year, the State agencies in many areas now give the GATB to prospective trainees.

Services to the Handicapped

The effect of the economic maladjustment of late 1957 and 1958 was acutely felt by the handicapped. Hence, efforts were intensified to maintain job opportunities for this group at the highest possible level, and to assist those with severe handicaps to enhance their competitive possibilities through rehabilitation services. During this fiscal year, 479,473 new applications were received by State employment service offices from handicapped workers. This number was 13.8 percent higher than that for the previous fiscal year. State agencies made 259,406 placements of handicapped workers, 12.8 percent lower than the accomplishment for the previous fiscal year. State rehabilitation agencies referred 11,187 rehabilitated clients to employment service agencies for placement services. From this group, made up generally of persons with the most disabling impairments and most difficult problems, the employment service made 5,571 placements.

To help make higher quality service a reality, the Bureau promoted specialized staff training beyond that given in the regular in-service training program for State and local office staff assigned to serve the handicapped. A considerable number attended short-term institutes for counselors, sponsored by the Office of Vocational Rehabilitation. Also, some State supervisors of the program attended a pilot institute designed especially for employment service personnel. This institute focused special attention

on the practical problems of severe disability groups in finding and holding suitable employment.

With staff of the Office of Vocational Rehabilitation, new procedures and forms were developed for jointly evaluating cooperative relations between employment service agencies and State rehabilitation agencies on a local basis. These tools were successfully introduced and tested in Madison and Milwaukee, Wis. This method of joint examination and evaluation of interagency relations will be extended throughout the country.

The Bureau assisted the President's Committee on Employment of the Physically Handicapped in planning its programs, gave it technical assistance, and, with State agency staff, participated in regional meetings in Oakland, Calif., Omaha, Nebr., Salt Lake City, Utah, and Hartford, Conn. At the State level, State employment service staff gave Governors' committees on employment of the physically handicapped strong, close support.

The Bureau worked closely with the National Tuberculosis Association to revise the Interviewing Guide on Pulmonary Tuberculosis to reflect the most recent progress in treatment, rehabilitation, and placement of ex-tuberculous persons.

Counseling Service

Efforts to improve counseling service moved ahead on two broad fronts—through programs to increase counselor competence and through efforts to extend this service to more jobseekers who have problems of job choice or adjustment.

More than 897,000 jobseekers, 19,000 more than last year, were furnished counseling service during the year. These applicants were provided 1,543,000 interviews, 35,000 more than last year.

A short-course curriculum for supplemental professional preparation of employment service counselors was developed by the University of Iowa and made available to all State agencies. Plans were made for conducting out-of-service training sessions, based largely on this curriculum, at 9 universities during the summer of 1958. Approximately 165 counselors from 18 States were scheduled to take this training.

Some of the tools made available this year to employment service counselors to help them do a better job include an improved Interest Check List, the 1957 edition of the Occupational Outlook Handbook, and use of the "Estimates of Worker Traits" technique in counseling. Methods for evaluating the impact of this technique on counseling were also developed, and were tried out in three pilot offices. They were to be released later in 1958.

Strengthening Local Office Internal Operations

Adapting to Conditions of Heavier Unemployment

A study was undertaken to determine what steps State agencies might take in periods of increasing unemployment to maintain a vigorous, effective employment service and insure the quality of employment service local office operations. A listing of some of the operating and policy questions which might become pressing during a period of increasing claims load was made. The material also indicated actions which might be taken to prevent or offset some of the operating difficulties that were being encountered. Application-taking policy and practice were given emphasis by requesting information of the State agencies about the steps taken to conserve their staff resources in the light of the existing high load of claims.

Revised Management System

As a result of the work of a committee composed of Bureau and State agency technicians, the Employment Security Manual section on organization and management of local offices was reorganized and rewritten. Revisions were based on experience gained from the application of the management principles contained in the previously issued instructions on this subject.

The revised Manual section provides evaluation and management control forms and procedures for employment service operations in large, medium, and small offices. It recognizes that the need for management controls is greater in larger than in smaller offices, and emphasizes the necessary flexibility in the use of management controls.

Time Factors Keyed to Quality Work

The emphasis on the evaluation of employment service standard time factors continued during fiscal year 1958. (Time factors are the standard allowances in minutes by which totals of specified activities are converted to personnel requirements.) The end result of this continued effort in representative local offices around the country is a validated time factor for each operation that is used in the budget process as a guide in determining the proper assignment of staff, and in evaluation of the utilization of local office or State agency staff when compared with the workload produced.

Need for Opening New Local Offices

Based on the results of developmental work and 2 years' experience in applying previously developed standards and techniques, the Bureau issued Employment Security Manual instructions during the year to guide State agencies and the Bureau's regional and national offices in determining the need for establishing new local offices in communities located outside of metropolitan areas.

The Manual techniques provide a uniform method for determining the labor market area in which a local office can furnish active placement service, and the claims service area in which claimants should file claims in person at a local office. The Manual material also furnishes methods for gathering facts on the extent of need for these services within such areas.

The Manual standards provide criteria with uniform bench marks against which the needs of labor market and claims service areas are measured to determine whether an area warrants an office and, if justified, the type and tenure of the office which should be established.

Community Employment Programs

The Federal-State employment security system has an important responsibility to stimulate and assist in community employment planning. Since the local employment office has its finger continually on the pulse of one of the more important factors in economic activity—manpower and employment—it is in a unique position to help communities plan their own economic development.

Bureau representatives participated in a number of economic development meetings during the year. These included three Small Business Administration meetings at Worcester, Mass., Richmond, Va., and Providence, R. I.; an Armed Services Labor Surplus Area Procurement Conference in Rhode Island; and the Rural Development Conference at Memphis, Tenn. In addition, State agencies participated in numerous State industrial development conferences, new technology exhibits, procurement clinics, and business opportunities meetings, sponsored by State and Federal agencies (Departments of Commerce and Defense, as part of their labor surplus area assistance programs, and the Small Business Administration) and local business and community leaders.

The Bureau continued to support legislation to establish a Federal program of assistance for industrial development of areas of substantial and persistent unemployment. Late in the final session of the 85th Congress an enrolled bill, the Area Redevelopment Act, was passed. This bill was "pocket" vetoed.

Farm Placement Service

The Farm Placement Service of the Bureau is responsible for developing and coordinating programs relating to labor for farms and food processing plants. State employment security agencies and their local employment offices have farm placement field representatives whose chief function is to bring together the agricultural worker and employer.

The farm placement field representative's duties include contacting employers to ascertain their labor needs, estimating crop yields to determine manpower requirements, informing employers and workers of new

laws governing farm labor, encouraging States and employer groups to improve conditions of employment for farmworkers, planning work schedules for farmworkers, and providing employers with both seasonal and year-round labor.

Since the labor situation in agriculture is often influenced by the vagaries of nature, farm placement personnel very often find themselves confronted with sudden emergencies that may threaten to wipe out an entire crop. During the height of a season, they sometimes work around the clock to save a harvest from sudden temperature changes, floods, freezes, and other onslaughts of nature that cannot be predicted, or to find new employment for workers stranded by such disasters. One of the most serious of these latter situations occurred last December and January when thousands of migrants were stranded in Florida as a result of freezes that hit the winter vegetable crop and seriously damaged citrus fruit.

A new challenge, caused by the economic downturn, was presented to Farm Placement Service in fiscal 1958. The problem involved making immediate readjustments in long-range plans in order to bring into the farm labor force jobless nonagricultural workers, particularly those with previous experience in farmwork.

A directive from the Secretary of Labor requested all State agencies and local employment offices to intensify recruitment efforts so as to offer a farm job to every unemployed worker, especially those in urban areas, thus reducing the need for importation of foreign workers. To achieve these ends, program revision was necessary in many areas, including a review of procedures governing certification of foreign workers and determining prevailing wage rates.

Since, at the end of fiscal 1958, peak agricultural activity was still many months away, no conclusive meaning could be read into farm employment statistics. The figures did show, however, that cumulative farm placements for the last 6 months of the fiscal year were running higher than any previous year recorded, and employment of foreign workers was down about 37,000 from the past year.

Total farm employment continued to decline in fiscal 1958, falling 5 percent from 6.4 million in fiscal 1957 to 6.1 million, according to census figures. Most of the drop took place among farm operators and unpaid family workers. The number of seasonal hired workers fell slightly. This was due primarily to a decline in cotton production caused by unfavorable weather and soil bank withdrawals. Because of these two factors, about 100,000 fewer workers were employed in cotton in mid-October of this fiscal year than the previous year, according to BES estimates. The total of all hired workers at about 1.7 million remained the same as last year.

Seasonal shifts in agricultural employment shared the same large fluctuation as in previous years. According to BES reports from 265 of the Nation's leading production areas, seasonal farm employment varied from 300,000 in February 1957 to about 1,300,000 at the October harvest peak. Cotton continued to use the greatest number of workers—600,000 in

mid-October. Large numbers were also recruited for vegetables, berries, tree fruit, tobacco, and livestock care.

The seasonal work force was made up largely of local workers within commuting distance of their homes, although nearly all States continued to rely on migratory workers to help meet the heaviest seasonal requirements. At the peak, more than 300,000 interstate, intrastate, and Puerto Rican migrant workers were reported.

Recruitment of Local Labor

Volunteer Farm Placement Representatives

Volunteer farm placement representatives—local people who serve without pay to bring together farm employers and workers in small communities where it is not practicable to establish a local employment service office—continued to make a valuable contribution to the farm placement program. During the calendar year, 3,409 volunteer representatives were appointed by employment security agencies in 27 States. They made a total of 149,158 placements—nearly 22,000 more than last year.

Year-Round Workers

Scarcity of year-round farm labor continued. Selective placements, a good indicator of year-round worker placement activity, increased by more than 44,000 to 868,017 in calendar year 1957. An effective method of securing year-round workers has been the so-called Farm Employment Day. On a specific day, well publicized in advance, qualified farmworkers meet with farm employers at local employment offices or other locations. During the year, 93 local offices conducted 1,400 such employment days.

"Day-Haul" Programs

Three factors caused a decrease in the need for day-haul workers: adverse weather in many areas, soil bank withdrawals, and the use of sterile-pollen seed corn which obviates the need for detasselers. Under the agency-operated type program, 1,015 towns participated in day-haul activity, resulting in the placing on peak days of 205,162 adult and youth workers. An estimated 100,000 additional workers were placed through the employment service's "established" type program. Under this plan, the employment service directs workers to certain points where they are picked up by employers without employment service supervision each day.

Youth Programs

During calendar 1957, nearly 3,700 youth were recruited to "live in" at carefully selected farm homes. Under a "camp" program, local employment offices stepped up efforts to place college and high school students—generally organized into crews with teachers or coaches as leaders—in approved camps maintained by employers. An estimated total of 400,000 agricultural jobs were found for youth in fiscal 1958.

Domestic Migrant Farm Labor

Annual Worker Plan

Almost all States using migratory workers have now adopted the Annual Worker Plan. Under this plan, farm placement personnel in local employment service offices schedule jobs for migrant workers at their home base and as they travel from one State to another, thus reducing the loss of time searching for employment. The plan also helps to assure farm employers of an adequate supply of labor when they most need it. The number of crews or groups of workers participating in the plan increased from 4,441 in 1956 to 6,487 in calendar 1957, while the total number of workers of all ages in the crews also rose, from 97,398 to 120,548.

Supporting Annual Worker Plan activities are information stations and farm labor information bulletins, both of which provide latest information on crops and labor conditions to itinerant migrants. Operated by farm placement personnel of the local employment service offices—often 24 hours a day, 7 days a week, during peak labor demand periods—the number of such stations increased during the year. Farm labor information bulletins were issued by 37 States, which published a total of 1,502 editions with total distribution reaching 654,842.

Other Sources of Domestic Farmworkers

During the year, 43,444 reservation Indians were provided placement services in 18 States. In addition, 13,214 Puerto Ricans were contracted from the island to work on mainland farms. These figures do not include the many more Puerto Ricans, including those remaining in the continental United States year after year, who made their own arrangements for mainland jobs, nor the Indians who applied at established local offices and needed no special service.

Referral of Machines and Crews

Referring grain combines and cotton harvesting machines is another phase of seasonal migration requiring close coordination between employment service offices. During the year, some 7,500 employers in 13 States employed the services of small grain combines, and cotton harvesters were referred to more than 300 farmers in 7 States. Five persons on the average were referred with each grain combine placed.

Improved Conditions for Migrant Labor

The employment service continued during the year to emphasize better housing, safer transportation, stricter health and sanitation laws, child care, school facilities for migrant children, recreation, and facilities for religious services. Farm employers and local communities were urged by employment service offices to work for these welfare measures. In addition,

employers were encouraged to provide transportation expenses for workers, as well as worker insurance and worker agreements spelling the jobs out clearly.

The President's Committee on Migratory Labor, chaired by the Secretary of Labor, met in May 1958 to give first-hand consideration to migrant problems. It requested BES to investigate the need for migrant rest camps between points of departure and arrival, to look into the possibility of preparing legislation requiring the national registration of crew leaders, and to study ways and means of financing migrant transportation.

It also urged the appointment of more State migratory labor committees to study migrant problems and make recommendations for improvements. Seven such committees were formed in fiscal 1958. The total number of States providing for such committees is now 21.

Employment security offices increased efforts to educate migrants concerning their rights to social security coverage. Local offices continued to impress upon employers and others concerned with migrant workers their responsibilities under the new ICC regulations regarding interstate migrant transportation, and child labor regulations. Most of the activity in these areas took the form of literature distribution and personal contact with employers, crew leaders, and State personnel.

The Bureau and the State employment security agencies also played an important advisory role in programs designed to extend and expand further the employment services to low income rural areas.

Foreign Workers

In fiscal 1958, as in previous years, shortages of domestic farmworkers made it necessary to bring in foreign workers. The majority were brought from Mexico, but sizable numbers also came from the British West Indies and Canada. A few Basques, Japanese, and Filipinos were admitted under special arrangements.

To determine accurately the number of foreign workers who could be employed without adversely affecting the wages or job opportunities of the domestic labor force, the States conducted a study of the 132 areas where farmworker shortages were expected to develop. Analysis was made of labor supply and demand, production trends, technology, and nonfarm employment. In addition, 376 decisions on quotas, including amendments, were taken by the Bureau covering the employment of foreign workers in the 132 areas.

Foreign workers, other than Mexican, amounted to 20,399 during the peak season. This figure takes into account those held over from the previous year. Also included were 7,291 Canadians, most of whom were employed in the Maine potato harvest, and a little over 12,000 British West Indians, most of whom are used in Florida's citrus and vegetable harvest in the winter, and in Connecticut tobacco and the Great Lakes

States' vegetables during the summer. On the other hand, the United States continued to supply workers to Canadian tobacco growers. In fiscal 1958, 4,056 Americans worked Canadian tobacco crops.

Mexican Nationals

There were 31,186 fewer Mexican workers brought into the country in fiscal 1958, compared with the previous year. The total was 418,976 contracted through reception centers at Hidalgo, Eagle Pass, and El Paso, Tex.; Nogales, Ariz.; and El Centro, Calif. During the same period, 35,069 Mexican nationals were recontracted, an increase of 2,163 from fiscal 1957. A total of 410,896 were returned to Mexico.

A report, filed by the House Agriculture Committee and based on extensive hearings on the Mexican labor program held by a House Agricultural Subcommittee in March, June, and July, noted that the Mexican program "has been successful in more than one respect." The report pointed out that the program had made farmworkers available when no domestic workers could be found and had "proven an effective vehicle in the elimination of persons who enter the United States illegally from Mexico to obtain work. The so-called wetback and the bad conditions of employment that accompanied the use of such labor have largely disappeared."

Foreign Labor Program Activity

Decentralization of the "skip" assessment program from the Washington office to the five reception centers through which Mexican workers are contracted was effected in fiscal 1958. Under the "skip" assessment program, employers failing to return workers to centers are assessed the cost of transporting such workers from the area of employment to the center through which they were initially contracted. Employers, however, may document the voluntary repatriation of missing workers without expense to the U. S. Government and thereby avoid such assessment. In fiscal 1958, out of a total of 1,926 assessments, collections amounting to $56,472 were received. Since the program's inception in 1951, a total of 6,766 preliminary assessments involving more than $444,000 have been processed by the Washington office. Of this total, nearly $289,000 was collected from 5,779 employers after resolving claimed exemptions.

Continuing efforts to strengthen operations at border reception centers into the United States resulted in a number of improvements during fiscal 1958. A fire prevention and safety survey uncovered hazards; these were removed and a program of self-policing was established at all centers. Procedures for administering blood tests to Mexican workers were perfected in cooperation with the U. S. Public Health Service. Facilities are being set up to make blood testing standard procedure at all centers. Authority to make local emergency purchases of certain items was raised from $25 to $100.

Prevailing Wage Determination

The Farm Placement Service, on behalf of the Secretary of Labor, made 1,585 prevailing wage determinations of agricultural work in areas where Mexican nationals were employed. These determinations, embracing 2,014 separate rates, are made in accordance with the Migrant Labor Agreement of 1951, as amended, between the United States and Mexico. They were based on wage surveys conducted by 24 State employment security agencies. By terms of the agreement, Mexican workers must be paid wages not less than the prevailing wage rates of domestic workers in the respective crops and wage areas.

Examinations were made of payroll records in a number of areas and activities in which Mexican nationals are employed on piece rates to determine average hourly earnings. This was done preparatory to consultations involving departmental policy changes in the area of piece rate earnings.

Housing and Feeding

Continued emphasis was placed during the year on the improvement of Mexican worker housing. More than 7,000 inspections were made to assure that employers were complying with the Minimum Acceptable Standards for Housing Mexican Workers, published in March of 1957.

Deficiencies, mostly minor, were found in about 40 percent of the camps inspected, a substantial reduction from last year's figure of two-thirds. Fewer camps were closed—73 compared with 225 last year—and the incidence of major deficiencies affecting the health or safety of workers was reduced from 25 to 12 percent.

Standards and menus designed to improve the quantity and quality of food served Mexican workers in restaurant-type feeding facilities were developed this year. About 120 such facilities out of almost 300 inspected disclosed deficiencies. Most, however, were minor.

Investigation of Complaints

Field representatives conducted 5,706 investigations during the fiscal year. Violations were found in about 64 percent of the cases. Nearly 30 percent of the complaints related to wages and slightly less than half were substantiated, resulting in the payment to Mexican workers of about $104,000 in back wages. Periodic inspections of employers' payrolls, as opposed to complaint investigations, resulted in the payment of an additional $28,400. A total of $132,400 in back wages was paid by 742 employers to 8,213 workers. Eighteen employers lost their privilege of contracting Mexican workers because of willful wage violations or refusal to take corrective action.

Farm Labor Committees

Three committees continued during the year to assist the Farm Placement Service in carrying out its objectives in both the domestic and foreign

labor programs. They were the Farm Labor Subcommittee of the Federal Advisory Council, the Special Farm Labor Committee, with 48 members representing all States and all branches of agriculture and food processing, and the Labor Advisory Committee which is composed of representatives of organized labor. In addition, the Mexican Subcommittee of the SFLC proved particularly helpful in reaching agreement on the Secretary's wage policies.

Veterans Employment Service

An estimated 710,000 servicemen were separated from military duty and returned to the civilian labor force during fiscal year 1958. To speed their readjustment to civilian employment, the State employment security agencies provided services at 266 military separation and transfer points. Veterans now make up nearly 45 percent of the Nation's male labor force.

The Veterans Employment Service has the responsibility of functional supervision of services provided veterans through local State employment offices. The Servicemen's Readjustment Act of 1944, as amended, requires that the Secretary of Labor appoint a veterans' employment representative (VER) in each State.

In fiscal year 1958, State VERs contacted some 5,000 employers to develop a favorable attitude toward veterans' employment problems; made 6,400 contacts with veterans' organizations and 6,900 contacts with other organizations, including government agencies and civic and union groups. VERs also gave advice and counseling to over 16,500 individual veterans.

Training Program

Major emphasis was placed on the training phase of the Veterans Employment Service program in fiscal year 1958. Three regional training conferences were held with 33 State VERs participating. Members of the Veterans Employment Service headquarters staff visited all States and Territories except Alaska to provide on-the-job training to State VERs and their staffs. Stepped-up training of local office personnel through use of the VES Refresher Training Unit resulted in approximately 60 percent of State employment service local offices receiving special training. A supplement to the State VER Handbook on Conference Leadership, a self-study training unit, was distributed by the VES to all State VERs. VES also completed a two-part training booklet to assist VERs in the performance of their duties.

Veterans' Organizations

Cooperative programs to help provide better employment opportunities to veterans were carried on with all veterans' organizations by VES and State VERs. Traceable accomplishments of this cooperation include

adoption by the American Legion of a detailed program for assisting in employment problems, production by the American Veterans of World War II (AMVETS) of a new manual of operations and instructions for volunteer employment officers, and a strengthened employment program by the Disabled American Veterans.

Other Programs

The rise in the numbers of veterans released from Veterans' Administration neuropsychiatric hospitals, owing to new and better methods of treatment, prompted a review by the VES of its cooperation with VA officials and State employment security agencies. VA officials from several hospitals met with VERs at three regional conferences where plans were made for improving the placement service for veterans being released from mental hospitals.

New Applications and Placements

Local State employment offices in fiscal year 1958 took 2,432,000 new applications for employment from veterans, a rise of 29.6 over the previous year. Disabled veterans accounted for 145,400 of total applications. The total number of veterans placed in nonagricultural jobs was 1,230,100. Disabled veterans placed in jobs in fiscal 1958 numbered 103,300—more than 40 percent of the total number of male handicapped placements.

Occupational Research and Information

Occupational research and analysis are basic techniques used by the employment service to develop occupational information aimed toward one goal—that of helping workers find jobs and helping employers solve employment problems. Such information facilitates the placing of applicants and the filling of job orders, and is a means of providing a variety of other personal services to the worker, the employer, and the community. The extensive changes in employment and unemployment that occurred in fiscal year 1958 emphasized the importance of this information and led the Bureau to stimulate increased Federal-State activities in this field.

Job Opportunities Information

The growing need for labor market information during fiscal year 1958 led to an intensification of State agency development and the release of local job opportunity information. The two major types of research conducted by the States in this field were the preparation of occupational guides and the preparation of area skill surveys.

By the end of the fiscal year, 32 States were publishing or developing occupational guides. These were usually published as a continuing series

containing basic information on the job content and economic factors associated with a single occupation or group of occupations.

Each guide contained information about current and future employment opportunities, job duties, education and training and experience requirements, local training facilities, entry methods, advancement opportunities, and hours and earnings. Such guides are essential to employment counseling and job development activities in the local office, and provide authoritative information to school counselors, students, and jobseekers who desire occupational guidance.

Thirty of the State and territorial employment security agencies participating in an area skill survey program made analyses of current and future labor demand and supply, by occupation, for individual labor market areas. Area skill surveys contribute to community employment development, assist communities in planning their economic growth and development in terms of their occupational resources, and provide a basic guide to local vocational training needs and programs. Significant actions in the field of vocational training have resulted in several areas. For example, the Arizona area skill surveys have been used extensively in planning school training curricula and industry training programs. In Bridgeport, Conn., during the course of an area skill survey, a manpower council was established to promote the expansion and improvement of local training and to encourage the utilization of workers at their highest skills.

Current Occupational Information

A report covering all openings for which local State employment offices can find no local applicants appears monthly in the publication Labor Market and Employment Security. Another report was initiated during fiscal year 1958, when interest by the National Science Foundation and the President's Committee on Scientists and Engineers led to the publication of bimonthly reports on "Current Labor Conditions for Engineering, Scientific and Technical Personnel," dealing with shortages in selected scientific and engineering professions.

Job Guide for Young Workers

A new edition of the popular Job Guide for Young Workers was issued the latter half of fiscal year 1958. This Guide provides concise, up-to-date information on duties and characteristics, qualifications required, employment prospects, advancement prospects, and entry methods for more than 100 entry jobs. The occupations included in Job Guide are primarily those requiring no more than a high school education.

The Guide also identifies Federal and State agencies that provide labor market information and counseling services. It sets forth the advantages of education beyond high school and gives advice on how to go about getting a job.

A section on job outlook, which forecasts changes in the occupational structure of the Nation's work force, emphasizes the expected greater demand for better educated, better trained people. Some 40,000 copies of the Job Guide for Young Workers have been distributed to local employment offices, secondary schools, libraries, and community organizations throughout the country.

Technicians' Study

As a result of a pilot analysis completed in 1957, a basic study to identify and describe those technical jobs which are considered supporting to engineers and physical scientists was begun early in the fiscal year under the joint sponsorship of the National Science Foundation and the President's Committee on Scientists and Engineers. The assumption underlying this study is that the number of available engineers and scientists can be increased to the extent that technically trained personnel can be utilized to perform the more routine aspects of these occupations requiring professionally trained personnel. The cooperation of 11 States was enlisted for field assistance, and the agency analysts were given specialized training. Work on the project was begun in four key industries. Progress was made despite such inhibiting factors as layoffs, frequently resulting in reorganization of technical staffs so that the technicians were performing duties not representative of usual assignments. However, 500 job studies were made and their analyses processed, and an outline of a brochure devoted to technicians engaged in research and development work was prepared.

Progress Toward a New DOT

Toward an eventual new and revised edition of the Dictionary of Occupational Titles, a three-pronged program was planned and initiated in fiscal year 1958: (1) The processing, by both State agency and Bureau analysts, of job studies accumulated over the past several years, into job definitions; (2) the verification of special groups of definitions, presently in the DOT, by professional and other authoritative associations; and (3) the establishment of five occupational analysis field centers to undertake a mass verification of definitions currently appearing in the DOT, and to make new field analyses of jobs not already covered. Work was begun on the first two parts of the program, involving the assistance of five State agencies, which prepared definitions in five industries, after special methods and procedures were developed for the work.

Four State agencies (California, Michigan, Missouri, and New Jersey) accepted the proposal to set up and operate occupational analysis field centers. Plans provide for personnel of each center to be hired by and administratively responsible to the State agency; they will receive their assignments from and be technically and functionally responsible to the national office of the Bureau.

Exploratory work also was done in revising the format of the DOT, particularly as it relates to the definition. The aim is toward a more meaningful definition, containing both more and clearer occupational information without sacrificing necessary brevity and simplicity. In this work, functional occupational classification concepts and principles were considered and those applicable were incorporated.

In addition to work specifically for the Dictionary, 7 State agencies, working under special project grants, made job studies in 15 industries. Included were studies resulting in descriptions of 13 selected jobs in electronic data processing.

Industry Manpower Surveys

As part of the general function of providing current manpower information, numerous inquiries originating from other Government agencies and the public were serviced on a continuing basis during fiscal year 1958. In addition, industry manpower surveys on aircraft and parts manufacturing and blast furnaces, steel works, and rolling mills were prepared and circulated. These surveys covered employment trends and outlook, area impact, labor shortages, recruitment methods, hours, earnings, and turnover, as reported by major establishments to local offices of State employment security agencies.

At the request of the National Science Foundation and the President's Committee on Scientists and Engineers, a special industry survey was completed on the manpower situation in scientific and engineering occupations in the chemical industry. From each establishment contacted, information was obtained on employment, vacancies, and 1-year requirements, and an analysis was made of labor demand and supply problems, turnover, utilization, and hiring practices.

Putting Labor Market Facts to Work

The daily transactions in each of the 1,800 local State employment offices provide a wealth of information on the changing conditions of employment, unemployment, and labor supply and demand. The collection and analysis of this information formed the basis for the regular reporting of a wide range of labor market facts. These facts, secured and reported by State employment security agencies, and analyzed and published by them and the Bureau, entered into the plans, policies, and manpower operations not only of the Department of Labor and other Government agencies but also of many private organizations and persons.

Informing the Public

In fulfilling its responsibilities to the public, to Government agencies, and the State employment security agencies, the Bureau issued a variety

of publications and releases which measured the extent of unemployment, employment, wages, and other related developments in the Nation's labor market.

Reports on Unemployment

The rise in the numbers of jobless workers in fiscal year 1958 lent greater importance to the periodical reports on employment and unemployment issued by the Bureau, either on its own or in cooperation with other departments of Government. These reports include:

1. Area Labor Market Trends, a bimonthly bulletin (and 3 interim releases) prepared and published by the Bureau, classifying 149 major areas and between 61 and 182 smaller centers according to relative adequacy of labor supply. Overall national analyses of the area labor market situation and outlook, tracing the impact of employment and unemployment developments upon different areas and summarizing area employer hiring intentions, were prepared and issued as a part of each issue of the Area Labor Market Trends bulletin.

2. Characteristics of the Unemployed, a monthly report developed and prepared by BES and the Bureau of Labor Statistics and issued by the Department of Labor. Based primarily on data obtained from BES, the State employment security agencies, and the Bureau of the Census, the report presents an analysis of the volumes and rates of unemployment for various population groups and describes the most significant characteristics of these groups.

3. Combined Employment and Unemployment Release, a monthly report issued jointly by the Departments of Labor and Commerce. BES participates in the preparation and distribution.

4. Unemployment Insurance Claims, a weekly news release and report prepared by BES, providing data on week-to-week changes in volume of unemployment insurance claims, together with reported reasons for differences.

Area Manpower Guidebook

A comprehensive Area Manpower Guidebook, prepared with the cooperation of the State employment security agencies, presenting background data comparative labor market statistics, and summary labor market facts about the economic and manpower resources of 174 of the Nation's more important labor market areas, was released by the Bureau in fiscal year 1958. This publication brought together in a single volume basic manpower information for local areas—their industrial characteristics, major sources of employment, skills of the work force, long-term labor market trends, and related items. The book facilitates the work of the Bureau and the State agencies in serving workers, employers and the public, and in planning national manpower programs and policies.

Federal Civilian Worker Employment

Important new information on the employment and wages of Federal civilian employees became available for the first time on a regular basis through the efforts of the Bureau and its affiliated State agencies. The new statistical series provides data on the monthly employment and quarterly wages of Federal civilian workers, classified by industry, State, local area, and agency. The new series represents a major addition to the economic data available to business, labor, and the public.

General Publications

The Bureau continued issuing two monthly technical publications. The Employment Security Review is designed primarily as a medium for exchange of experience among the States with respect to developments in operating methods and procedures. The other monthly, The Labor Market and Employment Security, is designed to provide a variety of economic and administrative data and analysis of operating value to personnel in the employment security system and the general public. The Bureau also issued, during the active agricultural season, a monthly periodical, Farm Labor Market Developments, which describes the farm labor market situation, as indicated by semimonthly reports submitted to the Bureau by 264 major agricultural areas.

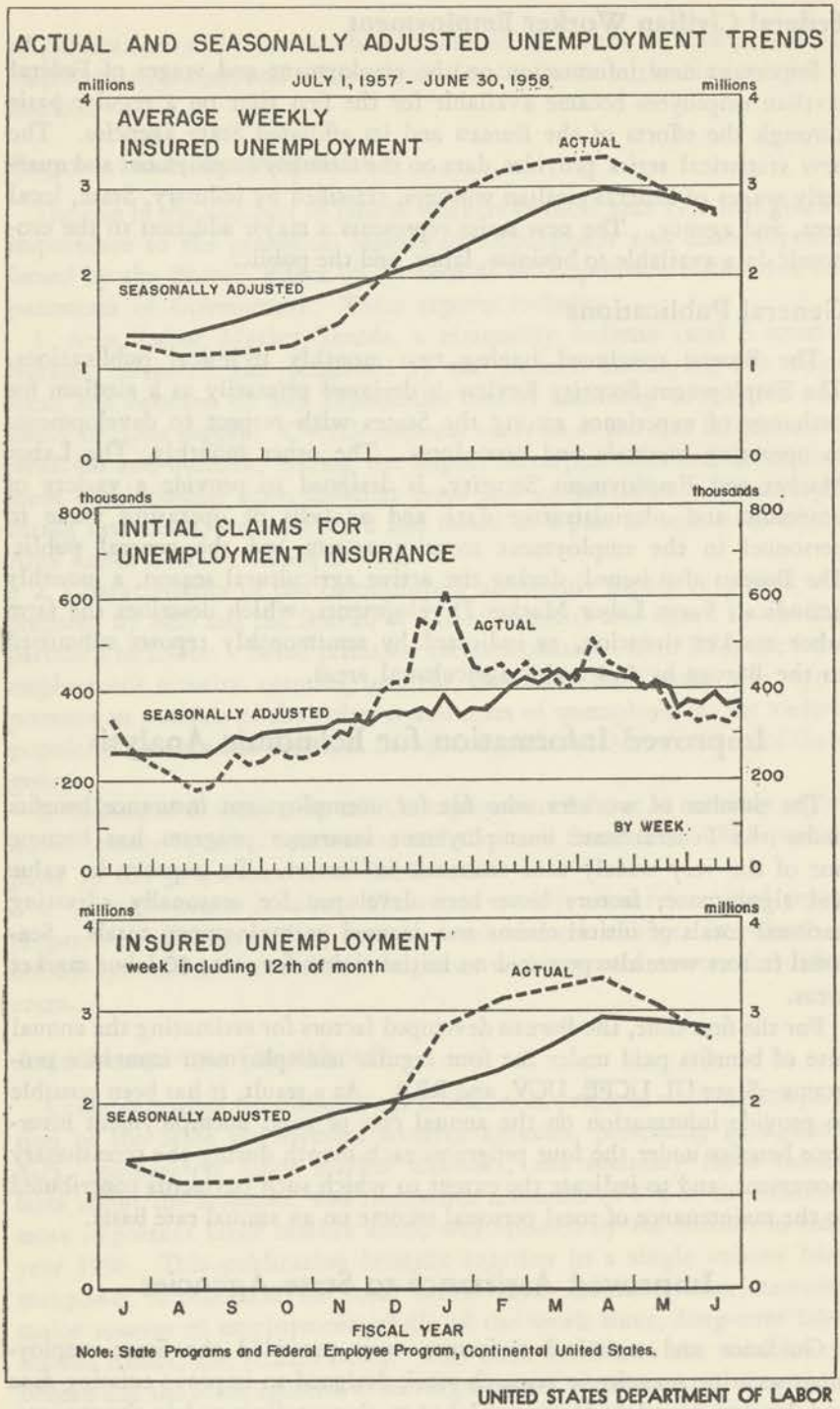
Improved Information for Economic Analysis

The number of workers who file for unemployment insurance benefits under the Federal-State unemployment insurance program has become one of the very widely used economic indicators. To improve its value and significance, factors have been developed for seasonally adjusting national totals of intital claims and insured unemployment totals. Seasonal factors were also prepared on initial claims for some 50 labor market areas.

For the first time, the Bureau developed factors for estimating the annual rate of benefits paid under the four regular unemployment insurance programs—State UI, UCFE, UCV, and RRB. As a result, it has been possible to provide information on the annual rate of total unemployment insurance benefits under the four programs each month during the recessionary movement, and to indicate the extent to which such payments contributed to the maintenance of total personal income on an annual rate basis.

Improved Assistance to State Agencies

Guidance and technical assistance were provided the State employment security agencies in research work designed to improve existing data and develop new data for use in labor market analysis and in the management of employment security operations. At the end of fiscal year 1958,



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BUREAU OF EMPLOYMENT SECURITY
OFFICE OF PROGRAM REVIEW AND ANALYSIS
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some 28 States were engaged in studies designed to improve data on unemployment and related labor force activities; 18 were working on studies to improve employment and other establishment data; and 26 States were engaged in a variety of special manpower and labor market studies such as those on characteristics of unemployed workers, sources of workers for new establishments, and manpower resources of areas of chronic unemployment.

Exchanging Research Information

In order to keep the State agencies acquainted with the extent and scope of employment security research programs being conducted by all of the State agencies, and to keep them abreast of methodological developments in research programs, preparations were well under way at the end of the fiscal year for the issuance of a revised Employment Security Research Exchange. The new Exchange is based on semiannual reports submitted by the State agencies on research projects completed, planned, under way, or being conducted on a continuing basis.

A new and improved procedure has been established for the systematic distribution of State agency research studies through a Research Transmittal Series.

To provide improved labor market analysis tools to State agencies, preliminary versions of six chapters of the Handbook on Area Labor Market Analysis were completed and distributed to the State agencies.

Review of Standard Metropolitan Areas

The Bureau continued its active participation in the Bureau of the Budget committee on review of standard metropolitan areas. The Bureau of the Budget has issued a revised set of criteria for defining these areas which now makes them identical in concept with BES labor market areas. The responsibility for determining the volume of worker commuting has been placed by the Bureau of the Budget with the BES in cooperation with the State employment security agencies. To provide the necessary information to the Bureau of the Budget on worker commuting, some 20 studies were completed or undertaken during the fiscal year.

New Standard Industrial Classification

Guidance and assistance were provided to the State employment security agencies in the conversion of industry codes in State unemployment insurance records to the revised (1957) Standard Industrial Classification (SIC) Manual codes. Employment and wage data for some 42.5 million workers covered by Federal-State unemployment insurance programs in January, February, and March 1958 are being tabulated by the State agencies using revised SIC codes for the industry distributions. These will be the first data available in Government to reflect the revised coding structure.

Revision of Farm Labor Reports

A work committee composed of State, regional office, and Bureau staff reviewed and revised the reporting requirements in connection with establishment of foreign worker ceilings and the determination of prevailing wages to be paid to Mexican nationals. The revisions are designed to yield more useful information as well as to simplify State agency reporting procedures.

Special Activities

Management Improvement

To promote the economical and efficient administration of the employment security program and maximum achievement of employment security objectives, the Bureau has undertaken a continuous program of cooperation with the State agencies to develop and maintain sound organizational structures and to apply sound management techniques and operational methods. The Bureau also as a part of its program of management improvement renders technical assistance to State agencies on staff development and training.

State Management Surveys

This program is being accomplished through an objective examination and appraisal by a management survey group of all phases of a State employment security agency's organization and management. The management survey of a State employment security agency covers the administrative framework and machinery of the agency, its place in State government, its sources of authority, and similar broad phases of administration.

Specifically, the agency's organization and management are evaluated through an analysis of the suitability of the organizational structure; adequacy and soundness of basic policies in relation to program objectives; effectiveness of administration, including such management phases as administrative planning and direction, delegation of responsibility and authority, adequacy of staff, efficacy of controls and communications, and utilization and coordination of line and staff resources in achieving operating goals; and the adequacy of standards, methods, techniques, and systems for assuring efficient and economical operations. The survey group follows a basic plan developed from practical experience in making surveys and incorporating survey methods and techniques formulated by recognized authorities in the field. However, the individual survey itself is always adapted to meet different situations caused by varying organizational structures, laws, policies, methods of operations, and administrative problems encountered in the States.

The Bureau survey team is representative of the major programs and services and is frequently augmented by a member of the appropriate regional

office. Usually the State agency assigns staff to participate as team members. In all surveys, the findings and recommendations are discussed with the agency administrator and his executive staff as each phase is completed.

Six management surveys were completed during the past fiscal year, and follow-up action was initiated on three previously completed surveys. Plans for fiscal year 1959 call for an expansion of the program in response to an increasing number of requests from State agencies for this type of assistance.

Staff Development and Training

The staff development and training program has placed emphasis on cooperation with State employment security agencies in the development of training materials and in the exchange of information and experiences in training activities.

In October 1957, representatives from 12 State employment security agencies and 1 regional office, in cooperation with the Bureau training staff, revised the handbook Staff Training in Employment Security and developed a draft of a supplemental guide for supervisors to aid them in training their employees. The participants were training supervisors and operating officials. In May 1958, training supervisors from 18 State employment security agencies and representatives from 2 regional offices met in Washington, D. C., to discuss specific training problems and to share experiences.

The Bureau has presented a proposal to the Brookings Institution to seek their cooperation in conducting a series of management training conferences for State agency administrators and in helping to finance the meetings. This proposal was to provide the administrators with training in management skills in an effort to improve the overall operations of the employment security program in the State agencies.

Personnel Management in State Agencies

Sound and effective personnel administration is basic to proper and efficient administration of the State programs. Bureau plans for fiscal year 1958 included, at the request of the Interstate Conference Committee on Personnel Management, a proposed expansion of Bureau assistance to the State agencies in this field. The changed economic situation also brought new problems to State agencies of hiring and training staff to meet the additional claim loads, adding urgency to the need for personnel planning and technical assistance.

The Bureau continued to work closely with the Interstate Conference Committee on Personnel Management on a program to improve personnel administration in several designated problem areas. Bureau policy on compensation, longevity plans, salary advancements, and fringe benefits were reviewed after surveys were made of practices and problems in State agencies. A major study was started on local office interviewing and claimstaking functions, calling for analysis of education, experience, and

personal characteristics necessary to perform the various duties of these basic local office positions. Guide materials on recruitment planning and replacement of retiring State and local office personnel also were distributed.

As a first step in the general project of improving the quality and competence of State personnel, a work committee of Bureau and State agency representatives drafted standards for the selection and development of employment counselors, including sample class specifications for three classes of counselor positions. The Bureau also developed, in conjunction with the counselor standards, a policy on out-service training of State agency personnel.

Administrative Financing Operations

As of July 1, 1957, $71,195,200 was credited to the States' accounts in the Unemployment Trust Fund in the U. S. Treasury in accordance with the provisions of the Employment Security Administrative Financing Act of 1954. This amount represented the total excess of Federal unemployment tax collections during the fiscal year 1957 over the total of State and Federal employment security expenditures for that year. The entire excess of tax collections was distributed to the States because the balance in the Federal unemployment account was in excess of the $200,000,000 provided by the act.

The balance in the Federal unemployment account in the Unemployment Trust Fund in June 30, 1958, reflected a decrease of $3,317,824 from the previous year-end balance. This represented the difference between the interest earnings of the fund, amounting to $5,395,776, and charges against the fund of $8,713,600, namely, for a loan to Alaska ($2,635,000) and for fiscal 1958 administrative costs of the Bureau ($6,078,600) charged in accordance with the provisions of Public Law 85–67, 85th Congress. While the latter amount reduced the balance in the Federal unemployment account at the end of the fiscal year, it was restored to that account on July 1, 1958, and was considered an employment security expense in determining the excess tax collections available for distribution to the States' trust fund accounts.

The excess of Federal tax collections over employment security administrative expenditures during fiscal year 1958 was $33,453,482. This amount was allocated in its entirety to the States in proportion to their taxable wages and was credited to their trust fund accounts on July 1, 1958. Employment security administrative expenditures for 1958 were over $44 million higher than in 1957, but Federal tax collections rose only about $7.5 million during the year. The larger increase in expenditures was due to the significant increase in covered unemployment during the fiscal year.

The excess funds allocated to the States may be used, under certain conditions, to pay expenses incurred for administration of unemployment insurance laws and public employment security offices. Through the end

of fiscal year 1958, 20 States had appropriated funds from this source in the total amount of $26,236,447 for administrative purposes, primarily for the purchase of land or construction of buildings. Seven of the 20 States which have appropriated funds under the act made such appropriations during the fiscal year 1958.

Defense Readiness and Manpower Mobilization

Assistance to States

Of the responsibilities delegated to the Department of Labor by the former Federal Civil Defense Administration, the Bureau of Employment Security is charged primarily with those relating to the recruitment, distribution, and utilization of manpower, the estimation—at State and local levels—of survivors following an attack, and the provision of income maintenance to members of the labor force made idle by enemy action.

The Bureau is also concerned with responsibilities delegated to the Department of Labor by the former Office of Defense Mobilization. These responsibilities include the dissemination of mobilization labor market information, the recommendation of adjustments in procurement and production programs in the light of manpower considerations, and development of programs to meet defense-supporting and essential civilian labor requirements in mobilization situations.

The Bureau gave primary emphasis during the year to assisting the State agencies in developing and documenting comprehensive blueprints of their proposed methods of operation in a postattack emergency. During the course of fiscal year 1958, 23 of the agencies completed new or revised written plans containing such blueprints, bringing to 32 the total number of agencies which have filed copies of such plans with the Bureau. In some cases these plans were independently developed employment security agency documents; in others, they were appendixes to overall State survival plans, developed jointly with representatives of the State civil defense coordinating authorities.

The Bureau's assistance to the States in their defense readiness planning was also reflected in its action to refine and expand its guidelines to employment security agencies regarding the program and procedural aspects of their responsibility in the postattack recruitment, distribution, and utilization of manpower. The improvement of these guidelines, which are contained in the BES Defense Readiness Handbook, was undertaken through the following two projects:

1. The development and issuance of a document, in the form of an appendix to the Handbook, on the subject "The Effect of Radiation Hazards on Manpower Operations." It was designed to assist the State agencies in carefully and realistically evaluating the radiation factor in planning for the development of labor market data following a nuclear attack, and for the recruitment and allocation of workers in such a situation.

2. The complete revision of the Handbook chapter dealing with the employment service activities particularly involved in these manpower operations. With the growth of the employment security system's experience in defense readiness planning and with the increasing clarification of the Government's assumptions regarding the effects of a nuclear attack, it became evident that greater recognition had to be given to the fact that the heaviest impact of the postattack manpower job will fall on employment service staffs serving areas swollen by evacuees—that the devastating effects of a nuclear attack would limit severely the type and amount of employment service assistance which could be given to an attacked area. Therefore, a committee composed of Bureau staff and representatives of four State agencies has developed a new set of guidelines for postattack recruitment and placement activities, based upon this revised concept.

Test Exercises

The joint participation of the Bureau and the State employment security agencies in the week-long Operation Alert 1957, in July of that year, was highlighted by the effectiveness with which manpower and income-maintenance activities were carried out, in an assumed postattack situation, under the coordination of the Department of Labor in a simulated emergency organizational posture.

Under the provisions of simulated executive orders, delegations of authority, regulations, etc., the Operation Alert 1957 manpower organization worked out problems designed to test the ability of the employment security system to carry out its basic functions during a disaster period. These problems covered such areas as establishment and maintenance of interagency working arrangements; collection and analysis of labor market information (including estimates of labor force survivors); recruitment and allocation of workers; application of manpower controls; payment of emergency unemployment benefits; and consultation with committees, representing labor and management, in activating and carrying out applicable manpower programs.

In May 1958, all the State employment security agencies participated in the first part of Operation Alert 1958, the "State and local action phase." Major emphasis during this test was on the analysis of the effects on the labor force of a simulated attack involving 282 nuclear blasts, and on the evaluation of the agencies' capability to continue operations following such an attack.

Critical Occupations and Essential Activities

The Interagency Advisory Committee on Essential Activities and Critical Occupations (chaired by the Department of Labor, and composed of representatives of the Departments of Agriculture, Commerce, Defense, Interior, Labor, and the Selective Service System) continued its work in developing and maintaining lists of essential activities and critical occupations. These

lists make possible an equitable distribution of needed manpower between the military services and the civilian economy both currently and during a period of full mobilization.

During the fiscal year, the Interagency Advisory Committee recommended the inclusion of 18 activities (and the revision of 3 other activities) on the Standby List of Essential Activities for use during full mobilization. This makes a total of 35 activities recommended for inclusion on the Standby List. A number of other activities were reviewed by the Committee but were not recommended to be placed on the list since they did not meet the criteria for inclusion.

The Department of Labor Technical Committee on Critical Occupations (chaired by this Bureau) made, along with other research, a study of white-collar occupations in the Federal Government which identifies certain skills which would be critical during a period of full mobilization.

Federal Advisory Council

During the year, the Federal Advisory Council initiated a review of the implications of long-range manpower trends on the employment security program. However, the Council gave its principal attention to the problems growing out of the economic recession.

At the November 1957 meeting of the Council, attended by the Secretary, the Council was asked to consider two different aspects of the employment security program: (1) The long-run population and labor force trends; (2) the immediate problems arising from anticipated increases in the claims loads, and increased difficulty in making placements that would result from a softening economy.

The Council established a steering committee to examine and present for action its recommendations on these problems. Because of the immediacy of the unemployment problem, the steering committee's recommendations to the States were used in developing a memorandum on emergency action before they had been formally reviewed by the Council. The recommended actions endorsed by the Council at its February 1958 meeting, with some modifications, included the screening of registrations of work during mass layoffs; hiring of temporary personnel for claims work, and other necessary steps to prevent the impairment of placement work; placing emphasis on greater use of the employment service by employers, and counseling of those forced to make job changes; and simplification of the claimstaking process, greater flexibility in applying tests of availability for work provisions in areas where unemployment is heavy, and increased attention by the States to the solvency of their unemployment reserve funds.

In recognition of the current emphasis on selection and training of students in engineering and science, the Council recommended that the employment service increase its activities in the testing and counseling of young people. Tests should be developed for use with 9th and 10th grade students.

The Council also recommended a systematic program for revision of the

DOT at intervals of not more than 10 years, and supported the Bureau's efforts to obtain funds for such purpose.

The Council recommended that the Department intensify its efforts to secure a permanent program of unemployment compensation for ex-servicemen.

In view of the narrow margin between anticipated Federal unemployment tax receipts and the administration's appropriation requests chargeable to such tax receipts in fiscal 1959 due to increased claims loads, the Council directed the chairman to appoint a committee to bring in recommendations as to appropriate legislation that would provide adequate funds for the administration of the employment security program in periods of increased unemployment.

With an eye on both the current recession and the long-range aspects of the unemployment insurance program, the Council made the following recommendations to the Secretary of Labor and BES in the legislative field:

1. The States should be urged to appraise their eligibility and disqualification provisions with a view to correcting such inequities as may exist and improving qualification requirements, where necessary.

2. Those States that cannot interpret their laws to consider a claimant as satisfying the availability for work requirement while undergoing a course of study should be urged to consider appropriate legislation, with a safeguard that his enrollment in the course must be approved by the State agency.

3. A study of the desirability of providing extended duration of benefits during times of high unemployment, in the opinion of the Council, merited high priority.

The Council, itself, also decided to study the question of benefit adequacy in all its aspects. It referred the question to the steering committee for study in order to bring back to the Council recommendations calculated to insure the payment of adequate benefits. The Council also decided to study the practicability of increasing the duration of benefits for claimants over 45 years of age.

International Labor Activities

Through fiscal year 1958, the Bureau continued to give technical consultative assistance to governments and international agencies, and to give training in employment security programs to foreign officials, International Labor Organization fellowship holders, International Cooperation Administration participants, U. S. Department of State recipients of leader grants, and international visitors.

New Assignments in International Activities

An employment service testing specialist began his services with the United States Operations Mission (USOM), Lima, Peru, during this fiscal year. Because the co-director of the employment service in Lima returned

to ICA in Washington, the testing specialist also served as general employment service adviser to the Peruvian employment service.

At the request of ICA, the chief of field operations in the California Department of Employment began a 4-month assignment as manpower specialist for the USOM, La Paz, Bolivia. He has recommended that 5 of the 8 local employment offices receive financial and technical assistance from the ICA.

The Bureau Deputy Director participated in conferences in Geneva, Switzerland, on "The Placement of Seamen through Public Employment Offices." The regional director of the BES office in San Francisco represented the United States at the meeting of the Manpower Committee of the Organization of European Economic Cooperation in Paris, France, which considered the subject "Questions about Vacancies and Applications for Employment in the United States."

The International Activities Chief served as Department of Labor adviser for the State Department Selection Board reviewing personnel classifications of certain State Department Foreign Service personnel (labor attachés).

The Chief of the Program and Legislation Division of BES was given leave of absence to serve as social insurance adviser with the International Labor Office in Geneva, Switzerland.

A BES labor market program specialist received an ILO appointment to conduct manpower surveys for 1 year in Bangkok, Thailand.

The Bureau's International Activities Chief served as the Labor Department member of the Interdepartmental Subcommittee on Bi-Lateral Consultations on Import Restrictions (Article XII, GATT). Studies were made by the Bureau to serve as bases for recommendations by representatives of these committees and representatives of the Department of Labor at the Geneva meetings in the negotiations in connection with the General Agreement on Tariffs and Trade. Studies were also made of Tariff Commission reports and legislative bills for use by the Secretary of Labor in making recommendations to Congress.

Continued Assignments in Foreign Service

At the request of the Institute of Inter-American Affairs (IIAA) and the ICA, the services of Bureau representatives were continued in Peru and in El Salvador.

Services of a Bureau representative in the development of an employment service program in the Ministry of Labor in Iran were continued for a fourth year. This representative also served as Deputy Director and Acting Director of the Labor Division of the USOM in Iran. At the conclusion of the fourth year, this representative was asked to conduct a 4-month manpower survey in Tunisia.

The Bureau extended leaves of absence from its regional offices to United States Employment Service and Farm Placement Service representatives to serve, respectively, as manpower adviser to the Government of Guatemala and as a member of the ICA Agricultural Mission in Indonesia.

At the request of the ICA, the former Chief of the Bureau's State Audits Division began the second year of his 3-year assignment with the United States Operations Mission (USOM) in Iran as fiscal adviser to the Government of Iran.

The Bureau's Chief of International Activities continued to serve as alternate member of the Interdepartmental Trade Agreements Committee.

Training of Foreign Teams and Individuals

The Chief of the Placement Division of the Ministry of Labor in Santiago, Chile, and two members of the Indonesian employment service, studying under ILO fellowships, received training from the Puerto Rico employment service, a number of State agencies, and the BES in Washington, D. C. The Deputy Minister of Labor in the Federal German Republic studied manpower programs with the BES and affiliated State agencies and also at the University of California, California Institute of Technology, the University of Chicago, the United Automobile Workers, Ford Motor Co., and the United Nations. He was studying under a State Department leader grant.

The head of the manpower directorate in Indonesia, two officials of the Ministry of Welfare in Korea, and members of the employment service in El Salvador, Iran, Peru, and the Philippines studied with the BES under ICA grants. The chief of counseling and testing in the Indonesian employment service began a 16-month period of study of testing and counseling with the BES, affiliated State agencies, and the University of Minnesota Psychology Department under an ICA grant. Training was given by the Bureau's national and regional offices to the head of the Manpower Prefecturate of Fukuoka, in the Japanese Ministry of Labor.

Two French ICA teams were given special training. French Team No. 1 studied labor-management relations in seasonal and part-time work; and French Team No. 2 studied personnel administration and observed BES national and regional offices and State employment security agencies operations. Team No. 1 also received training from U. S. Steel, United Auto Workers, Ford and General Motors, Hormel Packing Co., National Management Association, and the American Management Association. Team No. 2 also received training from the International Association of Machinists, University of Pennsylvania, Psychological Corporation of America, United Nations, International Ladies' Garment Workers' Union, Standard Oil of New Jersey, American Management Association, Harvard University, Massachusetts Institute of Technology, University of Chicago, the National Railroad Adjustment Board, the Society for the Advancement of Management, and the University of Minnesota.

In addition to the primary training given by the Bureau, which constituted approximately 144 man-months during the fiscal year, secondary training, supplementing that given by other agencies and bureau, was given

to 580 participants from other bureaus and OILA in the Department of Labor, ICA, Department of State, United Nations, ILO, Department of Defense, and foreign governments; plus about 86 casual visitors.

Other International Activities Within the Bureau

Manpower statements portraying the supply and demand situation in the United States were prepared for the Organization of European Economic Cooperation. The Bureau continued to serve, at the request of the ICA, OILA, and ILO, in the recruitment of specialists for overseas assignments. Assistance was also given to the ICA in the recruitment of an employment service testing specialist for Peru and an employment service adviser in Bolivia. In addition, assistance was given to the ILO in the recruitment of a labor market program officer in Thailand.

APPENDIX TABLE 1.—*Selected activities showing services provided veterans, fiscal year 1958*

Activity	1958	Percent change from fiscal year 1957
All veterans		
New applications, total	10,412,879	+21.8
Men	6,686,305	+28.3
Veteran	2,421,756	+29.1
Percent veteran of men	36.2	
Nonagricultural placements, total	5,235,910	−12.1
Men	2,922,548	−13.9
Veteran	1,226,772	−16.5
Percent veteran of men	42.0	
Initial counseling interviews, total	897,103	+2.2
Men	556,120	+2.1
Veteran	171,180	−4.5
Percent veteran of men	30.8	
Disabled veterans		
New applications, total handicapped	479,473	+13.8
Handicapped men	382,564	+14.5
Disabled veteran	156,203	+15.3
Percent disabled veteran of handicapped men	40.8	
Nonagricultural placements, total handicapped	259,406	−12.6
Handicapped men	204,402	−15.4
Disabled veteran	103,235	−15.5
Percent disabled veteran of handicapped men	50.5	
Initial counseling interviews, total handicapped	153,523	−9.3
Handicapped men	118,583	−10.7
Disabled veteran	47,912	−11.1
Percent disabled veteran of handicapped men	40.4	

APPENDIX TABLE 2.—*Selected employment service activities, United States total for fiscal years 1956–58, by State, fiscal year 1958*

State and Territory	New applications [1]	Total counseling interviews	Individuals tested	Placements	
				Non-agricultural	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
Alabama	148,141	15,545	28,318	86,905	59,837
Alaska	19,093	1,505	4,371	6,689	55
Arizona	107,662	13,647	14,013	54,966	650,365
Arkansas	135,272	18,097	22,309	64,977	283,411
California	1,219,779	139,941	120,593	373,195	843,208
Colorado	104,371	17,861	20,218	82,461	157,983
Connecticut	210,207	26,893	15,293	79,553	11,886
Delaware	18,705	3,689	2,067	5,984	9,265
District of Columbia	66,755	20,912	13,156	39,730	14
Florida	200,623	22,970	34,785	198,681	164,427
Georgia	201,712	23,966	26,175	98,807	130,331
Guam [2]	735	0	0	193	0
Hawaii	25,441	4,109	3,599	11,040	1,786
Idaho	52,673	9,079	7,037	39,267	156,990
Illinois	498,074	73,940	51,302	199,988	103,202
Indiana	251,264	24,558	20,998	64,300	105,999
Iowa	106,451	22,833	32,360	78,567	36,112
Kansas	95,517	12,424	9,623	92,883	37,374
Kentucky	154,827	23,171	31,046	44,070	112,275
Louisiana	140,888	16,837	16,490	87,906	109,651
Maine	47,148	8,161	3,945	20,874	45,748
Maryland	137,851	26,097	18,999	59,156	59,203
Massachusetts	245,270	49,389	27,388	164,079	53,480
Michigan	587,123	60,230	51,767	113,709	173,074
Minnesota	166,502	14,981	35,503	93,595	70,277
Mississippi	121,138	15,289	22,540	82,683	1,582,123
Missouri	250,070	34,793	36,002	76,243	186,606
Montana	52,927	6,529	7,105	25,988	31,928
Nebraska	60,502	12,879	15,167	56,653	46,938
Nevada	31,574	3,119	4,129	21,089	9,279
New Hampshire	32,656	6,840	4,046	15,455	1,844
New Jersey	307,081	32,137	14,042	117,955	109,984
New Mexico	54,185	6,850	6,465	40,561	28,892
New York	1,033,320	168,227	74,291	781,901	128,085
North Carolina	226,975	29,971	34,106	135,106	425,401
North Dakota	29,630	4,326	6,816	24,217	21,588
Ohio	661,089	109,519	88,439	221,149	164,902
Oklahoma	112,929	20,640	27,244	131,666	90,831
Oregon	107,972	20,944	19,393	47,038	376,970
Pennsylvania	655,917	120,565	61,257	231,411	199,052
Puerto Rico	121,188	16,701	20,343	45,750	8,337
Rhode Island	62,143	8,171	6,466	16,072	167
South Carolina	89,826	11,988	19,155	71,554	139,671
South Dakota	23,981	3,736	5,801	19,692	11,664
Tennessee	122,157	24,066	40,189	91,777	678,004
Texas	606,759	99,002	93,460	493,787	555,870
Utah	51,509	13,599	17,810	32,756	35,271
Vermont	20,422	1,804	2,166	12,780	5,690
Virginia	137,303	41,056	27,756	67,941	107,838
Virgin Islands	1,754	431	343	2,774	31
Washington	168,219	30,281	30,603	79,042	255,439
West Virginia	107,873	17,230	14,786	21,195	36,072
Wisconsin	199,502	27,522	36,842	93,899	81,647
Wyoming	20,194	3,796	1,807	16,201	13,686

[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.

[2] As of February 17, 1958, an employment service office was established officially at Agana, Guam, performing all employment service functions.

APPENDIX TABLE 3.—*Significant provisions in State unemployment insurance laws, September 30, 1958*

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		Weekly amount [2]	*Annual amount [3]	Minimum qualifying wages	
					High quarter	Base period			High quarter	Base period
	A. High-quarter formula									
Alabama	4	20 weeks	$6	*$105.00	$112.01	$210.00	$28	*$840.00	$715.01	$1,678.51
Arizona	3	do	10	100.00	75.00	300.00	35	910.00	850.01	2,727.01
Arkansas	1	10 days	7	*105.00	52.50	210.00	26	*702.00	676.00	1,326.01
California	1	Not specified [1]	10	*390.00	150.00	600.00	40	*1,560.00	1,120.00	2,078.01
Colorado	4	20 weeks	14	175.00	105.00	420.00	35	*1,137.50	850.13	2,730.00
Connecticut	3	13 weeks	10–14	*180.00–252.00	75.00	300.00	40–60	*1,560.00–2,340.00	1,027.00	3,060.60
Delaware	1	20 weeks	7	*115.50	175.12	210.00	40	*1,560.00	987.63	3,584.49
District of Columbia	1	At any time	8–9	*138.00–156.00	130.00	276.00	[2] 30	[2] 1,170.00	667.01	2,337.01
Florida	4	20 weeks [1]	10	50.60	50.00	200.00	30	480.00	767.01	1,916.01
Georgia	4	do	7	[2] 140.00–154.00	150.00	[4] 280.00	30	[2] 600.00–660.00	725.00	[4] 1,350.00
Hawaii	1	At any time	5	100.00	37.50	150.00	35	700.00	850.01	1,050.00
Idaho	1	Not specified [1]	15	150.00	300.00	472.00	40	1,040.00	1,014.01	3,640.00
Illinois	4	20 weeks	[2] 10	[2] 345.00	150.00	600.00	[2] 30–45	[2] 1,170.00–1,755.00	[4] 622.51	[4] 2,425.00
Indiana	4	do	10	*93.00	75.00	250.00	33	*990.00	800.01	2,640.00
Iowa	4	do	5	33.33	25.00	100.00	30	720.00	600.00	2,160.00
Kansas	4	do [1]	5	67.00	100.00	200.00	34	680.00	825.01	2,037.01
Kentucky	4	do [1]	10	150.00	250.00	343.75	34	884.00	837.51	2,650.51
Louisiana	4	do	10	120.00	75.00	300.00	35	980.00	680.01	2,447.51
Maryland	1	At any time	10–12	*390.00–468.00	192.01	360.00	35–43	*1,365.00–1,677.00	816.01	1,260.00
Massachusetts	1	13 weeks	10–14	*255.00–357.00	125.30	500.00	35–([2])	*1,365.00–([2])	1,063.00	2,673.53
Mississippi	4	20 weeks	8	96.00	130.01	288.00	30	780.00	754.01	2,337.01
Missouri	4	do	8	100.00	200.00	300.01	33	858.00	800.01	2,574.00
Montana	1	do [1]	10	220.00	170.00	255.00	32	704.00	710.00	1,065.00
Nebraska	4	do [1]	10	135.00	200.00	400.00	32	640.00	725.01	1,896.00
Nevada	1	Not specified [1]	8–12	*120.00–180.00	60.00	240.00	37.50–57.50	*1,462.50–2,242.50	[3] 925.01	2,922.01
New Mexico	1	do [1]	10	120.00	156.00	300.00	30	720.00	754.01	1,797.51
North Dakota	4	20 weeks	7–10	140.00–200.00	63.00	252.00	26–35	520–700	600.01	936.00
Ohio	3	At any time	10–13	*180.00–234.00	60.00	240.00	33–39	*1,287.00–1,521.00	821.00	1,716.00
Oklahoma	4	20 weeks	10	67.00	50.00	200.00	28	728.00	[3] 545.26	2,181.01
Oregon	2	6 weeks [1]	15	233.00	175.00	700.00	40	1,040.00	1,027.01	3,120.00
Pennsylvania	1	At any time	10	*450.00	120.00	320.00	35	*1,575.00	863.00	1,468.00
Rhode Island	1	do	10	*156.00	75.00	300.00	30	*1,170.00	[3] 725.00	2,900.00

See footnotes at end of table.

APPENDIX TABLE 3.—*Significant provisions in State unemployment insurance laws, September 30, 1958*—Continued

State	Size of firm		Minimum benefits				Maximum benefits			
	Minimum number of workers	Minimum period of time [1]	Weekly amount [2]	*Annual amount [2]	Minimum qualifying wages		Weekly amount [2]	*Annual amount [2]	Minimum qualifying wages	
					High quarter	Base period			High quarter	Base period
	A. High-quarter formula—Continued									
South Carolina	4	20 weeks	$8	$80.00	$120.00	$240.00	$26	$572.00	$676.00	$1,713.01
South Dakota	4	do.[1]	12	160.00	250.00	600.00	28	560.00	650.00	2,600.00
Tennessee	4	do	8	176.00	182.00	320.00	30	660.00	754.01	1,800.00
Texas	4	do	[3] 7	[3] 113.00	[3] 150.00	[3] 450.00	28	672.00	702.01	2,684.01
Utah	1	Not specified [1]	10	150.00	100.00	400.00	39	1,014.00	988.00	3,260.40
Vermont	4	20 weeks	10	260.00	200.00	300.00	28	728.00	728.00	840.00
Virginia	4	do	8	64.00	62.50	250.00	28	504.00	675.01	1,960.01
Wyoming	1	Not specified [1]	10–13	120.00–156.00	250.00	375.00	43–49	1,118.00–1,274.00	1,050.01	3,583.34
	B. Annual wage formula									
Alaska	1	At any time	[2] $10–$15	*[2] $225.00–$337.50	----------	$500.00	[2] $45–$70	*$1,755.00–$2,730.00	----------	$4,000.00
Maine	4	20 weeks	7	182.00	----------	300.00	33	858.00	----------	2,900.00
Minnesota	1	do.[1]	12	*324.00	----------	520.00	38	*1,482.00	----------	3,000.00
New Hampshire	4	do	9	234.00	----------	400.00	32	832.00	----------	2,600.00
North Carolina	4	do	11	286.00	----------	500.00	32	832.00	----------	3,000.00
Washington	1	At any time	17	204.00	----------	800.00	35	910.00	----------	3,100.00
West Virginia	4	20 weeks	10	*360.00	----------	500.00	30	*1,080.00	----------	3,000.00

C. Average weekly wage formula

	Size of firm		Minimum benefits				Maximum benefits			
	Minimum number of workers	Minimum period of time	Weekly amount [2]	*Annual amount [2]	Minimum qualifying employment and wages [6]		Weekly amount [2]	*Annual amount [2]	Minimum qualifying employment and wages [6]	
					Weeks of employment	Base-period wages			Weeks of employment	Base-period wages
Michigan	4	20 weeks	[2] $10–$12	*$145.00–$174.00	14	$210.14	[2] $30–$55	*$1,170.00–$2,145.00	39	[4] $2,944.89
New Jersey	4	do	10	*195.00	17	225.00	35	*1,365.00	35	1,925.35
New York	2	At any time	10	*390.00	[7] 20	[7] 300.00	45	*1,755.00	[7] 20	[7] 1,800.00
Wisconsin	4	20 weeks [1]	11	*165.00	14	224.00	*42	*1,659.00	38	*3,116.38

*Includes temporary extended unemployment compensation. In Connecticut, Illinois, Ohio, and Wisconsin, annual benefits are temporarily increased by 50 percent and in Colorado, by 25 percent, under State laws; maximum weekly benefit amount is temporarily increased from $38 to $42 (Wisconsin). In other States, noted annual benefits are temporarily increased by 50 percent under the Federal Temporary Unemployment Compensation Act of 1958.

[1] States without a specified period of time have a small quarterly or annual payroll requirement. In Minnesota, 4 or more outside of cities with 10,000 population; in Oregon, 6 weeks in 1 quarter and annual payroll of $1,800. Other States noted have alternative provision.

[2] When 2 amounts are given, higher includes dependents' allowance except in Georgia where higher amount applies if base-period wages are 4 times high-quarter wages required. Higher figure for minimum weekly benefit amount includes allowance for one dependent; in Michigan, for 1 dependent child or 2 dependents other than a child. Dependents' allowances limited in Alaska to intrastate claimants and in Illinois 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.

[3] To obtain maximum dependents' allowance, high-quarter wages of over $950 are required (Nevada). Amount shown is one-fourth of base-period wages because eligibility for maximum annual benefits requires more than 4 times high-quarter wages needed for maximum weekly benefit (Oklahoma and Rhode Island).

[4] Qualifying requirements apply to basic benefits only. In Georgia, claimant needs wages of $600 to qualify for extended duration at minimum weekly benefit amount and $2,900 to qualify for extended duration at maximum weekly benefit amount. For claimant with maximum dependents, high-quarter wages of $1,117.51 and base-period wages of $2,975 are required in Illinois; wages of $4,212.39 in 39 weeks in Michigan.

[5] Qualifying wages shown yield benefits shown. Alternative qualifying wages of $240 in one quarter and $125 in another quarter would yield weekly benefit of $10 and $94 in benefit year.

[6] Figures are based on lowest and highest average weekly wage in schedule and qualifying weeks shown.

[7] Or 15 weeks in preceding 52 weeks and 40 weeks in preceding 104 weeks at average weekly wage of $15 or more.

APPENDIX TABLE 4.—*Claims, beneficiaries, amount and duration of benefits, United States total for fiscal years 1953–58, and by State, fiscal year 1958*

[NOTE: Data for fiscal years 1955–58 include activities under the new program of unemployment compensation for Federal employees and represent an unduplicated count for both programs.]

Fiscal year and State	New claims filed		Number of beneficiaries [3]	Weeks compensated for all types of unemployment [4]	Average weekly payment, total unemployment	Average actual duration of benefits		Claimants exhausting benefits	
	Total [1]	Insured claimants [2]				All beneficiaries	Exhaustees	Number	Percent of all beneficiaries [5]
1952–53	6,176,970	4,957,083	3,988,776	40,850,791	$23.32	10.2	19.3	784,516	18.8
1953–54	9,228,416	7,553,713	6,152,625	67,505,573	24.45	11.0	19.1	1,178,460	22.3
1954–55	8,011,125	6,473,650	5,405,252	73,516,903	25.05	13.6	20.6	1,773,748	29.4
1955–56	7,045,280	5,556,629	4,457,710	51,805,215	26.33	11.6	[6] 19.9	1,023,751	23.0
1956–57	7,511,029	6,064,003	5,012,919	58,117,279	27.53	11.6	[6] 20.1	1,094,146	22.0
1957–58	11,298,540	9,170,732	7,802,338	100,175,637	30.08	12.8	[6] 20.9	1,768,743	25.7
Alabama	181,874	131,111	107,662	1,323,793	22.52	12.3	17.8	42,360	44.7
Alaska	16,611	14,707	14,503	263,471	36.20	18.2	25.0	4,640	33.2
Arizona	63,396	34,811	28,442	303,491	26.80	10.7	19.2	5,535	22.7
Arkansas	104,225	64,529	55,655	605,266	20.57	10.9	16.4	19,762	40.8
California	1,011,634	821,252	715,079	9,020,904	32.49	12.6	22.8	102,751	16.5
Colorado	52,357	42,737	32,719	370,652	31.83	11.3	13.8	7,987	27.5
Connecticut	242,860	205,245	158,747	2,079,438	34.31	13.1	20.6	36,803	26.9
Delaware	26,673	25,350	21,804	260,673	31.77	12.0	18.0	6,197	31.4
District of Columbia	40,462	27,852	22,706	300,364	26.56	13.2	19.2	8,089	39.7
Florida	201,428	131,384	110,373	1,002,381	23.59	9.1	13.4	40,816	45.6
Georgia	224,395	170,339	136,682	1,591,763	23.57	11.6	19.1	43,820	37.0
Hawaii	20,059	16,808	13,491	159,762	26.83	11.8	20.0	2,342	18.4
Idaho	33,169	24,063	21,364	265,782	34.34	12.4	16.4	7,013	33.4
Illinois	578,916	487,463	418,981	5,131,662	30.85	12.2	18.6	94,980	27.3
Indiana	313,901	286,883	240,428	2,572,481	29.20	10.7	14.1	87,151	42.2
Iowa	70,032	60,802	47,610	508,173	26.22	10.7	13.2	15,327	34.2
Kansas	67,751	58,957	52,905	558,121	28.43	10.5	16.5	14,191	29.2
Kentucky	192,164	129,648	115,422	1,756,874	25.07	15.2	26.0	28,161	27.1
Louisiana	128,420	92,926	61,152	804,498	23.09	13.2	16.3	21,138	42.5
Maine	91,118	83,000	72,408	783,194	22.30	10.8	25.3	8,249	16.0
Maryland	175,926	142,333	132,897	1,692,667	30.98	12.7	26.0	22,927	17.5
Massachusetts	382,474	355,568	312,262	3,926,821	31.55	12.6	19.9	69,078	24.3
Michigan	787,943	699,705	530,814	7,499,518	36.28	14.1	19.9	132,904	29.4
Minnesota	135,691	118,129	104,884	1,469,953	28.54	14.0	22.5	23,609	25.0
Mississippi	98,997	66,724	56,714	725,734	21.15	12.8	20.0	18,624	34.7
Missouri	267,317	190,699	161,195	1,732,890	26.32	10.8	19.1	30,266	20.8
Montana	38,085	34,040	32,832	464,089	27.65	14.1	22.0	9,155	29.6
Nebraska	33,433	29,054	24,718	287,744	27.53	11.6	17.1	7,901	32.9
Nevada	25,471	19,133	17,476	221,890	38.51	12.7	20.1	4,170	25.9

New Hampshire	56,409	47,618	38,707	365,120	23.67	9.4	26.0	3,192	11.0
New Jersey	487,339	422,145	377,399	5,453,894	32.57	14.5	21.6	108,697	30.9
New Mexico	30,134	21,460	17,258	201,774	25.82	11.7	19.0	4,009	26.6
New York	1,382,192	1,095,006	952,651	12,661,503	32.14	13.3	26.0	126,831	14.8
North Carolina	280,236	221,948	208,540	2,348,022	20.12	11.3	25.1	38,901	19.2
North Dakota	14,601	11,037	10,515	137,069	27.47	13.0	20.0	2,382	23.7
Ohio	600,133	535,478	440,598	5,987,759	33.04	13.6	24.1	74,546	20.5
Oklahoma	101,890	66,154	57,156	703,955	25.18	12.3	17.1	19,207	37.9
Oregon	145,670	111,369	91,800	1,269,312	34.35	13.8	20.7	26,181	29.5
Pennsylvania	1,005,303	854,149	748,556	10,988,054	29.82	14.7	30.0	122,124	18.7
Puerto Rico	7,959	700	635	10,676	25.20	16.8	20.4	315	51.6
Rhode Island	106,155	86,485	74,697	942,522	27.65	12.6	16.7	26,389	36.1
South Carolina	130,004	90,302	65,984	769,532	21.72	11.7	18.8	22,204	36.0
South Dakota	11,878	8,635	7,634	78,289	25.38	10.3	13.5	2,695	36.8
Tennessee	238,795	180,905	137,502	2,089,265	23.20	15.2	21.5	53,415	42.6
Texas	336,183	249,014	210,941	2,329,044	24.16	11.0	16.2	66,186	38.9
Utah	33,357	28,588	24,005	286,686	31.13	11.9	20.8	4,704	21.6
Vermont	21,332	17,057	14,474	199,414	24.49	13.8	25.8	3,043	23.0
Virginia	150,066	120,787	98,436	960,942	23.17	9.8	13.8	38,927	44.1
Virgin Islands	51	35	6	64	20.69	10.7	21.0	2	40.0
Washington	190,879	151,901	137,693	1,848,227	30.30	13.4	21.9	35,392	27.1
West Virginia	153,734	117,112	110,914	1,266,396	24.22	11.4	23.2	17,378	19.4
Wisconsin	[7]194,001	[8]157,532	[8]145,110	1,487,029	32.70	10.2	(6)	[8]53,794	[8]41.8
Wyoming	13,457	10,063	9,202	107,040	34.67	11.6	17.0	2,283	27.8

[1] To reflect more nearly different individuals who filed claims during fiscal year, data include intrastate new claims and transitional claims, interstate initial claims taken as agent State, and UCFE initial claims.
[2] Represent new claims with sufficient wage credits.
[3] Represent claimants receiving first payment in benefit year.
[4] Total, part total, and partial unemployment.
[5] Based on first payments for 12-month period ending Mar. 31.
[6] Excludes Wisconsin; comparable data not available.
[7] 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.
[8] Data are on a "per employer" basis and are not strictly comparable to those for other States.

APPENDIX TABLE 5.—*Subject employers, covered employment, and selected unemployment insurance financial data under State programs, United States total for fiscal years 1953–58, by State, fiscal year 1958* [1]

State	Subject employers as of June 30	Covered employment as of June 30	State collections		Interest on State accounts in trust fund (000)	Benefits paid [4]		State reserves for benefits, June 30, 1958 [6]	
			Amount [2] (000)	Average employer rate [3] (percent)		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	$912,898	0.9	$8,577,745	8.6
1953–54	1,580,679	35,402,182	1,246,230	1.30	208,841	1,588,846	1.6	8,442,080	8.6
1954–55	1,618,301	36,842,558	1,142,009	1.12	186,874	1,759,873	1.8	8,011,358	8.2
1955–56	1,894,998	39,527,320	1,328,722	1.18	186,907	1,282,452	1.2	8,243,525	7.6
1956–57	2,045,776	40,347,139	1,537,127	1.32	211,997	1,504,471	1.4	8,514,606	7.7
1957–58	[7] 2,067,784	[7] 39,705,757	1,500,397	1.31	219,651	2,875,492	[8] 2.5	7,417,380	[8] 6.6
Alabama	19,992	525,905	17,072	1.03	2,268	28,698	2.1	76,807	5.6
Alaska	3,722	23,211	4,944	2.70	0	8,324	5.5	[9] 141	.1
Arizona	12,764	201,851	7,907	1.33	1,528	7,450	1.3	58,056	10.2
Arkansas	30,527	251,657	6,890	1.14	1,146	11,795	2.0	40,402	6.9
California	285,119	3,567,398	148,146	1.34	25,361	276,703	2.5	877,591	7.9
Colorado	14,471	306,564	6,547	.68	1,980	10,904	1.2	72,770	8.3
Connecticut	30,036	762,555	25,975	1.19	6,317	69,084	3.1	211,431	9.5
Delaware	8,673	123,709	2,521	.65	371	7,844	2.0	10,943	2.7
District of Columbia	18,096	250,390	4,427	.71	1,531	5,960	1.0	58,210	9.7
Florida	38,986	848,547	15,046	.64	2,443	22,440	1.0	89,944	4.2
Georgia	26,414	719,106	22,048	1.22	3,932	35,120	1.9	141,837	7.9
Hawaii	9,113	110,562	2,945	1.02	608	3,400	1.2	22,754	8.1
Idaho	13,530	104,818	3,981	1.34	922	8,652	3.0	32,244	11.0
Illinois	85,273	2,660,695	73,838	1.00	12,563	151,188	1.9	423,717	5.3
Indiana	32,800	1,086,360	33,024	1.02	5,399	71,426	2.2	175,883	5.5
Iowa	21,013	419,651	8,507	.70	2,945	12,703	1.1	109,970	9.6
Kansas	16,681	350,572	10,660	1.08	2,212	15,188	1.5	80,987	8.2
Kentucky	20,899	454,964	24,109	1.95	3,099	42,026	3.3	105,170	8.3
Louisiana	23,794	583,736	20,728	1.43	3,967	17,572	1.1	151,090	9.7
Maine	8,491	184,170	7,993	1.58	1,164	17,060	3.3	37,602	7.3
Maryland	44,882	677,925	17,975	1.00	2,915	49,039	2.6	91,230	4.9
Massachusetts	104,119	1,494,506	62,934	1.55	8,019	112,048	2.8	273,232	6.7
Michigan	56,211	1,894,761	113,651	2.04	7,030	269,317	4.7	156,100	2.7
Minnesota	39,595	659,681	15,870	.68	2,855	40,598	2.2	90,593	5.0
Mississippi	12,033	250,062	9,767	1.65	881	14,317	2.5	30,417	5.2
Missouri	33,967	947,596	25,748	.98	5,838	41,911	1.6	210,527	8.1
Montana	16,327	107,939	3,865	1.22	1,100	12,420	3.9	36,581	11.6
Nebraska	11,111	209,979	5,114	.95	1,015	7,438	1.4	37,016	6.7
Nevada	6,244	62,985	4,780	1.98	494	7,983	3.4	16,548	7.0
New Hampshire	6,582	138,803	5,991	1.58	630	8,068	2.1	22,340	5.9
New Jersey	56,415	1,509,172	92,125	1.73	11,163	170,876	3.8	377,934	8.4
New Mexico	14,870	147,939	5,003	1.17	1,058	4,746	1.2	40,327	9.9

New York	291,553	5,023,894	247,931	1.77	34,520	397,079	2.8	1,201,936	8.4
North Carolina	30,615	845,207	30,372	1.45	4,688	45,017	2.2	168,947	8.1
North Dakota	5,231	63,671	2,582	1.51	246	3,616	2.1	8,315	4.9
Ohio	92,756	2,487,691	53,887	.72	15,612	191,990	2.6	501,894	6.7
Oklahoma	17,197	371,703	9,365	.97	1,364	16,595	1.7	47,034	4.7
Oregon	25,909	333,671	18,169	1.43	981	41,847	3.6	22,985	2.0
Pennsylvania	196,872	3,098,128	144,741	1.55	8,283	310,798	3.6	208,816	2.4
Rhode Island	20,820	236,932	18,112	2.70	770	24,476	3.6	24,511	3.6
South Carolina	12,402	398,240	11,400	1.18	1,946	15,960	1.6	71,729	7.4
South Dakota	5,079	65,457	1,714	.96	363	1,789	1.0	13,653	8.0
Tennessee	21,759	622,044	28,126	1.75	2,308	45,486	2.8	76,156	4.7
Texas	68,167	1,757,604	28,791	.63	7,870	52,999	1.1	279,558	5.9
Utah	16,538	166,759	5,990	1.31	1,033	8,115	1.8	37,284	8.2
Vermont	3,872	67,545	2,387	1.32	432	4,710	2.5	14,877	7.8
Virginia	27,161	676,731	8,894	.53	2,381	20,872	1.2	83,361	4.8
Washington	57,167	584,157	36,987	2.11	5,326	51,877	2.9	191,769	10.7
West Virginia	12,176	374,139	12,083	1.14	1,674	29,374	2.7	50,757	4.7
Wisconsin	30,950	837,494	26,868	1.10	6,685	47,191	2.0	238,958	10.1
Wyoming	8,810	56,921	1,871	1.12	411	3,408	2.0	14,449	8.7

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

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

[3] Data represent calendar years 1952 to 1957 preceding the fiscal year specified.

[4] Adjusted for voided benefit checks and transfers under interstate combined wage plan.

[5] 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 5. A $3,600 taxable wage base became effective in Nevada on Jan. 1, 1954, in Delaware on Jan. 1, 1955, and Oregon and Rhode Island on Jan. 1, 1956. In Alaska, the wage base was increased to $3,600 effective Jan. 1, 1955, and to $4,200 effective Jan. 1, 1957.

[6] 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.

[7] Represents preliminary data as of December 1957; includes private industry and State and local government employees.

[8] The reserve ratios and benefit ratios for fiscal year 1958 are estimated on the basis of taxable wages for 12 months ending on Dec. 31, 1957.

[9] Represents funds remaining after a $2,630,000 advance made to Alaska in January 1957 from the Federal account in the Unemployment Insurance Trust Fund.

APPENDIX TABLE 6.—*Selected data on unemployment compensation for Federal employees, United States totals for January–June 1955, and fiscal years 1956–58, and by State, fiscal year 1958*

Year and State	Federal employment as of December [1]	Initial claims [2]	Average weekly number of beneficiaries [3]	First payments in benefit years [3]	Amount of benefits paid [3]	Average weekly benefit amount	
						UCFE total [4]	UCFE only
January–June 1955	2,361,700	98,822	27,017	59,122	$16,051,094	$25.27	$26.42
1955–56	2,414,800	140,414	22,166	75,679	30,280,092	26.62	27.85
1956–57	2,421,209	135,051	18,780	64,484	26,055,746	27.15	28.75
1957–58	[5] 2,601,335	203,105	34,500	113,803	52,437,181	29.40	30.97
Alabama	58,795	3,904	540	2,015	669,772	23.98	24.69
Alaska	16,357	2,332	694	1,869	1,160,053	32.28	36.56
Arizona	19,302	2,846	367	1,443	523,712	27.59	28.52
Arkansas	17,261	2,055	256	1,023	299,899	22.72	23.69
California	250,814	24,688	4,526	14,257	7,614,644	32.81	34.81
Colorado	36,008	2,115	383	1,604	622,228	31.79	32.82
Connecticut	15,465	940	225	624	386,155	33.20	35.23
Delaware	5,876	481	61	245	101,261	32.60	33.48
District of Columbia [6]	204,351	6,274	1,312	4,627	1,942,846	28.51	29.27
Florida	53,847	4,492	482	2,415	675,109	27.28	28.36
Georgia	61,266	4,268	781	2,702	1,081,818	26.77	27.50
Hawaii	25,408	1,916	314	1,225	483,889	30.41	31.81
Idaho	7,592	1,327	206	865	359,144	32.75	34.25
Illinois	115,513	7,101	1,089	3,998	1,647,094	29.53	30.77
Indiana	38,517	3,389	741	2,589	1,187,234	30.88	31.54
Iowa	21,965	721	69	310	83,075	24.14	25.36
Kansas	27,122	1,681	255	1,130	363,582	27.66	29.00
Kentucky	32,406	2,617	740	2,008	922,306	24.20	25.94
Louisiana	28,049	2,474	291	1,024	351,323	23.59	24.09
Maine	8,615	1,123	193	839	211,102	20.65	26.21
Maryland	76,193	4,653	940	2,883	1,628,507	33.57	34.65
Massachusetts	63,552	5,688	708	2,424	1,091,859	30.10	34.18
Michigan	49,207	3,169	442	1,530	739,185	32.27	32.40
Minnesota	32,811	2,688	528	1,506	697,644	25.57	29.24
Mississippi	20,184	3,061	432	1,456	488,914	21.98	23.48
Missouri	65,358	3,444	459	1,797	596,254	25.64	27.13
Montana	8,961	1,522	317	1,101	435,433	26.14	28.47
Nebraska	18,818	1,036	199	748	294,459	28.86	29.43
Nevada	6,439	1,274	175	603	340,168	37.74	39.73
New Hampshire	11,146	692	95	408	94,698	19.20	27.03
New Jersey	72,876	4,587	975	2,589	1,717,131	34.02	34.16
New Mexico	23,522	2,118	248	992	332,706	26.17	27.39
New York	243,736	25,103	3,247	10,333	5,615,012	32.33	34.95
North Carolina	34,337	3,780	639	2,180	748,179	23.01	24.59
North Dakota	7,687	470	63	230	78,020	24.61	25.66
Ohio	111,367	5,253	928	2,932	1,533,775	32.20	33.07
Oklahoma	43,676	2,521	445	1,556	597,542	26.17	26.52
Oregon	20,965	3,605	494	1,690	843,253	33.12	35.04
Pennsylvania	173,020	9,071	2,166	4,992	3,387,513	30.42	32.32
Puerto Rico	9,176	990	205	635	267,820	25.20	25.20
Rhode Island	14,788	1,345	266	743	396,837	28.92	29.19
South Carolina	25,840	2,090	264	932	314,347	23.08	23.98
South Dakota	10,819	719	99	424	129,061	25.51	25.58
Tennessee	42,801	6,062	1,296	3,223	1,694,791	25.33	25.84
Texas	131,790	9,906	1,763	5,986	2,357,325	25.86	26.30
Utah	27,625	1,737	294	1,025	506,509	33.78	34.51
Vermont	3,691	202	30	96	38,668	25.37	25.69
Virginia	85,177	4,206	611	2,614	816,422	25.93	26.69
Virgin Islands	760	51	1	6	1,327	20.69	20.69
Washington	55,404	11,655	2,037	6,616	3,062,879	29.20	31.83
West Virginia	12,082	831	122	418	110,489	17.63	20.01
Wisconsin	33,158	2,160	352	1,810	547,026	30.20	30.20
Wyoming	6,137	672	134	513	247,182	35.44	36.35

[1] Excludes temporary Christmas assistants of the Post Office Department.
[2] Excludes transitional claims filed by persons who were already in benefit status under State laws.
[3] Data relate to total of joint (State and UCFE) and UCFE-only claims; may include some veterans who are receiving supplementary benefits under provisions of the Veterans Readjustment Assistance Act of 1952.
[4] Includes both UCFE-only payments and the Federal portion of joint State-UCFE payments.
[5] Includes 13,703 FBI employees not distributed by State.
[6] District of Columbia figure is for metropolitan area; figures for Maryland and Virginia omit metropolitan District of Columbia area.

APPENDIX TABLE 7.—*Selected data on unemployment compensation for veterans' program, United States totals for fiscal years 1954–57, by State for fiscal year 1958*

Year and State	Estimated number of eligible veterans in civilian life as of June 30 [1]	New claims	First payments	Amount of benefits paid [2]	Claimants exhausting benefits
1953–54	2,897,000	348,373	252,639	$74,497,924	33,535
1954–55	4,015,000	368,999	282,750	106,916,550	78,348
1955–56	4,682,000	272,111	204,529	70,096,109	50,263
1956–57	5,105,000	199,900	159,893	55,113,326	40,774
1957–58	5,353,000	236,064	197,289	74,292,118	53,284
Alabama	116,000	6,007	4,794	2,217,650	2,165
Alaska	3,000	215	48	76,630	18
Arizona	33,000	2,133	1,692	461,735	337
Arkansas	59,000	2,566	2,517	1,003,769	917
California	437,000	20,517	17,124	5,414,432	2,025
Colorado	47,000	1,971	2,446	546,128	264
Connecticut	70,000	3,943	2,182	633,241	232
Delaware	12,000	521	501	127,598	103
District of Columbia	27,000	2,309	1,518	522,701	315
Florida	134,000	5,916	5,201	1,259,795	581
Georgia	112,000	5,620	5,143	2,007,221	1,567
Hawaii	22,000	1,296	1,034	255,294	126
Idaho	21,000	1,232	953	334,219	181
Illinois	264,000	7,333	6,783	2,225,102	1,212
Indiana	135,000	6,433	5,749	2,358,155	1,742
Iowa	83,000	3,187	2,241	712,071	370
Kansas	68,000	2,120	1,988	520,844	303
Kentucky	101,000	5,338	4,940	2,161,006	1,978
Louisiana	81,000	3,707	2,132	900,407	538
Maine	35,000	2,280	1,907	597,049	371
Maryland	81,000	4,346	2,865	864,060	473
Massachusetts	165,000	6,912	4,772	1,434,500	690
Michigan	217,000	17,981	13,921	6,264,914	5,463
Minnesota	105,000	4,688	4,527	1,560,312	1,107
Mississippi	65,000	2,948	2,522	987,275	743
Missouri	135,000	4,718	4,357	1,640,776	1,166
Montana	21,000	970	1,140	312,232	3
Nebraska	50,000	1,059	886	298,231	230
Nevada	9,000	344	258	71,386	36
New Hampshire	21,000	1,267	1,044	242,389	83
New Jersey	169,000	4,819	4,117	1,508,674	882
New Mexico	25,000	1,085	968	313,105	233
New York	452,000	13,231	11,854	3,370,582	1,107
North Carolina	146,000	6,706	6,118	2,337,104	1,768
North Dakota	23,000	984	756	267,276	183
Ohio	259,000	14,375	10,728	4,109,374	2,649
Oklahoma	89,000	3,058	2,277	888,663	666
Oregon	50,000	3,367	2,870	1,126,504	727
Pennsylvania	374,000	11,630	9,950	3,671,760	2,528
Puerto Rico	60,000	3,769	3,565	3,419,671	5,154
Rhode Island	30,000	1,640	1,287	611,102	449
South Carolina	71,000	3,521	2,819	1,291,863	1,086
South Dakota	24,000	853	715	275,608	185
Tennessee	117,000	6,238	5,678	3,009,908	2,793
Texas	220,000	9,735	7,956	3,010,444	2,523
Utah	27,000	1,050	1,011	284,565	148
Vermont	14,000	758	540	175,287	71
Virginia	129,000	4,420	3,733	1,334,841	983
Virgin Islands	59,000	53	48	36,824	38
Washington	87,000	5,323	4,927	1,738,903	1,288
West Virginia	78,000	4,494	4,070	1,829,703	1,505
Wisconsin	112,000	4,736	3,760	1,569,062	909
Wyoming	9,000	342	357	100,117	70

[1] From statistical summary issued by the Veterans' Administration.

[2] Adjusted for voided benefit checks and overpayments; includes payments supplementing benefits paid under State unemployment insurance laws. Fiscal year totals include supplemental payments to veterans less than $26 a week under the railroad unemployment insurance program.

APPENDIX TABLE 8.—*Disqualifications, by issue, fiscal years 1953–57, and by State, fiscal year 1958*

[NOTE: Beginning with fiscal year 1955, data include activities under the new program of unemployment compensation for Federal employees and represent an unduplicated count for both programs.]

Fiscal year and State	Total disqualifications [1]	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 [3]	Number	Per 1,000 claimant contacts [3]
1952–53	1,133,528	354,014	37.7	108,983	11.6	474,937	8.6	94,395	1.7
1953–54	1,447,793	485,844	35.0	172,646	12.5	557,890	7.0	80,974	1.0
1954–55	1,579,408	439,195	34.1	181,534	14.1	667,343	7.7	86,566	1.0
1955–56	1,388,478	393,652	36.2	136,699	12.6	604,326	8.8	81,808	1.2
1956–57	1,431,624	418,168	36.6	146,465	12.8	623,023	8.3	72,771	1.0
1957–58	1,821,331	542,353	31.0	200,874	11.5	773,949	6.3	63,421	.5
Alabama	21,181	13,780	71.3	3,305	17.1	3,756	2.2	256	.1
Alaska	4,352	723	31.3	226	9.8	2,293	7.8	51	.2
Arizona	7,990	3,699	55.8	1,249	18.8	2,886	7.1	156	.4
Arkansas	9,068	4,163	36.7	1,569	13.8	2,053	2.6	299	.4
California	221,455	68,165	43.2	25,024	15.9	85,298	7.6	8,494	.8
Colorado	11,621	7,144	108.5	1,919	29.2	1,733	3.5	289	.6
Connecticut	20,095	5,787	16.6	1,805	5.2	9,944	3.6	945	.3
Delaware	2,915	1,240	30.0	709	17.2	568	1.7	146	.4
District of Columbia	11,004	2,995	70.1	1,903	44.5	4,835	13.6	214	.6
Florida	17,728	4,986	22.9	2,890	13.2	8,704	6.3	646	.5
Georgia	30,996	19,184	79.9	8,107	33.8	2,736	1.4	864	.5
Hawaii	5,927	1,585	71.9	531	24.1	3,333	16.9	200	1.0
Idaho	4,220	1,172	32.4	345	9.5	1,644	5.5	330	1.1
Illinois	143,389	13,002	15.8	10,028	12.2	85,078	13.1	3,562	.5
Indiana	28,391	9,517	18.5	3,911	7.6	9,892	2.9	843	.2
Iowa	11,714	8,071	92.7	1,646	18.9	1,866	3.0	91	.1
Kansas	12,775	2,356	23.8	1,379	14.0	8,164	11.8	361	.5
Kentucky	15,438	5,392	27.3	2,928	14.8	6,282	4.7	836	.6
Louisiana	13,925	6,415	44.8	3,165	22.1	2,511	2.5	663	.7
Maine	11,984	4,616	40.3	797	7.0	4,070	4.1	1,186	1.2
Maryland	26,900	9,600	36.2	7,316	27.6	4,875	2.5	3,546	1.8
Massachusetts	44,676	18,171	23.6	5,023	6.5	14,522	2.8	2,215	.4
Michigan	137,195	46,550	33.8	11,273	8.2	56,848	7.1	3,120	.4
Minnesota	23,978	9,232	49.7	3,232	17.4	7,568	4.5	810	.5
Mississippi	15,344	3,367	28.1	1,749	14.6	8,490	8.9	801	.8
Missouri	24,657	14,056	35.5	5,352	13.5	4,200	1.7	623	.3
Montana	6,013	2,786	49.5	1,378	24.5	999	1.9	288	.5
Nebraska	4,270	1,266	29.0	928	21.3	1,746	7.6	36	.2
Nevada	4,117	1,034	27.9	769	20.8	1,835	6.7	325	1.2
New Hampshire	7,006	3,537	47.0	715	9.5	1,723	3.3	337	.7

New Jersey	63,178	7,066	9.1	5,370	6.9	38,717	6.5	1,451	.2
New Mexico	4,711	1,769	42.2	1,013	24.2	1,771	6.9	158	.6
New York	337,034	57,414	21.2	5,409	2.0	186,607	11.0	13,499	.8
North Carolina	27,216	15,434	32.0	5,227	10.8	5,450	1.9	819	.3
North Dakota	3,327	359	23.1	71	4.6	1,541	8.8	28	.2
Ohio	104,361	30,759	31.7	23,240	23.9	33,005	4.1	2,428	.3
Oklahoma	21,891	11,126	99.7	1,987	17.8	7,390	8.8	511	.6
Oregon	17,681	3,875	17.4	1,215	5.5	11,895	7.4	265	.2
Pennsylvania	115,429	26,586	14.0	10,527	5.5	68,274	4.8	4,920	.3
Puerto Rico [4]	587	76	24.6	26	8.4	426	28.3	16	1.1
Rhode Island	11,207	2,704	13.3	728	3.6	6,191	5.1	1,152	1.0
South Carolina	27,456	12,823	89.3	5,558	38.7	8,329	7.8	497	.5
South Dakota	1,279	630	49.4	126	9.9	361	3.5	4	[5]
Tennessee	25,525	16,667	68.6	4,434	18.2	4,021	2.4	403	.2
Texas	64,341	33,884	96.7	14,533	41.5	14,346	5.0	1,578	.6
Utah	5,369	1,424	28.6	367	7.4	1,988	5.5	445	1.2
Vermont	2,461	1,520	50.0	288	9.5	368	1.4	140	.5
Virginia	18,444	5,527	34.2	3,129	19.4	9,473	10.9	315	.4
Virgin Islands [4]	5	2	57.1	0	----------	2	20.6	0	----------
Washington	27,452	4,624	14.2	1,330	4.1	18,472	8.0	849	.4
West Virginia	11,746	6,135	35.9	2,169	12.7	1,571	1.6	292	.3
Wisconsin	29,098	8,029	31.2	2,838	11.0	2,701	1.3	1,064	.5
Wyoming	1,209	329	21.3	118	7.7	598	6.4	54	.6

[1] 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 192,257 disqualifications in 1958.

[2] 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.

[3] Based on new spells of insured unemployment, plus intrastate continued claims, plus interstate continued claims received as liable State.

[4] Data relate to UCFE program only; no unemployment insurance program for workers in commerce and industry.

[5] Ratio of less than 0.05 per 1,000 claimant contacts.

APPENDIX TABLE 9.—*Federal allocations to States for administration of employment security programs and amounts credited to States' accounts in the Unemployment Trust Fund under the Employment Security Administrative Financing Act of 1954, by State, fiscal year 1958*

Fiscal year and State	Federal allocations for administration (1,000)	Credited to States' accounts in the Unemployment Trust Fund [1]	
		Amount	Percent of total [2]
1952–53	$197,983		
1953–54	203,182		
1954–55	222,146		
1955–56	233,631	$33,376,031	100.0
1956–57	250,425	71,195,220	100.0
1957–58	[3] 290,933	[4] 33,453,482	100.0
Alabama	3,961	401,052	1.20
Alaska	1,174	45,660	.14
Arizona	3,182	171,030	.51
Arkansas	2,928	173,731	.52
California	31,999	3,284,316	9.82
Colorado	2,706	262,319	.78
Connecticut	4,964	654,943	1.96
Delaware	669	117,993	.35
District of Columbia	2,074	176,890	.53
Florida	5,065	640,120	1.91
Guam	[5] 30		
Georgia	3,975	534,237	1.60
Hawaii	918	82,715	.25
Idaho	1,547	86,838	.26
Illinois	13,402	2,359,422	7.05
Indiana	5,102	952,285	2.85
Iowa	2,489	340,180	1.02
Kansas	2,203	292,267	.87
Kentucky	3,304	360,826	1.08
Louisiana	3,386	458,903	1.37
Maine	1,474	153,400	.46
Maryland	5,095	551,066	1.65
Massachusetts	11,214	1,203,537	3.60
Michigan	14,738	1,702,450	5.09
Minnesota	4,169	538,699	1.61
Mississippi	2,816	171,759	.51
Missouri	5,120	775,403	2.32
Montana	1,404	93,696	.28
Nebraska	1,209	163,062	.49
Nevada	995	69,767	.21
New Hampshire	1,258	112,437	.34
New Jersey	11,330	1,337,607	4.00
New Mexico	1,543	120,007	.36
New York	42,167	4,253,234	12.71
North Carolina	5,230	617,333	1.84
North Dakota	962	51,053	.15
Ohio	13,524	2,208,984	6.60
Oklahoma	3,512	296,767	.89
Oregon	3,811	342,904	1.03
Pennsylvania	22,874	2,543,761	7.60
Puerto Rico	[6] 1,033		
Rhode Island	2,764	201,454	.60
South Carolina	3,164	291,846	.87
South Dakota	719	51,204	.15
Tennessee	4,090	479,539	1.43
Texas	11,196	1,412,652	4.22
Utah	2,069	134,348	.40
Vermont	[6] 45	56,953	.17
Virginia	2,559	515,956	1.54
Virgin Islands	664		
Washington	5,597	531,695	1.59
West Virginia	2,272	321,001	.96
Wisconsin	4,178	704,671	2.11
Wyoming	760	49,507	.15

[1] Represent amounts credited on July 1, 1956, July 1, 1957, and July 1, 1958, respectively.
[2] These percentages have been rounded to 2 decimal places. In the actual determination of the amounts credited to States' accounts, the percentages shown in this column will not produce the exact amount credited.
[3] Excludes an estimated $4,750,000 for postage and $50,000 for Railroad Retirement Board and Veterans' Administration for expenses of administering the unemployment compensation for veterans' program.
[4] Sum of distribution does not equal total due to rounding of cents to nearest dollar.
[5] As of Feb. 17, 1958, an employment service office was established officially at Agana, Guam, performing all employment service functions.
[6] For administration of employment service and Federal unemployment insurance programs.

BUREAU OF LABOR STANDARDS

BUREAU OF LABOR STANDARDS

The Bureau of Labor Standards serves as a source of technical information and assistance to the many official and private organizations concerned with improving conditions of employment for the working people of the United States. Broadly, Bureau activities fall into three main categories: Providing aid in the development of good labor laws and their efficient administration; promoting the development of good employment opportunities for young people and, with equal emphasis, the elimination of harmful child labor; and, by working with State labor agencies, labor, management, and others, seeking to inspire and provide technical guidance in planning and carrying out programs of safety and health which will be adequate, in the light of a rapidly changing technology, to safeguard American workers from job-connected deaths or injuries.

The major services of the Bureau are also extended to countries other than the United States. Intensive programs of training in various aspects of labor law administration and industrial accident prevention are arranged and supervised by the Bureau to accommodate representatives of other countries who come to learn our methods. And the Bureau sends staff experts abroad to assist in plans for bringing about better and higher standards of working conditions.

Highlighting the past year, the 10th Anniversary President's Conference on Occupational Safety brought some 3,000 delegates from all segments of the American economy to the Nation's capital to devise voluntary means of conserving manpower in the decade ahead. This decade confronts the Nation with a changing labor force and a changing technology. New hazards are added to old, and a whole new concept of safety research joins the tested techniques that still need application at the workplace to control familiar and continuing dangers.

The past year also demonstrated significant progress in improving the living and working conditions of migratory agricultural workers and their families. Gains noted in previous years continued in 1958 as the Bureau pursued its work with State and Federal agencies and citizens' groups on behalf of this underprivileged group. The creation of 5 new State migratory labor committees raises to 21 the number of States which now have an organized method of attacking this problem.

Assistance to States on Labor Standards

The Bureau continued to assist the States in the development and administration of good labor laws and in the promotion of programs to improve working and living conditions of migratory agricultural workers and their families. During 1958, the Bureau responded to nearly 900 requests for technical service in these areas—coming from State agencies, Capitol Hill, international bodies, labor unions, management, and others. As in the past, the Bureau's services were keyed to subjects of particular importance to the States, with heavy emphasis placed this year on workmen's compensation, minimum wages, child labor, and migratory labor.

Continuing its activity in connection with the development of radiation protection regulations, the Bureau is represented on the advisory group to the National Committee on Radiation Protection, particularly to advise with respect to State regulations on the subject. The committee is sponsored by the National Bureau of Standards, with membership drawn from governmental agencies and professional associations concerned with radiation.

Substantial progress has been made in programs for migrant agricultural workers. The Bureau has advised and assisted various States in the establishment of State migratory labor committees, in the development of programs, and in the preparation of legislation and administrative regulations to improve conditions for migratory agricultural workers.

Technical and Advisory Assistance

As the national source for information on all types of labor law and administrative techniques, the Bureau constantly receives requests for technical and advisory assistance. During fiscal 1958, assistance was given in 47 States, Alaska, Hawaii, and the District of Columbia, with personal consultation given in 45 States and the District of Columbia. As in the past, this assistance was keyed to one of the main objectives of the Department of Labor—the improvement of working conditions of the American wage earner. The Bureau participated in the development of legislative proposals, on plans for administration of new legislation, and on improving the administration of existing labor legislation.

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, servicing committees, helping plan convention programs, and providing information on State experience and progress. For example, in response to a resolution of the IAGLO, the Bureau, in cooperation with the Women's Bureau, arranged a regional conference of eight northeastern States and the District of Columbia to exchange information and experience on minimum wage administration.

The Bureau also, working with a committee of the Association, and in

cooperation with the Women's Bureau and the Solicitor's Office of the Department, developed and submitted to the 1957 convention of the IAGLO suggested language for State legislation establishing a fixed minimum wage and a fixed minimum wage plus wage board procedure. Both suggestions covered men as well as women and minors, and have been used widely by the States in preparing their legislative proposals. Various State workmen's compensation administrators and other State officials, as well as Federal officials and representatives of labor and technical and other organizations, continued to look to the Bureau for assistance in all aspects of workmen's compensation.

Technical assistance was given to several States on problems relating to the coverage of radiation injuries. For example, the Bureau made available to the Minnesota Legislative Research Committee, which was planning to undertake an overall study of the use of atomic energy in private industry, information and materials concerning problems of radiation injuries and workmen's compensation. Data on the workmen's compensation aspects of employment involving radiation exposure were prepared for the Kentucky Workmen's Compensation Board for use in the development of proposed amendments to the Kentucky workmen's compensation law. The Bureau continued to work closely with the IAIABC Committee on Atomic Energy and with the Atomic Energy Commission in exploring methods for promoting and expediting needed changes in workmen's compensation laws to protect workers injured as the result of exposure to radiation.

Work continued with the IAIABC Committee on Second-Injury Funds, and with the President's Committee on Employment of the Physically Handicapped, as well as with the States in promoting the acceptance of the broad-coverage type of second-injury funds. The year saw increased emphasis on rehabilitation, and renewed interest in removing any obstacles which workmen's compensation laws may present to the employment of the physically handicapped.

The Bureau participated in the first National Conference on Workmen's Compensation sponsored by the AFL–CIO in March 1958. Because of its knowledge of State developments, the Bureau was in a position to offer advice in planning the program; it provided technical materials to delegates of the conference, and participated directly in panels of the conference. The Bureau also participated in two regional conferences of State workmen's compensation officials.

Improved working conditions and practices for young workers were among the labor standards fostered by the Bureau during this past year. Illustrative of the services provided in this field was the assistance given to a committee set up by one of the State labor departments to consider the relationship of child labor laws to the problems the schools are having in handling maladjusted children. For another State requesting assistance in connection with the appearance of children in public performances, the Bureau evaluated various State child labor provisions and rulings in this

field. A State department which had encountered difficulty in obtaining compliance from employers who had failed to correct certain hazards in their place of employment was given advice as to the experiences in other jurisdictions operating under similar legal provisions. A State labor department planning to set up a wage collection program was given technical advice.

Also during the year, the Bureau prepared a report on child labor legislation enacted in 1956–57 as well as a detailed chart showing current provisions of the child labor laws, for the Council of State Governments. For the labor department in one of the Canadian provinces, data on the agencies administering the various State fair employment practice acts were supplied.

In one State, the Bureau advised on the revision of a State pamphlet on minimum wage, child labor, and hours laws; in another, advice was given on a proposed revision of State child labor certification forms, and plans were developed for the use of these State forms in a major city currently using its own forms. Two States with minimum wage laws covering men as well as women were given assistance in setting up administrative procedures for the enforcement of these laws. Conferences were held with another State on wage board rules and procedures.

In addition to the type of direct advisory assistance described above, the Bureau gave two training courses in Pennsylvania for the inspection staff enforcing minimum wage, hours of work, and child labor laws.

State Labor Legislation

The Bureau continued to serve as the central clearinghouse of information on labor bills introduced and laws enacted in the State legislatures. During 1958, 17 States and 1 Territory met in regular session and 7 of these States as well as 11 others met in special session. Some 1,400 bills and acts relating to labor were recorded and indexed by subject, with the more important bills and all of the acts analyzed. Articles were prepared on the accomplishments of the State legislatures. In 1958, a new system of furnishing the State labor departments with a special report highlighting State legislative trends was started. This information is given to State administrators considerably in advance of the regularly published report on legislation enacted.

Significant advances in legislation made during 1958 included provisions for establishment of State migratory labor committees in Maryland and Rhode Island, and enactment of several strengthening amendments in the New York law that regulates labor camps and the registration of farm labor contractors. Virginia and Georgia increased the amount of a worker's wages exempt from garnishment. Kentucky extended its safety rule-making authority, and enacted an atomic energy act which includes as a requirement that the State Department of Industrial Relations and Work-

men's Compensation Board survey the occupational hazards and workmen's compensation problems of atomic development. In the field of workmen's compensation, ordinarily the area of greatest activity, only three States (Mississippi, New York, and Virginia) increased maximum weekly indemnity benefits. Forward-looking legislation in the realm of second-injury fund provisions was enacted in Rhode Island, Michigan, and Virginia. In all of these States, the legislature directed that studies be made with the aim of creating, extending, or improving second-injury fund provisions.

Publications

Reflecting current demand for information on labor laws and their administration, the Bureau issued a revised and expanded bulletin on State workmen's compensation laws, as well as a series of maps reflecting the present status of specified provisions of State workmen's compensation laws. These make it possible to see quickly where State laws fall below recommended standards. An article on "Workmen's Compensation as It Affects Workers Disabled With Pneumoconiosis" was prepared during 1958 as a section in a detailed study to be issued by the U. S. Public Health Service. Also during 1958, the Index of State Occupational Health and Safety Laws, Codes, Rules, and Regulations was brought up-to-date and revised. For the first time this includes occupational health regulations administered by State health departments as well as those administered by State labor agencies.

One of the standard publications of the Bureau, the Annual Digest of State and Federal Labor Legislation, a unique source of all labor legislation enacted by State legislatures and the U. S. Congress, was revised in 1958. During the year, to meet a steady stream of requests from unions, the press, and students, the Bureau issued a bulletin on State "right to work" laws. This publication contains descriptions of the laws and a list of the States having such laws, with the year of their passage and a brief discussion of the 1957 State legislative activities in this field. The Bureau revised and brought up to date its publication Status of Agricultural Workers Under State and Federal Labor Laws. Also prepared and sent to press was a revised issue of the report Time Off For Voting Under State Laws.

Other articles and reports on labor legislation issued by the Bureau included a comprehensive summary of workmen's compensation legislation enacted in 1957, which was prepared for the use of the International Association of Industrial Accident Boards and Commissions as well as for general distribution; a report, Highlights of State Labor Legislation, 1958; and articles summarizing progress in State labor legislation, which were prepared and published in the Monthly Labor Review. A brief report on provisions of State laws that require unions to report organizational data or submit financial statements to a State official or to make financial information available to their membership was prepared for publication.

Migratory Labor

In 1958, the Bureau again stressed the formation of State migratory labor committees, so that now 21 States have such committees, 5 being established this year. The Bureau helped States to get these committees established, consulted with State agencies and individuals, helped to appraise the problems in the State, and made available materials for use in developing educational and legislative programs.

In the area of migratory labor, 29 States were given advisory and consultant services by field staff from the Bureau this year. Conferences were held with such diverse State and local groups and individuals as growers associations, the Migrant Ministry of the Council of Churches, archbishops of the Catholic Church, Negro ministers, union groups, university professors, Spanish-speaking crew leaders, camp managers, Governors, legislators, State officials, and the migrants themselves.

Assistance was given in the organization of group conferences to discuss problems and develop programs for joint action. Consultant services were given to 10 State committees. These services included assistance on preparing legislation and supplying pertinent information on the experience of other States in meeting similar migrant problems. Materials such as the Interstate Commerce Commission regulations on the transportation of migrant workers and standards for labor camps developed by the President's Committee on Migratory Labor were brought to their attention. In 1957, legislation to improve conditions of migratory workers was passed in 6 States—California, Maryland, New York, Oregon, Texas, and Wisconsin.

The Bureau continued to participate in the work and deliberations of the President's Committee on Migratory Labor, serving on various subcommittees.

The Bureau worked closely with the Council of State Governments' Committee of Officials on Migratory Farm Labor of the Atlantic Seaboard States and assisted it in the preparation of material on child labor, child-care centers, crew leader regulations, and workmen's compensation. It also participated in the Conference on Migrant Labor of eight East Coast States called by the council.

Reports from the States indicate progress in improving housing for migrants in a number of areas and action in improving regulations governing labor camps. A few States have established regulations for intrastate transportation and for registration of crew leaders. Efforts have increased to get migrant children enrolled in local schools while they are in the area, and a number of new experimental schools have been established. All these gains have come through heightened interest and action on the part of State and local groups and in many instances have been sparked by a State migratory labor committee.

Child Labor and Youth Employment

The Bureau's child labor and youth employment program is directed both to the elimination of harmful child labor and the development of suitable employment opportunities for youth. Young people will be an increasingly important segment of our labor force as the manpower shortages in the age group born in the thirties are felt. By 1965 there will be over 4 million more young workers (14–24 years old) in the work force than there were in 1955. Their education, training, and induction into employment must not be left to chance.

Promotion of Sound Standards and Employment Opportunities

With the advice of the Bureau's Advisory Committee on Young Workers, Guidelines for Employment of Young Workers was prepared and endorsed by 27 organizations interested in youth. Through this publication it is hoped that communities will be encouraged to help their young people prepare to get and hold jobs in line with their abilities. Highlights on Young Workers is a companion bulletin giving facts about youth employment.

The Bureau prepared and distributed material on the Detroit job-upgrading program to encourage other communities to adopt similar programs to make dropouts employable and help establish them as workers. The Office of Education facilities were used to distribute copies of the Detroit program to all superintendents of schools in cities of 100,000 and over.

"You *Can* Hire Teenagers—Here's How," a simple card explaining the provisions of Federal and most State child labor laws, proved very useful in explaining the many jobs open to young people under 18, and correcting misunderstanding about the restrictions imposed by these laws.

Mindful of the importance of education in relation to job opportunities, the Bureau has continued to cooperate with other offices of the Department and agencies of the Federal Government in promoting stay-in-school activities on the community level through the distribution of the Handbook for Communities.

Safety of Young Workers

At the request of vocational educators, an investigation was made and a public hearing held in June on a proposal to exempt more student-trainees from 3 of the 13 hazardous occupations orders issued under the child labor provisions of the Fair Labor Standards Act. The 3 orders (Nos. 5, 8, and 12) set an 18-year minimum age for employment on certain woodworking, metalworking, and paper-products machines. The proposal would allow a greater number of 16 and 17 year old trainees to work part time under vocational education programs in industries using these machines. A

limited number of such students have been successfully employed and exempted from these orders for several years by special arrangement. The preponderance of testimony at the hearing favored the proposal.

Accidents-to-minors reports were received from the 14 States regularly reporting to the Bureau. These reports are used in connection with the hazardous occupations program.

The Bureau also continued to conduct promotional and educational activities in the field of young worker safety. For example, in cooperation with the Office of Education and the National Safety Council, the Bureau took an active part in developing the program for a workshop of the President's Conference on Occupational Safety, on "The Schools' Contribution to Occupational Safety."

The Bureau worked with key national education organizations to bring about the teaching of safety, particularly in vocational industrial and science classes and, generally, to make safety a part of classroom teaching where appropriate.

Notice was received that the International Cooperation Administration has arranged to translate and print a Spanish edition of the booklet School Shop—Learn Safe Work Habits Here. Because of the demand, this will be distributed to Latin American countries.

Youth Employment Statistics and Reporting

The Bureau continued collection, analysis, and reporting of trends and conditions from Census and other major statistical agencies and prepared a chartbook, Young Workers Under 18—Today and Tomorrow. This publication depicts major school enrollment and labor force trends for youth in the decade 1947–57, with projections to 1965. The series was prepared primarily for use by program leaders, State labor departments, national organizations, and others concerned with child labor standards and the improvement of employment conditions for young workers.

The Bureau conducted a survey in two States where the child labor laws permit deviation from their provisions under certain circumstances. Purpose of the survey was to find out how satisfactory these provisions were. The findings, which will be made available to other States, point out the safeguards that are needed to make such provisions work.

Employment Certificates

Cooperative arrangements with the States for use of State employment certificates as proof of age under the Fair Labor Standards Act were continued.

Forty-four States, the District of Columbia, Hawaii, Puerto Rico, and 30 cities in 2 other States reported on numbers of employment certificates issued for minors going to work under State and Federal child labor laws. Nearly 1 million certificates were issued in 1957, which was about 7 percent

fewer than in the previous year. This decrease is not unexpected in view of prevailing economic conditions. Similar comparisons for 2 previous years showed a plus 11 percent for 1956 and a plus 16 percent for 1955.

Committee Activity and Technical Assistance

The Bureau continued to promote the welfare of young workers through cooperation with other groups. A Committee of Potomac Grange, on which the Bureau served, issued a report endorsing sound child labor standards, and calling the attention of rural groups to the protection of educational opportunities and welfare of children afforded by sound child labor laws.

Through the Interdepartmental Committee on Children and Youth, the Bureau has kept before other Government departments the needs of all children for child labor protection, education, training, and employment opportunity. The 1958 spring seminar of the Interdepartmental Committee considered the responsibility of home, community, and school for boys and girls not succeeding in school (potential dropouts). One meeting of the Interdepartmental Committee on Children and Youth considered the employment problems of rural youth in depressed areas and in underprivileged groups. The Bureau served on a subcommittee which directed preparation of the publication Transition from School to Work, published by the Office of Education. This publication charts the services which school and community should provide to make this transition smooth. This subcommittee is now working on a bulletin directed to the needs of rural youth, which the Department of Agriculture has agreed to publish. Since it is estimated that more than 65 percent of youth in rural areas will have to find work outside of agriculture, it is important that rural communities prepare their young people for such futures.

The Bureau provided technical assistance to organizations planning studies in the child labor and youth employment field, to communities plannning youth employment material or programs, and to writers planning articles on the subject of youth employment.

Occupational Safety and Health

President's Conference on Occupational Safety

Utilizing its 10th anniversary to determine future safety needs in the light of changing technology, the President's Conference on Occupational Safety met in the Nation's capital in the spring of 1958. Over 3,000 leaders from all segments of the economy and every State and Territory attended the Conference, geared to the theme: Safety Conserves Manpower . . . Manpower Builds the Future. Management, with primary responsibility

for safety, led in attendance, its representatives constituting nearly half the total. For the first time, the mining and transportation industries and the industrial medical profession participated in the program.

General program directions for the Conference, which was organized and conducted by the Bureau under the chairmanship of the Secretary of Labor, were suggested by a technical advisory committee of 33 representatives of management, labor, government, insurance, education, and private safety organizations. Over 80 men and women of outstanding qualifications participated in the program which, in addition to key speeches, was divided into 8 subject areas: Human motivation for safety, injury statistics, off-the-job safety, the schools' contribution to safety, safety activities of organizations, control of radiation hazards, State safety promotion, and industrial medicine's contribution to safety and health.

The Conference concluded with a report to the President urging all groups to take action in specific areas to meet the Nation's safety requirements in the future. The safety areas needing emphasis in the years ahead, and the nature of such emphasis, were determined by conferees after assessing progress and failures of the past 10 years—a decade marked by rapid technological development and growing manpower requirements that place an important responsibility on the entire safety movement. A printed record of the major transactions of the Conference is available.

State Safety Services

Apart from the President's Conference on Occupational Safety which focuses attention on the needs which must be met by everyone concerned with the problem of occupational accidents, the Bureau of Labor Standards in the past year carried forward its work with State safety officials to improve accident prevention methods.

In 1958, Bureau staff members made 119 consultative and promotional contacts with State officials having safety responsibility. All 48 States were visited.

Safety Training of State Personnel

Training of State safety personnel continues to be one of the important services provided to the States. During the year, 26 training courses were conducted for State personnel with 380 persons receiving instructions in safety fundamentals or in some specialized aspect of industrial safety. These training courses were conducted in 14 States—Arkansas, Tennessee, Indiana, Ohio, Michigan, Idaho, Iowa, Pennsylvania, West Virginia, New Jersey, Kentucky, Nevada, Michigan, and Minnesota.

Special Industry Programs

Special industry safety programs are another means by which the Bureau provides technical assistance to States. Under this procedure, the Bureau,

in cooperation with the State, conducts a survey of a high-hazard or otherwise important industry, and prepares data on sources of injury and methods of hazard control. It provides the State with materials to carry on a 1-year concentrated drive for accident prevention within the selected industry. The facilities and personnel of the State are used in conducting the program on a statewide basis.

Prior to initiating a special industry program, the Bureau conducts a training course for State personnel participating in the program. During the time the program is operating, the Bureau continues to provide the State with consultative services and program materials. During the year, special industry safety programs were initiated in Pennsylvania, Kentucky, Illinois, and Minnesota covering either construction or foundry operations. Two such programs, covering canning operations, were begun last year, and continue in Maryland and Iowa.

State Employee Programs

An adaptation of the special industry safety program is a program developed for State employees. Such safety programs, usually sponsored by the Governor, apply to State employment the same techniques used to decrease accidents in selected industries. The Bureau provides the same services as it does for industry programs, i. e., a survey of the hazards, training of personnel, educational and promotional materials, and direct service as consultants. Last year three State employee safety programs were initiated in Kansas, North Dakota, and South Dakota.

Labor Union Safety Services

Organized labor's interest in safety is being supported through the training of labor representatives in the fundamentals of industrial accident prevention. During the year, 11 training courses were conducted with 278 members of organized labor receiving training in the fundamentals of safety. In addition to these courses, 14 conference type meetings were held with labor union representatives to discuss safety subjects. Total attendance at these conferences numbered over 700. Bureau staff also made 88 consultative and promotional contacts with labor unions during the year.

Federal Safety Services

Under the Federal Employees' Compensation Act, the Bureau promotes safety programs, and recommends the correction of unsafe work practices and the elimination of unsafe workplaces in Federal establishments. This type of service was expanded during the past year. Bureau staff completed 346 safety surveys of Government installations for consultation and evaluation of safe working conditions. An increase in the number of requests for safety program information from Federal establishments indicates that

many of these installations are seeking advice and guidance to improve their accident prevention programs.

Safety Training of Federal Employees

Safety training for Federal employees with supervisory responsibility was expanded during the past year. In 1958, 52 training courses were conducted as against 33 in the previous year. Total attendance at these courses numbered 1,570 in 1958. They were held in the District of Columbia and 16 States—Delaware, California, Pennsylvania, Georgia, Oklahoma, Minnesota, West Virginia, New Jersey, Nebraska, Maine, Virginia, Maryland, New York, Florida, Illinois, and Louisiana.

Under a new policy inaugurated last year, any safety training course requested by a Federal agency must be sponsored by the field Federal Safety Council in the area involved. This arrangement insures closer coordination of the Bureau's activities with the Federal Safety Council and its field affiliates. The policy has developed a greater interest in safety training on the part of Federal Safety Council members, and sets up a priority system based upon agency need.

Federal Safety Council

The activities of the Federal Safety Council and its 90 field councils for the fiscal year 1958 were highlighted by the Presidential Safety Award ceremonies. A revision of the criteria and procedure in determining the nominees for the Presidential awards resulted in presentation of awards for 1956 and 1957. The Department of the Navy and the Tennessee Valley Authority received awards for safety performance in 1956. The Department of the Army and the Atomic Energy Commission received the awards for 1957.

The 12th Annual Federal Safety Conference, held in Chicago, was attended by 700 Federal employees, the majority of whom came from agency field establishments. Instructive and informative addresses were given on safety training techniques, molding safety attitudes, transportation of radioactive materials, and other timely subjects.

During the fiscal year, the parent council secretariat distributed 1,049 technical publications, 1,077 holiday releases, 19,366 safety newsletters, 1,804 discussion sheets, and 5,205 letters and memorandums.

Maritime Safety Services

Longshoremen working aboard a ship, and shipyard workers making repairs on a ship either in drydock or afloat, are covered by the Federal workmen's compensation law rather than State laws. Their safety is also a Federal, rather than a State, responsibility. That responsibility has been delegated by law to the Department of Labor, and rests with the Bureau of

Labor Standards. Safety in oil well drilling off the Continental Shelf of the Gulf of Mexico is also subject to Bureau investigation and recommendations.

During the past year, the President requested Congress to enact legislation which would permit the establishment and enforcement of safety standards in three hazardous employments. In testimony before congressional committees, officials of the Department supported legislative proposals authorizing the Secretary of Labor, under appropriate administrative proceedings, to establish adequate safety regulations in longshore and ship repair work in the Federal maritime jurisdiction.

In carrying out its present responsibilities, the Bureau cooperates with employers, employer organizations, unions, and insurance carriers. Longshoring involves considerable casual labor, and efforts are made to promote safety on a portwide as well as on an individual company basis.

In the past year, a total of 807 consultation and service contacts were made with stevedoring companies, steamship companies, marine trade associations, and insurance carriers. In connection with these visits, evaluation surveys were made of operating conditions on 645 ships.

Contacts with longshoremen's unions numbered 74, and 14 safety training talks were given to labor groups with a total attendance of 714.

A total of 36 safety training talks were given to supervisory personnel under the sponsorship of individual companies. Four flyers applicable to stevedoring were published for distribution to employees by management as part of on-the-job training. A training film on gear stresses was made through the collaboration of a New York company of stevedores, the New York Shipping Association, and the Bureau.

Recently, cooperation between the maritime industry and the Bureau has been strengthened in developing publications and training materials. Also, the Bureau has received an increasing number of requests to participate in union and employer safety activities. Several large New York stevedoring companies have started active safety programs as a direct result of Bureau activities, and the Philadelphia Marine Trade Association has established regular monthly safety meetings for its members. In Norfolk, a joint meeting of management and union representatives was arranged for the first time to consider the adoption of a portwide stevedore code, and the Port of New Orleans is about to establish a portwide accident reporting procedure for all stevedoring companies.

Ship Repair

During the year, the Bureau's safety staff made 266 visits to ship repair yards for consultation and conducted 110 evaluation surveys. Four safety training talks were given to supervisor and employee groups and one 30-hour training course was conducted under the auspices of a ship repair craft union. Attendance at the training talks and course numbered over 100.

A large ship repair company credited a Bureau staff member with directly

saving a life when an employee fell into the water while wearing a life vest which had been purchased shortly before on the staff member's recommendation. A staff member on the West Coast has stimulated interest on the part of the Maritime Administration in drawing up minimum safety standards for inclusion in contracts with private yards.

Outer Continental Shelf

Consultations were held with seven companies drilling for oil on the Outer Continental Shelf, and a complete survey was made of one drilling rig during the year.

Technical Safety Services

Services to the States, Federal establishments, or the maritime industry can be kept current only if the Bureau provides leadership in the area of technological developments in safety. The year has witnessed some major accomplishments in the field.

Publications

Two important safety bulletins of the Bureau were revised and brought up to date during the year. They now incorporate new concepts and treatment which should be of maximum aid to State and industrial safety men. They will be used as basic texts for training and field work.

Special Bulletin No. 7, Suggested Standards for Industrial Safeguarding, was originally developed to illustrate machine guarding by type of machine. In the new edition, the principles of guarding are discussed with reference to actions and motions involved and the basic guarding techniques when applied to different situations. Illustrations are being increased from 60 to over 100. Early issuance is scheduled.

Bulletin No. 83, originally called Outline of Occupational Disease Control Through Engineering, has been changed to Occupational Health Hazards—Their Evaluation and Control. Written in cooperation with the U. S. Public Health Service, the bulletin provides the safety man with the basic concepts of occupational disease control.

Safety Code Development

The Bureau is represented on 37 sectional committees and 3 standards boards of the American Standards Association. This representation also includes the important nuclear standards board which is set up to coordinate standardization work in the field of nuclear energy. During the year, the Bureau promoted two new safety standards issued by the ASA. They were: The Safety Code for Elevators, Dumbwaiters, and Escalators, and the Safety Code for Conveyors, Cableways, and Related Equipment.

Radiation Protection

After intensive study, a safety training course outline was compiled, and a pilot course on protection against atomic radiation was conducted, for inspectors of the Virginia Department of Labor and Industry. The course was well received and is now being improved in light of the experience gained for presentation in other areas. The introduction of this course will meet an important need in the States resulting from increased industrial use of nuclear energy.

Other Technical Services

A variety of requests for technical assistance on all phases of industrial safety continues to flow into the Bureau. For example, a Bureau safety technician represented the Federal Safety Council on a special committee to inspect the Washington Zoo, evaluate the hazards, and suggest control measures. The report, now in process, may be offered as a guide to common guarding problems in all zoological parks for the protection of the public.

In 1958, the Bureau safety staff handled over 500 formal requests for technical service—96 from Federal establishments, 151 from industry, 47 from States, 180 from individuals, and the others from a variety of sources. In many cases, hours of library research were necessary to obtain needed information.

The Bureau cooperated with the Wage and Hour and Public Contracts Divisions in a revision of its safety and health standards, as applied to public contracts under the Walsh-Healey Act.

International Cooperation

Trainees From Foreign Countries

In the fiscal year 1958, the Bureau of Labor Standards provided consultative or training services in labor law administration and industrial safety for 977 foreign visitors. Fifty-two of these were "primary trainees" for whom the Bureau carried full responsibility for planning and arranging programs. These trainees remained in the country for periods ranging from 6 weeks to 1 year. Twenty-seven were studying labor law administration, and 25 were concerned with accident prevention programs. Forty-two of the primary trainees referred to the Bureau in 1958 were the recipients of study grants from the International Cooperation Administration, and 10 primary trainees received grants under the international educational exchange program of the Department of State. These 52 primary trainees came from 21 foreign countries—over one-half from Latin America.

The number of "secondary trainees" assisted was 785. While other bureaus and agencies carried primary responsibility for these trainees, the

Bureau of Labor Standards was called upon to provide part of their program. Secondary trainees remained in the Bureau from a few hours to as long as a month. A large proportion were members of trade union teams and groups participating in orientation sessions for newly arrived visitors.

The number of casual visitors from foreign countries who came to the Bureau for consultation or other types of assistance was 140. Most of the casual visitors came to the United States at their own expense and not under the auspices of United Nations or U. S. Government sponsored programs.

The total number of foreign visitors assisted in fiscal year 1958 increased 288 over the previous fiscal year. This change was due to an increase in the number of secondary trainees and casual visitors. There was a decrease in the number of primary trainees referred, resulting in part from the fact that fewer ministry of labor officials received study grants.

The Training Program

In May 1958, the Bureau prepared an announcement of the courses in industrial safety and labor law administration which are available for foreign visitors. This announcement describes the subjects which are covered, as well as the nature of the training activities provided. ICA sent this out to its missions to inform them of the programs and facilities available in the Bureau and to stimulate interest in foreign countries in training ministry of labor officials.

During the year, members of the staff accompanied teams of visitors to the field. This made it possible to provide guidance for the team and enabled members of the staff to make direct contacts with State labor department and other agencies that render valuable service in the training program.

Participation of Other Agencies and Companies

In addition to enlisting cooperation from other bureaus and offices of the Department, the Bureau frequently works with other Federal agencies in its program of training foreign visitors. These include the National Labor Relations Board, the Federal Mediation and Conciliation Service, the Bureau of Mines, the Department of Health, Education, and Welfare, and others. These agencies gave generously of their time to consult with trainees, to arrange appointments and to provide information.

A major part of the training program for foreign visitors consists of visits to State agencies, private associations, trade unions, and industrial establishments. These visits enable the visitor to see in actual operation the application of labor laws and the operation of programs designed to benefit the American worker. The State departments of labor are an important training ground and have been most cooperative in receiving foreign visitors for short periods of time, explaining their procedures and functions and arranging visits to local establishments when appropriate.

This has required considerable effort and time on their part for which they do not receive reimbursement. They provide the service as a contribution to the efforts of this country to assist other governments in improving labor laws and their administration.

The State labor agencies which received the largest number of foreign visitors are California, New York, Rhode Island, Minnesota, Illinois, Ohio, and Oregon. In addition to the States, Puerto Rico rendered very valuable help, and during the year assisted in the training of 10 visitors who were referred by the Bureau. Because Puerto Rico is comparable in size and general economy to many of the countries from which foreign visitors come, it has proved to be an excellent training ground.

Many private associations such as the American Standards Association, the National Safety Council, and the American Arbitration Association have contributed generously of their time. The information which these associations provide is valuable to participants, and they serve as a resource on which visitors may depend for advice and technical assistance after they return home.

American industry plays a vital role in the training program, and numerous companies throughout the country have been glad to spend time with the visitors, showing them how various goods are produced, as well as the methods and procedures of labor-management cooperation. Many of these companies provide not only tours of their plants, but various forms of hospitality, such as informal dinners and sightseeing trips paid for by the companies.

Schools and universities also play an important part in the training of visitors interested in certain specialized studies. Some visitors have registered in schools for a full semester of work, while other schools have arranged short-term seminars especially designed to assist foreign visitors.

American trade union officials make an especially valuable contribution, not only because of the information they provide on the development of trade unionism in this country, but also because of the generous hospitality provided which makes the visitor's stay a pleasant one.

Technical Assistance

Technical Literature and Information

An important aspect of the work of the Bureau is supplying technical information and literature to those in other countries interested in our labor laws and programs, including industrial safety. This fiscal year, 105 requests for such information were received from 43 countries. Thirty-one requests came through American Embassies, 26 from private industries and companies, and 19 from former trainees. Other requests were received directly from ministries of labor, universities, and libraries.

Basic Kit on Industrial Safety

During the year, 36 countries received a kit of basic safety material. In addition, 6 countries received training material for use by former trainees in conducting training courses in their country. A series of training kits is being developed which includes literature, charts, film strips, and films.

Technical Consultants

The Bureau devotes considerable time to recruiting persons to go abroad as technical consultants in the field of industrial safety and labor law administration. Requests for recommendations are received from the ICA and the ILO. In 1958, the Bureau was asked to assist in recruiting experts for positions in El Salvador, Guatemala, Iran, Panama, and Formosa. In addition, the ILO requested recommendations for an industrial hygienist to be attached to the ILO Office in Geneva. The Bureau also recruited a safety engineer to accompany the Industrial Safety Exhibit to Asia and the Far East.

After technical consultants are recruited, LSB provides as much assistance as it can in preparing them for assignment abroad. This includes individual conferences and the provision of such information and literature as may be needed. While the consultant is on the job, staff members are available to him at all times and are frequently called upon to provide information.

Special Projects

Safety Exhibits

The Industrial Safety Exhibit for Latin America continued its second year of showing. It has been well received and large numbers of people have been attending. The Industrial Productivity Center of the Social Security Institute and the Department of Labor in Mexico have requested that the exhibit remain permanently in that country after it has completed its tour. The manufacturers who loaned material for the exhibit have been contacted about donating their material for this purpose. Without exception they have agreed to do so, and have sent numerous letters expressing satisfaction with the success of the exhibit.

A second safety exhibit, prepared for the Near and Far East, was completed during the year and shipped to Greece, where the first showing was held during the month of June 1958. Prior to shipment overseas, the Bureau arranged for the exhibit to be displayed in Washington, D. C., during the President's Conference on Occupational Safety. This is the largest single exhibit prepared by the Department of Labor.

Improving Ministries of Labor

The International Cooperation Administration asked the Bureau to prepare a plan to assist countries in improving the organization and administration of ministries of labor. This plan would include the prepara-

tion of a manual and other technical material which could be used by ICA officials and labor ministries in improving their operations and for promoting better ministry programs. The plan for such a project was completed and received the approval of ICA. It is expected that the project will get under way in the fall of 1958.

Registration of Union Financial Data

The Bureau administers the provisions of the Labor Management Relations Act, 1947, as amended (sections 9 (f) and (g)) with respect to the filing of financial reports by unions. In order to use the services of the National Labor Relations Board, unions must be in compliance with these provisions. During the year, 23,085 registrations were completed, which brings to 41,760 the number of unions which have now submitted financial reports to the Department of Labor. At the beginning of the fiscal year, the Department put into effect a revised and more detailed financial reporting schedule.

BUREAU OF LABOR STATISTICS

BUREAU OF LABOR STATISTICS

The program of the Bureau of Labor Statistics in fiscal year 1958 did not differ materially from those of previous years. Statistical series were issued describing the trend in employment, earnings, wages, construction, hours of work, labor turnover, industrial injuries, and productivity. Studies were issued on wage rates in selected industries, industrial relations developments, broad economic analyses, and the outlook for employment by occupation. The Bureau continued to examine and report on foreign labor developments of interest to the Department, other agencies, and the public generally.

The business decline in fiscal year 1958 heightened the interest of users in Bureau data, with special emphasis on employment, hours and earnings, and on analyses of the characteristics of the unemployed.

Employment, Hours, and Earnings

The Bureau's employment series were the object of close scrutiny and interest during the business decline of the past year. The regularly published series on employment, hours of work, earnings, and labor turnover rates provided current information on how particular industries were affected by the downturn. Further insight could be gained from the State and metropolitan area statistics compiled by cooperating State agencies.

An important new set of statistics for assessing the economic situation became available during the year, as the Federal-State cooperative labor turnover program developed sufficiently to warrant publication of rates for many States and major metropolitan areas. Publication of State and area rates was inaugurated in August 1957. By the end of the fiscal year, labor turnover rates were available on a regular monthly basis for 25 States and 34 areas.

The cooperative Federal-State program for compiling employment, hours, and earnings statistics, which predates the cooperative labor turnover program by several years, also experienced growth during fiscal 1958. Data became available for additional metropolitan areas, and some of the existing area series were expanded to cover more industries. Among the more important additions were manufacturing employment, hours, and earnings series for four areas in Texas, and expansion of the series for Philadelphia to cover employment in all nonagricultural industries.

Several new national series were introduced during the year. They related to estimates of nonsupervisory employment in trade, public utilities, and construction industries, and net spendable average weekly earnings and indexes of aggregate payrolls in construction and mining.

About 10 years ago, the first edition of the Current Employment Statistics Manual was published. That document provided uniform procedures to be applied by State agencies in compiling employment, hours, and earnings statistics, in order to insure comparability among the State and metropolitan area statistics produced by the various cooperating agencies. During fiscal 1958, a complete revision of volume II, the section providing operational guidance, was published. The revision not only brought the various addenda and amendments issued over the years into one volume, but also provided an opportunity to review procedural standards in the light of operational experience. Improvements in presentation were also effected, based on experience with the original manual.

The Bureau continued to check on the quality of reports received, with most of the emphasis this past year on labor turnover statistics. The results of a survey on accuracy of response on the labor turnover schedule were tabulated, and an outline of a proposed preliminary bulletin was prepared. Several changes in the labor turnover schedule are under consideration, based on information from the survey concerning employer recordkeeping practices.

Another development in the quality control program for the employment, hours, and earnings statistics was the use of a product or activity supplement for nonmanufacturing firms in the employment and payrolls reporting sample. For several years, the Bureau has been sending each manufacturing establishment in its sample an annual product supplement, to obtain accurate product information for determining the appropriate industrial classification of the establishment. During fiscal 1958, a similar supplement was developed and used for nonmanufacturing establishments.

A major project with important implications for the future was the preparatory background and developmental work required for introduction of the new 1957 Standard Industrial Classification system. Since the entire industrial structure of the employment, hours, and earnings series at the national, State, and area level will be revised, a considerable amount of preliminary work must be accomplished to effectuate a smooth transition. According to present plans, the State and area series will be based on the new industrial classification structure in 1959, and the national series will be similarly based in 1960.

Manpower Studies

In fiscal year 1958, the Bureau continued to provide assistance to the Department in its efforts to anticipate the manpower problems associated with mobilization. Techniques for obtaining and using information

regarding manpower under mobilization conditions were developed for the 1958 Civil Defense Alert Training Program. At the request of the Office of Defense Mobilization, the Bureau surveyed the domestic watch industry's employment and occupational composition and prepared estimates of manpower requirements under mobilization conditions. Technical research was continued in connection with the Department's List of Critical Occupations.

Occupational Outlook

The third edition of the Occupational Outlook Handbook was published in September 1957. By the end of the fiscal year, 9 months after publication, over 20,000 copies had been purchased for use by high schools, colleges, community guidance services, and others in the vocational counseling of young persons. The Handbook was adopted for official use by the State employment services affiliated with the United States Employment Service, by the Veterans' Administration, and by all other Federal agencies providing counseling services. In preparation for the fourth edition, to be published in the fall of 1959, work was begun in January 1958 on studies of new occupations and industries and on revision of those covered in the current handbook.

A new periodical was introduced to enable users of the Handbook to keep up to date on occupational trends and new developments. Originally called The Occupational Outlook, its title was changed to The Occupational Outlook Quarterly. Response to this publication reflected the widespread interest in this type of information; paid subscriptions totaled nearly 5,000 at the end of fiscal 1958, after only 6 issues had been published.

A leaflet, Mathematics and Your Career, was prepared and work begun on a similar publication for the sciences as part of a program to furnish information which relates high school courses to students' career plans. A series of 10 wall charts which graphically present important points from occupational outlook reports was prepared for distribution to teachers, counselors, and others. Two special bulletins, entitled "Employment Outlook for Technicians" and "Automation and Employment Opportunities for Officeworkers," were prepared in cooperation with the Veterans' Administration.

The findings of the research program on occupational and industrial trends were summarized for a comprehensive study of the Nation's future manpower requirements and training needs.

Employment Statistics by Occupation

The value of a series of regular estimates of employment by occupation, similar to the Bureau's long-standing employment series by industry, has long been recognized, and work is continuing on the development of such a

series. A beginning has been made with the compilation of data for scientists and engineers.

During the fiscal year, the Bureau surveyed the volume of employment of scientists and engineers in industry in 1957, a repeat of a similar survey conducted in 1953–54 for the National Science Foundation. These studies also provide data on expenditures on research and sources of research funds. The first summary report of the 1957 data was issued in May 1958. A survey of employment and costs of research in nonprofit institutions, such as foundations and hospitals, was also begun for the National Science Foundation in fiscal year 1958. It is anticipated that these surveys will lead to the development of a regular statistical reporting program on the employment of scientific, technical, and related personnel.

Evidence of the rapid expansion of scientific research activity in industry may be seen in the emergence of mathematics, which was once primarily a field of employment for college and high school teachers, as a substantial field of employment in industry. Currently, more than half the mathematicians in the United States are employed in industry. This has raised questions in the mathematical profession as to the proper education for mathematicians in industry. The Mathematical Association of America is making a study of this problem with the aid of a grant from the National Science Foundation, and has asked the Bureau to conduct a survey of the employment and training of mathematicians in industry. Work on the survey began in fiscal 1958.

Employment and Unemployment Studies

Because of the economic downturn, studies of unemployment were given increased emphasis. Beginning in September 1957, the Department's monthly report, Characteristics of the Unemployed, prepared jointly by the Bureau of Labor Statistics and the Bureau of Employment Security, was modified to include unemployment data drawn from sources other than the special survey of claimants for unemployment insurance benefits. Additional analyses of various aspects of unemployment were made during the year and a chart book entitled "Who Are the Unemployed?" was issued.

The downturn in the economy also emphasized the need for continuing studies of employment and labor force trends. There was widespread interest in the monthly analyses of employment and unemployment developments published jointly by the Departments of Labor and Commerce. To answer questions concerning economic trends, the Bureau prepared analyses indicating the effect on the volume of employment of expanded production, sales, and service, and how the level of unemployment is likely to be affected by growth in the labor force.

Studies of unemployment in six communities among young workers who did not go on to college were completed. A summary of these studies, produced by colleges and school systems under contract with the Bureau, was

begun in 1958. In addition to describing the unemployment experience of young workers, the studies show how they get their first jobs, how long they keep them, and how much they earn. Comparative data are supplied for high school graduates and those who leave before graduation. The studies are important in showing the value of remaining in school, and in considering employment problems which may arise in the next several years when the number of youngsters entering the labor market will increase markedly.

A report was completed on how a new plant in a semirural area recruits its workers. It presents data on the previous unemployment experience of workers hired at the new plant. It also reports the distances employees in the various occupations moved to accept their new jobs, and the kinds of jobs they held previously, and it compares their current with their previous earnings. The study, done under contract with the Bureau by West Virginia University, is of use to employers planning similar plant shifts, to the many groups concerned with problems of unemployment and underemployment in small semirural communities, and to State employment security agencies when they aid employers in manning new plants.

The Bureau continued its long-range studies of population trends, labor force growth, and shifts in employment patterns. A report on expected changes in the labor force from 1955 to 1975 and a number of other articles concerning various aspects of manpower were published in the Monthly Labor Review. A bulletin on projections of the population and the labor force up to 1975 was prepared.

Prices

The major functions of the Division of Prices and Cost of Living include the calculation and publication of consumer and wholesale price indexes, and the collection and analysis of data on consumer expenditures and living standards. In addition, the Division carries on special projects and studies within or related to these fields.

During the fiscal year 1958, in addition to the routine maintenance of the basic program, a number of improvements were effected in both the Consumer Price Index and Wholesale Price Index.

The outlet samples, of stores and other outlets, in which prices of food and commodities and services are collected for the Consumer Price Index were revised in a number of cities to make them more representative of current conditions. Experimental surveys were conducted to test improved methods of collecting data on home purchase prices, residential property taxes, and water rates for the Consumer Price Index.

The pattern of weights assigned to the various sectors of the Wholesale Price Index was revised on the basis of information in the 1954 Census of Manufactures. The examination and revision of the samples for 15 important categories of the Wholesale Price Index were completed. Pre-

liminary meetings were held with 11 industry advisory committees and trade associations to develop plans for revision of additional categories. A program was developed for the calculation of the Wholesale Price Index on the IBM 650 which the Bureau plans to install in the fiscal year 1959.

Progress continued on revision of the City Worker's Family Budget and of the Elderly Couple's Budget. Work was also accomplished on an Individual Earner Study designed to provide information on the number, characteristics, and earnings of individual family members in relation to the family characteristics and income status. In the Equivalent Income Study, the Division developed preliminary scales for estimating the income needed to provide equivalent levels of living for families of different size, age, and composition.

At the request of Senator Paul Douglas, the Division undertook to bring up to date the study of price flexibility done initially by the National Resources Committee. This study involved the classification of individual commodities in the wholesale price series according to frequency and amplitude of price change, and the computation of annual averages over a 10-year period for groups of commodities classified by frequency of change.

Wages and Industrial Relations

The Bureau continued during fiscal 1958 to conduct a varied program of studies of wages and industrial relations in the American economy. These studies sought to reflect underlying trends and developments in these areas, and to serve major governmental and private needs for factual information and analysis. The program included studies of worker remuneration, including supplementary benefits, and studies of collective bargaining, labor disputes, and union activities.

Wages, Salaries, and Related Benefits

The Bureau's work in this area included surveys of occupational wage rates and supplementary benefits in selected labor markets and industries, and of the distribution of workers by hourly earnings in a variety of industries. It also included the preparation of wage indexes for selected occupational and industrial groups, wage chronologies giving a historical record of specific changes in wages and related benefits in major collective bargaining situations, monthly reports on changes in wages and related benefits in the larger wage settlements, and other related work.

Studies of occupational wages were made in 19 large and 7 small labor markets during the fiscal year. For the larger labor markets, wage or salary data were secured for about 60 selected office clerical, professional, technical, maintenance, powerplant, custodial, and material-movement jobs common to most of the industries in each of the surveyed areas. Information was also secured on such establishment practices as work schedules,

shift differentials, paid vacations, paid holidays, and health, insurance, and pension benefits. In addition, special analyses were made of wage trends, occupational wage levels among labor markets, premium pay practices, and wage payment plans.

The fiscal 1958 studies of this type related to the larger labor markets of Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Memphis, Milwaukee, Minneapolis-St. Paul, New Orleans, New York City, Newark-Jersey City, Philadelphia, Portland, St. Louis, San Francisco-Oakland, and Seattle. Studies of a somewhat comparable nature were also made in seven smaller communities—Athens, Ga., Dalton, Ga., Dothan, Ala., Fort Smith, Ark., Hickory, N. C., Meridian, Miss., and Sunbury, Pa. The latter studies were part of a series of special surveys, inaugurated in fiscal 1956, to provide the Department's Wage and Hour and Public Contracts Divisions with an appraisal of the impact of the $1-an-hour minimum wage, which went into effect March 1, 1956.

Two series of occupational wage studies with an industry orientation, one nationwide in scope and the other focused on the areas of major concentration of each of the industries surveyed, were also undertaken. In addition to information on wages for selected occupations and on fringe benefit practices, the industrywide studies also generally provided distributions of all plant workers according to level of wages. Where possible, the earnings data were shown by type of operation or product, size of establishment, size of community, method of wage payment, and labor-management contract coverage. Industrywide studies were made in fiscal 1958 in the wool textiles, men's and boys' suits and coats, and electric and gas utilities. Also analyzed were the data collected by the Federal Communications Commission in the communications industry. At the request of the Maritime Administration, a survey was inaugurated of occupational earnings, employment patterns, and annual earnings of seamen. The latter study will extend into fiscal 1959.

Studies limited in scope to the areas of major concentration of the covered operations were related to the machinery industries in 20 areas, to canning and freezing in Florida and Georgia, raw sugar in Louisiana, and tobacco stemming and redrying in Kentucky, North Carolina, and Virginia. Except for the machinery survey, all of these studies were designed to develop information on the effects of the current minimum wage provided by the Fair Labor Standards Act.

Studies of union rates and standard hours of work for the construction, printing, local transit, and local trucking industries, as of July 1, 1957, were also undertaken. These annual studies, two of which provide a continuous series back to 1907, are currently made in 52 cities with populations of 100,000 or more. They show the minimum wage and maximum schedules of hours agreed upon through collective bargaining between the unions and employers for each craft reported in each of the cities surveyed, together with indexes showing trends in union scales and hours of work and related information. For 7 major crafts in the construction industry

(bricklayers, carpenters, electricians, painters, plasterers, plumbers, and building laborers), quarterly data were collected and published with respect to union scales in 100 cities.

Another series of nationwide industry wage studies, nonoccupational in scope, provided distributions of workers by wage levels, with limited breakdowns by region and product. Such studies, undertaken at the request of the Department's Wage and Hour and Public Contracts Divisions for use in determining minimum wage standards under the Public Contracts (Walsh-Healey) Act, were completed in fiscal 1958 in the paper and pulp, evaporated milk, and tires and tubes industries. Similar studies were initiated in the electron tubes industry, the cotton, silk, and synthetic textiles industry, and in the narrow fabrics, cordage and twine, and surgical dressings industries for completion in fiscal 1959.

Information on wage negotiations and wage trends were provided through continuation of three series of reports—Current Wage Developments, the Wage Chronology Series, and wage indexes.

The monthly publication, Current Wage Developments, listed changes in wages and related benefits in collective bargaining settlements involving 1,000 or more workers. In addition to the monthly listings analyses, summary compilations were made at the end of each quarter. Among the byproducts of this program were estimates of the coverage and amounts of wage increases provided by deferred increase clauses in union agreements, and of the coverage and nature of wage escalation arrangements.

Summary information on changes in wages and related benefits was provided in supplements to previously issued reports in the Wage Chronology Series. The specific situations covered by the supplements issued in fiscal 1958 related to United States Steel Corp., the bituminous coal mines, the anthracite mining industry, Aluminum Company of America, Massachusetts Shoe Co., and Armour and Company.

Measures of wage changes were also provided through maintenance of a series of wage indexes for selected industries or occupational groups. In this area, special analyses were prepared for public school teachers and Federal Classification Act workers. The Bureau also kept current the tabulation, "Summary of Earnings Series, All Manufacturing, and Consumer Price Index, Selected Periods," which traces changes in various measures of the weekly and hourly earnings of factory workers. Other wage indexes were also prepared as a part of the previously mentioned community wage surveys and selected industry studies.

Industrial Relations Development and Analysis

This area of activity involves the maintenance of current files of selected collective bargaining agreements, union constitutions and related documents, and selected health, insurance, pension, and other welfare plans; and the preparation of studies of collective bargaining provisions, employee benefit plans, union activities, industrial disputes, and related subjects.

The files of labor-management agreements, various welfare plans, and other union reports serve a dual purpose. They provide basic data for a variety of analyses of industrial relations activity for governmental and public use, and, being open to public inspection, they are utilized by employers, labor representatives, conciliators, and others concerned with labor-management relations.

Among the analytical reports prepared in the area of industrial relations were two of outstanding importance, a layman's guide to labor-management relations and an analysis of health and insurance plans under collective bargaining. The former report was designed primarily to meet the demands of students, workers, union members, and others in the United States for brief descriptions and explanations of various facets of union activity and labor-management relations. The latter report provides detailed statistics on the provisions of 300 selected health and insurance plans. Other studies in the area of employee-benefit plans included the preparation of a digest of 100 selected pension plans under collective bargaining as of the winter of 1957–58, illustrating different approaches to pension planning; and a digest of 100 selected health and insurance plans—a 1958 revision of a similar report prepared as of 1954.

Reports on collective bargaining provisions prepared in fiscal 1958 included analyses of paid vacations, major agreement expirations and reopenings, and hours of work and overtime provisions.

Reports in the field of union activities included a summary discussion of the 17th convention of the Brotherhood of Teamsters, an account of the second biennial convention of the AFL–CIO, and a listing of 1958 union conventions. Also prepared periodically were listings designed to maintain on a current basis the labor union directory prepared in the previous year.

The annual report covering 1957 work stoppages was completed. This report provided information on the number of stoppages, the number of workers involved, and man-days of idleness, with data by industry and area and on such matters as duration of strikes and issues. Monthly estimates of work stoppages were issued throughout the year. A current supplement to the Federal Factfinding Boards and National Emergency Disputes Series was completed.

As a guide to the availability of industrial relations reports, a Directory of BLS Studies in Industrial Relations, July 1953–April 1958, was prepared.

Construction

Trends in the numerous historical series on construction activity which the Bureau has developed over the years, were studied intensively in fiscal 1958 for their significance in developing a variety of measures relating to housing and public works to counteract the recession. Among the statistical series available for this purpose were the monthly estimates of the

dollar volume of new construction (prepared jointly with the Department of Commerce) and of Federal contract awards; the number of new nonfarm dwelling units started; and the value of building construction, by type of building and location. Many of these and related construction statistics were assembled in the second edition of Construction Volume and Costs, which was published during the year as a statistical supplement to Construction Review, the joint monthly publication of the Departments of Labor and Commerce.

Because of the widespread significance attached to short-term changes in homebuilding activity, steps were taken to speed up the release of the Bureau's monthly statistics on housing starts. In the 1957–58 period, when the mortgage credit situation was uncertain, fluctuations in this sensitive economic indicator were watched particularly closely by leaders in Congress and elsewhere in the Government, and in labor and business circles, because of homebuilding's past effectiveness in stimulating a lagging economy.

The Bureau continued to develop and publish annual estimates of dwelling-unit volume in the 50 metropolitan areas leading in homebuilding and quarterly estimates of housing starts in 19 States and the District of Columbia. Extension of these series is a continuing goal because of their value in the study of local housing markets.

To provide additional information for interpreting and anticipating trends in housing activity, the Bureau published in the February 1958 issue of the Monthly Labor Review the results of its research on the physical, social, and economic factors influencing housing demand through 1965. Historical comparisons of the supply and use of mortgage funds in 1920–29 and 1947–56, also published in the Review, outlined the relationship between major developments in home financing and the credit shortage, which had figured prominently in discussions of the downtrend in homebuilding after 1955.

In addition, with the cooperation of authors both in and outside of the Department of Labor, a series of articles devoted to special housing programs aided by the Federal Government were initiated in the Bureau and published in Construction Review in 1957–58. These included articles on homes purchased with GI loans, housing for the elderly, and cooperative housing.

Interpretation and analysis of the mass of information collected in three field surveys of the characteristics of new housing, which the Bureau conducted in 1954, 1955, and 1956, approached completion. Preparation of a bulletin, New Housing and Its Materials, 1940–56, which analyzed the historical development of new housing characteristics and presented the underlying statistics in full detail, was completed.

The housing characteristics surveys also yielded information for an article which was in preparation to bring up to date some aspects of the Bureau's basic survey of residential builders' operations in 1949. The article, "Builders of New One-Family Houses, 1955–56," affords comparisons of

influences on the amount and the trend of homebuilding undertaken by various types of builders in a transition period from easy to tight credit.

Several hundred localities were added to the Bureau's group of building permit reporters during the fiscal year as a result of special efforts in several States. Due to these additions, the Bureau's widely circulated monthly and annual report, New Dwelling Units Authorized by Local Building Permits, was enlarged and now provides information on housing activity in more than 7,300 individual places, listed by State and metropolitan area.

The growing fund of information on other types of building, as well as housing, was assembled in a comprehensive bulletin, Trends in Building Permit Activity. The bulletin includes a section comparing the expanded series on all building permit activity in rural nonfarm as well as urban places, which was initiated in 1954, and the former urban building series, thus providing substantial assistance to those wishing to link the two series. In addition, building permit information for each of more than 100 large cities is shown for 1949 through 1956.

The bulletin presents the statistics for 1954–56 in complete detail by type of building and location (State, region, metropolitan and nonmetropolitan area), and analyzes the developments in building construction as revealed by these and related statistics. These key series, including complete estimates of all building activity in 24 metropolitan areas, are kept up to date and published in Construction Review. Another section of the bulletin is devoted to the suburban dispersion of metropolitan building. The central city-suburban comparison, which the Bureau introduced in 1956, is providing a valuable research tool in studying the phenomenon of expanding and merging metropolitan areas, and this analysis was extended to include 1957 trends in an article in Construction Review.

Emphasis in the Bureau's continued study of the volume of public construction was directed toward the various public works measures proposed to combat the recession. Allied with its interest in the employment and economic potential of public construction, the Bureau again aided the President's Office of Public Works Planning in compiling and tabulating the current year's Shelf of Federal Public Works.

The Bureau was able to develop new occupational patterns for highway construction from reports submitted to the Department of Labor in connection with expanded highway programs authorized by the Highway Act of 1956. The Bureau answered a number of requests for information on the manpower required for new highways and other types of new construction; but for many classes of construction the underlying data used for estimating labor requirements were out of date, and the estimates were therefore subject to a greater than usual margin of error.

Review and analysis of legislation and regulations affecting housing and construction continued in fiscal year 1958 as an essential step in anticipating and evaluating the effect on the economy and on the trend and volume of construction of public policy determinations. Summaries of major laws and regulations were published in Construction Review.

Productivity Developments

A comprehensive report on postwar trends in productivity in terms of real private product per man-hour was largely completed during the fiscal year. The report presented estimates of productivity for major sectors of the economy during the postwar period. The estimates, which include productivity trends for the total private economy, farm, nonfarm, manufacturing, and nonmanufacturing sectors, as well as some background material, were furnished to the Council of Economic Advisers, and were contained in the 1958 Economic Report of the President. Additional and related material was prepared for the Bureau's testimony at the Economic Hearings of the Joint Economic Committee. The supplemental material was published in a release, "Postwar Trends in Productivity—Total Private Economy for Major Sectors." A full report, including analysis of trends and technical background, will be published next year.

At the request of the Joint Economic Committee, data on the relationships between costs, prices, and productivity were prepared and published in the Joint Economic Committee compendium, The Relationship of Prices to Economic Growth and Stability.

During the year, the Bureau worked very closely with the Interagency Productivity Committee, which is studying various problems of measuring production and productivity. Partly as an outgrowth of the work with the Committee, two reports were prepared by the Bureau for presentation at the 1958 Conference on Research in Income and Wealth. The first provides a detailed industry-by-industry analysis of the data gaps which exist for productivity measures. This report, the first of its kind, is a comprehensive examination of the availability and adequacy of data from all sources which can be used for developing better productivity estimates. The second report develops and analyzes economic sector estimates of real product which can be used for deriving productivity measures for various industrial sectors.

Work continued on developing and extending estimates of output per man-hour for both net output and physical output measures in manufacturing.

The Bureau continued working jointly with the Bureau of the Census and Federal Reserve Board to develop 1954 benchmark indexes of manufacturing production based on the data available from the 1954 Census of Manufactures. A report which summarizes this work and includes the 1954 indexes will be published near the end of calendar year 1958. On the basis of this work the Bureau extensions through 1956 of the index of output per man-hour in manufacturing, on both a physical quantity and a net output basis, will be released.

The Bureau undertook analyses of productivity in selected industries with publication planned in fiscal 1959. It is also expected that a comprehensive analysis of productivity in agriculture, in terms of both physical quantity and net output, will be forthcoming soon.

The Bureau published Bulletin No. 1226—Productivity: A Bibliography. This contained almost 900 references dealing with technical and non-technical descriptions of productivity measurement, factors which affect productivity, and the significance of productivity change.

Automation

The Bureau continued its series of case studies of plants which have recently installed more automatic equipment. A case study of a modernized petroleum refinery covering the impact implications of technological changes for employment, skill, wage structure, and productivity was published. A case study of an automatic reservation system in a major airline was also completed. A detailed study of the major implication of the use of more automatic equipment in a large steel foundry was started.

Older Worker Activity

As a part of the Department's program related to employment problems of the older worker, the Bureau undertook a survey of 20 companies that have installed large-scale computers. The objective of the survey is to clarify the implications for clerical workers, particularly older persons. The study covers the extent of displacement and reassignment of office employees of various age groups, the steps taken to reassign and retrain, and the selection and placement practices followed in introducing electronic data processing. A report on the findings will be published during the 1959 fiscal year.

The Bureau published a second report in its studies of the relationship between on-the-job performance and age. The study covered a sample of footwear and household furniture establishments and presented data on workers' job performance and age. Additional findings confirmed to a very large extent the findings of earlier studies.

Productivity and the Minimum Wage

At the request of the Wage and Hour and Public Contracts Divisions, and as part of the Department's continuing program to analyze the economic and social effect of the recently established dollar minimum wage, the Bureau undertook to determine how industries affected by the increase of the minimum wage to $1 had adjusted operations because of the new rate. While the Bureau analyzed the effect on prices, margins, and other costs, the principal question to which an answer was sought was whether productivity in affected companies and industries had risen sufficiently to offset the cost of the increased minimum. The investigation was based on a field survey of plants in 6 industries in the South, and covered more than 100 establishments.

Industrial Hazards

Alabama was added as a cooperating State for the annual survey of work-injury occurrence. This has resulted in better coverage of Alabama industries in the national survey, and has eliminated previously existing duplications in industry contacts by the two agencies. The Bureau provided technical training for the State staff, and joint survey procedures were established to insure comparability between the State and national injury-rate data. The first joint collection of 1957 data was completed.

The annual injury-rate survey was further improved by the development of more detailed data for retail trade. This will permit future presentation of specific injury information for department stores, variety stores, and general merchandise stores, which were formerly combined in one classification.

The following formal survey reports were issued during the year:

Four quarterly injury-rate tabulations covering the experience of 135 manufacturing industries.

Estimates of the total volume of disabling work injuries in the United States during 1957 and of the resulting manpower losses.

Final annual injury rates for some 160 manufacturing and 50 nonmanufacturing industries during 1956.

Two special reports summarizing long-term trends in the injury experience of the construction and retail trade industries.

A major report detailing the work-injury experience of hospital employees in breakdowns by hospital size, kind of hospital, geographic location, and occupation.

A major report in extensive detail on the work-injury experience of the structural-steel and ornamental-metalwork fabricating industries.

Special purpose reports prepared during the year included:

A variety of summary tabulations and charts of work-injury data for the President's Conference on Occupational Safety.

Summary tabulations on the long-term injury experience in stevedoring operations for congressional use in consideration of a proposed amendment to the Longshore and Harbor Workers' Compensation Act.

A summary tabulation of United States work-injury data for the ILO Yearbook.

A series of 7 special tabulations of accident data for the canning and preserving industry to be used by the Women's Bureau in an analysis of employment opportunities and working conditions for women.

A special tabulation of national injury rates designed to facilitate comparisons between national average experience and the experience of firms participating in the National Safety Council surveys for inclusion in the council's publication, Accident Facts.

The collection of data for an extensive analysis of injury incidence and of accident causes in logging and sawmill operations was completed and analysis of the data was started.

Three new intensive surveys of injury experience and accident causes were started: Injuries to seamen in the Military Sea Transport Service operations; injuries in the cooperage industry; and injury and accident analysis in the concrete block industry.

A wide range of technical consulting services in the field of injury and

accident analysis was provided for the nine cooperating States and Puerto Rico.

The Bureau also participated extensively in the work of the Statistics Committee of the International Association of Industrial Accident Boards and Commissions and the Accident Statistics Committee of the American Standards Association.

Foreign Labor Conditions

The Bureau continued to prepare background data and analyses on foreign labor developments for departmental use. In connection with the development of labor policy papers for selected foreign countries, the Bureau compiled appropriate sections and analyses. Reports were also prepared for the use of Labor Department delegates attending the annual conference of the International Labor Organization.

In response to continuing requests for information from government agencies, business firms, labor organizations, members of Congress, and the general public, publications on labor conditions in selected countries were prepared for the Bureau's series entitled "Foreign Labor Information."

Labor Developments Abroad was released monthly. This is a publication providing a brief, factual summary of recent labor events in foreign countries based on reports of the Foreign Service, information in the foreign and domestic press, and official government publications. The editorial policies relating to the latter publications were strengthened during the year. Provision has now been made for the inclusion in most issues of special factual summaries of wage and other economic data for selected countries.

The Bureau continued to prepare studies for the International Cooperation Administration on labor conditions in countries where ICA has labor programs. These are designed to provide background information for the technical exchange and technical cooperation programs, and are specifically for the use of the ICA staff in Washington, United States trade union and labor specialists assigned abroad, and specialists in this country working with participants in the foreign exchange programs.

The Bureau participated with Department of Commerce officials in briefing sessions relating to the general labor situation in the countries concerned, for the benefit of members of trade missions, prior to their departure to represent the United States at trade fairs abroad.

Newly assigned labor attachés and labor attachés on home leave met with BLS staff to discuss labor conditions abroad and economic reporting problems. Assistance was also given in briefing newly appointed officials assigned to ICA missions abroad.

Information on a wide range of topics in the field of foreign labor economics was supplied in response to individual requests from members of

Congress, government agencies, labor and business organizations, and the general public. Included were tabulations of earnings of workers in specified industries or occupations in foreign countries, as well as detailed analyses of industrial relations, the incidence of fringe benefits, and trends in employment and unemployment.

The Bureau continued to prepare the labor section of the Handbook of Latin American Studies published by the Hispanic Foundation, Library of Congress.

The Bureau continued to participate in planning and conducting programs for teams and individual trainees visiting the Bureau to obtain technical and general information on United States labor statistics and labor economics. Programed during the year were 131 teams, 193 short-term visitors, and 35 individual trainees.

Consultation in the statistical field for foreign governments requesting technical assistance continued through correspondence with foreign governments and research agencies, and through direct consultation abroad. At the request of the Ministry of Labor of El Salvador, technical consultation was provided for the third year in establishing a comprehensive labor statistics program there. Labor statistics consultants were recruited for the ICA Mission in Iran and for an ILO assignment in Brazil.

The Bureau provided technical advice to various international organizations on a variety of statistical problems and began assembling in chronological order the various international resolutions relating to labor statistics.

Bureauwide Activities

The Office of Labor Economics continued to provide reports and analyses on matters of economic significance not falling within the program framework of the various divisions of the Bureau. Of particular and timely importance were the weekly review, Labor and the Economy: Current Developments, which analyzed economic trends, and papers providing more intensive analysis of those forces underlying economic trends. Much of the work of this office was reflected in information and reports provided the Secretary of Labor, Congress, the Council of Economic Advisers, and other governmental agencies.

The staff participated in the development of standards and procedures for adoption of the revised Standard Industrial Classification in the Department, provided statistical advice on a wide variety of bureau and departmental projects, and made arrangements for reference material of a statistical nature to be secured and distributed throughout the Department.

The Labor Research Advisory Council, now in its 11th year, continued as in the past 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 12 members nominated by the American Federation of Labor and the Congress of Industrial Organizations. All research directors of international unions represented in the AFL–CIO, the Railway Labor Executives' Association, and the railroad operating unions, are invited to attend the general meetings of the council.

The council functions through its general meetings, its standing committees, its ad hoc committees, and interim meetings with the council chairman and the Commissioner of Labor Statistics. The council meetings are generally reserved for broader policy and technical items, for statements on program development, and for reports of the activities of its committees. Much of the detailed work of the council is performed through its committees. At present there are six committees: Construction Statistics, Consumer and Wholesale Prices, Foreign Labor Conditions, Manpower and Employment Statistics, Productivity and Technological Developments, and Wages and Industrial Relations.

The council held one meeting during the fiscal year, on February 25, 1958. All of the committees of the council met during the fiscal year, for a total of nine committee meetings.

The Business Research Advisory Council to the Bureau of Labor Statistics which was organized in 1947 continued its work. The members are appointed by the Commissioner for a 1-year term, after nominations have been made by the National Association of Manufacturers and the United States Chamber of Commerce. The members serve in their individual capacities, not as representatives of their companies or organizations.

During fiscal 1958, the council was composed of 40 members who were qualified technicians in the fields in which the Bureau operates, and represented a cross section of the various types of industrial establishments.

The council met with the staff of the Bureau three times during fiscal 1958—on November 6, 1957, and February 5 and May 14, 1958. Committees were active in the fields of construction statistics, foreign labor conditions, manpower and employment statistics, consumer and wholesale prices, productivity and technological developments, wages and industrial relations, and work-injury statistics.

Council members serve on the various committees. In addition to the council members, there were 49 other members serving on the committees, making a total of 89 individuals participating in the council's activities. Appointments to the committees are made outside the membership of the council when persons with particular skills or knowledge in the areas under consideration are chosen to serve.

With a growing public demand for information about employment and price movements, regional offices across the country experienced on the average a volume of requests each month nearly 6 percent greater than last year. In fact, the level of requests during the last 4 months of the fiscal year exceeded that of fiscal 1957 for every month except October. Not only was the volume of requests higher, but on balance the quality

and nature of the requests required considerably more specialized work to fulfill the requests.

The Bureau acted as a partner with the Pennsylvania Department of Labor and Industry in organizing and administering the 16th Interstate Conference on Labor Statistics at Harrisburg from June 24 to June 27, 1958. Delegates representing the statistical services of labor departments from 34 States, the Dominion of Canada, the Provinces of Ontario and Quebec, and the Territories of Hawaii and Puerto Rico convened for this conference. These meetings provide virtually the only meeting place, in a professional sense, for State and Territorial employees working in the field of labor statistics. The sessions covered the use of economic indicators, the effects of minimum wage legislation, the improvement of data on skill development, manpower trends, and workmen's compensation statistics. In addition to the State and Territorial delegations, 9 Federal nonlabor agencies participated in or attended the session.

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

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The economic situation in fiscal 1958, coupled with the fact that reemployment rights are one of the most important benefits remaining for ex-servicemen, brought about an increased demand for the services of the Bureau of Veterans' Reemployment Rights during the 12-month period. As a result, the number of cases and problems received was 19 percent greater than in 1957. During this period, too, continuing emphasis was placed on preventive compliance without diluting the negotiating responsibilities of the Bureau.

The reemployment rights concept first appeared in the Selective Training and Service Act and the Army Reserve and Retired Personnel Service Act of 1940. The philosophy behind the reemployment program is one of elementary justice. This philosophy is based on the necessity of maintaining a large and well-trained military force in the interest of national defense. In order to fill the ranks, the civilian careers of many must be disrupted while they perform their military obligation. It is only equitable that, upon their release from military duty, these ex-servicemen should be restored as nearly as possible to the positions they would have occupied had it not been for the call to arms.

Against a backdrop of world tension, the peacetime requirements of the military services have not been reduced substantially. The Bureau has therefore established a better system to obtain compliance and to reduce the number of controversies and damage claims which result from inadequate knowledge of the requirements of the law.

Section 9 (h) of the Universal Military Training and Service Act charges the Secretary of Labor and the Bureau of Veterans' Reemployment Rights with the responsibility of assisting ex-servicemen in connection with their reemployment rights. In carrying out this responsibility, the Department of Labor must inquire on occasion into the employment policies and practices of employers and the terms of collective bargaining agreements as they affect the employment of ex-servicemen. As the Department has no enforcement powers under the act, all such inquiries are factfinding and are made in a spirit of cooperation. The purpose is to clarify any questions that servicemen and employers have as to their rights and obligations and to help resolve any problems that may arise.

Experience has shown that the most effective means of affording service-

men an opportunity to inquire into their specific rights is at the time of separation. On the recommendation of major veterans, organizations and in line with the report of the President's Commission on Veterans' Pensions, the Department of Labor and the Department of Defense have worked out a joint program of assistance to servicemen at separation points. The procedure has advantages to both the serviceman and his employer. It makes available information and assistance to servicemen at the time of greatest need. It alerts the employer in advance to the impending release from service of his former employee, enabling him to make personnel adjustments as necessary. It affords the opportunity to the serviceman and the employer to seek clarification of questions they may have before or at the time application for reemployment is made, thus avoiding improper restoration which frequently leads to controversy and damage claims. It enables the Bureau to supply information and to correct misinformation before a violation has occurred.

Basic legislation under which the reemployment program operates today is found in section 9 of the Universal Military Training and Service Act and section 262 (f) of the Armed Forces Reserve Act of 1952, as amended by the Reserve Forces Act of 1955. The Universal Military Training and Service Act provides reemployment protection to inductees, enlistees, reservists, and members of the National Guard recalled for extended active duty, and to reservists and guardsmen who perform 2 or more weeks of training duty and weekly or weekend drills. Protection is also accorded persons who are rejected for military service. The Reserve Forces Act of 1955 provides reemployment rights for Ready Reservists who perform initial 3 to 6 months' periods of active duty for training. Guardsmen who perform the same duty are not covered by section 262 (f) of the 1955 act.

Much of the broad language found in the reemployment statutes has been clarified by the courts in more than 500 decisions handed down in the 18 years the reemployment program has been in effect.

The Supreme Court of the United States has rendered seven decisions. Four of these decisions involve the complex question of a returning serviceman's seniority and its effect on the position in which he should be reemployed. In the first of these decisions, *Fishgold* v. *Sullivan Drydock and Repair Corp.*, 1946, the Supreme Court enunciated the escalator doctrine. The Court ruled that the returning serviceman does not necessarily step back on the seniority escalator at the point he stepped off but at the precise point he would have occupied had he kept his position continuously. He is not to lose ground by reason of his absence in the Armed Forces. The second decision of the Supreme Court, *Oakley* v. *Louisville & Nashville R. R.* and *Haynes* v. *Cincinnati, New Orleans & Texas Pacific Ry.*, 1949, was interpreted by the Department to mean that the returning serviceman is entitled to the position he would have occupied had he not entered military service, based on his seniority and qualifications to perform the duties of the position. The third decision, *Diehl* v. *Lehigh Valley Railroad Co.*, 1955, affirmed the escalator doctrine and was interpreted to affirm the position of the Depart-

ment with respect to the Oakley and Haynes decision. In the fourth decision, *McKinney* v. *Missouri-Kansas-Texas Railroad Co.*, 1958, the Supreme Court further clarified the escalator principle. Here, the Court, in remanding the case for a rehearing on its merits, indicated that where an employer under a union contract has the discretion to promote on the basis of seniority and qualifications, the returning serviceman is entitled to the promotion if seniority alone has controlled in practice or custom with respect to other employees. The Court also upheld the Department's position that a serviceman does not have to exhaust his grievance remedies under a union contract or under other statutes before seeking redress under the reemployment statutes.

The workload of the Bureau in fiscal year 1958 is shown in the following table:

Workload, fiscal 1958

	Problems [1]	Cases [1]		Problems [1]	Cases [1]
Carried over	2,994	2,745	Closed	43,767	9,093
Received	44,459	9,144	Pending	3,686	[2] 2,796

[1] A problem requires specific clarification, interpretation, or opinion. A case is a problem involving personal negotiation of controversial issue.
[2] Of these, 91 were referred to the Department of Justice.

WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

CONTENTS

	Page
Introduction	207
Twenty Years of the Fair Labor Standards Act	208
Historical background	209
Amendments to 1955	211
Industry committees	211
Hours of work	212
Regular rate of pay	213
The 1949 amendments	214
Adoption of the $1 rate and other changes	215
Revision of regulations	218
Court decisions	219
Administration of the act	220
Conclusion	222
Fiscal Year 1958	225
Compliance through education	225
Interpretations and regulations	228
Overtime pay interpretations	228
Joint employment relationships	229
Exemptions	229
Recordkeeping	230
Reasonable cost of facilities	230
The Public Contracts Act	230
Investigation activities	231
The enforcement problems	231
Current programs	232
Back-wage payments and violations of pay provisions	233
Child labor violations	234
Safety and health inspections	235
Legal actions	235

487100—59——14

Fiscal Year 1958—Continued Page
Administration of minimum wage provisions..... 236
Puerto Rico, the Virgin Islands, and American Samoa..... 236
Wage determinations under the Public Contracts Act..... 237
Learners, apprentices, and handicapped workers. 238
Economic effects of the $1 minimum wage..... 240

APPENDIX TABLES

A. Number of underpaid employees and amount of underpayment disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by fiscal year, 1949–58..... 242
B. Number of underpaid employees and amount of underpayment disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by region, fiscal year 1958..... 243
C. Findings disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by industry group, fiscal year 1958..... 244
D. Changes in minimum wage rates in Puerto Rico during fiscal year 1958..... 245
E. Changes in minimum wage rates in the Virgin Islands from May 4, 1957, to April 26, 1958..... 247
F. Changes in minimum wage rates in American Samoa from June 22, 1957, to June 21, 1958..... 247
G. Number and value of unclassified contracts subject to the Walsh-Healey Public Contracts Act, by fiscal year, 1937–58..... 247
H. Summary of minimum wage determinations applicable under the Walsh-Healey Public Contracts Act, June 30, 1958..... 248
I. Learner certificates in effect June 30, 1958, by industry and by type of learner regulation..... 252

Introduction

To mark the 20th anniversary of the effective date of the Fair Labor Standards Act, the annual report of the Wage and Hour and Public Contracts Divisions for the fiscal year 1958 is divided into two parts. This treatment is similar to that of a decade ago, when the 10-year accomplishments of the agency which administers this Federal wage and hour law were narrated.

The first part of this year's report relates to the history of the act during the 20-year period. It briefly presents the historical background of this legislation which was enacted to promote the well-being of workers and fair competition among employers, proceeds to set forth in general terms the amendments to the law and the circumstances which led to their enactment, and shows how interpretations and regulations have been reexamined and revised in the light of developments taking place over the past 20 years. Some important court decisions bearing on the interpretation of the act are also highlighted. Finally, it is shown how the conduct of investigations to secure compliance has improved over the years, and the act is evaluated in terms of its economic function.

The second part of this report deals with the activities of the Divisions during fiscal year 1958. It shows how the Divisions furthered voluntary compliance by maintaining vigorous education programs and issuing regulations and interpretations which were responsive to present-day industry practices and decisions of the courts. Almost $20,000,000 in underpayments to employees was disclosed by investigations—the largest amount during any year of the last decade. Employers voluntarily agreed, or were ordered by the courts, to pay 56 percent of this amount, or $10,954,000, the largest sum obtained by the Divisions for workers in any year since fiscal 1946. The latter year was the last one to reflect the back wages owed as an incident to the long hours worked during the war, and that sum represented back-wage payments owed over a longer period of time than has been the case since the 1949 amendments, which established a 2-year statute of limitations on claims under the act.

During the year, legislation was enacted making the act's minimum wage, overtime pay, and child labor provisions inapplicable to employees in a foreign country or territory under United States jurisdiction other than a State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, the Outer Continental Shelf lands, American Samoa, Guam, Wake Island, and the Canal Zone. The new law also created a defense against liability for violations, prior to the effective date of the legislation, in the excluded areas and in Guam, Wake Island, and the

Canal Zone. There were no changes in the act's basic provisions, which, in addition to setting a minimum wage of $1 an hour, require payment of at least one and one-half times the employee's regular rate of pay for all hours worked over 40 in a workweek and restrict the employment of children. Nor were there changes in the other law the Divisions enforce—the Walsh-Healey Public Contracts Act. In addition to containing minimum wage requirements, the latter act requires payment of time and one-half for hours worked in excess of 8 in a day or 40 in a week, restricts child labor, has safety and health provisions, and prohibits convict labor. Its standards, however, are the less widely applicable of those provided by the two laws, since the Public Contracts Act applies only to Government supply contracts in excess of $10,000. Workers benefited by the Public Contracts Act are usually covered also by the Fair Labor Standards Act, which applies to employees engaged in interstate commerce or in the production of goods for interstate commerce, including any closely related process or occupation directly essential to such production.

In October, the Divisions' Administrator, Newell Brown, was appointed Assistant Secretary of Labor, and Clarence T. Lundquist, the Deputy Administrator, became Acting Administrator and took office as Administrator June 30, 1958.

Twenty Years of the Fair Labor Standards Act

The Fair Labor Standards Act of 1938 is sometimes referred to as a "depression born" measure because the period immediately prior to its enactment was one of depression, and because many advocates of such a law used arguments current at the time that it would bolster the economy. The law is thought of nowadays in terms of its continuing value as a support for the wage structure in times of recession and, in prosperous times, as a protection to the worker caught in a pocket of low wages as well as to the competitors of his employer.

The act, which has been in effect since October 24, 1938, sets standards for a minimum wage, overtime pay, and the protection of child labor for employees engaged in or producing goods for interstate commerce. Currently, it applies to 24 million employees in 900,000 establishments, in all 49 States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa, Wake Island, Guam, and the Outer Continental Shelf. It is administered by the Department of Labor through the Department's Wage and Hour and Public Contracts Divisions. It is enforced in the courts by civil actions brought by the Solicitor for the Secretary of Labor and criminal actions brought by the Department of Justice. Employees may also bring actions in court through private counsel to recover wages due under the act.

Most employers try to comply with the law; to aid them, the Divisions

maintain an active program of publicizing its requirements in the Federal Register and through all types of informational mediums. The substantial acceptance of the law's present basic provisions by employers who are affected by it is noteworthy because 20 years ago it was the subject of heated controversy.

Vigorous and conscientious enforcement is nevertheless necessary on a continuing basis to secure and maintain uniform application of the law and compliance with it. Throughout the years, efforts have been made to direct investigations into those plants in areas, industries, and categories of establishments in which violations are considered likely to be found. There is good evidence that these efforts have been substantially effective, and continuing reappraisal of the investigation program is leading to further improvement. In any recent year, some 90 percent of the employees in the establishments investigated have been paid in full compliance with the law.

Investigations have secured the benefits of the act's provisions for millions of adult employees and many thousands of minors. As a result of several hundred thousand investigations to secure compliance with the act's provisions, employers have paid back wages amounting to more than $180 million to 4 million employees in 20 years. In the fiscal year 1958, employers paid nearly $11 million in back wages to 117,000 employees as a result of investigation and enforcement action. These employers, as well as those found to be violating provisions of the act not requiring the payment of back wages, usually came into voluntary future compliance.

When the employer is brought into compliance, the employees receive, in addition to back wages, continuing benefits in accordance with the requirements of the law. Employees whose wages are brought up to the minimum continue to benefit, week after week and year after year, as do the employees who are given time and one-half for overtime hours. Minors illegally employed resume the activities normal to their age and helpful to their health, education, and development. And employers who comply with the law are relieved of unfair economic pressure from noncomplying competitors.

Millions of other adults and minors have benefited from voluntary compliance with the act's requirements. This has resulted indirectly from enforcement operations, directly from information programs, and from the general knowledge that the act is being effectuated.

Historical Background

The Fair Labor Standards Act of 1938 was signed on June 25, to take effect October 24, 1938. Its enactment was the product of many years of urging by individuals and groups interested in correcting substandard labor conditions and in providing basic minimum labor standards. As long ago as 1892, a congressional committee that investigated sweatshops in several large cities recommended a Federal law regulating sweatshops, and pointed

out that "so long as interstate commerce in this regard is left free, the stamping out of the sweating system in any particular State is of practically no effect, except to impose peculiar hardship upon the manufacturers of that State." [1]

By 1938, 24 States had enacted laws to regulate minimum wages and hours of work for women. In 1937, the U. S. Supreme Court reversed previous rulings and held [2] that a State minimum wage law was constitutional. But the problem raised by the 1892 investigation remained: goods made in a State without any minimum labor standards competed with products made in States that had such standards. A Presidential message to the Congress of May 24, 1937, recommended enactment of minimum labor standards legislation: "Congress cannot interfere with local affairs, but when goods pass through the channels of commerce from one State to another they become subject to the power of the Congress . . . we propose that only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce."

Enactment was also a product of the depression of the thirties. An attempt to set minimum labor standards was made under the National Industrial Recovery Act, passed in 1933, but that act was found to be unconstitutional by the U. S. Supreme Court in 1935.[3] The Public Contracts Act of 1936 established minimum labor standards, but only for employers who supplied goods on Federal Government contracts in excess of $10,000. The pressures were strong for a Federal law of broader application. In 1938, economic conditions had taken a sharp turn for the worse. There were fears of another downward spiral of wages and prices and there were more than 10 million unemployed, or about one-fifth of the labor force. There was demand for a law to cut the workweek so that more workers could share the available work. There was also some fear of minors displacing adults at lower wages. Against this background, the Fair Labor Standards Act of 1938 became law, but only after lengthy congressional hearings in which many diverse viewpoints were presented, and after prolonged debate of the many issues involved.[4]

The act, as passed, applied to employees engaged in interstate commerce, or in the production of goods for interstate commerce, including any process or occupation necessary to the production thereof. The definitions of "produce," "employ," "goods," and other terms in the act were in broad language. Provision was made for enforcement operations. Mini-

[1] Report of the Committee on Manufactures on the Sweating System (U. S. House of Representatives, 52d Cong., 2d sess., Report 2309, 1893), p. xxiv.

[2] *West Coast Hotel Co.* v. *Parrish*, 300 U. S. 379; see Monthly Labor Review, May 1937, pp. 1202–1205.

[3] *Schechter Corp.* v. *United States*, 295 U. S. 495 (1935); see Monthly Labor Review, June 1935, pp. 1466–1483.

[4] Congressional consideration of a minimum fair labor standards law began in the spring of 1937, and continued through the first session of the 75th Congress, the special session, and the next session, until the enactment on June 14, 1938.

mum standards were set for wages, hours of work, and child labor. A number of exemptions were set forth. Special provisions were included for dealing with the problems of handicapped workers, apprentices, learners, and messengers, in order to prevent curtailment of their opportunities for employment as a result of the standards established.

The U. S. Supreme Court on February 3, 1941, upheld the constitutionality of the act in the case of *United States* v. *F. W. Darby Lumber Co.*,[5] specifically reversing its 1918 ruling in *Hammer* v. *Dagenhart*.[6] In the *Dagenhart* case, the Supreme Court had held unconstitutional, as outside the commerce power of the Congress, a Federal law prohibiting shipment in interstate commerce of products of mines or factories where children under specified ages had been employed. The majority viewed the law as a regulation of production, which they considered a local matter. Justice Holmes and three other Justices had dissented. On the same day as the *Darby* decision, the Supreme Court held that the industry committee procedure for issuing wage orders was a constitutional delegation of power, in the case of *Opp Cotton Mills* v. *Administrator*.[7] Industry committee procedure, now used only in Puerto Rico, the Virgin Islands, and American Samoa, was used at that time for industries in the continental United States.

Amendments to 1955

Since 1938, bills to clarify, improve, or otherwise amend the act have been introduced in every Congress. Review of the act in the light of changes in World War II received the attention of the 79th, 80th, and 81st Congresses, which went into detailed examination of the law and its application. In 1950 and again in 1956, substantial increases in the minimum wage went into effect following congressional action. Of the 10 Congresses since 1938, 5 have enacted significant amendments to the act and a sixth concurred in a reorganization plan affecting its administration.

During these 20 years, a large body of court decisions has been built up on many aspects of the law and its application. Also, numerous administrative actions have been taken under authority of the statute that have modified its application to meet changed conditions. While the basic structure of the statute has remained the same, a number of significant changes have taken place in the act and its application.

Industry Committees

The earliest substantial amendment was the provision for special industry committees for Puerto Rico and the Virgin Islands, enacted June 26, 1940. The act as passed in 1938 applied to all the States, the District of Columbia, and all territories or possessions of the United States. The initial minimum wage was 25 cents an hour, which was to be increased to 30 cents at

[5] 312 U. S. 100 (1941); see Monthly Labor Review, February 1941, p. 423.
[6] 247 U. S. 251 (1918); see Monthly Labor Review, July 1918, pp. 171–177.
[7] 61 Sup. Ct. 524; see Monthly Labor Review, February 1941, p. 423.

the end of 1 year, and to 40 cents in 1945. Industry committees were authorized to recommend rates above 30 but not above 40 cents, so that some industries could reach 40 cents in less than 7 years. The 40-cent rate was to apply to all employment subject to the minimum wage on October 24, 1945, unless the Administrator issued an order, through the industry committee procedure, establishing or continuing a rate between 30 and 40 cents, in order to prevent substantial curtailment of employment in the industry.

This approach allowed generally for due consideration of the objective of raising the minimum within the defined range as rapidly as feasible without substantial curtailment of employment. It seemed to allow for contingencies, and for the mainland it did. But the economies of Puerto Rico and the Virgin Islands were in line with the low level then prevailing in the Caribbean area, and the statutory rates of 25 and 30 cents were too high. Substantial unemployment developed, especially in the needle trades, which had the largest employment among the Puerto Rican industries subject to the act. The solution was to remove the statutory lower limit on rates which industry committees could set; the 76th Congress, in Public Resolution No. 88, retained the upper limit and provided, as in the case of mainland industries, that wage orders could be set at any level that met the dual test of being the highest minimum rate that could be set without substantial curtailment of employment. The industry committees for Puerto Rico and the Virgin Islands were prohibited, in addition, from recommending a minimum wage rate that would give any native industry a competitive advantage over its counterpart in the United States.

Hours of Work

In 1947, the Congress dealt with a problem as to what constitutes hours worked under the act. This particular problem came to the attention of the Congress as a result of a series of decisions by the U. S. Supreme Court.

In 1944, the Court had before it the case of *Tennessee Coal, Iron & RR. Co.* v. *Muscoda Local 123*.[8] The issue was whether the time spent by miners in underground metal mines traveling from the portal to the working face and the return trip at the end of the day constituted working time compensable under the act. The employer's practice under the union agreement was to count only time spent at the working face. The Court's decision described the travel as hazardous, in overcrowded cars, through foul-smelling areas, on the employer's premises, and subject to his control; it expressed the view that the union had been dominated by the company and concluded that the travel time was hours worked.

In 1945, the Supreme Court made the same ruling with respect to travel time of coal miners, in the case of *Jewell Ridge Coal Corp.* v. *United Mine Workers*.[9] In this case, the same practice of counting time only at the work-

[8] 321 U. S. 590 (1944); see Monthly Labor Review, May 1944, pp. 1021–1023.

[9] 325 U. S. 161 (1945); see Monthly Labor Review, July 1945, pp. 99–100.

ing face was specified in the union agreement. The travel here also was described as underground, on the employer's premises, and subject to his control. The Court held the travel time to be time worked, referring to its decision in the *Tennessee Coal* case as precedent.

In June 1946, the Court ruled again on travel time, in the case of *Anderson* v. *Mt. Clemens Pottery Co.*[10] The issue here was whether time necessarily spent by factory employees walking between the time clocks and their working places and time spent in make-ready activities constituted working time under the act. Here also the time was referred to as spent on the employer's premises and subject to his control. The Court ruled that it was hours worked, citing its decisions in the *Tennessee Coal* and *Jewell Ridge* cases.

By the time the 80th Congress convened in January 1947, newpapers were carrying stories of court actions filed by employees, involving several billion dollars alleged to be due under the act, on the basis of the *Mt. Clemens* case. The suits were being filed under section 16 (b) of the act, which allows employees to sue for back wages plus an equal amount as liquidated damages, and which also provides for court costs and attorneys' fees if the suit is successful.

To meet this situation, Congress amended the Fair Labor Standards Act by passing the Portal-to-Portal Act of 1947. Under this act, activities preliminary and postliminary to the employee's principal activities, but not an integral part of them, are hours worked only if made compensable by the employment agreement or by custom or practice. The Portal Act also set a uniform 2-year statute of limitations for back-pay suits, to replace State statutes of limitations, ranging from 1 to 6 years, that had previously been applicable. It further provided "good faith" defenses for employers under certain conditions and canceled all back-pay claims under the *Mt. Clemens* ruling which did not rest on contract, custom, or practice. The Portal Act was signed by the President on May 14, 1947.

Regular Rate of Pay

The next amendment dealt with the "regular rate of pay" [11] and is also of some interest in showing the interaction of the executive branch of the Federal Government, the judiciary, and the Congress. On June 17, 1948, the Supreme Court handed down its decision in the cases of *Bay Ridge Operating Co.* v. *Aaron*,[12] and *Huron Stevedoring Co.* v. *Blue*.[13] The issue was the determination of the regular rate of pay of longshoremen under a union contract that designated the hours between 8 a. m. and 5 p. m. on

[10] 328 U. S. 680 (1946); see Monthly Labor Review, August 1946, pp. 249–250.

[11] Section 7 of the Fair Labor Standards Act prohibits employment "for a workweek longer than 40 hours . . . unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed."

[12] 334 U. S. 4461 (1948); see Monthly Labor Review, August 1948 and February 1949, pp. 165 and 151, respectively.

[13] 332 U. S. 814 (1948).

weekdays and 8 a. m. and noon on Saturday as straight-time hours, and required payment for any other hours worked to be made at time and a half the rate agreed upon for the straight-time hours. The time and a half was payable regardless of how many hours the employee had worked during the specified daytime periods in the day or week. The Court held that these time and one-half payments had to be included with the pay for straight-time hours in arriving at the "regular rate," on which overtime pay due under the act was to be computed.

The 81st Congress considered this problem when it convened the next year. Various proponents of the bill that finally passed argued that the union agreement provisions involved dated back many years before the passage of the Fair Labor Standards Act; that their purpose was to regularize the work of longshoremen, who had in the past typically worked for more than 1 employer in a week, had been subject to calls for as much as 20 or 22 hours of work at a stretch to get a ship unloaded and out of port, and sometimes had such work calls twice or more in a week from 2 or more employers; that before World War II, these union agreement provisions had substantially moved the work into the "straight-time" hours; that the work involved in the lawsuits involved full weeks for the same employer because, during World War II, the Maritime Commission had urged avoiding lost time through the movement of longshoremen from one employer to another; and that similar "clock overtime" provisions had come into use in other industries for the purpose of regularizing the employees' work shifts. The Congress passed the so-called Overtime on Overtime Act, which was later incorporated in the Fair Labor Standards Amendments of 1949, to clarify the matter, and the President signed it on July 20, 1949. This act contained a number of provisions specifying types of payment excluded from the computation of the regular rate; it also canceled liabilities under the Supreme Court's decision in the *Bay Ridge* case.

The 1949 Amendments

The most important change in the Fair Labor Standards Amendments of 1949 was the increase in the minimum wage to 75 cents from 40 cents an hour. Despite the inflation of World War II and the postwar period, the rising level of economic activity had been accompanied by significant gains in real purchasing power of the bulk of employees in the country. The statutory minimum wage of 40 cents, however, no longer afforded significant benefit to the covered workers at the lower end of the wage scale.

The move in Congress to revise the level of the minimum wage had gotten under way late in 1945. In the summer of 1949, the 75-cent rate was enacted, representing a significant improvement in the buying power of the minimum wage. This was another major achievement to benefit low-paid workers. In addition to pay raises resulting from the early statutory rates of 25 and 30 cents and intermediate industry committee actions that set rates below 40 cents, the final industry wage orders establishing the 40-cent rate required wage increases for 1.6 million workers. When the 75-cent

rate was enacted, it necessitated pay raises for 1.3 million of the 21 million workers to whom the minimum wage provision then applied.

The amendments of 1949 also significantly strengthened the child labor provisions of the act. The original enactment had prohibited the shipment in interstate commerce of goods produced in an establishment in or about which, during 30 days prior to shipment, oppressive child labor had been employed. The amendment added a direct prohibition of the employment of oppressive child labor in interstate commerce or in the production of goods for interstate commerce. The prohibition of agricultural employment for children who were "legally required to attend school" was changed to permit such employment only "outside of school hours for the school district where such employee is living while so employed." In addition, the prohibition of employment of minors under 18 in occupations found to be hazardous by the Secretary of Labor was made applicable to the employment of a minor employed by his parent.

Another significant change made in 1949 was the provision authorizing the Secretary to supervise the payment of wages found due under the act, with the employee's acceptance of such payment constituting a waiver of any rights to an additional equal amount in liquidated damages. The Secretary was also authorized to bring court action for recovery of the underpayment, at the request of the underpaid employee, where no unsettled question of law was involved.

During the deliberations of the three successive Congresses that finally led to the amendments of 1949, a number of bills had been introduced that would have extended the boundaries of the act far beyond its original scope. Other bills were, according to their sponsors, intended to curb what they called an extension of the acts by interpretation, even though the interpretations had been sustained by the courts. In 1949, the House of Representatives failed to adopt a bill to make a sweeping extension of coverage. The Senate, by agreement of the leaders on this issue, refused to consider the extension of coverage. The bill as passed by the Congress contained some features tending in the other direction. Chief among them were a rewriting of the exemption for retail or service establishments and the replacement of coverage of activities "necessary to" the production of goods for commerce with coverage only if such activities are "closely related" and "directly essential" to such production.

Other changes included the following: (a) Elimination of the minimum wage exemption for employees of seafood canneries and airlines; (b) broadening of the minimum wage and overtime exemption for small newspapers and small public telephone exchanges; and (c) addition of a new minimum wage and overtime exemption for logging operations with no more than 12 employees.

Adoption of the $1 Rate and Other Changes

A sharp price rise followed the outbreak of the Korean conflict in June 1950. Again the buying power of the minimum suffered erosion, not on the

scale of World War II, but nevertheless a serious diminution in the standard. By 1955, there was a strong demand for another review of the minimum wage and proponents of expansion again urged their views. The Congress acted on the level of the wage, but again deferred the coverage question.

At hearings held by the labor committees of the 84th Congress, many arguments used for or against an increase were reminiscent of the 1937–38 debates on the minimum wage; many others were patterned on those used in the discussions that preceded the increase to 75 cents an hour in 1949. There was a good deal of discussion of wages in major industries and industry groups, economic trends (national income, purchasing power, and productivity), and family budget studies.

The Department of Labor brought into the discussion an additional way of looking at the problem, based partly on some studies of the short-run effects of the minimum wage increase to 75 cents in 1950. The Department's testimony directed the attention of the committees to a consideration of the impact of proposed minimum wage rates in the industries and branches of industry where wages would have to be increased substantially.[14] The added attention to the low-wage segments helped put the discussion in focus and pointed the way to better insight into the problem. The Congress adopted a $1 minimum in the summer of 1955, setting March 1, 1956, as the effective date. In addition, section 4 (d) of the act was amended to require annual reports by the Secretary of Labor, evaluating and appraising minimum wages under the act.

In the same enactment, the provision dealing with wage orders for Puerto Rico and the Virgin Islands was amended to speed up the program by requiring industry committee review of *all* wage orders on an annual basis. The following year, the Congress extended the wage order procedure used for Puerto Rico to American Samoa, with some modifications. This enactment, the American Samoa Labor Standards Amendments of 1956 (Public Law 1023, 84th Cong.), was signed August 8, 1956.

The 85th Congress held hearings on the coverage of the Fair Labor Standards Act, beginning in February 1957. This subject has been considered many times. In 1939 and 1940, a considerable number of bills introduced in the Congress would have restricted the application of the act, principally by broadening exemption provisions or adding new ones. The only action taken at that time was to provide an exemption for small public telephone exchanges. Similar proposals have been introduced in each Congress since then, but no additional exemptions have been adopted except in 1949, as noted earlier.

[14] The Department's testimony was based partly on a report entitled "Results of the Minimum Wage Increase of 1950," which included the results of wage surveys in selected low-wage industries which had been conducted by the Bureau of Labor Statistics early in 1950. For a summary of the report, see Monthly Labor Review, March 1955, pp. 307–311. The industry studies, which covered southern sawmilling and the fertilizer, men's dress shirts and nightwear, men's seamless hosiery, and wood furniture (except upholstered) industries, were summarized in the following issues of the Review: September 1950, pp. 313–317; January 1951, pp. 33–37; August 1951, pp. 166–170; and June 1951, pp. 674–676 and 672–674, respectively.

On the other hand, proposals for substantially total coverage of employees of businesses, with application of the standards limited for all practical purposes only where a specific exemption is provided, have been introduced in every Congress since 1945 without being enacted.

The Secretary of Labor in the spring of 1957 proposed changes in the coverage and exemption provisions which would extend the minimum wage to some 2½ million additional employees, mostly in larger enterprises which are substantially engaged in interstate commerce. Under the Secretary's proposal, extension of coverage and additional application of the minimum wage would, for all practical purposes, coincide: except for executive group positions and outside salesmen, the minimum wage would apply generally to all the newly covered employees.

None of these proposals to extend coverage or to narrow exemptions were approved by Congress. While the basic statutory outline of coverage is the same now as in 1938, the number of times the Congress has reviewed the act and the number of changes enacted give evidence of the vitality of this social legislation and of the continued interest in adjusting it to major changes in economic conditions so as to avoid impairment of its effectiveness.

The 85th Congress, however, acted in 1957 on a troublesome question dealing with the geographic scope of the act. The act as passed in 1938 provided for its application in the United States, the District of Columbia, and territories and possessions of the United States, as previously noted. On December 6, 1948, the Supreme Court had held, in *Vermilya-Brown Co.* v. *Connell*,[15] that land in Bermuda leased to the United States for establishment of a military base was a possession of the United States within the meaning of the act, and that the act applied to work performed there in interstate commerce or the production of goods for commerce. This decision raised perplexing questions not only with regard to military bases maintained by the United States within the boundaries of other countries with highly diverse economies, but also with regard to outlying areas of the United States in which no action had previously been taken to apply the act. To clarify this matter, the Congress passed the Overseas Amendments (Public Law 85–231, 85th Cong.), which designated the places in which the act was to apply thereafter, eliminated all liabilities under the act in any other place, and eliminated any liabilities in Guam, Wake Island, and the Canal Zone prior to the effective date of the amendment.

Toward the close of its 2d session, the 85th Congress amended the provisions of the act dealing with industry committee action in Puerto Rico, the Virgin Islands, and American Samoa. This amendment authorizes biennial instead of annual review of minimum wage orders, while permitting an additional review in any biennial period at the discretion of the Secretary of Labor. It states clearly that the requirement of biennial review does not apply to wage orders that have reached the statutory minimum.

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[15] 335 U. S. 377 (1948); see Monthly Labor Review, February 1949, p. 151.

Revision of Regulations

The statute specifies a number of matters for administrative definition and finding, to fill in gaps within the boundaries of the law. In this dynamic and growing economy, there is a continuous development of changes in methods of manufacture, in products made, in channels of processing and distribution, and in industrial relations. Administration of the act involves a continuing obligation to ascertain how the act and regulations issued under its authority apply in changing fact situations. Regulations and interpretations are stated on the basis of the facts of an economic activity or an employer-employee arrangement. When the facts change materially, the statement needs reexamination.

In 20 years, many such changes have taken place. For example, for purposes of applying the statutory exemption from minimum wage and overtime for certain operations in the assembly and processing of agricultural products, the Administrator originally had defined the "area of production" in terms which depended in part on the number of employees in the establishment which performed these operations. At the time the issue was tested in the courts, establishments with more than 10 employees were ineligible for the exemption under the regulations. The Supreme Court, in the case of *Addison* v. *Holly Hill Fruit Products, Inc.*,[16] said the definition contemplated by Congress was a geographical concept, involving a distinction between urban-industrial and rural-agricultural zones, and not a definition based on size of establishment. The Administrator issued a revised definition in December 1946 which established as criteria the location of the establishment in open country or a rural community (determined by its population) and the radius within which the establishment receives the farm products that it handles or processes. The U. S. Supreme Court sustained the present definition 10 years later, in *Mitchell* v. *Budd*.[17]

Another illustration of change through administrative regulation is found in the regulations defining and delimiting (for purposes of exemption from the minimum wage and overtime provisions) bona fide executive, administrative, and professional employees, which the Administrator is authorized to do under section 13 (a) (1) of the act. For the exemption to apply, an employee must meet a salary test, in addition to tests of duties and responsibilities. After hearings and studies, the salary tests issued in 1940 were revised in January 1950 in order to take account of the substantial changes in prevailing salary levels during and after World War II. Currently, the Administrator is considering another revision, in view of similar changes which have occurred since 1950.

Other changes in regulations have been made; for example, determinations with respect to the seasonality of particular industries for purposes of applying a limited exemption from the overtime provision of the act for industries found to be seasonal in nature. The development of new indus-

[16] 320 U. S. 725 (1944); see Monthly Labor Review, August 1944, pp. 378–379.

[17] 320 U. S. 473 (1956); see Monthly Labor Review, June 1956, p. 691.

trial practices and processes has in certain instances required a review to determine whether the new operations were seasonal and the industry definition should be changed.

Court Decisions

During the two decades since the act was passed, important interpretations of its meaning have been set forth in a great number of court decisions. In the overwhelming majority of cases, the courts have sustained the views of the Department of Labor. Following the often stated rule that the act is a remedial statute, and that under a remedial statute coverage should be construed broadly and exemptions narrowly, the courts have approved paths of connection which developed, step by step, the application of the act. A few examples will serve to describe this trend.

In the case of *Walling* v. *McCrady Construction Co.*,[18] a Federal court of appeals held that the act applied to work on roads and streets used to a substantial extent by heavy-duty trucks transporting products to railheads or to other plants for further processing. This work was held to be so closely related to interstate commerce as to be a part of it. The act was also held applicable to the building of a new structure erected on the premises of a large factory, because of the close relationship of such work to the production of goods for interstate commerce where these structures were additions to or replacements of facilities already used on the premises for interstate production. The Supreme Court denied review of this case.

In the case of *Alstate Construction Co.* v. *Durkin*,[19] the Supreme Court held that "off the road" employees engaged in producing road mixes and other materials for use in the same State in the repair and maintenance of instrumentalities of interstate commerce are engaged in the production of goods "for" commerce. The Court thus established that the production of goods for commerce includes the production of goods which facilitate or aid commerce, even though the goods do not move across State lines, by reason of the use of these goods by others in furthering commerce.

Subsequently, the Supreme Court held, in *Mitchell* v. *Vollmer*,[20] that employees constructing a new lock and canal to be used as an alternate route for the Gulf Intercoastal Waterway were covered. The decision in this case is considered of particular significance because it stated that coverage under the act extends to "new construction" of an instrumentality of commerce intended, when completed, to improve and become part of another instrumentality of commerce. It had been argued that such new construction was not covered because similar construction projects had

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[18] 156 F. 2d 932 (1946); certiorari denied, 329 U. S. 785; see Monthly Labor Review, November 1946, pp. 764–765.

[19] 345 U. S. 13 (1953); see Monthly Labor Review, May 1953, p. 523.

[20] 339 U. S. 427 (1955); see Monthly Labor Review, August 1955, p. 926.

been held not to be covered by the interstate commerce language of the Federal Employees' Liability Act in prior Supreme Court decisions. The Supreme Court in the *Vollmer* case, however, held that the decisions under the other statute were not controlling. It pointed out that coverage under the Fair Labor Standards Act has been given a liberal construction from its inception and that the Federal Employees' Liability Act was an act of another vintage.

Administration of the Act

One of the fields in which marked progress has been made during the past 20 years is in the conduct of investigations to secure compliance with the act. There were serious difficulties involved in getting an investigation program under way as the essential first step in enforcing the law. A staff of investigators had to be hired and trained, and operating procedures developed. Meanwhile, complaints alleging violation of the law piled up. By June 30, 1940, complaints involving about 31,000 establishments had been assigned for investigations, and only about 4,000 investigations had been completed.

Various expedients were adopted to speed up the efforts to secure compliance. "Industry drives," in which a large proportion of the investigative staff was assigned to a particular industry, were made in order to achieve equitable application of the law among competitors. Efforts were also made to reduce the time involved in an investigation. Mailed questionnaires to discover noncompliance were attempted, and experiments were made with other stopgap methods such as "spot check" or abbreviated investigations.

Meanwhile, the fundamental task of building a trained staff was going forward. With this done, the Divisions made over 70,000 investigations in fiscal year 1942. Stopgap devices were dropped. Increased national office control of investigation programing developed. It had been found that equitable application of the law could not be achieved by investigating only on complaints, because of considerable noncompliance found where no complaints had been received. Beginning about 1945, the general program design was to investigate on complaints; to concentrate other investigations in industries which had shown a high degree of noncompliance in previous investigations; and to investigate some establishments in other industries as a spot check on the compliance situation.

The investigation program for 1957 included a sample survey of establishments selected from industries which comprise over two-thirds of all establishments with employees to whom the act applies. The purpose of this survey was to provide a statistical basis for an estimate of the extent of noncompliance, as well as some broad indications of the areas, industries, and types of establishments in which violations were likely to be found on investigation, to be used for program planning. On the basis of the survey results, an estimate was developed of the amount of underpayment,

under the minimum wage and overtime pay provisions of the act, that would have been disclosed if all of the establishments in the surveyed industries had been investigated during the year. The underpayments actually disclosed by investigations made in the same industries during fiscal year 1957 amounted to about one-fifth of the estimated total. This compliance survey also provided some general indications of greater likelihood of finding underpayments on investigation in some regions than in others, in nonmetropolitan as compared with metropolitan areas, and in certain industries and industry groups.

The survey thus provided generalizations but could not pinpoint the many pockets of noncompliance that investigations have discovered. The operation of the investigation program will continue to require the detailed local knowledge of the Divisions' field staff. Added emphasis is now being placed on the contribution to investigation programing by the Divisions' 77 field offices, in addition to that of its regional offices. The value of the Divisions' policy of decentralizing operations was confirmed by the survey findings of more extensive noncompliance outside of metropolitan areas. The Divisions are therefore continuing the move that was already under way, to shift investigators out of field offices to itinerant stations. The number of itinerant stations has increased from 111 in fiscal year 1956 to 213 in fiscal year 1958, with about 40 percent of the investigative staff now assigned to them. This trend is continuing, and in fiscal year 1959 the Divisions plan to bring the investigators operating out of itinerant stations up to about 50 percent of the total investigative staff.

New work is also being done in another phase of the Divisions' responsibility. By January 1959, the Divisions expect to report on a 3-year program of studies of the economic effects of the $1 minimum.[21] These studies should throw additional light on the problem of evaluating the effects of an increase in the statutory minimum wage and should be of help to the executive branch, the Congress, and others interested in the level of the minimum wage.

These economic studies are the start of a continuing evaluation of mini-

[21] A number of the individual surveys on which this report will be based were conducted by the Bureau of Labor Statistics. The surveys include wage and employment data and background information for plants in 12 industries and in 7 relatively small labor market areas in which a significant effect of the increase in the minimum wage to $1 was anticipated. The payroll data apply to periods immediately before and shortly after the new minimum went into effect on March 1, 1956, and 1 year later. Results of the industry surveys for the earlier periods were summarized in the following issues of the Monthly Labor Review: March, April, September, and November 1957, pp. 323–328, 441–446, 1087–1091, and 1339–1343, respectively. A summary of the results of the 1957 industry studies appeared in the May 1958 issue, pp. 492–501. The 7 labor market surveys were summarized in the July 1958 issue, pp. 737–743. A summary of some of the nonwage effects of the increase in the minimum in 8 industries is included in the October 1958 Monthly Labor Review (pp. 1137–1142). Followup studies of individual plants, designed to further explore methods used by employers in adjusting to an increase in the minimum wage, have not yet been published. The report on the full program of studies will include detailed analyses not yet available and an attempt at synthesis and appraisal of the economic effect of the $1 minimum wage.

mum wages as a regular function of the Divisions. The importance of such studies under the Fair Labor Standards Act was emphasized by the enactment of the 1955 amendment, previously mentioned, which requires reports on this subject.

Conclusion

In a highly industrialized and diversified economy such as that of the United States, a minimum wage law performs a somewhat narrow but important economic function. The Federal minimum wage, like the other provisions of the act, sets a standard in the labor market, as do State minimum wage laws which apply to types of employment that are outside the scope of the Federal law. Such laws tend to prod establishments that have lagged in management, in technology, and also in wages paid their employees. In a dynamic economy, thousands of establishments are started every year, and thousands go out of business. If an enterprise can stay in business only by paying wages below the legal standard applying equally to its competitors, it is a drag on the industry and a burden on its employees.

When the Congress sets a new minimum wage, it sets the lowest wage that can legally be paid for work to which the law applies. Adjustments must be made so that the work that is done carries that wage. If the payment of the wage means a somewhat higher price for the product, out of the many that the people buy, then that price should be paid, so consumers will not benefit from exploitation of the workers and the industry. If the increased wage is covered by improvements in management or in productivity, society gains, as well as the worker. If an employer can pay the wage with no change in his methods, then he is being brought into line with what the bulk of his competitors are already paying.

The overtime pay requirement for a workweek in excess of the statutory standard was undoubtedly thought of by many as a worksharing device when the act was passed, as well as a benefit to the worker's general well-being. It tends to be looked at now in terms of the time it helps to provide the worker for engaging in his duties as a citizen, for taking part in community activities, and for enjoying leisure pursuits.

The minor seeking work may have been thought of, in a sense, as a threat to an adult's job in 1938. Nowadays, as for many years before the act was passed, the value of the child labor provisions is thought of in terms of the health and the opportunities for development of the minor.

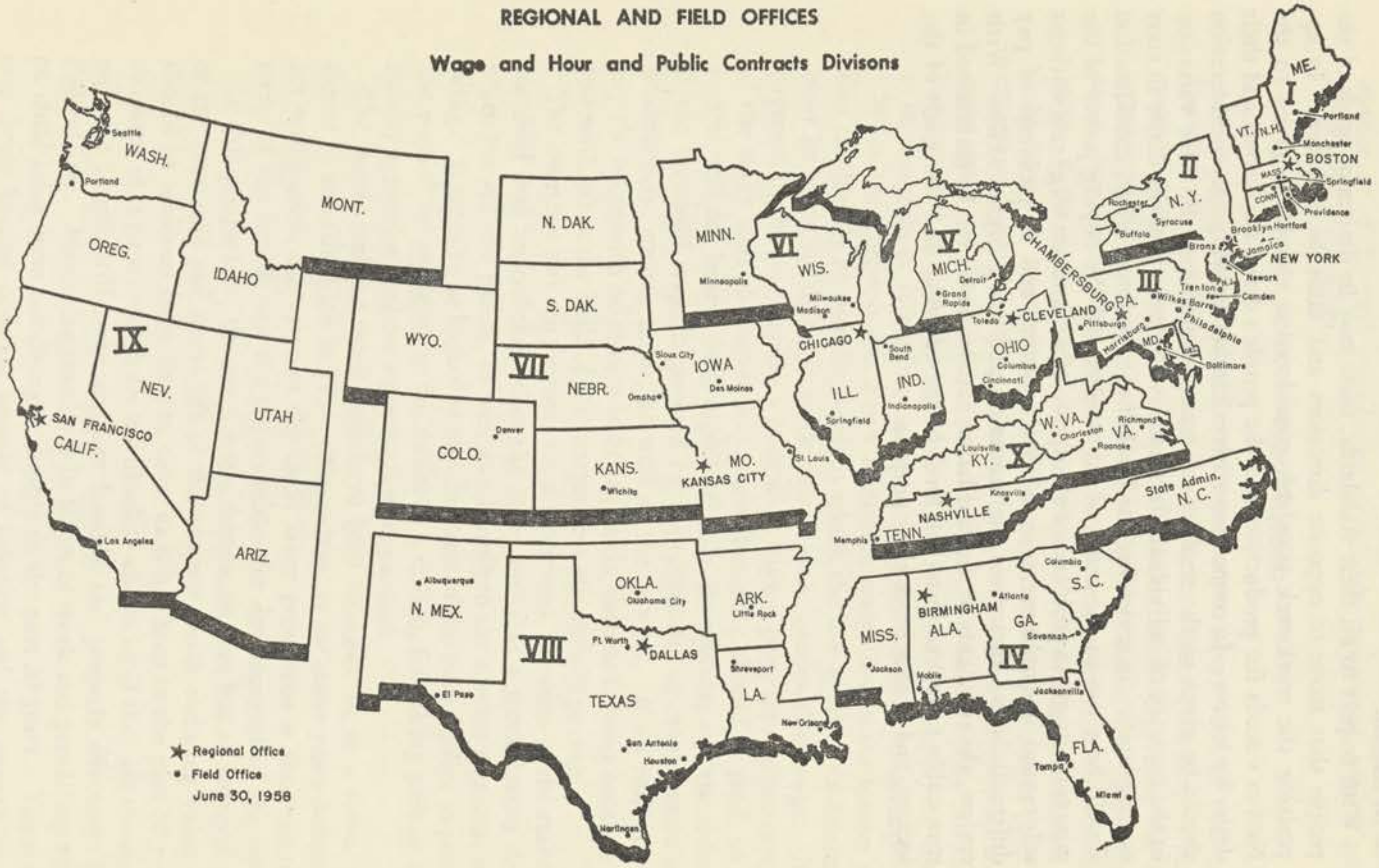
In this perspective, the act is not a depression cure but an integral part of the economic and social life of the country, with enduring value. It should be reviewed from time to time, as it has been in the past 20 years, to ensure that its standards are not obsolete and to see if they are the standards the people still want and can feasibly and properly effectuate in a Federal law. Prevailing standards in hours of work and prevailing views on child labor have not changed sharply in the past 20 years. The wage-rate figure became obsolete because of inflation and the growth of the

economy, and had to be adjusted to restore its purchasing power and add to its content.

With respect to all these standards, there may be desires or needs of the people that move in opposite directions and must be balanced. In appraising the workweek standard, consideration should be given to the Nation's needs for production and the people's desire for income and their desire for leisure. In connection with minimum working age, consideration should be given to the need for education or training, the wide variation in the capacity of individuals for such development, and the desire to start earning soon. In reviewing the level of the minimum wage, consideration should be given to the needs of the worker and the buying power of the minimum wage, to problems of absorption of a minimum wage rate without substantial unemployment or serious inflation, and to problems of pay differentials and incentives for mastering and using higher skills. With review, the standards in the Fair Labor Standards Act can be maintained in reasonable relationship to the level of the economy and the goals of the society, and thus achieve their purpose.

REGIONAL AND FIELD OFFICES

Wage and Hour and Public Contracts Divisons



Fiscal Year 1958

Compliance Through Education

Twenty years' experience in administering the act has confirmed the Divisions' opinion that an effective method of obtaining compliance is one that prevents violations from occurring. By apprising employers of their responsibilities under the law and workers of their rights, the Divisions help business establishments keep in compliance, forestall the incurring of back-wage liabilities, and thereby further the well-being of employees. The fact that the law applies in a great variety of employment situations and industries makes it incumbent to exert strenuous efforts so that these ends may be achieved. The resources of the national and field organization are accordingly channeled to take advantage of all opportunities to increase public knowledge of the statutes, and a variety of educational and informational programs are developed to enhance this understanding. So far as practicable, the Divisions obtain the cooperation of outside agencies, private organizations, and the mass communications media in promoting their educational efforts.

Many of the informational activities engaged in during fiscal 1958 were performed on a day-by-day basis, frequently as a part of other activities. Thus, the national office and regional staff disseminated information about the laws by answering telephone inquiries and replying to correspondence, and in personal interviews with employers, employees, organization representatives, attorneys and other professional people, and other members of the general public. The Divisions' representatives in the regional and field offices were especially valuable in handling inquiries on a personal contact basis, since, being well acquainted with the local area, they were able to speak about the acts in terms which were meaningful to local businessmen and workers. Every investigator, too, whose job requires almost daily visits to business firms, intermingled informational activities with his investigatory duties, discussing the statutory requirements in relation to the particular activities of the employer or worker to whom he was talking.

The Divisions' publications served as a major vehicle for providing information about the law, whether enclosed in correspondence, given out during the course of personal interviews, or sent pursuant to mailing lists or on the basis of individual requests. Such publications included the Divisions' interpretative bulletins, regulations, and other official actions published in the Federal Register and reproduced for public distribution; nontechnical pamphlets on principal requirements of the acts; and the post-

ers which must be displayed in covered establishments. Moreover, all new business firms believed to have covered employees—about 33,000 establishments annually—were sent selected publications and an offer to answer any questions they might have about the law.

In addition to engaging in these informational services, the Divisions undertook extensive educational programs. Many of these were tailored to problems in local areas, in particular industries, or involving certain groups of workers; others, for broader audiences, dealt with the law in its general aspects. Both the spoken and written word were employed. Thus, the Divisions' representatives in all sections of the country responded to requests to fill speaking engagements by talking before such diverse groups as State labor union conventions and meetings of their locals, national trade organizations and their branches, chambers of commerce, Rotary clubs and similar fraternal and service organizations, professional societies, labor law institutes, and educators at secondary school and university levels. They took part in panel discussions and conducted clinics on the applicability of the law. Staff members also appeared as guest speakers on radio and TV stations, which contributed thousands of dollars in free time as a public service to their audiences. The daily, weekly, and labor press provided much space to the Divisions' news releases, which keep the public informed as to the latest administrative actions taken under the statutes, while trade magazines, house organs, labor journals, and other specialized and technical publications printed the special and feature articles which the Divisions prepared on those particular aspects of the law that would be of interest to the reader.

For example, publications of two nationally known trade associations in the finance industry printed a questions-and-answers article on the Fair Labor Standards Act's application to banking. Well received by editors of other publications were articles on the canning industry, fruit and vegetable packing, the lumber and pulpwood industry, and the grain industry. Demand continued to run high for the questions and answers on clothing manufacturing, prepared in the previous year.

Another special program was one designed for accountants and intended to help the businessman who relies on accountants for advice. This program consisted of articles on the Divisions' services and technical publications, an outline of the act from the accountant's point of view, and a checklist. Three major accountancy organizations reproduced these materials in their national journals, and many of their branches also published them in their local magazines. As a result of the heightened interest in the act which these articles stimulated, the Divisions' representatives were invited to address numerous accountancy societies.

In the case of several industries where serious compliance problems were currently being found, the Divisions contacted association officials, and offered to provide speakers at their conventions and to supply their publications and membership with articles on how the statutory requirements apply to their activities. These offers were accepted and the Divisions

have been told by responsible industry executives that their efforts were appreciated as a means toward eliminating unfair competition from substandard firms.

The Divisions published as a pilot project several pamphlets on the act's application to specific industries, primarily for distribution to employers and workers in the industry concerned. If found feasible, these and similar pamphlets will complement the Divisions' nontechnical publications.

The Divisions' efforts to acquaint foreign-language nationality groups with the basic statutory requirements were continued during the year. The New York regional office, in cooperation with the local board of education, developed educational materials, and staff members lectured in more than 50 schools conducting citizenship and adult education classes. The program directed to the foreign-language press was expanded. The regular press continued to publish a questions-and-answers article on fundamental provisions of the law, which had been prepared in the previous year, and the foreign-language press printed the article in 10 languages.

Following enactment of the amendments on the Canal Zone, Guam, and Wake Island, representatives of the Divisions held clinics in these areas, talked with employers and employees and contracting agencies, and arranged for the distribution of printed materials. Kits of materials were prepared containing such items as a letter alerting employers to the statutory provisions, a statement on the act's application in the locality, and an official poster, together with copies of the act and other publications. Pamphlets were also distributed to workers. Some of the materials were written in both English and Spanish. The local press and radio accorded the Divisions widespread coverage.

As in previous years, the Divisions conducted summer, fall, and spring campaigns publicizing the child labor provisions. Both permitted and prohibited jobs were pointed to in the three drives, and the fall and spring campaigns specially stressed the prohibition of farmwork during school hours. The materials prepared included press releases for use in the field, inserts on the child labor provisions for use in classified-ad columns, radio scripts and spot announcements, and flyer-posters. The Department's Bureau of Employment Security cooperated by distributing the flyer to State employment service offices throughout the Nation.

The Divisions also undertook a springtime child labor program directed to Florida workers who follow the crops with their families, preparing releases for small-town weeklies, dailies, and radio stations in that State.

To inform senior high school students about the law, a study pamphlet was prepared containing highlights of the act for distribution as a pilot project on a test basis in three States.

The Divisions again participated in activities for the National Stay-in-School Committee, sponsored by the Departments of Labor, of Health, Education, and Welfare, and of Defense.

These were some major features of programs undertaken this year to supplement the Divisions' constant efforts to use increased knowledge as a

means for furthering voluntary compliance. As a salute to the 20th anniversary of the signing of the act, there were prepared a fact sheet on some of the accomplishments under the law and a feature article for distribution to newspapers and wire services. Data from these releases were contained in accounts written by nationally known columnists and in other press dispatches, and a number of radio and TV stations also carried short features on programs commemorating the anniversary.

Interpretations and Regulations

The Divisions endeavor to facilitate management's task of complying with the statutes by maintaining the acts' viability in relation to evolving business practices and technical changes, and by making official positions known when modified for these reasons or because of authoritative court decisions. 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.

During the year, such matters as the overtime pay provisions, joint employment relationships, certain exemptions, records, and the reasonable cost of facilities were salient matters for administrative interpretations, rulings, or modifications in regulations.

Overtime Pay Interpretations

Two significant amendments to the Divisions' interpretative bulletin on the overtime pay requirements of the Fair Labor Standards Act were published in the Federal Register. These amendments concerned types of payments which may be excluded from the employee's regular rate of pay, which is the basis on which overtime pay is computed. One amendment dealt with payments pursuant to employee benefit plans; the other, payments of "short-notice" premiums.

Employee Benefit Plans.—Section 7 (d) (4) of the Fair Labor Standards Act permits the exclusion from the regular rate of pay of an employer's irrevocable contributions to a trustee or third party pursuant to a bona fide plan to provide certain employee benefits. The Divisions' requirements for these plans were formulated in 1953 after extensive hearings and consultations with interested parties. They were in many respects similar to the requirements of the Treasury regulations under the Internal Revenue Code for deferred profit-sharing plans. One of these parallel requirements was that the employer's contributions be made pursuant to a definite formula contained in the plan. The Treasury subsequently abandoned its definite formula requirement. Thereafter, the Divisions received several requests to abandon their requirement. However, the Divisions maintained the position that an employer contribution formula is an essential element of a bona fide welfare plan under the act. This interpretation was therefore retained, but it was modified to permit the qualification of plans in which a definite and substantial minimum contribution is specified even though it

permits the employer to add to that amount, within his discretion, up to a specified maximum amount reasonably related to the minimum.

"Short-Notice" Premiums.—Many employment contracts provide for extra payments if an employee is called back to work outside of his scheduled workday, or on a day of rest without sufficient notice, or if an insufficient time elapses between the end of his last shift and the time for which he is recalled. Under the revised interpretation, the occasional payments made under such provisions, in excess of the employee's applicable (straight-time or overtime) rates for the hours actually worked, may be excluded from the regular rate of pay on which overtime pay must be computed.

Joint Employment Relationships

When an employee works for more than one employer, he may have two separate employments each of which is treated separately under the act, or he may be jointly employed by the two (or more) employers. In the latter case, all the hours worked are counted together for determining compliance with the act's provisions, and the employers are jointly liable for the proper payment of the employee. In order to clarify the distinction between such multiple and joint employments, the Divisions published an interpretative statement on this subject in the Federal Register, setting forth the positions that the Divisions have followed in the enforcement of the act.

Exemptions

Regulations or interpretations concerning three of the various exemptions from the statutory pay requirements provided by the act were the subject of major administrative proposals or rulings during the year.

Retail Establishment Exemption.—The minimum wage and overtime pay exemption for retail establishments depends in part on the establishment's being able to show that at least 75 percent of its annual dollar volume of sales of goods or services is "recognized as retail sales" in the industry. Proposed determinations on the application of this exemptions test to liquefied-petroleum-gas dealers and to the automotive tire trade were published in the Federal Register. At the year's end, comments on the two proposals were being considered. The Divisions also published a modification of position on which sales are considered made "for resale" for purposes of this exemption.

Executive, Administrative, and Professional Employee Exemption.—Announcement was made of proposed revisions in the level of salaries required for the exemption of executive, administrative, and professional employees from the minimum wage and overtime pay provisions. After consideration of testimony presented at public hearings and written statements filed later, the following changes were proposed: Executive employees increased from $55 a week on a salary basis to $80 a week; administrative and professional employees increased to $95 a week on a salary or fee basis from the present $75 a week; and the special provisions for employees

qualifying for exemption under shortened duty tests, from $100 to $125 a week on a salary or fee basis. Increases proposed for employees in Puerto Rico and the Virgin Islands were: $55 a week on a salary basis from the present $30 a week for executive employees; and $70 a week on a salary or fee basis for administrative and professional employees instead of the present $200 a month.

The comments and views of interested persons, received during the 30-day period allowed, were under consideration at the year's end.

Small-Newspaper Exemption.—A statement on the minimum wage and overtime pay exemption under section 13 (a) (8) for employees employed in connection with the publication of certain small newspapers was published in the Federal Register. It explains the Divisions' enforcement policy that the exemption applies to such employees even if they are also engaged in job printing, provided that they spend less than one-half of their time on job printing.

Recordkeeping

As part of the Divisions' efforts to conform requirements in cases where both the Fair Labor Standards Act and the Public Contracts Act apply, a revision was made in the record-retention requirements of the latter act. Employment and earnings records now need be kept on file for three years, instead of the former four, under the Public Contracts Act. Supplemental records must be kept for two years. The period for retaining records of injury frequency rates was also reduced to three years.

Arrangements were completed with the State of California to have the same homework handbook serve for State and Federal purposes. This common handbook eliminates the employer's need to keep duplicate records.

Reasonable Cost of Facilities

As a result of the new legislation which made clear that the act covered certain specified overseas areas, problems arose concerning the reasonable cost of facilities furnished employees in some of these areas, particularly Guam. Under section 3 (m), the term "wage" includes the reasonable cost to the employer of board, lodging, and other facilities customarily furnished his employees. In Guam, where the statutory pay requirements became effective on November 30, 1957, many employees are paid less than $1 an hour in cash and the reasonable cost of facilities furnished them must be determined in order to ascertain compliance with the minimum wage as well as the overtime pay requirements. The Divisions made determinations on the reasonable cost of board, lodging, and medical care furnished to Philippine nationals employed on Guam by contractors of the Navy Department.

The Public Contracts Act

Numerous inquiries concerning the Public Contracts Act were received from contracting agencies, contractors, employees, and other interested

parties. The most frequently raised problems were those involving the applicability of the act to specific types of contracts, the qualifications of particular firms to bid as "regular dealers" or "manufacturers," and the applicability of wage determinations to contracts for given types of commodities.

Investigation Activities

Currently about 900,000 establishments, with approximately 24,000,000 employees, are obligated to comply with the Fair Labor Standards Act's minimum wage provisions. A number of these establishments must also comply with the provisions of the Public Contracts Act, including its safety and health requirements, because they do business with the Government under that law. There are, in addition, an undetermined number of farms which, though exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act, are covered by its child labor provisions. How most effectively to discover violations of the acts and obtain maximum compliance is the continuing objective of the Divisions' enforcement programs.

The Enforcement Problems

While educational and information programs reach specific segments of industries with compliance problems as well as wide cross sections of management and labor, and while their general effect is to alert and remind the public about the acts and induce affected firms or persons to make further inquiries as to the application of the law in given situations of fact, they do not fulfill the same functions as investigations. Physical investigations must be undertaken in order to determine if individual firms are in compliance and to correct violations where found. A sound investigation program is the most effective deterrent against violations of the law, whether due to carelessness, misinterpretation of the statutory provisions, or willfulness.

Since the limited staff can physically investigate only 5 to 6 percent of the covered establishments each year, a premium is placed on the effective direction of investigative effort. The most serious violations are disclosed in investigations based on complaints from employees. Many workers, however, are reluctant to complain, and other means of scheduling investigations are necessarily used. The long experience of the field staff with its intimate knowledge of local conditions provides great assistance in the selection of individual case assignments.

In 1957, a survey was made of industries comprising over two-thirds of all establishments with covered employees. Its purpose was to provide, on a statistical basis, an estimate of the magnitude of the noncompliance problem as of a given year and to furnish some general guidelines that would be helpful in developing investigation programs. The survey also provided some general indications of the greater likelihood of finding underpayments

in some geographic regions than in others, in nonmetropolitan areas, and in certain industries.

Although providing background information, the survey could not pinpoint the many small pockets of noncompliance which can be found only by investigation. Operation of the investigation program will continue to require the detailed local knowledge of the Divisions' field staff. Added emphasis is now being placed on contributions to the program by the field offices, as well as the regional offices. In addition, more investigators are being shifted to itinerant stations, and it is anticipated that about half of the investigative staff will be working out of them by next year.

Pilot studies of various kinds have been and are currently being made to test new scheduling approaches or methods to improve performance. Survey-type programs have been set up on a local basis to test new ideas in scheduling. Recently completed or still in process are a homework survey, and saturation surveys in the New York, Chicago, and San Francisco regions, discussed in greater detail below, as well as various programs of local application.

Current Programs

The legal minimum wage under the Fair Labor Standards Act was raised to $1 per hour effective March 1, 1956. The intervening period of enforcement activity has helped to clarify the areas of investigation need on a local basis. The 1957 survey, coupled with other pilot programs, has had a twofold influence on current planning. First, existing program plans were verified by the survey; and second, other areas of needed emphasis were discovered.

Current programing emphasis, relying on the experience of the Divisions' employees built up from years of service, is being centered on local knowledge of industrial conditions that bring about violations and abridgment of standards. Investigators and their supervisors have been given more responsibility for investigations in their particular geographic area. The basic program begins at the local area in conjunction with the regional and national programing objectives which are much broader in scope.

The increasing delegation of programing responsibility to field office and subfield office levels has been accompanied by greater participation in the selection of individual assignments to meet the program. The selection of assignments on a decentralized basis has created a need for the distribution of industry files to the field offices. The distribution has been started on a pilot basis. This is a part of an overall effort to furnish the field with the tools needed to obtain the maximum enforcement results.

As a result of a pilot study of preassignment processing techniques in the previous fiscal year, a revised form and letter have been prepared to obtain information from employers. Careful use of this procedure will eliminate visits to establishments that may not be covered or have ceased operations.

Started in fiscal 1958 are two programs designed to furnish specific information which can be used for future programing purposes. Scheduled to be completed in December 1958 is the homework survey, a controlled pilot test of the investigation of all known employers of homeworkers. The test covers all continental industries and areas and is designed to reveal industry practices and problems as well as the compliance level in the homework field. In process also are saturation survey projects in three regions—New York, Chicago, and San Francisco. This type of survey provides for the physical investigation of all known covered employers in a limited geographical area, in these instances a county. The results of these surveys are expected to furnish valuable information on programing techniques.

As a consequence of the amendments concerning Guam, Wake Island, and the Canal Zone, an investigator was sent to the Canal Zone to make investigations under the act for several months. There has been no investigational activity on Guam and Wake Island, but future plans call for such activity. There has been no demonstrated need for investigation activity in American Samoa since the American Samoa Labor Standards Amendments of 1956 became effective.

Back-Wage Payments and Violations of Pay Provisions

Minimum wage underpayments of $6,145,385 to 63,349 employees were disclosed. Fifty-six percent of the amount of underpayment resulted from complaint cases, 16 percent from other priority investigations—that is, investigations undertaken for the most part because other information indicated violations might exist—and 28 percent from nonpriority investigations designed to channel investigations into areas or industries where previous experience has indicated a relatively high degree of violations.

The number of employees not paid full overtime compensation totaled 130,792. The amount owed these employees was $13,509,914, of which 48 percent was disclosed in complaint cases, 15 percent in other priority cases, and 37 percent in nonpriority investigations.

During the year, the Divisions received 10,102 complaints, 51 percent of them in the South—the Birmingham, Dallas, and Nashville regions, and North Carolina.

The bulk of the minimum wage underpayments were found in nonmetropolitan areas and in small establishments. The amount of overtime underpayments was greatest in metropolitan areas and relatively large establishments. Investigations in nonmetropolitan areas accounted for 61 percent of the total amount of unpaid minimum wages and only 42 percent of the unpaid overtime compensation. Of the total amount of minimum wage underpayments, 55 percent was found in establishments employing 1 to 19 workers, 33 percent in establishments of 20 to 99 workers, and 12 percent in establishments of 100 or more workers. The corresponding proportions for overtime underpayments were 45 percent, 39 percent, and 16 percent.

Employers agreed, or were ordered by the courts, to pay $10,953,896 in back wages, which was 56 percent of the total amount of underpayments disclosed. The amount voluntarily agreed to at the time of statistical closing of cases totaled $9,717,844, or 49 percent of underpayments. (See appendix tables A, B, and C.)

Among the largest back-wage payments ever made was one of about half a million dollars paid some 11,000 textile workers by 49 firms that had contested the validity of the textile industry minimum wage determination under the Public Contracts Act. This sum accrued while the determination was under litigation, and payment was negotiated by the Divisions following a favorable court decision. Some large back-wage payments made by individual firms as the result of investigation included $70,000 in overtime compensation found owed by a construction company building new intakes for the water system of a midwest city, and more than $49,000 owed by an oil-well drilling company in the Mississippi Valley. A cheese packer in a northwestern State paid $23,270 in back wages to several hundred employees, a coal and coke company in a mid-Atlantic State paid about $22,000 to more than 100 workers due overtime compensation, and an eastern machine-tool company voluntarily paid more than $18,000 to 45 employees.

Child Labor Violations

Investigators found 11,634 minors employed contrary to the child labor provisions of the Fair Labor Standards Act, which set a minimum of 16 years for general employment and 18 for occupations found particularly hazardous by the Secretary of Labor, and which permit the employment of 14 and 15 year olds in some jobs outside school hours under regulated hours and conditions. Of the children found unlawfully employed, 7,143 were working in nonagricultural establishments and 4,491 on farms during school hours. Appendix table C shows the number of minors found illegally employed by industry in nonagricultural establishments.

There were 94 minors found employed contrary to the child labor provisions of the Public Contracts Act, which set 16 years as the minimum age for boys and 18 as the minimum for girls employed on contracts subject to the act. In accordance with provisions that render an employer liable to the United States in the amount of $10 for each day that a minor is "knowingly" employed in violation of these requirements, approximately $13,350 was collected and deposited in the United States Treasury.

Of the 7,413 minors found employed in violation of the Fair Labor Standards Act in nonagricultural establishments, 3,636, or 51 percent, were 16 or 17 years of age in hazardous occupations, and 3,507, or 49 percent, were under 16 years of age. Of the 4,491 minors under 16 years found working on farms during school hours, 3,194, or 71 percent, were under 14, and 1,297, or 29 percent, were 14 and 15 years of age.

Safety and Health Inspections

During the fiscal year, 3,034 manufacturing establishments and 374 coal mines were inspected for compliance with the safety and health provisions of the Public Contracts Act.

Many of these inspections disclosed hazardous conditions that could have resulted in loss of life, severe personal injury, or destruction of property. For example, there were manufacturing plants with unguarded machinery, blocked exits, unlighted stairways, flammable materials improperly stored, inadequate gates on elevators, and filthy sanitary facilities. There were coal mines with such violations as failure to maintain adequate roof control (the number one killer in coal mines), faulty ventilation, and defective electrical equipment.

As in previous years, the Divisions obtained excellent cooperation from the Federal Bureau of Mines. The Bureau furnished safety inspection reports on mines producing coal for the Federal Government and performed other technical services. Mines working on contracts subject to the act must observe the Federal Coal Mine Safety Code or the State mining regulations, if such regulations have higher standards.

When unsafe conditions were called to the attention of management of the manufacturing plants and coal mines where violations were found, corrective actions were taken voluntarily by the majority and safety programs were frequently installed.

It was necessary, however, to initiate administrative hearing actions concerning 10 manufacturing plants and 15 respondents in cases involving coal mines, to determine whether insanitary or hazardous conditions had been maintained in violation of the contracts and the act. Unless the Secretary of Labor recommends otherwise, violators may not be awarded contracts for a period of 3 years. When these firms were faced with the possible loss of Government business, most corrected the hazardous conditions.

Legal Actions

A total of 1,289 civil and criminal cases under the Fair Labor Standards Act and the Public Contracts Act were filed during the fiscal year. Of the 1,158 civil actions filed, 1,096 were commenced under section 16 (c) or 17 of the Fair Labor Standards Act or section 2 of the Public Contracts Act, and 62 represented other civil actions. Criminal actions were instituted in 131 cases.

Proceedings under these acts were completed in 1,163 cases during the fiscal year. A total of 990 injunctions were obtained, 833 by contest and 157 by consent, and 25 other civil actions were closed. Criminal actions under the Fair Labor Standards Act were completed in 148 cases, and convictions were obtained in 138 instances. There were no acquittals, and 10 cases were either dismissed or nolle prossed. In addition, Public Contracts Act administrative proceedings were instituted in 37 cases and 38 cases were completed during the year.

Fines totaling $147,693 were imposed by the courts in criminal cases, and $4,500 in contempt proceedings.

Restitution of back wages was also made as follows: Criminal cases, $255,622.76; civil cases, $1,264,629.71; contempt, $84,833.15; for a total of $1,605,085.62. In addition, $62,371.41 was recovered as liquidated damages in Public Contracts Act administrative proceedings during the fiscal year.

Administration of Minimum Wage Provisions

Although a minimum wage of $1 an hour is provided by the Fair Labor Standards Act, the Divisions have certain responsibilities for the setting of minimum wage rates. These duties arise from sections of the act authorizing rates at less than the statutory minimum for certain geographic areas and specific categories of employees. In addition, the Divisions conduct activities in connection with the issuing of prevailing minimum wage determinations by the Secretary of Labor under the Public Contracts Act.

Besides these functions dealing with the establishment of determination of minimum rates, the Divisions have the basic responsibility for the program whereby the Secretary of Labor evaluates the minimum wage rates set by the Fair Labor Standards Act.

Puerto Rico, the Virgin Islands, and American Samoa

For the second consecutive year, the Divisions conducted a complete review of all minimum wage rates applicable under the Fair Labor Standards Act in Puerto Rico, the Virgin Islands, and American Samoa. Wages in Puerto Rico and the Virgin Islands have been reviewed annually in accordance with the Fair Labor Standards Amendments of 1955 and in American Samoa in accordance with the American Samoa Labor Standards Amendments of 1956.

Under the terms of these amendments and the statutory mandate contained in the law that rates be raised to the $1 minimum as rapidly as economically feasible, 9 series of hearings were held in Puerto Rico comprising 30 industry committees, and 1 committee each was convened in the Virgin Islands and American Samoa. These committees, composed equally of employer, employee, and public members, recommended minimum rates at or below the $1 rate for all island industries subject to the law. The Administrator subsequently issued wage orders putting these recommendations into effect. Altogether, 95 minimum wage rates were set for the industries or industry classifications in Puerto Rico, 11 for the Virgin Islands, and 4 for American Samoa. Appendix tables D, E, and F show the current and former minimum wage rates for all industries in these areas.

Since the 1955 amendments to the Fair Labor Standards Act became effective, substantial upward adjustments have been made in the minimum wage levels applicable in Puerto Rico and the Virgin Islands. Comparable progress has been achieved in the last 2 fiscal years in American Samoa. At

the end of fiscal year 1958, approximately 30 percent of the employees in these areas were subject to a minimum rate of $1 an hour, an additional 30 percent to minimum rates ranging from 70 to 95 cents an hour, and only 40 percent to minimum rates of less than 70 cents. All of the rates have been increased during the period subsequent to the 1955 amendments and a few rates have been raised 100 percent or more.

Despite the progress toward the statutory objective, experience over the last 2 years has shown that the rates of increase in minimum wages in fiscal 1958 were only about half those of the preceding year. Moreover, in numerous cases, the committees found little or no economic basis for adjusting the rates upward. For example, in 13 instances (other than where rates were already at the $1 level) no increase was recommended in the most recent fiscal year, and in 10 other instances, increases of 2 cents an hour or less were voted. This record supported the Department's conclusion that economic conditions in Puerto Rico, the Virgin Islands, and American Samoa do not change with sufficient rapidity to justify annual review of the minimum wage rates applicable in these areas.

Accordingly, the Department recommended to the Congress that the wage order program for Puerto Rico, the Virgin Islands, and American Samoa be changed from an annual to a biennial basis. This principle was incorporated into an amendment to the act, approved by the President August 25, 1958, which provides that minimum wage rates in these islands which are not equal to the statutory level shall be reviewed by an industry committee once during each biennial period beginning July 1, 1958. However, the Secretary may order an additional review.

Wage Determinations Under the Public Contracts Act

During the fiscal year, 50,519 contracts were reported to the Divisions by the various contracting agencies of the Government as being subject to the Public Contracts Act. These contracts amounted to $9,270,474,000. (See appendix table G.) These figures do not include a large number of unclassified contracts carrying confidential or higher security classifications, which are also subject to this law. The substantial Government purchases subject to the act emphasize the importance of the law and indicate that many of the Nation's production workers benefit from its provisions.

Determinations have been made for 47 industries pursuant to provisions of the act authorizing the Secretary of Labor to determine prevailing minimum wages to be paid on contracts subject to the law. (See appendix table H.) Of the more than $9 billion in unclassified contracts reported as subject to the act this year, a total of $4,234,513,000 was for products of these industries.

The Secretary of Labor issued two final determinations during the fiscal year. A minimum wage determination of $1.20 an hour, effective April 25, 1958, was issued for the scientific, industrial, and laboratory instruments industry, with beginners permitted at not less than $1.15 for a period of 3 months. On June 24, a determination was issued for the paint, varnish,

and related products industry, effective July 24, 1958, providing a minimum hourly wage of $1.50; with beginners at $1.40 an hour for 480 hours. The latter determination had been proposed during the fiscal year.

In addition, the Secretary issued proposed determinations for the surgical instruments and apparatus industry, the drugs and medicine industry, and the bituminous coal industry. The surgical instruments proposal provides for a minimum wage of $1.25 an hour, with beginners permitted at $1.15 an hour for 320 hours. The proposed minimum wage for drugs and medicines is $1.20 per hour. The bituminous coal proposal provides separate determinations for 22 coal districts, ranging from $1.40 to $2.846. About four-fifths of the bituminous coal industry is located in coal districts for which a minimum wage determination of $2.745 is proposed. Opportunity was provided in these proposals for interested parties to file exceptions.

Progress was also made toward issuance of determinations for the soap industry and flour milling. A proposed determination for both these industries was issued shortly after the close of the fiscal year.

Under section 10 of the act, determinations are made on the record after opportunity for a hearing. Hearings were held during the fiscal year for three industries which were also the subject of subsequent actions as already noted—paint, varnish, and related products, bituminous coal, and surgical instruments and apparatus—and for three other industries—fabricated structural steel, evaporated milk, and paper and pulp.

The first step in a prevailing minimum wage determination proceeding is generally the convening of a labor-management panel conference to explore definitional and other problems relating to the proceeding and to work out plans for obtaining the necessary wage data. Such conferences were held in six industries—electron tubes, tires and tubes, broad-woven textiles, narrow fabrics and miscellaneous textiles, paper containers, and industrial chemicals.

Several of the Secretary's determinations were subject to court action during the year. The decision of the District Court of the District of Columbia upholding the validity of the determination for electric lamps was appealed to the Court of Appeals of the District of Columbia Circuit. The challenge to the determination for batteries was abandoned after the District Court of the District of Columbia had denied application for preliminary relief. The Court of Appeals of the District of Columbia Circuit upheld the District Court of the District of Columbia in confirming the validity of the determination for bituminous coal, and *certiorari* was denied by the Supreme Court.

Learners, Apprentices, and Handicapped Workers

Under section 14 of the Fair Labor Standards Act, learners, apprentices, certain messengers, and handicapped workers may be employed pursuant to regulations under certificates at special minimum rates lower than the statutory minimum, to the extent necessary to prevent the curtailment of opportunities for employment. The number of applications for certificates,

though considerably lower than in fiscal year 1956 when the $1-an-hour statutory minimum became effective, reflected a continuing need for special minimum rate provisions.

Learners.—Standards contained in the supplemental industry learner regulations for the cigar, knitted wear, and apparel industries were reviewed, taking into consideration economic changes and administrative experience since the effective date of the $1 minimum, and after consultation with and opportunity for comment by interested parties. During the year, the Administrator increased by 5 cents, to 85 and 90 cents an hour, the minimum learner rates for women's apparel, the new rates becoming effective August 1, 1958. A 5-cent increase for cigars was also adopted, effective July 6, 1958, raising the minimum learner rates to 85 and 92½ cents. The cigar industry learner regulations were also clarified as to the number of learners authorized to be employed, and the 640-hour learning period for making Italian stogies was limited to making such cigars by hand. For the knitted wear industry, it was proposed to raise the minimum learner rate from 85 to 90 cents and to limit to two the number of authorized occupations in which a learner may be trained at special minimum rates.

In addition, studies were made and informal conferences were held with interested trade association and union representatives concerning changes in the learner regulations for divisions of the apparel industry other than women's apparel.

The Divisions also reviewed learner standards for industries not covered by supplemental learner regulations. A policy was established of issuing no learner certificates with rates of less than 85 cents an hour for the mainland, and in Puerto Rico and the Virgin Islands learner rates were revised upward in the light of increased minimum rates provided by new wage orders.

A total of 2,256 learner applications were received during the year, approximately 25 percent fewer than in the preceding year, and an additional 78 were pending at the beginning of fiscal 1958. Final action was taken on 2,261 applications, with 2,313 certificates issued, 1,882 for normal labor turnover and 431 for plant-expansion purposes, 86 applications denied, and 109 applications withdrawn. At the end of fiscal year 1958, a total of 1,809 certificates were in effect in 1,683 plants, authorizing the employment of an estimated total of 32,761 learners at any one time. (See appendix table I.) At the end of the preceding fiscal year, 2,318 certificates were in effect in 2,138 plants, authorizing the employment of an estimated maximum total of 41,281 learners at any one time.

About 60 percent of the certificates (1,373 in number) were issued for plants in the apparel industry. Of the other industries, the hosiery industry had 244 certificates; knitted wear, 163; gloves and mittens, 76; cigar, 20; shoe manufacturing, 58; and independent telephone, 12. In addition, 367 certificates (211 for plants in Puerto Rico) were issued for plants not covered by supplemental learner regulations. About 53 percent of the certificates in effect at the end of the year were held by plants in the Chambers-

burg (Pa.), Birmingham, and Nashville regions. Approximately 35 percent of all certificates issued entailed modification of the request made on the application, primarily a reduction in the number of learners requested.

Student-Learners, Student-Workers, and Apprentices.—Special minimum rates were authorized for 790 student-learners, providing part-time employment integrated with related school instruction, and for 33 educational institutions, primarily Seventh-Day Adventist, providing needy students with employment in school-operated shops. The Divisions also authorized the employment of 320 apprentices at special minimum wages; 213 of these apprentices were in Puerto Rico.

Handicapped Workers.—During the year, 3,708 certificates were issued for handicapped workers in private industry, a continuing decline from the 4,252 issued in fiscal 1957 and the 4,513 issued in fiscal 1956. Over half the total concerned four industries—knitting mills, tobacco manufactures, men's and boys' clothing, and women's and children's clothing. Age was the most important reason for the issuing of certificates; it was the basis for 43 percent of them. Almost 80 percent of the certificates were required by production workers, of whom about 4 out of 5 were women. Birmingham, the most important single region, accounted for 27 percent of all certificates.

The growing interest in sheltered workshops for employment and employment training of the more seriously handicapped is reflected by the 14 percent increase, to 397, in the number of certificates in effect at the end of the fiscal year. Roughly one-fifth of the total were held by workshops for the blind, one-tenth primarily by those for the mentally retarded and cerebral palsied, with most of the remaining providing employment to a variety of disability groups. At the time of application, the workshops employed 21,378 handicapped workers.

The Administrator's Advisory Committee on Sheltered Workshops was reconstituted and met twice during the year, recommending several revisions in the program after studying findings of a survey completed by the Divisions during the previous year. Work on these revisions was begun.

Apprentices Under the Public Contracts Act.—Effective September 3, 1957, the Secretary amended the general regulations issued under the Public Contracts Act in order to provide uniform criteria for the employment of apprentices at rates below those set by prevailing minimum wage determinations.

Economic Effects of the $1 Minimum Wage

The Divisions' responsibilities in the field of minimum wage studies derive from section 4 (d), which requires an annual evaluation and appraisal by the Secretary of Labor of the minimum wages established by the Fair Labor Standards Act. Following the 1955 amendments raising the minimum wage to $1 an hour, the Department projected a 3-year program of studies of the economic effects of the higher minimum. The collection of

data and a substantial part of the analysis had been completed at the end of the 1958 fiscal year.

The program of studies was designed to obtain information on the economic effects of the $1 minimum on the economy as a whole, on broad industry groups, industry segments, localities, individual plants, and on laid-off workers. Surveys conducted by the Bureau of Labor Statistics provided the data for studies of changes in the wage structures and related matters of low-wage industries and localities, a wage distribution study for broad groups of low-wage industries, and a study of individual plant adjustments to the $1 minimum. A study of the effects on the economy as a whole and a program of investigation of adverse employment effects were carried out by the Divisions, which have overall responsibility and will prepare a comprehensive report on the entire program.

Findings which relate to the immediate impact of the $1 minimum were described in an interim report, Studies of the Economic Effects of the $1 Minimum Wage, issued by the Divisions last year. In general, the report showed that although the immediate impact of the new minimum on the economy as a whole was negligible, there were noticeable effects in low-wage industries on earnings and hours of work. As a result of the relatively greater increases to the lower paid workers, many established wage differentials were reduced, even though some higher paid workers received wage increases as an indirect effect. Effects on workers in noncovered industries, as evidenced by the findings of the locality studies, were of small consequence. However, in certain industries which are generally covered, there were important indirect effects in noncovered segments, as, for example, fertilizer.

Information from the second round of surveys of low-wage industries, obtained chiefly during fiscal 1958, indicated some restoration of differentials a year after the $1 minimum had become effective, but, on the whole, a rather mixed pattern of wage changes. Average earnings moved up slightly for most of these industries, but greater increases during this period went to higher paid workers, tending to widen differentials between high- and low-wage occupations, plants, and areas. However, at least a third of the workers were still at the minimum in most of the industries studied.

A slight restoration of the earnings differentials between covered and noncovered workers in the localities studied was also observed in the second round of studies. For the short- and longer-term periods combined, however, the relative position of noncovered workers with respect to earnings had deteriorated.

The studies also demonstrated that the means of adjustment to the minimum wage varied from plant to plant. Each plant had to find a pattern of adjustments best suited for itself.

APPENDIX TABLE A.—*Number of underpaid employees and amount of underpayment disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by fiscal year, 1949–58*

Fiscal year	Number of establishments investigated	Number of employees subject to minimum wage [1]	Underpayment disclosed		Payment agreed to by employers	
			Number of employees [2]	Amount	Number of employees	Amount
1949	31,916	1,556,117	186,310	$12,186,957	[3] 104,333	$4,279,085
1950	25,881	1,515,643	140,872	9,559,628	[3] 80,297	4,081,193
1951	31,899	1,569,866	139,038	11,202,561	95,604	6,666,995
1952	39,109	2,125,103	208,078	15,663,912	144,792	8,467,668
1953	38,649	2,092,933	193,111	16,652,697	114,770	8,282,043
1954	39,430	2,019,649	141,368	13,774,248	85,049	6,485,545
1955	39,330	1,962,278	128,754	12,151,077	81,330	6,165,117
1956	33,148	1,581,641	112,710	11,085,952	74,762	6,051,909
1957	48,482	2,296,913	181,910	18,834,134	110,379	9,211,286
1958	53,796	1,910,127	166,497	19,655,299	116,797	[4] 10,953,896

[1] Employees engaged in interstate commerce or the production of goods for interstate commerce who are not exempt under section 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.

[3] Estimated.

[4] Includes amounts employers were ordered to pay after statistical closing of cases.

APPENDIX TABLE B.—*Number of underpaid employees and amount of underpayment disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by region, fiscal year 1958*

Region	Number of establishments investigated	Number of employees subject to minimum wage [1]	Number of employees underpaid		Amount of underpayment			Payment agreed to	
			Paid at less than minimum wage rate	Not paid full overtime compensation	Total	Minimum wages	Overtime compensation	Number of employees	Amount
All regions	53,796	1,910,127	63 349	130,792	$19,655,299	$6,145,385	$13,509,914	116,797	$10,953,896
I. Boston	4,677	246,918	1,719	6,722	835,806	109,676	726,130	5,901	511,030
II. New York	9,975	339,854	3,872	14,011	1,697,073	265,163	1,431,910	13,389	1,170,301
III. Chambersburg	3,851	177,603	3,616	9,382	1,630,284	557,414	1,072,870	6,626	670,544
IV. Birmingham	4,214	178,983	13,874	21,037	3,416,562	1,440,141	1,976,421	19,818	1,658,312
V. Cleveland	3,121	95,901	1,637	7,627	1,126,121	163,749	962,372	5,747	665,582
VI. Chicago	5,781	242,544	2,816	10,393	1,371,816	241,710	1,130,106	8,411	787,386
VII. Kansas City	4,548	102,378	2,221	7,070	1,128,089	262,243	865,846	6,476	812,194
VIII. Dallas	5,896	131,176	10,658	20,177	3,417,457	1,118,052	2,299,405	17,674	1,907,320
IX. San Francisco	4,545	131,548	2,580	13,762	1,690,504	193,566	1,496,938	10,428	1,008,421
X. Nashville	4,494	149,953	11,738	11,801	2,272,404	1,247,850	1,024,554	11,363	1,060,492
Puerto Rico	774	28,247	5,095	2,757	317,417	228,749	88,668	5,022	247,283
North Carolina	1,413	66,136	3,088	4,231	592,844	278,519	314,325	4,107	326,490
Hawaii	495	18,372	329	1,723	138,489	21,637	116,852	1,759	125,909
Canal Zone	12	514	106	99	20,433	16,916	3,517	76	2,632

[1] Employees engaged in interstate commerce or the production of goods for interstate commerce who are not exempt under section 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.

APPENDIX TABLE C.—*Findings disclosed by investigations under the Fair Labor Standards and Public Contracts Acts, by industry group, fiscal year 1958*

Industry group	Number of establishments investigated	Number of employees underpaid		Amount of underpayment disclosed			Number of minors illegally employed
		Paid at less than minimum wage rate	Not paid full overtime compensation	Total	Minimum wages	Overtime compensation	
Total, all industries	53,796	63,349	130,792	$19,655,299	$6,145,385	$13,509,914	7,214
Manufacturing industries	25,145	30,791	53,899	7,307,108	2,414,109	4,892,999	4,478
Food and tobacco products	3,182	8,737	10,616	1,918,857	849,478	1,069,379	935
Textile, apparel, leather products	6,062	11,762	11,024	1,410,624	654,332	756,292	563
Lumber, furniture, and wood products	3,666	4,349	8,697	1,137,660	394,673	742,987	1,043
Paper, printing, publishing	2,145	1,424	3,034	472,588	136,385	336,203	577
Chemicals, rubber, and related products	1,234	415	2,838	374,763	61,207	313,556	172
Stone, clay, and glass products	765	453	1,948	245,295	36,991	208,304	78
Metal and related products	5,936	2,085	13,257	1,398,067	166,149	1,231,918	722
Miscellaneous manufacturing industries	2,155	1,566	2,485	349,254	114,894	234,360	388
Nonmanufacturing industries	28,651	32,558	76,893	12,348,191	3,731,276	8,616,915	2,736
Mining	2,395	5,517	9,593	1,928,143	687,075	1,241,068	340
Construction	2,752	4,197	22,073	2,050,668	264,958	1,785,710	200
Trade: Food and farm products	3,288	3,748	5,559	1,242,319	484,699	757,620	507
Trade: Other than food and farm products	9,162	6,205	14,709	2,862,866	882,025	1,980,841	852
Finance, insurance, real estate	3,457	2,763	4,481	628,948	270,011	358,937	55
Transportation, communication, and utilities	3,642	4,198	7,894	1,741,884	565,307	1,176,577	289
Miscellaneous industries, n. e. c.[1]	3,942	5,878	12,521	1,889,024	575,006	1,314,018	482
Forestry and fisheries	13	52	63	4,339	2,195	2,144	11

[1] Not elsewhere classified.

APPENDIX TABLE D.—*Changes in minimum wage rates in Puerto Rico during fiscal year 1958*

Industry and division or classification	Rate (cents per hour)		Effective date of current rate
	June 30, 1957	June 30, 1958 [1]	
Alcoholic beverage and industrial alcohol	100	100	July 16, 1958
Artificial flower, decoration, and party favor	54	54	Apr. 3, 1958
Banking, insurance, and finance	100	100	July 16, 1958
Button, jewelry, and lapidary work:			
Gem stone classification	100	100	Do.
Hair accessories classification	58	61	Do.
Hair ornaments classification	67	71	Do.
Industrial jewel classification	75	90	Do.
Plastic costume jewelry classification	50	57	Do.
Precious jewelry and metal expansion watch band classification.	80	87	Do.
Rosary and native jewelry classification	43	43	Do.
General classification	60, 63	63	Do.
Chemical, petroleum, rubber, and related products:			
Agricultural chemicals, fertilizer mixing, hormones, antibiotics, adrenalin, miscellaneous rubber products, and petroleum refining classification.	80, 100	100	Oct. 13, 1957
Drugs, medicines, bay oil, aromatic alcohol, toilet preparations, industrial inorganic chemicals, and rubber bucket classification.	65, 70, 75	75	Do.
Miscellaneous petroleum products classification	75	80	Do.
Rebuilt and vulcanized tire and miscellaneous chemical products classification.	75, 80	85	Do.
Rubber footwear classification	60	70	Do.
Children's dress and related products:			
Hand-embroidery classification	35	42	Sept. 5, 1957
Other operations classification	50	57	Do.
Communications, utilities, and transportation:			
Motor carrier transport and express classification	75	80	July 16, 1958
Radio broadcasting classification	70	90	Do.
General classification	33, 90, 100	100	Do.
Construction, business service, motion picture, and miscellaneous:			
Business service, motion picture, industrial and other building construction and special trade contractors, and miscellaneous industry classification.	70, 85, 100	100	Jan. 17, 1958
Highway and street and other heavy construction classification.	70	80	Do.
Janitorial and custodial service classification	85	85	Do.
Corsets, brassieres, and allied garments	75	80	May 15, 1958
Electrical, instrument, and related products:			
Lens classification	70	75	Nov. 15, 1957
Radio and television components and resistance-type household appliance classification.	75, 80	85	Do.
Shaver and hair dryer, storage battery, drafting machine, electrical terminal and connector television antenna and lead-in cable, and portable hand-tool classification.	85, 90, 100	100	Do.
General classification	60, 85	88	Do.
Fabric and leather glove:			
Hand-sewing on fabric gloves classification	24	25	Mar. 21, 1958
Hand-sewing on leather gloves classification	33	35	Do.
Other operations on hand-sewn gloves classification	50	51	Do.
Machine operations on machine-sewn gloves classification	67½	72½	Do.
Other operations on machine-sewn gloves classification	50	60	Do.
Fabricated plastic products:			
Dinnerware, sprayer, and vaporizer classification	80, 100	100	Oct. 21, 1957
Phonograph record classification	80	90	Do.
Wall tile and flexible plastic bag classification	63, 70	70	Do.
General classification	63	68	Do.
Food and related products:			
Citron brining and fruit, vegetable, nut, and coffee grading, and packing classification.	43, 55	60	Dec. 14, 1957
Milk products and ice cream, biscuit and cracker, soft drink, frozen sea food, yeast, and animal feed classification.	55	70	Do.
General classification	55	65	Do.
Handkerchief, square scarf, and art linen:			
Hand-sewing classification	25	26	Aug. 29, 1957
Other operations classification	49	51	Do.
Hosiery:			
Full-fashioned hosiery classification	65	67	Apr. 3, 1958
Seamless hosiery classification	63	65	Do.
Leather, leather goods, and related products:			
Baseball and softball classification	49	57	Mar. 21, 1958
Belt classification	65	65	Do.
Hide curing classification	85	85	Do.
Smaller leather goods classification	45	50	Do.
Sporting and athletic goods classification	51	60	Do.
General classification	50, 51	53	Do.

See footnote at end of table.

APPENDIX TABLE D.—*Changes in minimum wage rates in Puerto Rico during fiscal year 1958*—Continued

Industry and division or classification	Rate (cents per hour)		Effective date of current rate
	June 30, 1957	June 30, 1958 [1]	
Lumber and wood products:			
Carpet grippers classification	90	100	Dec. 30, 1957
Furniture, woodenware, and miscellaneous wood products classification.	50	57½	Do.
Lumber and millwork classification	60	70	Do.
Men's and boys' clothing and related products:			
Suits, coats, jackets, neckties, hats, and caps classification	70	72½	May 24, 1958
General classification	65	72	Do.
Metal, machinery, transportation equipment, and allied products:			
Fabricated wire products, steel spring, and slide fastener classification.	80	87	Nov. 15, 1957
General classification	90, 100	100	Do.
Needlework and fabricated textile products:			
Crocheted hats and infants' bootees classification:			
Hand-embroidering and hand-crocheting operations	40	50	Sept. 9, 1957
Other operations	60	70	Do.
Dungarees, slacks, and related products classification	60	70	Do.
Knit glove, crocheted slipper, and leather handbag classification.	50	62	Do.
General classification	60	72	Do.
Paper, paper products, printing, and publishing:			
Daily newspaper and news syndicate, photoengraving, filing cards and indexes, decalcomania transfers and posters, fototype letters, and paper for sanitary use classification.	60, 85	100	Oct. 9, 1957
Paper bag classification	70	95	Do.
Paper box classification	75	85	Do.
Pulp, paper, and paperboard classification	75	93	Do.
General classification	60	75	Do.
Shoe and related products	51	55	Mar. 21, 1958
Stone, clay, glass, cement, and related products:			
Abrasive products, cement, dry cement mixes, glass and glass products, hot asphaltic plant mix, ready-mixed concrete, concrete block and tile, concrete pipe, precast concrete construction components, structural clay products, and ceramic floor and wall tile classification.	70, 90, 100	100	Jan. 11, 1958
Asbestos-cement, and lime and lime products classification	70	85	Do.
Handmade art pottery classification	40	50	Do.
Mica classification	62	72	Do.
Vitreous and semivitreous china food utensils classification	55	62	Do.
General classification	70	80	Do.
Straw, hair, and related products:			
Artists' brush and native handicraft classification	37, 42	45	Apr. 4, 1958
Hair and bristles processing and other straw, hair, and related products classification.	53	55	Do.
Hairpiece and doll wig classification	65	70	Do.
Sugar manufacturing	90	100	Dec. 14, 1957
Sweater and knit swimwear:			
Hand-embroidery classification	77½	77½	Sept. 6, 1957
Other operations classification	77½	90	Do.
Textile and textile products:			
Bag cleaning and repairing classification	52	57	Apr. 3, 1958
Hooked or punched rugs and carpeting classification:			
Multiple-needle power-driven machine operations	65	70	Do.
Hand-guided power-driven machine operations	53	55	Do.
Other operations	49	52	Do.
Mattress and pillow classification	100	100	Do.
General classification	56	62	Do.
Tobacco:			
Machine threshing classification:			
Machine operations	75	80	Dec. 8, 1957
Other operations	36	60	Do.
Puerto Rican cigar filler tobacco processing classification	36	36	Do.
Wrapper type tobacco processing classification	65	70	Do.
General classification	65	75	Do.
Wholesaling, warehousing, and other distribution	90, 100	100	July 16, 1958
Women's and children's underwear and women's blouse and neckwear:			
Hand-sewing classification	35	45	Sept. 1, 1957
Other operations classification	56	66	Do.

[1] Wage orders for 5 industries were published by June 30, 1958, but did not become effective until July 16, 1958.

APPENDIX TABLE E.—*Changes in minimum wage rates in the Virgin Islands from May 4, 1957, to April 26, 1958*

Industry and classification	Rate (cents per hour)	
	May 4, 1957	April 26, 1958
Air transportation	84	100
Alcoholic beverages and industrial alcohol	55	60
Banking, real estate, accounting, and insurance	75	85
Bay rum and other toilet preparations	70	75
Fruit and vegetable packing, farm products assembling, and meat packing	40	40
Handmade art linen and straw goods:		
Hand-sewing operations on art linen	20	25
Hand-sewing and hand-weaving operations on straw goods	15	20
Other operations	40	45
Shipping, marine transportation, ship and boat building	84	95
Wholesale distribution, trucking, construction, and communications	70	70
Miscellaneous industries (all industries not specified above)	55	55

APPENDIX TABLE F.—*Changes in minimum wage rates in American Samoa from June 22, 1957, to June 21, 1958*

Industry	Rate (cents per hour)	
	June 22, 1957	June 21, 1958
Fish canning and processing	38	52
Petroleum marketing	45	52
Shipping and transportation	40	50
Miscellaneous industries (all industries not specified above)	35	38

APPENDIX TABLE G.—*Number and value of unclassified contracts subject to the Walsh-Healey Public Contracts Act, by fiscal year, 1937–58*

Fiscal year	Number of contracts [1]	Value (in thousands) [2]	Fiscal year	Number of contracts [1]	Value (in thousands [2]
Total, all years	957,411	$201,026,014	1947	19,303	1,656,595
			1948	21,413	2,360,105
1937 (9 months)	3,223	177,789	1949	27,393	3,606,280
1938	5,158	294,953	1950	22,349	2,784,325
1939	6,396	528,393	1951	57,493	10,422,848
1940	9,324	799,733	1952	65,475	10,978,395
1941	24,333	5,085,694	1953	54,210	10,978,817
1942	59,536	15,867,769	1954	44,081	7,932,035
1943	101,224	30,935,632	1955	33,270	6,383,855
1944	98,167	30,216,662	1956	30,916	6,051,504
1945	135,260	28,798,335	1957	53,002	10,671,587
1946	35,366	5,224,234	1958	50,519	9,270,474

NOTE: Amendments and supplemental awards to existing contracts are treated in the same manner as the original contract.

[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.

APPENDIX TABLE H.—*Summary of minimum wage determinations applicable under the Walsh-Healey Public Contracts Act, June 30, 1958*

Title of industry and date of original determination	Effective date[1] of latest determination	Minimum hourly wage rate		Employees permitted at special minimum rates (other than handicapped)[2]
		Amount	Area	
Aircraft manufacturing, May 7, 1942	July 8, 1950	$1.05	Industrywide[3]	Apprentices[4] 75 cents.[5]
Aviation textile products manufacturing, Dec. 11, 1942	Oct. 7, 1956	1.00	do.[3]	Learners[6] and apprentices.[4]
Battery, May 27, 1957:				
Lead-acid storage branch	May 27, 1957	1.35	do.[3]	Apprentices.[4]
Dry primary battery branch	do	1.08	do.[3]	Do.[4]
Other battery branch	do	1.34	do.[3]	Beginners $1.15 for not more than 3 months; apprentices.[4]
			District	
Bituminous coal (including lignite), Nov. 25, 1955	Nov. 25, 1955	2.245	1—Eastern Pennsylvania.	Auxiliary workers are exempted from the determination.
		2.245	2—Western Pennsylvania.	
		2.245	3—Northern West Virginia.	
		2.245	4—Ohio.	
		None	5—Michigan.	Apprentices.[7]
		2.245	6—Panhandle.	
		2.245	7—Southern No. 1.	
		2.245	8—Southern No. 2.	
		2.09	9—West Kentucky.	
		2.245	10—Illinois.	
		2.28	11—Indiana.	
		1.40	12—Iowa.	
		2.015	13—Southeastern.	
		2.09	14—Arkansas-Oklahoma.	
		2.09	15—Southwestern.	
		2.296	16—Northern Colorado.	
		2.296	17—Southern Colorado.	
		2.296	18—New Mexico.	
		2.32	19—Wyoming.	
		2.32	20—Utah.	
		2.226	21—North Dakota-South Dakota.	
		2.346	22—Montana.	
		2.235	23—Washington.	
Cement, Mar. 2, 1940	Oct. 7, 1956	1.00	In each State where industry has its plants	Learners[6] and apprentices.[4]
Chemical and related products, Apr. 28, 1942:				
(a) Industrial and refined basic chemical products branch.	Oct. 7, 1956	1.00	Maryland, Virginia, North Carolina, South Carolina, Tennessee, Arkansas, Mississippi, Alabama, Georgia, Florida, and District of Columbia.	Do.[5 4]
	Jan. 23, 1951	1.15	All remaining States	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	1.00	Industrywide[3]	Learners[6] and apprentices.[4]
(c) Bone, black, carbon black, and lamp black branch.	Jan. 23, 1951	1.40	do.[3]	Beginners $1.35 for not more than 320 hours; apprentices.[7]

Cotton garment and allied industries, Aug. 2, 1937	Oct. 7, 1956	1.00	do.[3]	Learners [6] and apprentices.[4]
Dental goods and equipment manufacturing, Sept. 23, 1941:				
(a) Durable goods branch	Oct. 7, 1956	1.00	do.[3]	Do.[6 4]
(b) Consumable goods branch		1.00	do.[3]	Do.[6 4]
Die casting manufacturing, Apr. 5, 1941	do	1.00	In each State where industry has its plants	Do.[6 4]
Dimension granite, Jan. 15, 1938	do			
Drug, medicine, and toilet preparations and cosmetics, Sept. 19, 1941:				
(a) Drug and medicine branch	Oct. 7, 1956	1.00	Industrywide [3]	Learners [6] and apprentices.[4]
(b) Toilet preparations and cosmetics branch		1.26	do.[3]	Beginners $1.20 for not more than 3 months; apprentices.[4]
Electric lamp, Aug. 20, 1956	Aug. 20, 1956	1.08	do.[3]	Beginners [3] $1.02 for not more than 480 hours; apprentices.[7]
Envelope, May 12, 1938	Dec. 5, 1955	1.00	do.[3]	Learners [6] and apprentices.[4]
Evaporated milk, Nov. 3, 1941	Oct. 7, 1956	1.00	In each State where industry has its plants	Do.[6 4]
Fertilizer, Sept. 12, 1939	do	1.00	Industrywide [3]	Do.[6 4]
Fireworks, Oct. 15, 1938	do			
Furniture manufacturing, May 13, 1939:				
(a) Metal furniture branch	Oct. 7, 1956	1.00	do.[3]	Do.[6 4]
(b) Public seating branch		1.00	do.[3]	Do.[6 4]
(c) Wood furniture branch		1.00	do.[3]	Do.[6 4]
Gloves and mittens, Jan. 16, 1943	do	1.23	Connecticut, Delaware, District of Columbia, Illinois (except the area in and about East St. Louis, Ill.), 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.	Auxiliary workers $1.185; apprentices $1.185 for first 6 months.
Handkerchief, Jan. 26, 1938	do	1.19	Illinois (East St. Louis area only), Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.	Auxiliary workers $1.145; apprentices $1.145 for first 6 months.
Iron and steel, May 27, 1940	Aug. 27, 1949	1.085	Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia.	Auxiliary workers $1.04; apprentices $1.04 for first 6 months.
Knitting, knitwear, and woven underwear, Apr. 20, 1943	Oct. 7, 1956	1.00	Industrywide [3]	Learners [6] and apprentices.[4]
Leather manufacturing, Dec. 17, 1941	do	1.00	do.[3]	Do.[6 4]
Luggage, leather goods, belts, and women's handbag, Apr. 20, 1943.	do	1.00	do.[3]	Do.[6 4]
Men's hat and cap, Aug. 2, 1937:				
(a) Cap and cloth hat branch	Oct. 7, 1956	1.00	do.[3]	Do.[6 4]
(b) Fur felt hat branch		1.00	do.[3]	Do.[6 4]
Men's neckwear, Aug. 2, 1937	do	1.10	do.[3]	Beginners (probationary workers) $1 for not more than 240 hours; apprentices [9] 90 cents.[8]
Metal business furniture and storage equipment, Dec. 6, 1954.	Dec. 6, 1954			

See footnotes at end of table.

APPENDIX TABLE H.—*Summary of minimum wage determinations applicable under the Walsh-Healey Public Contracts Act, June 30, 1958*—Continued

Title of industry and date of original determination	Effective date [1] of latest determination	Minimum hourly wage rate		Employees permitted at special minimum rates (other than handicapped) [2]
		Amount	Area	
Office machines, June 18, 1956	June 18, 1956	$1.10	Industrywide [3]	Apprentices.[10]
Paint and varnish, Nov. 6, 1941	Oct. 7, 1956	1.00	Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.	Learners [6] and apprentices.[4]
	Feb. 17, 1952	1.05	All remaining States and District of Columbia	Beginners (probationary workers) $1 for not more than 480 hours; apprentices.[7]
Paper and pulp, Oct. 15, 1939:				
(a) All products except paper bag branch	Dec. 5, 1955	1.115	Industrywide [3]	Beginners (probationary workers) $1.065 for not more than 160 hours; apprentices.[7]
(b) Paper bag branch	Oct. 7, 1956	1.00	do.[3]	Learners [6] and apprentices.[4]
Photographic and blueprinting equipment and supplies, Aug. 14, 1939.	May 7, 1956	1.18	do.[3]	Apprentices.[10]
Pressed and blown glass and glassware, July 12, 1938	Oct. 7, 1956	1.00	do.[3]	Learners [6] and apprentices.[4]
Rainwear, Dec. 4, 1942	do	1.00	do.[3]	Do.[6 4]
Scientific, industrial, and laboratory instruments, Sept. 23, 1941.	Apr. 25, 1958	1.20	do.[3]	Beginners $1.15 for not more than 3 months; apprentices.[7]
Seamless hosiery, Aug. 2, 1937	Oct. 7, 1956	1.00	do.[3]	Learners [5] and apprentices.[4]
Shoe manufacturing and allied industries, July 11, 1942	do	1.00	do.[3]	Do.[6 4]
Small arms ammunition, explosives, and related products, Oct. 19, 1939:				
(a) Small arms ammunition branch	Apr. 20, 1952	1.05	do.[3]	Beginners (probationary workers) $1.01 for not more than 320 hours; apprentices [11] 75 cents.[5]
(b) Explosives branch	do	1.20	do.[3]	Beginners (probationary workers) $1.15 for not more than 320 hours; apprentices [11] $1.00.
(c) Blasting and detonating caps branch	do	1.12	do.[3]	Beginners (probationary workers) $1.06 for not more than 320 hours; apprentices [11] 75 cents.[5]
Soap, Aug. 14, 1939	Oct. 7, 1956	1.00	do.[3]	Learners [6] and apprentices.[4]
Specialty accounting supply manufacturing, Aug. 9, 1939.	do	1.00	do.[3]	Do.[6 4]
Structural clay products, Jan. 10, 1941	do	1.00	In each State where industry has its plants	Do.[6 4]
Surgical instruments and apparatus, Sept. 23, 1941	do	1.00	Industrywide [3]	Do.[6 4]
Tag, Oct. 31, 1938	do	1.00	do.[3]	Do.[6 4]
Textile, Oct. 17, 1941:				
(a) Cotton, silk, and synthetic textile branch	Feb. 21, 1953	1.00	do.[3]	Learners [12] 92 cents for not more than 240 hours;[5 5] apprentices.[7]
(b) All other products of the textile industry	Oct. 7, 1956	1.00	do.[3]	Learners [6] and apprentices.[4]

Tobacco, May 2, 1939	do	1.00	do.[3]	Do.[6 4]
Uniform and clothing, Feb. 25, 1941:				
(a) Suit and coat branch	Oct. 7, 1956	1.00	do.[3]	Do.[6 4]
(b) Heavy outerwear branch				
(c) Wool trousers branch				
Vitreous or vitrified china, May 19, 1938	do	1.00	do.[3]	Do.[6 4]
Wool carpet and rug, Oct. 15, 1938	do	1.00	do.[3]	Do.[6 4]
Woolen and worsted, May 14, 1949:				
(a) Broad-woven goods, yarn, and thread branch and pressed felt.	May 7, 1954	1.20	do.[3]	Learners and beginners [8] $1.05 for not more than 320 hours; apprentices.[7]
(b) All other products of the woolen and worsted industry.	do	1.05	do.[3]	Learners and beginners [8] 90 cents for not more than 320 hours;[8] apprentices.[7]

[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] Handicapped workers may be employed below the prevailing minimum wage applicable under section 1 (b) under the terms and procedures specified in section 201.1102 of the General Regulations issued under the Walsh-Healey Public Contracts Act.

[3] The determination does not apply to Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

[4] Apprentices may be employed at wages less than the prevailing minimum wages, under certificates, upon the same terms and conditions as are prescribed for the employment of apprentices by regulations, part 521, issued under section 14 of the Fair Labor Standards Act.

[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 prevailing minimum wages, under certificates, upon the same terms and conditions as are prescribed for the employment of learners by regulations, part 522, issued under section 14 of the Fair Labor Standards Act.

[7] Apprentices may be employed below the prevailing minimum wage applicable under section 1 (b) of the Public Contracts Act pursuant to certificates issued under the terms and procedures specified in section 201.1103 of the General Regulations, on contracts awarded on or after September 3, 1957, the effective date of that section.

[8] Learners and/or beginners may not be paid less than the piece rates paid to workers in the same plant.

[9] Apprentices may be employed at wages between 90 cents and $1.10 if their employment conforms with the standards adopted by the Bureau of Apprenticeship of the U. S. Department of Labor.

[10] Apprentices may be employed below the minimum hourly wages indicated as follows: (1) At hourly rates below $1 under certificates issued under section 14 of the Fair Labor Standards Act; and (2) at higher wage rates (but less than the prevailing minimum wage) under apprentice agreements recorded as meeting the standards or fundamentals of the U. S. Bureau of Apprenticeship or of a State agency recognized by that Bureau.

[11] Apprentices are permitted at rates between the indicated minimum for apprentices and the prevailing minimum wages if their employment conforms to the standards of the Federal Committee on Apprenticeship.

[12] 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 total number of employees in specified occupations except upon authorization by certificates.

APPENDIX TABLE I.—*Learner certificates in effect June 30, 1958, by industry and by type of learner regulation*

Industry and type of learner regulation	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	1,683	1,809	1,654	155	32,761	27,608	5,153
Continental United States	1,615	1,734	1,616	118	30,928	27,096	3,832
Industries covered by special learner regulations	1,550	1,666	1,559	107	29,685	26,178	3,507
Apparel	1,129	1,194	1,127	67	22,316	19,962	2,354
Single pants, shirts, and allied garments	570	603	567	36	13,386	11,817	1,569
Women's apparel	507	535	507	28	7,961	7,286	675
Sportswear and other odd outerwear	41	45	43	2	780	695	85
Rainwear	3	3	3	0	41	41	0
Robes	7	7	6	1	138	113	25
Leather and sheeplined clothing	1	1	1	0	10	10	0
Hosiery	180	201	177	24	2,828	2,140	688
Full-fashioned	39	43	38	5	716	588	128
Seamless	141	158	139	19	2,112	1,552	560
Knitted wear	104	127	117	10	1,599	1,314	285
Gloves	60	64	61	3	685	625	60
Leather	3	3	3	0	20	20	0
Woven or knit fabric	3	4	4	0	35	35	0
Knitted	3	3	3	0	38	38	0
Work gloves (except all leather)	51	54	51	3	592	532	60
Cigars	17	17	17	0	806	806	0
Shoes	50	53	50	3	1,428	1,308	120
Independent telephone	10	10	10	0	23	23	0
Industries not covered by special learner regulations	65	68	57	11	1,243	918	325
Outside the continental United States	68	75	38	37	1,833	512	1,321
Puerto Rico	64	71	35	36	1,808	497	1,311
Virgin Islands	1	1	0	1	10	0	10
Hawaii	3	3	3	0	15	15	0

[1] Plants holding certificates in more than one industry are counted once.

WOMEN'S BUREAU

WOMEN'S BUREAU

In carrying out its congressional mandate to promote the welfare of women workers, the Women's Bureau continued its basic activities of factfinding, analysis, reporting, and furnishing advisory assistance, and also pioneered in new directions. Emphasis was placed on (1) the departmental women's affairs program, especially as it relates to the problems of older women workers and teacher recruitment; (2) economic studies in the field of women's employment opportunities and working conditions; (3) analysis of State legislation and furnishing of technical assistance on minimum wage, equal pay, and women's political and civil status; and (4) the strengthening of the Bureau's programs of international cooperation.

Women's Affairs Program

The Director of the Women's Bureau, in addition to giving general direction and policy guidance to Bureau programs, is Assistant to the Secretary of Labor, with responsibility for the women's affairs program of the Department. Accordingly, the Director's office gives special attention to the older worker program of the Department as it relates to women workers, and to the teacher shortage project, as well as to continued cooperation with international agencies. In fiscal year 1958, the Bureau entered upon a program of strengthening and expanding, through its new field staff, the relations of the Department with community agencies and other organizations interested in women's employment and in local action programs.

Earning Opportunities Forums

Six earning opportunities forums for mature women were held under local sponsorship with assistance from the Women's Bureau in planning and organizing the program. The forums, for which the Bureau also supplied the keynote speaker and assistance in planning followup, took place in Ephrata, Wash. (October 1957), Philadelphia and St. Louis (November 1957), St. Petersburg and Miami (January 1958), and Little Rock, Ark. (February 1958).

The forum with the largest attendance was that held in St. Petersburg, where 778 persons registered. This forum was presented by the local Altrusa, Pilot, and Soroptimist clubs, the American Association of Uni-

versity Women, the St. Petersburg Woman's Club, and Women of the St. Petersburg Chamber of Commerce, with the cooperation of the Florida State Employment Service and the U. S. Department of Labor. Of the registrants, 290 expressed an interest in immediate employment, and 117 in future employment. Replies from 203 to a followup questionnaire sent out shortly after the forum indicated that it had helped 136 women in looking for a job or deciding what they wanted to do, and that 24 had subsequently enrolled in training courses.

Teacher Supply Project

In view of the need for fully qualified teachers to keep pace with expanding school enrollments, the Bureau, in cooperation with the U. S. Office of Education and with women's and educational groups, continued to encourage the training of mature women college graduates as teachers in communities with an acute teacher shortage. The Bureau, which had earlier listed 104 teacher-training programs in its pamphlet An Idea in Action: New Teachers for the Nation's Children, issued a supplementary list of 28 programs in 8 States, where mature women college graduates can obtain training qualifying them to meet State teacher certification requirements.

Women in the Work Force

The Women's Bureau continued its analysis of trends in the employment of women, and prepared a new edition of its biennial Handbook on Women Workers for publication in the fall.

In the publications program, increased emphasis was laid on reaching the intended audiences through selective publicity and distribution. For example, the first printing of 15,000 copies of Pamphlet 4, Women in the Federal Service, issued in July, and directed toward counselors and placement workers, was exhausted and a reorder was placed. A leaflet—Is "Math" in the Stars for You?—prepared for high school girls, was sent, with the cooperation of the U.S. Office of Education, to high schools throughout the country; 45,000 free copies were distributed and 18,000 copies were sold by the Government Printing Office. A report on the economic and legal status of women, Spotlight on Women in the United States, issued especially for use by women's and civic organizations, received wide notice in the press, and within a few months a total of 8,000 copies had been distributed by the Bureau or sold by the Government Printing Office.

Trends in Women's Employment

The woman labor force as a whole reflected overall trends in the national economy. A seasonal decline occurred during the winter in the number of women workers 14 years of age and over, but the figure for July 1958 (22.7 million) was almost the same as for July 1957. About one-third (32 percent) of all workers were women, and more than one-third (36 percent) of all women were in the labor force. Within the labor force, there was a decrease of half a million in the number of employed women (from 21.5 million to 20.9 million), and an increase of half a million (from 1.2 million to 1.8 million) in the number of unemployed women. After seasonal adjustments were made, the unemployment rate for women in July 1958 was 6.9 percent, compared with 4.7 percent in July 1957.

In spite of a decrease of 2.7 percent in the total number of employed women, some occupational groups held their own, or even increased, as the accompanying table shows.

Occupational group	Number (in thousands)		Percent change
	July 1958	July 1957	
Number of employed women (14 years and over)	20,933	21,508	−2.7
Clerical, kindred workers	6,260	6,280	−.3
Operatives, kindred workers	3,130	3,476	−10.0
Service workers (except private household)	2,909	2,883	+.9
Professional, technical, kindred workers	2,233	2,165	+3.1
Private household workers	2,154	1,971	+9.3
Sales workers	1,551	1,616	−4.0
Farm laborers, foremen	1,214	1,582	−23.3
Managers, officials, proprietors (except farm)	1,020	1,001	+1.9
Craftsmen, foremen, kindred workers	202	256	−21.1
Farmers, farm managers	133	195	−31.8
Laborers (except farm, mine)	127	83	+53.0

Source: U. S. Department of Commerce, Bureau of the Census, Current Population Reports, P-57, Nos. 193, 181.

Clerical work kept its lead as by far the largest occupational field for women, with nearly 30 percent of all employed women in both 1957 and 1958. The number of women managers, officials, and proprietors increased 2 percent, and women in professional and technical occupations, 3 percent. These increases indicate a continuing demand for women qualified in these fields. The largest percentage changes occurred in occupations where relatively few women are employed. More significant numerically were the decreases for operatives and sales workers, and the simultaneous increases in private-household workers and laborers. This suggests that the shift of women workers from these occupations to factory and sales work is reversed when factory and sales jobs decline.

In 1958, for the first time, monthly estimates of the number of women in several specific occupations became available. In April 1958, the 9 large occupations given below employed a total of almost 10 million women, or nearly half of all employed women.

Selected occupations	Number of women (in thousands)	Percent of all employed women (14 years and over)	Selected occupations	Number of women (in thousands)	Percent of all employed women (14 years and over)
Total	9,690	47.0	Operatives, durable goods manufacturing	710	3.4
Stenographers, typists, secretaries	2,192	10.6	Medical and other health professions	663	3.2
Operatives, nondurable goods manufacturing	1,604	7.8	Farm laborers (unpaid family)	514	2.5
Sales workers, retail trade	1,329	6.4	Proprietors, retail trade	392	1.9
Teachers, except college	1,198	5.8			
Waitresses, cooks (other than private household)	1,088	5.3			

Source: U. S. Department of Commerce, Bureau of the Census, Current Population Report, P-57, No. 190.

The steady upward trend in average (median) age of women workers continued into 1958. In April 1958, half of all women workers were 39.9 years of age or over—an advance of 0.3 years since 1957 and 4.4 years since 1948.

Employment Opportunities

Office Occupations

The Bureau's bulletin Employment Opportunities for Women as Secretaries, Stenographers, and Typists, and as Office-Machine Operators and Cashiers was issued in January. Within 6 months, 12,000 copies had been sold by the Government Printing Office, and 10,000 copies had been distributed by the Bureau to school and employment counselors, libraries, employers, and others. This publication contains information on clerical jobs for women, the qualifications required, the nature of the work, where such workers are employed, probable earnings, and the prospects for advancement.

Legal Work

For the guidance of young women considering the study of law, and their counselors, the Bureau issued a bulletin, Employment Opportunities for Women in Legal Work, which summarizes the employment of women with legal training as lawyers in private practice, in Government employment, in the judiciary, and elsewhere. This report describes the ways in which legal training can be obtained, and emphasizes the challenge which a career in the legal profession presents to well-qualified women of high caliber.

Special Studies

Salaries of Nurses in Hospitals

The Women's Bureau issued a pamphlet report on the salaries of nurses and other hospital workers in 16 metropolitan areas. This was based on a survey made in the previous year in collaboration with the Bureau of Labor Statistics. The pamphlet, Nurses and Other Hospital Personnel: Their Earnings and Employment Conditions, shows, among other things, that a majority of hospital nurses assigned to general duty earned between $60 and $80 a week in 13 of the 16 areas surveyed during 1956–57. This report also points out recent developments that help to explain the present shortage of nurses, and outlines measures adopted by national nurse organizations and by local hospital schools and communities to recruit more nurses. For the convenience of communities experiencing a shortage of qualified nurses, these measures were more briefly summarized in a leaflet, Memo to Communities Re: the Nurse Shortage. The leaflet was made available at the annual conference of the American Nurses Association in June and an order of 30,000 was exhausted within 2 months.

College Graduates, Class of 1956

For the second consecutive year, the Bureau issued a report on the employment, occupations, earnings, and marital status of women graduated from college. This year's survey covered the class of June 1956. Both surveys were made in cooperation with the National Vocational Guidance Association through a questionnaire distributed to women graduates by over 100 women's colleges and coeducational institutions granting the bachelor's degree. As in the previous year, the great majority of the 87,000 women represented in the survey had entered paid employment by the end of the winter following graduation, or expected to do so in the future. The most striking change reported was in earnings: an average starting salary of $3,446 per year was reported for June 1956 graduates, compared with an average of $3,141 for 1955 graduates surveyed a year earlier. The detailed findings of the survey were published in a report, College Women Go to Work—Report on Women Graduates, Class of 1956. A leaflet based on the survey, Young Women of the Year, was printed for distribution in the fall to schools and colleges, and an article was prepared for the July 1958 issue of the Monthly Labor Review.

Vocational Rehabilitation

An illustrated pamphlet on the State-Federal program of vocational rehabilitation as it affects women was prepared for fall publication in collaboration with the Office of Vocational Rehabilitation of the Department of Health, Education, and Welfare. This brings together for the first time information on the various aspects of rehabilitation affecting women—the services available for handicapped women wage earners and housewives, the

occupations of women after rehabilitation, programs to assist families where there is a handicapped person, activities of women's organizations and many other national, State, and local groups concerned with the rehabilitation and employment of disabled persons, and the careers open to women in the field of rehabilitation.

Legislation

The Bureau carries as one of its principal functions that of preparing basic materials on legislation and furnishing technical advisory services, on request, to State, Federal, and international agencies, women's and civic organizations, unions, and other interested groups and individuals. The Bureau continued to give major emphasis to minimum wage, equal pay, women's legal status, and specialized assistance to international agencies. It also furnished technical information and services on a wide variety of other subjects, including standards for women's working conditions, migratory workers, and child-care facilities.

State Minimum Wage

The Bureau continued to serve as technical consultant to State labor departments and voluntary groups on minimum wage legislation and administration, furnishing information on related experience in other States and giving advisory services on operation of tripartite wage boards, revision of State cost-of-living budgets for self-supporting women workers, drafting of wage orders, and related aspects of wage-board work. Of the 34 minimum wage jurisdictions, 5 States and Hawaii had increased their statutory minimum wage rates; and 8 States and the District of Columbia had issued 35 new or revised wage orders, over half of which set minimum wages of $1 or more an hour. These wage orders applied with few exceptions to intrastate industries employing large numbers of women, such as retail stores, restaurants, hotels, laundry and dry-cleaning establishments, and beauty shops. Well over half of the orders set minimum wages of $1 an hour, and some also established overtime rates.

Responding to requests in connection with minimum wage administration, the Bureau furnished technical assistance on wage board procedures and court cases. In one State where a new minimum wage program was inaugurated, the Bureau was called on for extensive assistance on the convening of wage boards, cost-of-living budgets, and procedures for public hearings. This State established minimum wage rates for retail trade, an industry for which no wage order had previously been in effect, and appointed wage boards to revise minimum wages for restaurants, hotels, and laundries.

Court cases challenging the validity of wage orders continued to be a major problem in several States. Acting on requests from four States, the

Bureau gave advice on factual data to support provisions of wage orders applying variously to retail trade, public housekeeping, amusement occupations, and industries involving the packing and canning of perishable farm products.

The Women's Bureau collaborated with the Bureau of Labor Standards in planning and conducting a 2-day regional minimum wage conference at Boston, Mass., to which representatives of 9 Atlantic area States were invited. A report of the conference was prepared by the two bureaus for distribution to States with minimum wage laws.

To serve State and voluntary groups, the Bureau had ready for printing at the end of the year a revision of its basic bulletin on "State Minimum-Wage Laws and Orders," covering the period from 1942 to 1958. A revised edition of the pamphlet Minimum Wage and the Woman Worker, a minimum wage leaflet, and a map were published.

Equal Pay

Interest in promoting greater implementation of the equal pay principle continued throughout the country. President Eisenhower again called for enactment of Federal equal pay legislation in two congressional messages early in 1958. Sixteen States and Alaska now have equal pay laws on the books. The Bureau continued to cooperate with women's and civic organizations and unions working to get laws enacted by additional States and by Congress. In answer to a large number of requests, the Bureau supplied technical information to State administrators, private groups, and individuals concerned not only with legislation but with the establishment of the equal pay principle through collective bargaining and voluntary employer action.

At the request of the National Committee for Equal Pay, the Bureau advised on the preparation of a pamphlet answering questions on equal pay legislation. It also analyzed Federal equal pay bills and made digests available.

The Bureau's Equal Pay Primer was revised and reissued, and extensive work was done on a new report of United States equal pay experience for general distribution.

Working-Conditions Standards

Problems connected with women's maximum hours of employment, nightwork, weight lifting, and other aspects of health and safety continued to be brought to the attention of the Bureau by State labor department officials, employers, unions, and individuals.

Advisory services and technical materials were furnished to State agencies and voluntary groups on the regulation of nightwork for women, State experience with women's and children's bureaus, maximum hour laws for women, and State industrial homework laws.

A digest of 1957 legislation affecting women, including State maximum hour laws, was processed for general distribution. Materials on women's labor laws were prepared for the annual meeting of the International Association of Governmental Labor Officials.

Special Projects

The national organizations sponsoring Girls' State and Girls' Nation again built the study program for their annual sessions around concise Women's Bureau summaries on a State-by-State basis of laws governing women's family and property rights and women's employment. In addition, a summary of major Federal labor legislation of particular importance to women workers was prepared for future use at the request of the director of the programs.

Recognizing the interest of many groups and individuals in provisions for day care of children of working mothers, the Bureau continued its cooperative program with the Department of Health, Education, and Welfare and private agencies. The Bureau also collected and compiled State laws and municipal regulations governing licensing of day-care facilities and standards for their operation.

As a new member of the Intradepartmental Committee on Migratory Labor, the Women's Bureau initiated a proposal to study the needs of migrant workers' families and to encourage the development by women's and civic groups of additional community projects to help meet such needs. Bureau staff studied migrant projects in two communities—one in the State of Washington and the other in Florida.

The Bureau cooperated with the National Council on Family Relations through preparation of an article, "The Family Woman's Expanding Role," for inclusion in the August 1958 issue of Marriage and Family Living. This article describes the changes in women's position in the country's economic and political life and Bureau programs to safeguard the welfare of women workers and, through them, to promote the well-being of the family. It was to be made available for general distribution in reprint form.

Legal Status of Women

Throughout the year, the Bureau, on request, gave technical assistance to organizations and individuals working for the removal of legal discriminations against women, and advised concerning educational programs on State laws governing women's civil and political status.

In the Bureau's series Legal Status of Women in the United States (Bulletin 157), reports for 8 additional States (California, Kansas, Maine, Missouri, Nevada, Ohio, Oregon, Pennsylvania) were revised up to or through 1957. This makes a total of 22 States for which reports have been revised.

Specialized assistance was furnished on request to various State and

local branches of major women's organizations. For example, a report on property and political rights for women indicating changes over the 20-year period 1938–58 was prepared and made available to several organizations. An article incorporating detailed charts on the progress of State laws governing women's family, property, and political rights was prepared for the 1958–59 edition of the Book of the States, and reprinted for general distribution. In addition, comprehensive charts showing State marriage and divorce laws were prepared for the American Peoples Encyclopedia Yearbook.

One of the fields in which recent progress has been made is that of jury service. As recently as 1945, there were 19 States where women were barred from State jury service; today, all but 3 permit them to serve. Women were previously excluded from Federal juries in States which excluded them from State juries; the 1957 Federal Civil Rights Law is interpreted as granting women the right to serve on Federal juries in all States—a significant advance. In response to increased interest concerning provisions of State laws making jury service for women either compulsory or permissive, the Bureau supplied extensive background information.

International Programs

The international work of the Bureau falls into two main categories: The Bureau is called on by international agencies to furnish technical and advisory assistance on questions of the employment and legal status of women in the United States; and it participates in the Government's exchange-of-persons program. In addition, it supplies information and publications to new women's bureaus in other countries and to women seeking to establish bureaus for women and children in the governments of their own countries.

Legislative Services to International Agencies

The Women's Bureau regularly carries responsibility for preparation of U. S. Government reports and other technical materials on employment and legal status of women in the United States for the International Labor Organization, the United Nations Status of Women Commission, other UN bodies, and the Organization of American States.

A reply to the International Labor Organization questionnaire on "Working Women With Family Responsibilities and Measures To Improve Their Situation," prepared in the Bureau, was incorporated in an overall report for consideration at the 1958 session of the UN Status of Women Commission. The Bureau also prepared a report to the ILO on pending Federal equal pay bills and proposals for congressional hearings for use in an ILO equal pay progress report to the Commission. Other technical services for the ILO included preparation of a chart on State laws governing women's employment in underground mines; technical comments on an ILO report,

Discrimination in Employment and Occupation; and information on United States experience in relation to the ILO study Conditions of Employment of Plantation Workers.

At the request of the State Department, the Bureau made a special study of State laws governing minimum age of marriage in 48 States, the District of Columbia, and 3 Territories. This material served as the basis of United States policy at meetings of United Nations bodies concerned with abolition of "bride price" and child marriage.

A Bureau staff member served as legal adviser to the United States delegation at the 12th session of the UN Status of Women Commission, which met in Geneva, early in 1958. The Bureau collaborated with the State Department in developing United States policy and position, and prepared statements for use by the United States delegate at plenary sessions.

In addition, continued technical assistance was given to State Department staff on development of policy and material for the Economic and Social Council, the Human Rights Yearbook, and other programs affecting women.

At the end of the year, work was going forward on preparation of the United States reply to the UN Questionnaire on Women in the Professions of Law, Architecture, and Engineering. This involved collecting and analyzing material on both the legislative and economic aspects of women's employment in these professions.

Exchange-of-Persons Program

The Women's Bureau continued to work for expanded opportunities for women in the exchange-of-persons program, particularly from the countries of Africa and Latin America.

The first of these women leaders from African countries came at the end of fiscal 1957 and in 1958. The Bureau assisted in the programs for two women from Ghana, two from Nigeria, and one from Sierra Leone.

Another new development was the exchange of women medical scientists between the United States and Russia, initiated by the Director of the Women's Bureau. The women from this country who went to Russia were selected, and a program was developed for the Russian women by the sponsoring organizations in the United States, with the assistance of the Women's Bureau. When the Russian doctors visited the Women's Bureau, a number of women in high-level positions in the Federal Government and leaders of women's organizations were invited to meet with them at the Women's Bureau.

The largest number of women leaders from other countries came from Indonesia. The Women's Bureau had the major responsibility in planning programs, in obtaining local sponsors, and in arranging Washington appointments for 10 Indonesian women and for 13 women from 11 other countries—Austria, Colombia, Cuba, Brazil, Iceland, Japan, Nigeria, Pakistan, Sierra Leone, Thailand, and Turkey.

Twenty-one other women leaders from 15 countries—Colombia, England, Finland, Germany, Ghana, Greece, Guatemala, India, Japan, Laos, Malaya, Norway, Panama, Philippines, and Thailand—were given assistance in their programs. The Bureau planned and set up appointments in Washington, obtained one or more local sponsors, and made suggestions for programs in various cities.

The Women's Bureau also gave information on the role of women in the industrial and economic development of the United States, and on the legal status of women and their participation in local and national affairs, to 62 individuals and 32 teams from 35 countries whose programs were sponsored by Labor Department or other Government agencies.

Reaching the Public

The Bureau, which is not a law enforcement agency, relies on education of the public for the implementation of its policies and programs. To reach the public, it employs a variety of channels—conferences and speeches, news releases and feature articles, radio and television programs, a wide range of publications, technical assistance and advisory consultation, issuance of newsletters, field visits of the Director and members of the staff, and stimulation of interest in action programs initiated by State agencies and community organizations.

Channels of Mass Communication

News conferences were held by the Director with members of the press and with radio and television representatives, in Washington, on field trips, and in connection with earning opportunities forums. At a news conference in January, at which the Secretary of Labor joined with the Bureau Director in a presentation of Department and Bureau programs for women workers, emphasis was placed on the older worker program, the teacher recruitment project, and trends in the employment of women, particularly in the sciences and professions.

Press releases were prepared and issued to the newspapers in connection with addresses by the Director at meetings of national organizations such as the National Retail Dry Goods Association and the American Nurses' Association; earning opportunities forums where the Director was the keynote speaker; new Bureau publications; and special occasions, such as Labor Day.

The Director was interviewed for a Voice-of-America program, "American Women at Work," for broadcasting to Vietnam and other Far Eastern countries, and participated in 20 other radio and television programs. The Director also was interviewed at the 62d Annual Congress of American Industry (National Association of Manufacturers) in connection with a novelty sketch, "My Fair Lady—in Industry" presented by the Women's

Bureau, and duplicated for use by other interested organizations. A press release on the program was sent to key newspapers, periodicals, and television and radio networks.

Articles featuring various aspects of the Bureau's work were prepared for a number of newspapers, magazines, and yearbooks. An article by the Director on older women workers appeared in The American Soroptimist and was reprinted for wider distribution. Among other articles published were "Wanted: More Phyllis Webers," in Parade, the Sunday magazine; a guest column for Jane Eads of Associated Press; "Homemaker—Moneymaker," in National Parent-Teacher Magazine; "Women's Jobs, Now and in the Future," in the Journal of the American Dietetic Association; "Occupations and Salaries of Women Federal Employees," in the Monthly Labor Review; and articles on women in legal work and on careers in rehabilitation in The Occupational Outlook. Articles on the Women's Bureau and its work were prepared for three 1958 yearbooks: World Scope Encyclopedia, New International Year Book, and the Yearbook on Personnel Work in Education.

Twice during the year, in November and in June, the Bureau issued a 4-page newsletter, Facts on Women Workers, containing up-to-the-minute reports on Bureau activities, on developments in the Department's women's affairs program, and on other matters of current interest to women's organizations and community groups.

Field Visits

As a part of her departmental responsibility for the women's affairs program, the Director worked closely with regional offices of the Department. On a visit to Arizona, for example, she conferred with the Administrator-Director of the Arizona State Employment Service and addressed the Tucson Youth Employment Committee on the subject "After High School, What?" She also addressed the Altrusa Club of Phoenix on community action programs to benefit mature women seeking employment, and the South Tucson Lions Club on future manpower, appeared on a television program in Tucson, and had newsreel and press interviews.

The Bureau's new field staff, authorized by Congress in 1957, went into action during the year. The field workers visited 47 cities in 25 States and the District of Columbia for the purpose of working with community groups on specific projects related to problems of significance to women workers.

In keeping with the Department's policy to promote full utilization of the Nation's work force, the field staff consulted with personnel in the Department's regional offices regarding various programs where the interests of women workers are involved. They exchanged information and advice with organizations interested in recruiting women for employment in shortage occupations such as teaching, nursing, and technical and scientific fields. They also took part in conventions and meetings concerned with

the employment of women, and one of them helped in the development of plans for an earning opportunities forum in Denver, Colo. They assisted in Bureau programs by collecting information for Women's Bureau studies in progress, and by bringing to the exchange-of-persons program information on projects of special interest and the names of individuals and women's organizations interested in serving as sponsors.

Conferences and Meetings

One of the most effective ways in which the Bureau reaches selected audiences is through participation in conferences of women's, professional, and civic organizations. The Director gave the keynote speech at the convention of American Women in Radio and Television, Inc., in San Francisco, and made tape recordings for several members to use on radio and television. Other national conventions where the Director gave a speech or participated in a panel discussion included: American Psychological Association, on changes in economic patterns affecting the role of adult women; centennial convention of the National Education Association, on manpower trends; American Nurses' Association, on earnings and employment conditions of nurses and other hospital personnel; National Association of Women Lawyers, on the outlook for women lawyers; National Council of Negro Women, on the influence of women in international affairs; Annual National Convention of Girl Scout Leaders, on scout training as preparation for the responsibilities of citizenship.

At Douglass College of Rutgers, New Jersey State University, on the occasion of her receiving the honorary degree of LL. D., the Director delivered the Fortieth Anniversary Lecture, on "The Challenge of Tomorrow."

When possible, the Director also accepted invitations to address local organizations on matters relating to the employment of women. In California, for example, her keynote address at the Public Affairs Dinner of the Los Angeles Sunset District of the California Federation of Business and Professional Women's Clubs was heard by about a thousand persons. She was also interviewed in Los Angeles by members of the press, radio, and television networks.

Top staff members also participated in State and National conferences and meetings as speakers and discussants. At a conference of the American Council on Education on the status and trends of research on the education of women, a research paper, supported by a bibliography of 127 items, was presented on the subject of cultural pressures and vocational opportunities for the educated woman of today.

Two members of the staff participated in the annual convention of the American Personnel and Guidance Association in April. One spoke to the Women's Section of the National Vocational Guidance Association on "The College Girl Looks Ahead" and represented the NVGA at meetings of the APGA delegate assembly; the other served as recorder for the APGA

session on "New Findings in the Occupational Outlook of the United States."

Staff members addressed the Connecticut Chapter of the American Society of Women Accountants, the Wisconsin Home Economics Association, and the National Association for Nursery Education, as well as meetings of women's organizations all over the country. A staff member represented the Department at the Conference on Womanpower held in Bozeman, Mont., in July, sponsored jointly by the National Manpower Council and Montana State College.

New Developments

The Bureau's objective of promoting the interests of women as workers and as citizens shapes both its basic continuing program and the special projects which it initiates, or in which it participates, from time to time. Activities during the year foreshadowed increased emphasis on a number of projects planned to meet new or changing needs.

Basic to all program development is the decision as to what inquiries shall be initiated, and what facts sought. The Bureau was represented by a division chief at a top-level conference called during the spring by the National Science Foundation to mobilize the ideas and experience of those concerned with the social sciences, and to bring into sharper focus the need for more information on the planning and organization of successful research in this field. The conference was attended by executives and research directors, and by economists and other social scientists.

A nationwide study to obtain information on existing day-care facilities and standards for their operation was planned in collaboration with the Children's Bureau of the Department of Health, Education, and Welfare, as part of the interagency day-care project initiated previously. The information collected will serve as a basis for a national conference on day-care needs in 1959, and for a session at the 1960 White House Conference on Children and Youth.

An important new action project, initiated by the Women's Bureau and still in the planning stage, calls for a series of community forums, similar in organization to the earning opportunities forums, but focused on future manpower needs in relation to vocational guidance for youth. The Women's Bureau Director was appointed chairman of the interagency committee to explore a pilot "futures-for-youth forum."

In June, the Bureau Director met with outstanding women leaders in the international field to consider new programs of Afro-American cooperation. The Bureau also planned to bring together leaders of women's national organizations having international programs for a working conference in Washington during the fall to exchange ideas concerning new or expanded programs of cooperation with women in various other parts of the world.

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