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TWENTY-EIGHTH ANNUAL REPORT
OF THE
SECRETARY OF LABOR

FOR THE FISCAL YEAR
ENDED JUNE 30

1940



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**TWENTY-EIGHTH ANNUAL REPORT OF THE
SECRETARY OF LABOR**

LETTER OF TRANSMITTAL

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D. C., November 15, 1940.

To the Congress of the United States:

In accordance with section 9 of the act of Congress approved March 4, 1913, I have the honor to submit a report of the business of the Department of Labor for the fiscal year ended June 30, 1940.

Respectfully submitted.

FRANCES PERKINS,
Secretary of Labor.

TWENTY-EIGHTH ANNUAL REPORT OF THE SECRETARY OF LABOR

In presenting to the Congress of the United States the twenty-eighth annual report of the Secretary of Labor it is appropriate to repeat that the organic act establishing the United States Department of Labor set forth that "the purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." This mandate has been carried out during the fiscal year of 1940 just as it has been faithfully followed since I made my first report as Secretary of Labor for the fiscal year 1938.

The Nation's wage earners have made important economic and social advances in these 8 years. In this general advance, the Department of Labor has been, as required by the act setting it up, the leader in the interest of the American men and women who work for wages.

We have been through a great war, a period of great prosperity, and have emerged from a great depression since the Department was founded. Now we are embarking on a great program in the interest of national defense. This program, upon which the American people are determined for the safety of America, finds the Department of Labor better equipped and better informed than ever before to meet the needs of wage earners, their troubles, and their problems.

In such a situation the Department must be administered in fairness between worker and employer, between employer and employee, and between each and the public as a whole if it is to accomplish its purpose as defined by the Congress. It is recognized that only by doing so in harmony with the welfare of all workers and with legitimate business can the best interests of the country be served.

MEETING DEFENSE PROBLEMS

That has been my policy since I became Secretary of Labor, and that is the policy now being followed in making plans to meet labor problems which may arise out of the defense program. In this connection the Department is now working on a comprehensive plan to protect the life and limb of workers on defense jobs, for we know that the security of a nation depends not only on its physical

defenses but on the well-being of its people. Anything which contributes to greater health and safety, to proper working conditions, and to more adequate standards of living contributes to national defense. It is upon a great and far-reaching program of national defense that we as a nation are now embarked and to which we as a people are committed in full unity.

The Department of Labor is working in close cooperation with the national defense authorities to prevent injury or death of skilled workers; to prevent loss of worktime through sickness, accident, or occupational disease; to prevent delays to production schedules which follow accidents; and to control, as far as possible, factors making workers physically unfit to keep up even production. To this end I have named eight outstanding industrial safety experts to work with representatives of labor and industry in the supervision of a program to safeguard the manpower of the Nation engaged in defense-program industries.

INDUSTRIAL ACCIDENTS

Industrial accidents annually cause 16,000 deaths and a million and a half disabling injuries, with a total production loss of more than a billion man-hours. In a situation calling for uninterrupted output of urgently needed material and equipment this labor wastage, particularly of skilled workers, is a matter of grave concern to all of us with a concern in the welfare of wage earners.

The plan we have devised to protect the health and safety of defense-production workers recognizes that although State or local safety and health regulations are basically necessary, effective control of labor waste through work disabilities requires safety education, organization, training, and stimulation wholly beyond the scope of regulatory laws or rules or codes. While in no sense do these activities supersede the regulatory requirements, the success of the plan is based upon the fact that industry itself, through inspiration and example, is giving the voluntary service of its technical experts to smaller units operating on Government contracts.

In essence, the plan represents the pooling of all accident-prevention and industrial health-conservation knowledge in which Government, management, and labor participate and share equally in the benefits—labor benefits by uninterrupted wages and earnings; management, through uninterrupted and less costly production; the Government, by assurance of on-time delivery of needed defense materials.

Upon the awarding of a Government contract, the plant management is notified of his general responsibilities to safeguard his production through the inauguration of a safety program and of the availability of a safety specialist in his own community ready and willing to act

as his safety adviser. The regional representative of the National Committee, at the same time, will be given the name and location of the contractor; and he, in turn, will immediately assign a district or local committee member as a suitable plant-contact man.

The plan is being executed by a 24-man committee, to be known as the National Committee for the Conservation of Manpower in Defense Industries. The membership includes labor representatives, safety experts from private industry, executives from the national and local safety councils, and State officials administering laws relating to safe and healthful work conditions. Appointed as special agents of the Department of Labor, these men will serve entirely on a voluntary basis.

HEALTH OF WORKERS

Another important problem being studied by the Department in connection with defense measures deals with a program to provide medical supervision and care, with health education and proper nutrition with selected diets for industrial workers, for young persons in training for industry, and for children who are future workers on national defense.

An extended program of national defense is bound to depend greatly upon the health and vigor of industrial workers, and the health of children and young people in their families is also important to an extended effort.

State and local agencies should be stimulated to provide health supervision and medical care, and broad public education should be directed toward these groups to correct dietary deficiencies.

PROBLEMS OF WOMEN WORKERS

The role of the woman worker in the defense program also is being studied by the Department through an advisory committee of outstanding men and women at work in, or connected with, defense industries.

The committee will advise as to types of jobs in the expanded production program for which women are best fitted and the employment conditions and policies necessary to guarantee the most effective use of women as a labor force while maintaining their welfare and health.

LABOR RELATIONS

The Department has assigned seven of its most experienced conciliators to keep in close touch with labor relations in key defense industries and to adjust differences which may arise between labor and management. The months directly ahead demand that the Nation's wage earners, employers, and all other groups cooperate as never before in the interest of the national well-being and in the interest of national defense. The wage earners of America will do

their part wholeheartedly. They will join all other groups in the patriotic effort, that we may be prepared to face the world with confidence.

The fiscal year saw the divided labor movement no closer to unity or a real settlement of differences. Informal conversations, aimed at peace and initiated by the Secretary of Labor in 1938, were followed by an invitation on February 23, 1939, from the President for both groups to name a joint negotiating committee. Peace negotiations were begun by this committee on March 7, 1939. A number of meetings were held at which progress was made, until April 5, 1939, when the committee adjourned at the request of a member who was engaged in collective-bargaining negotiations. It was anticipated that the committee would reconvene at his call. The call has not been issued and the committee has not met again.

However, this year has been marked by an increased inclination on the part of the unions in both groups throughout the country to co-operate on noncontroversial matters and to reduce jurisdictional disputes among them. This tendency will become more and more marked as the needs of the defense program increase.

The situation calls for sincere effort to bring about a fair and honorable adjustment of differences within the labor movement so that an accord may be reached in the interest of wage earners, employers, and the public generally. Labor has status today as never before, and that status carries with it responsibilities such as this.

American labor is cooperating with employers and will cooperate with all responsible groups to avoid delays and interruptions, to increase production and efficiency, and to preserve human welfare and labor standards during the defense program. Cooperation of the divided groups with each other, under the circumstances, should become easier with differences lost in the greater need.

AID IN TRAINING SKILLED WORKERS

The Department recognizes that immediate expansion of apprenticeship, particularly in the national defense industries, is an integral part of the Nation's defense program, and its Federal Committee on Apprenticeship is at work on the problem. Industry and labor are working with the Department on an agreed plan for the training of future skilled workers by standard methods without Government subsidies and through carefully worked out and tested methods of training. The active cooperation of employers and labor in a unified Nation-wide program of true apprenticeship is making a significant contribution to the fulfillment of the preparedness program and will materially assist in meeting future bottlenecks in production.

Expansion of these activities will provide industry with an adequate supply of skilled mechanics and give to our youths an oppor-

tunity of becoming competent craftsmen, enable those already partially trained through employment in occupations requiring a narrow range of skills to secure an opportunity to complete an apprenticeship in the shortest possible time and become skilled workers, and facilitate the orderly absorption of apprentices into industry.

WAGE-AND-HOUR LAWS NEEDED IN DEFENSE

All the industrial defense plans covering the months ahead are based upon the premise that the social and economic improvements in working conditions, mostly made during the past 8 years, represent improvements in efficiency and national unity, and so will be maintained as a method of strength by effective use of man's labor and national strength by social justice. The wage-and-hour legislation is needed at this time. There has been some uninformed comment concerning the hours of work in the Fair Labor Standards and Public Contracts Acts as a hindrance to the defense program.

It has been said that one reason for the collapse of the French Republic was the adoption of the 40-hour week. The French 40-hour-week law was a rigid statute which prohibited all overtime beyond 40 hours, not only for the individual worker but also for the entire industrial establishment. It was so difficult to obtain an exemption from the Government to permit any variation from this inflexible short workweek that as a practical matter French industrial establishments were on a rigid 40-hour week.

It is obvious that production on that basis cannot equal production on a three-shift basis of 40 hours for each worker each shift, or 120 hours per week for the establishment. The American hour laws, however, were very carefully framed to avoid this rigidity, and any employer in the land can legally and automatically ask his employees to work as many hours beyond 40 a week as he cares to without asking permission of the Government so long as he pays the overtime rate of time and one-half.

In addition to that, if for some reason a particular employer and the contracting agency of the Government—for instance, the Army or Navy—feel that the public interest requires that a contract be performed outside the provisions of the Walsh-Healey Act, the Department of Labor has the power to exempt the entire contract. The fact that this power of exemption has not been utilized so far under the defense program indicates that American industry is not at this time held back because of labor requirements of this act.

It would be natural to suppose that a man could turn out more work during an 11-hour day than he could during an 8-hour day. But experience proves the contrary. As a matter of fact, during the last World War the British Munitions Commission found that a reduction

of working hours actually increased production. Nearly a tenth more work was turned out when hours were reduced from 66 to 45½.

This same thing has been experienced in the present war. The British Minister of Labor, Ernest Bevin, recently announced that Britain, which under the superhuman pressure to get out war production had at one time abandoned its hour-and-wage legislation, had found it necessary to reinstate it in order to keep production up to the terrific pace necessary to win the war. This is no matter of theory but a question of hard fact and a realistic recognition of the wartime necessity of shorter hours for greater production.

The Chief of Ordnance of the United States Army in 1917, when the Nation was at war, made this statement:

In view of the urgent necessity for a prompt increase in the volume of production of practically every article required for the conduct of the war, vigilance is demanded of all those in any way associated with industry lest the safeguards with which the people of this country have sought to protect labor should be unwisely and unnecessarily broken down. It is a fair assumption that for the most part these safeguards are the mechanisms of efficiency. Industrial history proves that reasonable hours, fair working conditions, and a proper wage scale are essential to high production. During the war every attempt should be made to conserve in every way possible all of our achievements in the way of social betterment. But the pressing argument for maintaining industrial safeguards in the present emergency is that they actually contribute to efficiency. To waive them would be a short-sighted policy, leading gradually but inevitably toward lowered production.

EMPLOYMENT OUTLOOK IS BRIGHT

The defense program, which so concerns the Department of Labor as the workers' own Department, with the jobs it will provide directly and indirectly, should break the back of unemployment before the end of 1941. It is estimated that from 5,000,000 to 6,000,000 jobs will be available for the men and women of the Nation in the next 18 months.

The completion of work provided for in present defense appropriation acts will require between four and five million workers. About half of these will be needed on construction jobs, in shipyards, or in factories engaged in making finished products like airplanes and engines, tanks, and shells. Some 2,320,000 man-years of labor will be needed primarily to supply the contractors with materials. This labor will extend back into the mines and forests, into factories making semifinished products, to the railroads and other carriers engaged in moving these goods, and to white-collar work in administrative offices.

The contractors and the navy yards and arsenals will purchase more than \$3,500,000,000 of raw and semifinished materials. The largest purchases, some \$2,000,000,000 worth, will be for iron and steel products.

One-third of the work required calls for skilled labor, two-fifths is semiskilled, and one-quarter unskilled. Thus there will be about 1½ million man-years of skilled labor, nearly 2 millions of semi-skilled, and about 1¼ millions of unskilled labor.

Some of the skilled workers will have to be trained and even more of them promoted from less skilled jobs. Aircraft engines, spare parts, and accessories account for \$2,857,000,000 of the fund appropriated. In addition to all the work in producing raw materials, semifinished products, and parts as purchased by the airplane manufacturers, these appropriations will involve 590,000 man-years of direct labor in aircraft and aero-engine factories.

A wide variety and high grades of skill are called for, including draftsmen, carpenters, electricians, tool designers, and tool makers. Forty-six thousand six hundred man-years of labor will be required for riveters and 16,000 for machinists. Airplane-engine companies will require almost as many supervisors as laborers.

LABOR LEGISLATION GAINS

The Department has completed plans for another national conference on labor legislation to be held in Washington. These conferences were inaugurated by the Department in 1934. The idea was to enable States to exchange information on labor legislation and, by comparing their experiences, to develop effective laws and efficient administration. State labor laws now reflect to a large extent the standards worked out and recommended by the successive national conferences on labor legislation, attended by delegates from the States and Territories.

Some of the progress made through these meetings appears in the following figures:

Workers are protected against sweatshop wages in some occupations by minimum-wage laws today in 26 States, the District of Columbia, Alaska, and Puerto Rico. While only 9 States, the District of Columbia, and Puerto Rico set a maximum 48-hour week for women in 1933, 14 additional States and Alaska have adopted this standard today. Only 2 States kept children out of hazardous employment until 16 years of age in 1933; today 15 States provide this regulation.

Workers were often unable to secure factory employment because employers in cutthroat competition sent out material for processing to industrial home workers who slaved long hours for pitifully low wages. Modern laws on industrial home work specify licensing and regulating, permitting outright prohibition in one industry at a time after hearings and investigation. Only one State in 1933, today eight States and Puerto Rico have adopted this kind of home-work law.

Workers unable to collect their pay in 15 States and Hawaii now find that their labor department administers a wage-collection law;

7 years ago workers in only 6 States had this protection. The States that have these laws collect a total of several million dollars each year for tens of thousands of workers. The average claimant may have coming to him only about \$50, but to him this sum means food and rent and clothing.

Injured workers in 4 States in 1933 were out of luck for they had no workmen's compensation act. All States but 1 have such a law today. Provision for increased benefits has recently appeared in these laws in 18 States. In 6 States, the District of Columbia, and Hawaii workmen's compensation laws in 1933 gave general coverage for occupational diseases as well as injury on the job. Today 4 more States give this general coverage.

Since 1933 five States have created new labor departments, six States and Hawaii have unified their labor departments, three States have granted the department rule-making power, and two States have enlarged and reorganized their labor department staffs.

Twenty-one States today, compared to only two in 1933, are now actively promoting sound apprentice training in cooperation with industry, labor, and school authorities. These programs, always a community asset, may now provide the basis for training of skilled workers vital to national defense.

Every State has today an employment service and an unemployment compensation agency.

This coordinating of Federal and State programs of social and labor legislation is a factor in the unity of the people of the United States and an element of justice as between working conditions and economic markets and living standards in various communities.

IMMIGRATION ACCOMPLISHMENTS

Just before the end of the fiscal year 1940 the Immigration and Naturalization Service was transferred from the Department of Labor to the Department of Justice as a national defense measure, and it is fitting at this time to emphasize that important changes and improvements were made in its organization, procedures, functions, and morale from 1933 to 1940.

The Bureau of Immigration and the Bureau of Naturalization were consolidated in 1933 in the interest of greater efficiency. Emphasis was at once laid on the prevention of illegal entries. Soon after this an investigation was begun, at my order, of systematic frauds in immigration and naturalization cases in the New York district perpetrated over a period of years by racketeers, acting in collusion with a few unfaithful officials having access to official records.

During the course of this investigation 37 racketeers were indicted and convicted, 12 Government employees were convicted, 13 were dis-

missed from the Service on charges, and 5 resigned rather than face charges. In addition, 151 aliens were prosecuted and convicted for having obtained their naturalization papers by fraud. The number of aliens prosecuted was limited, due to the policy that was adopted in the early stages of the investigation of granting leniency to those aliens who cooperated in giving evidence leading to the prosecution of a racketeer.

It is impossible to estimate the number of illegal naturalization cases handled by the 37 racketeers who were convicted. It may be safely stated the number ranged into the thousands. Many persons operating steamship-ticket agencies were convicted. A further substantial group operated immigrant consultant offices.

Following convictions, the information obtained by the special unit was transmitted to other governmental agencies for appropriate action. As a result, many proceedings were instituted by the secretary of state of New York for the revocation of notarial licenses. In addition, the Transatlantic Passenger Conference was advised, and it in turn revoked steamship agency permits. Those who had been lawyers were disbarred.

At the close of the fiscal year 1940 this special unit was still working on this large program. Since its creation it has successfully prosecuted over 250 racketeers, employees, aliens, and steamship companies. It has a large number of prosecutions now pending in various judicial districts, and many cases are still in process of investigation.

Border Patrol activities.

The Border Patrol has been the principal recruiting source for the positions of immigrant inspector and naturalization examiner. For this reason it was necessary in 1933 to adopt new methods and apply new and higher standards in the selection of border-patrol personnel. Because of the arduous and exacting nature of an immigration patrol-inspector's duties, new and very strict physical requirements were established.

A central training school for the Border Patrol was established at El Paso, Tex. The course of training lasts 3 months and includes instruction in the following subjects: Immigration and naturalization laws, criminal law, and court procedure, alien investigations, the Spanish or French language, fingerprinting, radiotelegraphy, jiu-jitsu, instruction with revolver, rifle, and submachine gun, and special border-patrol arts, such as "sign cutting" and trailing.

Promotions in the Border Patrol have been made strictly on the basis of the individual's qualifications as a supervisory officer, and these have been determined by competitive promotional examinations.

Promotional eligibility lists were established as a result of these examinations, and the employee standing highest on the list has been the one to receive the promotion.

The working tools of the Border Patrol were greatly improved between 1933 and 1940, the most notable addition in this respect having been the installation of radio transmitting and receiving equipment. Twenty-one fixed stations were established at various district and subdistrict headquarters. Forty-three mobile transmitters have been furnished for use in cars and boats, and 210 receivers have been installed in patrol cars. All of the transmitting equipment was constructed at comparatively small cost in the Border Patrol radio shop, which was established in Detroit, Mich., in 1936. Fourteen patrol boats were added to the equipment for use in the Detroit and Niagara Rivers, the Florida coast, and on the coast of southern California. New firearms were also purchased and a regular course of training in the care and use of them put into effect.

From the experience gained in the first few years of its operation, the Border Patrol determined that one of the most effective methods of controlling illegal entries into the United States was the establishment of patrol units at strategic points on important rail and highway routes leading from the border into the interior of the country. The purpose is to inspect traffic over such routes and to apprehend aliens who had entered illegally and the alien smugglers. In 1931 the practice of stopping automobiles for inspection purposes at places removed from the international boundaries was ordered discontinued. It was found that as a result, in the Los Angeles district, where this method of operation had been most effectively used against smugglers, many smugglers were succeeding in getting through with aliens they had assisted to enter unlawfully. The Border Patrol was authorized to resume this method of operating in 1934, and during the first 24-hour period following the resumption of "traffic checking" by the patrol, nine alien smugglers with their loads of smuggled aliens were apprehended. This method of patrol operation has been extended with highly successful results.

INDUSTRIAL DISPUTES DIMINISH

The Department has had another highly successful year in adjusting labor disputes. The work of conciliators is becoming more and more concerned with the prevention of threatened strikes. The records show that during the past 3 years 996 threatened strikes, involving 633,144 workers have been so prevented, thus saving approximately 12,000,000 days of work and wages. In this same period there has been a reduction in the number of strikes handled, but the number of controversies not involving a strike or stoppages

of work has practically doubled. This indicates the success of the shift of emphasis to prevention and adjustment before the fact.

Department of Labor conciliators work on the principle that by bringing the parties in dispute together for a frank and clear discussion of the points at issue, it is possible to reach a satisfactory solution of the problem without resort to a strike or stoppage of work. This can best be illustrated by comparing the number of organized workers with the number of strikes reported in 1933 and 1939. In 1933 there were 565 strikes per million organized workers, while last year there were 290 strikes per million organized workers.

SERVICE TO WAGE EARNERS

The Department continued its service to the Nation's wage earners during the year through administration of the Fair Labor Standards and Public Contracts Acts and those parts of the Social Security Act which concern children. These activities have been increased and consolidated since the acts first became effective. Administration and enforcement of the Fair Labor Standards Act began late in the summer of 1939.

Early this year techniques were developed for disposing of the backlog of complaints of the initial year, with the result that it was expected that all of them soon would be wiped out. At the end of this fiscal year \$2,161,707 had been paid in restitution to 91,350 employees, and of this amount \$363,141 was paid in the month of June alone.

Litigation activities continued to be almost uniformly successful. As of June 30, 1940, legal action had been taken in 512 cases of alleged violation, and in all but 1 or 2 cases upon which court action had been completed the Division had been upheld. One or two cases in which the Division had not been sustained were pending on appeal. Two notable decisions in circuit courts of appeal had upheld the constitutionality of the industry committee process and the right of the Administrator to inspect pay-roll and time records of employers, even in instances in which no allegation of violation had been made.

A notable event of the year was the stepping up of the statutory minimum wage from 25 to 30 cents an hour and the reduction of the maximum workweek, beyond which time and a half must be paid for overtime, to 42 hours. These changes occurred October 24, 1939. Diligent inquiry revealed no instances in which hardships to employers were reputed to be due to these new requirements, so that it seems a reasonable assumption that industry was able to adjust its practices to the new standards with relatively little dislocation.

There will be no further increase in the statutory minimum-wage rate until 1945, when 40 cents an hour becomes the minimum, although the maximum workweek will be further reduced to the ultimate stand-

ard of 40 hours October 24, 1940. The statute, however, provides a method by which the minimum wage can be increased, industry by industry, above 30 cents an hour (but to not more than 40 cents) before 1945 by means of wage orders.

Such wage orders may issue only upon the recommendation of industry committees, representing in equal numbers the public, and employers, and employees in the industry. Nine wage orders were issued during the year in accordance with this process. Those for hosiery, textiles, millinery, shoes, knitted underwear, and woolen textiles had gone into effect prior to July 1. Wage orders for straw hats and knitted outerwear became effective July 1, and a wage order for the apparel industry was to become effective July 15. Additional committees have been appointed for the leather, luggage and leather goods, carpet and rug, railroad carrier, and pulp and primary paper industries, but wage recommendations either had not been made, or action upon such recommendations had not been completed, within the year.

Amendments to the act were proposed in the Seventy-sixth Congress, but only one was adopted. It provides for the establishment of minimum-wage rates in Puerto Rico and the Virgin Islands by wage orders to be issued upon the recommendation of special industry committees to be appointed for the islands. Unless wage orders establish a minimum rate of less than 30 cents an hour in a given industry, however, the 30-cent minimum is to prevail. It was provided, however, that no minimum-wage rate should be recommended which would confer a competitive advantage upon any industry in Puerto Rico and the Virgin Islands over any industry in continental United States.

Cooperative agreements for enforcement of the act by State agencies were signed with North Carolina and Connecticut under the authority of section 11 (b). Similar agreements with Minnesota and the District of Columbia were pending.

No new data as to the coverage of the act have been compiled since April 1939, when estimates made by the Bureau of Labor Statistics indicated that 12,652,700 persons (exclusive of industrial home workers and employees of canning factories) were employed in interstate commerce or in the production of goods for interstate commerce.

It was estimated that 690,000 covered workers were receiving less than 30 cents an hour in April and that 1,663,500 were employed more than 42 hours a week without receiving overtime rates for hours beyond 42. Nearly 800,000 already were being paid time and a half for overtime beyond 42 hours, although time and a half under the act applied only to hours above 44 at that time. Because of continuing business improvements, another survey undoubtedly would revise considerably upward the estimate of the number of employees

entitled to the benefits of the statute. It is estimated that approximately half a million workers have received wage increases as the result of wage orders.

The Public Contracts Act is not yet 4 years old, but approximately 30,000 contracts valued at about \$3,000,000,000 have been handled under it. It is difficult to estimate what the effect of this is on wage earners, but it is believed that more than 2,000,000 employees in manufacturing industries have felt the benefits of the minimum-wage requirements alone. We know that about 850,000 are employed in industries like iron and steel, china, flint glass, carpets and rugs, tags, aircraft, soap, photographic supplies, paper and pulp, and cement where the Walsh-Healey minimum wage has either become or already was the minimum wage of the industry.

Nearly \$450,000 has been found due for violations of the act, and all of this, except \$20,000 for child-labor violations, which remains in the Federal Treasury, finds its way into the pockets of working people engaged on a Government contract.

SOCIAL-SECURITY ACTIVITIES

Under the Social Security Act grants to States now totaling \$5,820,000 a year are causing the extension and strengthening of maternal- and child-health services, especially in rural areas and areas suffering from severe economic distress under the Department's standards. The public-health agencies of all the States, Alaska, Hawaii, Puerto Rico, and the District of Columbia are participating in the program. Active postgraduate educational programs for doctors, public-health nurses, and dentists are improving the quality of care for mothers and children. In 1940 health services for mothers and children were being rendered by doctors, public-health nurses, and other health workers in about two-thirds of the 3,000 counties of continental United States, benefiting hundreds of thousands of mothers and several million infants and children.

Striking decreases in maternal- and infant-mortality rates have taken place since 1933, which may be attributed in part to the maternal- and child-health services initiated in the States under the maternal- and child-health program. The infant death rate dropped from 58 per 10,000 live-born infants in 1933 to 48 in 1939 (provisional rate). The maternal death rate dropped from 62 per 10,000 live-born infants in 1933 to 40 in 1939 (provisional), a decrease of 32 percent.

Under the Social Security Act the Department cooperates with all the States and Territories covered by the act in establishing, extending, and strengthening local public-welfare services for the protection and care of homeless, dependent, and neglected children and

children in danger of becoming delinquent in predominantly rural areas and other areas of special need. An annual appropriation of \$1,510,000 is authorized for this purpose. Plans are developed jointly by the State welfare agencies and the Children's Bureau. In May 1940, 45 States reported 42,000 children receiving child-welfare services from workers paid in whole or in part from Federal funds. State and local welfare services for children have been greatly strengthened under this program.

CONFERENCE ON CHILDREN

The White House Conference on Children in a Democracy, fourth in a series of conferences on children organized under Presidential auspices since 1909, met on January 18-20, 1940, to consider and take action upon the general report prepared by the Report Committee with the aid of the staff and many members of the Conference who served as consultants. The Conference was truly a citizens' enterprise in which persons representing many different interests, but all concerned with children, worked together to design a program for American childhood. Many of the proposals call for immediate action, but the program as a whole is not for one year only but for the next decade and perhaps longer.

After full consideration the report was unanimously adopted and presented to the President. It was described as a "call to action; to do now those things that can be done now and to plan those that must be left for the morrow." In all its deliberations the Conference had in mind that the fundamental question before it was whether a free people by conscious effort and thoughtful planning can make certain that the needs of all their children will be met and can rear them for the responsibilities of citizenship in a democracy. Without hesitation the Conference affirmed its belief that we can accomplish these things.

The Conference also authorized a follow-up program to be entrusted to a National Citizens Committee and a Federal Interagency Committee. These committees have been at work since the Conference met and State plans for follow-up activities have been developed in a number of States. It is generally agreed that if the recommendations of the Conference were important last January they are doubly important now when the institutions of a free people must be strengthened in every possible way.

FRANCES PERKINS,
Secretary.

APPENDIX

A P P E N D I X

CONDENSED REPORTS OF THE ACTIVITIES OF THE BUREAUS AND SERVICES OF THE DEPARTMENT OF LABOR FOR THE FISCAL YEAR ENDED JUNE 30, 1940

UNITED STATES CONCILIATION SERVICE

J. R. STEELMAN, *Director*

To the SECRETARY OF LABOR:

Two major factors characterized the activities of the United States Conciliation Service during the fiscal year ended June 30, 1940: (1) A noticeable increase in preventive work, largely made possible by the interested cooperation of labor organizations and business enterprises, and (2) the formulation and execution of plans so to preserve and develop harmony between labor and management as to enable the fullest possible prosecution of the program for national defense.

During the year the Service was active in 3,751 situations in which approximately 1,145,205 men and women were directly involved. Service was rendered in 46 States, the District of Columbia, and Alaska, and the situations handled covered business of almost every type and size in our economy. Of the total situations disposed of, 1,977, involving 1,015,540 workers, were classified as labor disputes—strikes, threatened strikes, lock-outs, and controversies. The remaining 1,774 situations, involving 129,665 workers, were classified as "other services rendered," which includes arbitration, the conduct of consent elections, consultations with employers and employees or their representatives, complaints, and the supplying of technical services and information. As of June 30, 1940, there were 305 situations pending.

The effectiveness of the Service was increased by a slight expansion of its staff during the year, an increase of appropriation having provided for 13 additional commissioners of conciliation. In addition to this small increment of personnel, long-studied plans for supervising the efforts and activities of commissioners were perfected and put into operation. The Service now has 4 regional supervising commissioners of conciliation stationed officially in Washington. Their responsibility is to make regular assignments of commissioners and to keep in constant touch with developments in the 4 regions into which for purposes of efficiency the country has been divided.

These changes in organization, however, have been effected without any sacrifice of the informality and flexibility which have long characterized the work of the Service. For example, although there are commissioners who tend to specialize in a particular industry or group of industries, most of the staff has had experience in many

different fields. As a result and with negligible exceptions men can be shifted back and forth as demands on the Service temporarily increase in one locality or industry and decrease in another. The Service was almost never behind on cases, even though this meant frequent work and travel by day and night for the commissioners.

The sole exception to this was the fact that, because of the case loads the commissioners were obliged to carry, the Service was not always able to make their services available as promptly as desired. Nevertheless throughout the year gratifying success was experienced in efforts to adjust difficulties prior to stoppage of operations.

There was a slight decrease in situations handled by the Service which involved stoppages of work. There was, further, a 10 percent decrease in threatened strikes—situations where a stoppage had actually been voted upon or where the Service had definite indication that a strike was imminent. On the other hand, the Service rendered assistance in 68 percent more controversies (situations which had not, as yet, advanced to such pressing and serious stages).

Threatened strikes, situations in which a definite commitment has been made with regard to a strike, accounted for 8.6 percent of the total situations handled. The Service was able to prevent 94 percent from developing into stoppages of work, thus saving a loss of employment to 194,145 workers, which resulted in a saving, on the basis of the Bureau of Labor Statistics figures, of approximately 3,882,900 man-days of work and wages.

These figures draw attention to one of the most promising trends of the past few years—a trend which the Service has striven unremittingly to encourage. This is the marked shift from the former emphasis on mediation as a *remedy* to the new, growing, and more practical concept of *preventive conciliation* as a *positive* instrument of industrial peace.

Credit for this, of course, cannot be restricted to any single organization or individual. The Service has had, in increasing measure throughout the year, the sustained cooperation of labor organizations and business managements. Several large international unions now follow a settled policy of withholding strike sanction from their locals until the Conciliation Service has been notified of the difficulty and had an opportunity to try to effect a satisfactory solution. Then, too, many local unions, of their own accord, request the impartial assistance of the Service in the early stages of any difficulties they encounter. In addition, there is a growing tendency for some of the most progressive business managers to avail themselves of the facilities of the Conciliation Service well in advance of any possible interruption of operations.

Another favorable trend is the growing use of arbitration, particularly in disputes over the interpretation or application of agreements. Increasingly, in drawing up their contracts, labor and management are providing that, if a dispute over the meaning or interpretation of the agreement cannot be settled by the parties themselves, the matter shall be submitted to arbitration. As for the choice of arbitrator, where no individual is specified in the agreement, it is frequently provided that the Secretary of Labor or the United States Conciliation Service, upon request, shall designate some neutral person. A survey during the year of over 800 agreements in the files disclosed that 62 percent contained provisions for arbitration. What

the situation is with regard to the thousands of labor agreements throughout the country, of course, the Service has not the research facilities exactly to determine. It may be significant, however, that scarcely a week goes by without notification by the parties to some agreement that they have a dispute or misunderstanding and that, according to their agreement, the Service is expected to furnish or designate an arbitrator.

While voluntary arbitration has proved peculiarly suitable as a means of settling disputes over agreement interpretations, there is another field in which at times it has definite value. This is the adjudication of matters not covered by an existing agreement. Conciliation, of course, is not always effective. There are times when all the efforts of the best conciliator fall short of working out a final settlement satisfactory to both parties. In these comparatively rare cases, the commissioner of conciliation will usually suggest that the parties submit to arbitration the point or points on which, even with his assistance, they cannot come to agreement. Naturally, the Service encourages voluntary arbitration of this type when a dispute cannot be settled by other means. There are, however, limitations to its usefulness which cannot be ignored. It has been the experience of the Service over many years that a settlement by the disputant parties themselves is to be preferred to any decision handed down by an outside party, no matter how impartial and conscientious that outside party may be.

From the very establishment of the Advisory Council on National Defense, the Conciliation Service, as the designated Federal agency for dealing with labor disputes, has cooperated closely with that body. Within a few days of the setting up of the Council, the Secretary of Labor selected seven of the most experienced commissioners of conciliation to work with certain vital industries; oil, aviation manufacturing, machine tools, rubber and chemicals, building construction, shipbuilding, and steel.

These special commissioners of conciliation were selected not merely for dealing with actual disputes in the key industries but for the task of day-to-day contact and conference with all the parties involved so as to be able, by correcting any troublesome situations in the earliest possible stages, to prevent the actual emergence of disputes. Industrial peace does not take care of itself—constant vigilance and consultation are imperative for that purposeful efficiency which depends so greatly on labor-management cooperation. The designation of these seasoned mediators as full-time ambassadors of good will to key-defense industries was one of the outstanding developments of the year.

For each of these seven industries there are, of course, many others which supply and directly affect them. An interruption in one of these supporting industries may be a serious impediment to the flow of work and materials in one or more of the seven. Consequently, as soon as the defense program got under way, it was determined, wherever possible, to have any commissioner assigned to a defense situation work unimpeded on that case until it had been brought to successful conclusion—to work, in short, free from the burden of other cases. For many years, all commissioners have had to service from five to eight situations concurrently. The practice of freeing commissioners for undivided attention to any defense case thus inevitably placed an even heavier case load on the other commissioners.

Work with the War and Navy Departments on Government contracts was helped considerably by the appointment of one of our especially equipped commissioners to act as liaison officer with those agencies. All in all, by the close of the year, the Service had so utilized its resources as to have set up what is believed to be the best possible framework for rendering complete and expeditious service to every agency and group concerned with the defense program. In addition, many labor leaders have pledged their cooperation and urged their members to avail themselves of all the facilities of conciliation and arbitration. By sustained effort and by an even greater emphasis on the preventive aspects of conciliation, it is the hope and the determination of the Service that this great national effort shall move forward impeded by a minimum of disturbance because of labor-management disagreements.

APPENDIX A.—Situations disposed of by U. S. Conciliation Service, classified on basis of type of dispute involved, July 1, 1939, to June 30, 1940

Type of dispute	Number	Workers involved
Strikes.....	775	308,998
Threatened strikes.....	322	198,235
Lock-outs.....	31	9,456
Controversies.....	849	498,851
Subtotal.....	1,977	1,015,540
Other situations:		
Investigations.....	114	17,303
Arbitrations.....	171	44,097
Request for consent elections.....	11	2,402
Request for verification of union membership.....	1	12
Technical service.....	58	11,205
Request for information.....	522	555
Consultations.....	403	841
Special services of commissioners.....	181	52,751
Complaints.....	313	469
Subtotal.....	1,774	129,665
Total.....	3,751	1,145,205

APPENDIX B.—Situations disposed of by U. S. Conciliation Service, classified on basis of disposition, July 1, 1939, to June 30, 1940

Disposition	Number	Workers involved
Signed agreements.....	544	403,766
Renewal of signed agreements.....	224	137,618
Verbal agreements.....	573	303,487
Written statement terminating situation.....	143	86,910
Dispute called off; no further action required.....	136	25,943
Unable to adjust.....	99	14,629
Plant closed indefinitely.....	9	448
Investigation completed.....	112	15,253
Conditions corrected.....	37	9,083
No action required.....	55	2,888
No jurisdiction.....	8	819
Referred to other governmental agencies (N. L. R. B., N. M. B., etc.).....	125	3,291
Referred to N. L. R. B. during negotiations.....	117	24,258
Referred to nongovernmental agencies.....	10	4,572
Outside party appointed as arbiter.....	18	10,659
Decision rendered in arbitration.....	149	33,434
Technical service rendered.....	58	11,205
Consent election held.....	10	2,203
Union membership verified.....	2	211
Information furnished.....	1,322	54,648
Total.....	8,751	1,145,205

APPENDIX C.—Situations disposed of by U. S. Conciliation Service, classified by States, July 1, 1939, to June 30, 1940

States	Disputes		Other situations		Total	
	Number	Workers involved	Number	Workers involved	Number	Workers involved
Alabama.....	56	18,478	32	6,019	88	24,497
Alaska.....	4	157	4	903	8	1,060
Arizona.....	8	475	2	26	10	501
Arkansas.....	19	2,886	19	645	38	3,531
California.....	130	96,719	138	15,753	268	112,472
Colorado.....	12	1,983	5	36	17	2,019
Connecticut.....	19	5,166	10	1,071	29	6,237
Delaware.....	2	154			2	154
District of Columbia.....	100	13,184	194	5,968	294	19,152
Florida.....	37	6,059	45	7,749	82	13,838
Georgia.....	16	4,562	27	2,957	43	7,519
Idaho.....	2	10	3	3	5	13
Illinois.....	133	77,242	121	13,051	254	90,293
Indiana.....	79	17,706	59	1,111	138	18,907
Iowa.....	42	12,591	30	1,174	72	13,765
Kansas.....	13	5,400	8	52	21	5,452
Kentucky.....	35	18,092	14	582	49	18,674
Louisiana.....	27	8,471	55	3,498	82	11,969
Maine.....	4	515	3	155	7	670
Maryland.....	27	12,006	20	1,045	47	13,051
Massachusetts.....	53	27,177	48	4,603	101	31,780
Michigan.....	42	306,784	33	5,951	75	312,735
Minnesota.....	37	7,893	16	34	53	7,927
Mississippi.....	7	1,432	14	66	21	1,498
Missouri.....	87	24,854	62	844	149	25,698
Montana.....	12	9,738	4	153	16	9,891
Nebraska.....	8	2,160	5	522	13	2,682
New Hampshire.....	6	518	6	218	12	736
New Jersey.....	75	18,512	48	2,228	123	20,740
New Mexico.....	12	1,439	7	8	19	1,447
New York.....	126	64,358	161	12,805	287	77,163
North Carolina.....	27	12,284	49	2,249	76	14,533
North Dakota.....	4	450	1	2	5	452
Ohio.....	175	63,650	121	8,962	296	72,612
Oklahoma.....	16	2,685	11	2,070	27	4,755
Oregon.....	9	2,818	13	662	22	3,480
Pennsylvania.....	238	83,484	114	7,819	352	91,303
Rhode Island.....	10	2,103	14	1,578	24	3,681
South Carolina.....	17	13,554	55	892	72	14,446
South Dakota.....			5	41	5	41
Tennessee.....	43	5,815	38	1,470	81	7,265
Texas.....	36	5,513	42	2,320	78	7,833
Utah.....	10	798	15	774	25	1,572
Virginia.....	45	10,705	8	92	53	10,797
Washington.....	51	26,069	39	6,672	90	32,741
West Virginia.....	17	5,301	31	1,599	48	6,900
Wisconsin.....	48	13,377	18	3,011	66	16,418
Wyoming.....	1	93	7	192	8	285
Total.....	1,977	1,015,540	1,774	129,665	3,751	1,145,205

APPENDIX D.—Situations disposed of by U. S. Conciliation Service, classified by industries, July 1, 1939, to June 30, 1940

Industry	Disputes		Other situations		Total	
	Number	Workers involved	Number	Workers involved	Number	Workers involved
Agriculture.....	5	4,627	4	1,503	9	6,130
Automobile.....	65	300,027	30	7,256	95	307,233
Building trades.....	124	45,676	162	4,187	286	49,863
Chemicals.....	61	12,485	20	2,459	81	14,944
Communications.....	12	14,082	9	1,199	21	15,281
Domestic and personal.....	134	17,021	63	638	197	17,659
Food.....	237	114,216	90	1,975	327	116,191
Iron and steel.....	163	73,852	76	3,864	239	77,716
Leather.....	35	7,605	16	458	51	8,063
Lumber.....	122	30,499	45	1,045	167	31,544
Machinery.....	145	51,161	86	1,603	231	52,764
Maritime.....	37	46,726	77	21,311	114	68,037
Mining.....	28	43,595	33	5,379	61	48,974
Motion pictures.....	13	24,344	6	15	19	24,359
Nonferrous metals.....	40	11,029	5	517	45	11,546
Paper.....	44	15,404	16	1,239	60	16,643
Printing.....	27	3,026	21	1,445	48	4,471
Petroleum.....	20	9,890	81	3,178	101	13,068
Professional.....	10	1,517	18	4,228	28	5,745
Rubber.....	27	9,242	11	126	38	9,368
Stone, clay, and glass.....	86	20,442	38	501	124	20,943
Textile.....	152	83,235	189	14,986	341	98,221
Tobacco.....	12	1,707	15	8,511	27	10,218
Trade.....	140	22,721	85	634	225	23,355
Transportation.....	131	15,934	109	3,191	240	19,125
Transportation equipment.....	27	24,871	9	200	36	25,071
Utilities.....	15	2,582	13	3,351	28	5,933
Unclassified.....	65	8,024	447	34,666	512	42,690
Total.....	1,977	1,015,540	1,774	129,665	3,751	1,145,205

Respectfully submitted.

J. R. STEELMAN,
Director.

OFFICE OF THE SOLICITOR

GERARD D. REILLY, *Solicitor*

To the SECRETARY OF LABOR:

An unusual amount of litigation last year on cases arising under statutes administered by the Department of Labor resulted in a number of decisions by the courts which clarified various controversial questions. For the purpose of convenience, the report this year is again subdivided with respect to legal developments arising from the relationship to particular bureaus or divisions of the Department.

1. *Immigration*.—Although no cases comparing in importance with the *Elg* and *Strecker* cases of the previous year were decided, the Supreme Court granted certiorari in two cases which the Attorney General assigned to the Solicitor for argument. These were *Channan Singh v. Haff* and *Bhaghat Singh v. Haff*. Both of these cases presented substantially the same question namely, whether the failure of the Immigration Service to produce certain witnesses at a hearing on a warrant of deportation for cross examination was a denial of due process inasmuch as the Secretary of Labor in issuing the deportation order had relied on affidavits taken from these witnesses by an immigrant inspector. The second of these cases was not argued as the petition was dismissed on the motion of counsel for the petitioner pursuant to an agreement between him and the Government. In the *Channan Singh* case a decision of the Circuit Court of Appeals for the Ninth Circuit upholding the deportation order was affirmed in a per curiam decision (60 Sup. Ct. 720).

In several other immigration cases the United States Supreme Court sustained the Department's position by denying petitions for certiorari. In *Schenck ex rel. Chu Guay Oi v. Ward* (60 Sup. Ct. 109), the Court upheld the exclusion of a Chinese woman because her claim of citizenship depended upon a family identification which she could not establish. In the deportation case of *U. S. ex rel. Karpathiou v. Schlotfeldt* (60 Sup. Ct. 721) the Court found no denial of due process of law even though the Government used ex parte affidavits and failed to produce the deponents for cross examination. Other administrative procedures of the Department were upheld in *U. S. ex rel. Tsevdos v. Reimer* (60 Sup. Ct. 1095) and *Ngin Ah Oi v. Haff* (Order of October 21, 1940). *Goldsmith v. U. S.* (282 U. S. 837, 799) affirmed a criminal conviction for the perpetration of fraud upon the Government in violation of the immigration laws. In *Puget Sound Navigation Co. v. U. S.* (60 Sup. Ct. 608) the Court determined that vessels transporting passengers and freight between British Columbia and Puget Sound ports were not "international ferries" exempt from the obligation to pay extra compensation to immigrant inspectors and employees for overtime work or work done on Sundays and legal holidays.

Other immigration cases, disposed of by the circuit courts of appeals during the past year, raised several points of general interest. In *U. S. ex rel. Jelic v. District Director of Immigration, etc.* (C. C. A. 2nd, 106 F. (2d) 14) the Court held that an alien possessing a visitor's visa might not be excluded on the formal charge that he does not possess a valid visa even though evidence from the State Department indicated he had a criminal record and an intent to spread terroristic propaganda in this country. In *U. S. ex rel. Guarino v. Uhl* (C. C. A. 2nd, 107 F. (2d) 399), the Court held that the crime of possessing a jimmy "under circumstances evincing an intent to use and employ the same * * *" in the commission of some crime * * * unknown" was not a crime involving moral turpitude. In *U. S. ex rel. Barilla v. Uhl* (C. C. A. 2nd, 108 F. (2d) 1021) the deportation of a person sentenced twice for second-degree assault, a crime involving moral turpitude was upheld despite the appellant's claim of citizenship because his naturalization proceeding had never been completed. In *U. S. ex rel. Consola v. Karnuth* (C. C. A. 2nd, 108 F. (2d) 178) the Court held that a pardon granted in a foreign country for the crime of armed robbery committed in that country was ineffective to prevent deportation from the United States. In the case of *U. S. ex rel. Boraca v. Schlotfeldt* (C. C. A. 7th, 109 F. (2d) 106) the Court originally refused to deport persons to Poland because of the chaotic conditions prevailing in that country, but practically reversed itself by ordering deportation to Canada, through which the aliens had entered the United States, and if that was impossible, deportation to Poland. In *Corsetti v. McGrath* (C. C. A. 9th, 112 F. (2d) 719) the Court held that a person who left this country voluntarily after an order of deportation was issued must be considered to have been deported even though he was ignorant of the issuance of the deportation order. In *Ianni v. Harris* (C. C. A. 5th, 111 F. (2d) 833) the Court sustained the Government's contention that deportation for violation of the narcotics law was not barred by the lapse of 5 years. In *U. S. v. Smith* (C. C. A. 2nd, 112 F. (2d) 83) the Government was successful in its prosecution of a person who had imported and harbored aliens for immoral purposes, and in *U. S. v. Mack* (C. C. A. 2nd, 112 F. (2d) 290) the conviction of a person for conspiracy to harbor and conceal aliens not entitled to be in the United States was sustained.

Cases under the special laws pertaining to the immigration of Chinese persons were also carried to the circuit courts of appeals. In *Hom Ark v. Carr* (C. C. A. 9th, 105 F. (2d) 607) the expert opinions of physicians predicated upon X-ray and other scientific evidence were used to establish the age of a native of China in contradiction to his claim of birth upon which his alleged citizenship rested. Similar was the case of *Kong Din Quong v. Haff* (C. C. A. 9th, 112 F. (2d) 96). In *Jew Ngee v. Proctor* (C. C. A. 9th, 109 F. (2d) 355), a native of China, who claimed American citizenship through his father, but who was unable to identify his alleged father, and who on four different occasions identified another person as his father, was excluded from the United States. Other natives of China were excluded because of similar discrepancies in their testimony and the testimony of their witnesses in the cases of *Won Ying Loon v. Carr* (C. C. A. 9th, 108 F. (2d) 91), *Dong Ah Ion v. Proctor* (C. C. A. 9th, 110 F. (2d) 808), *U. S. ex rel. Chin Shue Hong v. Reimer*

(C. C. A. 2nd, 111 F. (2d) 126), *Gee Nee Way v. McGrath* (C. C. A. 9th, 111 F. (2d) 326), and *Ong Guey Foon v. Blee* (C. C. A. 9th, 112 F. (2d) 678). In *Wong Kam Chong v. U. S.* (C. C. A. 9th, 111 F. (2d) 707) the immigration authorities maintained that a member of the Chinese race born in Hawaii had gained admission to the United States by the use of a birth record of another person, but the Court reversed an order of deportation on the ground that the Government had not given proper weight and consideration to the testimony introduced in behalf of the appellant. In *Lee Chock Hon v. Proctor* (C. C. A. 9th, 112 F. (2d) 246), however, the Government was upheld in its contention that a Chinese person had entered this country as an imposter, using a citizen's return certificate issued to another person.

A general summary of the results of habeas corpus cases in the courts follows:

	Exclu-	Depor-
	sion	tation
Pending at beginning of fiscal year	33	47
New cases arising in fiscal year	138	107
 Total	 171	 154
Cases disposed of in fiscal year	130	116
 Pending at close of fiscal year	 41	 38

190 exclusion cases

4 writs habeas corpus sustained.
 92 writs habeas corpus dismissed.
 34 cases withdrawn.

130

116 deportation cases

7 writs habeas corpus sustained.
 88 writs habeas corpus dismissed.
 21 cases withdrawn.

116

2. *Naturalization.*—The Court opinions issued in naturalization cases during the past year reflected caution and restraint in the conferring of citizenship upon aliens. The United States Supreme Court refused twice to review the denial of naturalization to a female conscientious objector who stated she did not believe in the rendition of military service (*Shelley v. Jordan*, 60 Sup. Ct. 1103). The Court also affirmed the cancellation of a certificate of naturalization which had been obtained upon false statements respecting the period of time the alien's witnesses had known him. (*Schwinn v. U. S.*, order of October 28, 1940). In the case of *Zegura v. U. S.* (60 Sup. Ct. 109), the Court denied a petition for certiorari and thereby sustained the cancellation of another certificate of naturalization on the ground that the resumption of residence in a foreign country within 5 years after the naturalization indicated fraud in the original petition for citizenship.

Two other naturalization cases were finally disposed of in the circuit courts of appeals. In the case of *U. S. v. Rubia* (C. C. A. 5th, 110 F. (2d) 92) the Government objected to the naturalization of a Filipino because, although honorably discharged from the service of the Coast Guard, he had not behaved as a person of good moral character; however, the Court disagreed with the contention of the Government. In *Lakebo v. Carr* (C. C. A. 9th, 111 F. (2d) 732),

an alien was held perpetually barred from citizenship because, despite an earlier declaration of intention to become a citizen, he claimed exemption from the World War draft as an alien—even though at the time of the war his former declaration of intention to become a citizen was too old to be valid for naturalization.

3. *Public Contracts Division*.—After extensive litigation over a period of a year, the Walsh-Healey Act received its first judicial examination by the Supreme Court of the United States in the case of *Perkins, Secretary of Labor, et al. v. Lukens Steel Co., et al.*, 310 U. S. 113, decided April 29, 1940.

On February 25, 1939, seven steel corporations, classified in the industry as either medium-sized or small companies, commenced proceedings in the United States District Court for the District of Columbia to restrain enforcement of the iron and steel industry minimum-wage determination which was to have become effective March 1, 1939. The companies seeking the injunction were Lukens Steel Co., Alan Wood Steel Co., South Chester Tube Co., Central Iron & Steel Co., Harrisburg Steel Corporation, the Eastern Rolling Mill Co., and the Atlantic Wire Co. .

The Government moved to dismiss the complaint on the ground that the steel companies, mere prospective bidders for Government business, had no legal right to obtain Government contracts and that, in any case, the minimum-wage determination was a proper exercise of discretion by the Secretary of Labor. On March 14, 1939, the United States District Court for the District of Columbia sustained the Government's motion to dismiss the complaint, and dissolved the limited temporary restraining order which it had granted. The steel companies appealed from this order to the Court of Appeals for the District of Columbia and requested the court of appeals to grant a temporary injunction pending the hearing and decision upon the appeal.

On March 27 the court of appeals granted the steel companies' application for a sweeping temporary injunction and restrained the Secretary of Labor, the Secretary of the Treasury, the Assistant Secretary of Labor, the Administrator of the Division of Public Contracts, the Director of Procurement, the Secretary of the Navy, the Secretary of War, the Secretary of the Interior, and the Postmaster General from continuing to give any effect to the determination until the further order of the court.

The temporary injunction was kept in effect by the court of appeals in its decision announced August 4, 1939, and reported in 107 F. (2d) 627. Certiorari was granted in the Supreme Court, 309 U. S. 643. The opinion of the Supreme Court reversed the judgment of the court of appeals and affirmed the judgment of the district court, dismissing the complaint. Mr. Justice McReynolds dissented. In the opinion, delivered by Mr. Justice Black, the Court sharply reprimanded the court of appeals for the sweeping character of its injunction, which suspended the wage determination throughout the Nation and not merely in the locality in which the steel companies who challenged the determination were located.

The Court did not deem it necessary to discuss the question of whether the Secretary properly construed the term "locality" as

used in section 1 (b) of the Public Contracts Act.¹ The Court disposed of the case by pointing out that the steel companies had no standing in court to challenge the validity of the determination. The Court declared that neither section 3709 of the Revised Statutes, which provides in effect that Government contracts be awarded to the lowest responsible bidder, nor the Public Contracts Act itself vests any right in a mere prospective bidder for a Government contract to challenge the terms sought to be inserted in that contract by agents of the Government authorized to prescribe such terms.

In construing the terms of the Public Contracts Act and in making the minimum-wage determinations authorized thereunder, "the Secretary's responsibility is to superior executive and legislative authority."

Accordingly, the prevailing minimum-wage determination for the steel industry (4 Fed. Reg. 265) went into effect for the first time approximately a year after it was to have become effective by its own terms.

The *Lukens* case is of especial importance in the administration of the Walsh-Healey Act, since it makes it clear that mere prospective bidders for Government business have no standing to obtain, in effect, judicial suspension of the operation of minimum-wage determinations as was done in the *Lukens* case. Any other result would clearly invite defeat of the effective operation of the act.

4. *International Labor Organization*.—The world upheaval and the refugee fate of the International Labor Organization have dimmed the interest of Congress in the implementation of the I. L. O. conventions ratified by the United States. Nevertheless, the Solicitor's Office has proceeded in an effort to fulfill our treaty obligations.

With respect to the regulation of child labor on vessels, the Solicitor's Office has attempted not only to clarify and implement Convention No. 58, on minimum age at sea, but also to obtain for the first time basic Federal child-labor legislation for employment on boats on all waters subject to the jurisdiction of the United States. Public hearings have been held upon H. R. 7527, a bill prepared for this purpose, and reasonable amendments have been offered to care for practically all of the objections raised.

H. R. 6881, a bill to implement Convention No. 55, on shipowners' liability for sickness and injury which had been approved by the House of Representatives, was amended by a subcommittee of the Senate Committee on Commerce to extend the Longshoremen's and Harbor Workers' Compensation Act to seamen. Hearings were held upon this amendment, and as a result of the unanimous opposition of the maritime unions the committee made no report upon the bill. Separate action upon the sections of the bill implementing the I. L. O. convention was rendered inexpedient by the European situation.

5. *Conciliation Service*.—The use of voluntary arbitration especially in resolving disagreements over the interpretation and application of collective-bargaining contracts has shown a marked increase. In a great many labor-management agreements it is provided that

¹ Sec. 1 (b) provides "that all persons employed by the contractor * * * will be paid * * * not less than the minimum wages as determined by the Secretary of Labor to be the prevailing minimum wages for persons employed on similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the materials, supplies, articles, or equipment are to be manufactured or furnished under said contract."

the Department of Labor shall appoint the arbiter for any dispute arising thereunder. The member of this staff who is responsible for study, coordination, and assignment of arbitration work reports many interesting and unusual questions arising during the past year which were peaceably settled by arbitration. Among these were the following:

In a dispute involving the sales employees of a large automobile manufacturer's distributing office, the question over back pay involved an alleged breach of contract by the company in changing its retailing policy from a "salesroom" type of display to a "salon" type of merchandising, thus decreasing its salesmen. Protracted hearings were held and voluminous testimony offered, some of which was by expert witnesses as to the difference between "salesroom" and "salon" selling. The arbiter held that the contract had been breached for a period of about 2 weeks and that the workers were entitled to approximately 2 weeks' pay. The counsel for the union believed that the displaced workers were entitled to pay for the entire life of the labor contract, and appealed to the New York Supreme Court for review with the request that the arbiter be ordered to increase his findings. The arbiter's decision was, however, upheld by the New York State Supreme Court.

In a case involving a steamship company, a dispute occurred as to the amount of war bonus to which the members of the crew were entitled. The crew maintained their wages should be increased because of the resulting war risk caused by potential naval activities by belligerents in the waters off the coast of Africa. After extensive hearings, the arbiter decided that on these particular runs there was little or no increase in the risk between the eastern coast of the United States and Cape of Good Hope, but from Cape of Good Hope up the eastern side of Africa to Mombasa, the northernmost point of the run, there had been an increase in the risk, and for that part of the voyage the crew were entitled to increased pay. The entire voyage was considered the basis for the pay, and the arbiter found that this part of the trip, namely, from Cape of Good Hope to Mombasa, was about one-third of the voyage and that the crew were, therefore, entitled to an increase of about 33½ percent for this part of the trip over and above the allotted basic pay.

In a large segment of the handmade cigar industry in this country a dispute occurred between the employees and the manufacturers as to the piece-work prices to be paid for certain classifications of cigars under a so-called new system. It developed that the new system is in essence the adaptation of the old Spanish hand-made method in conjunction with slight mechanization. By the use of the new system, it was alleged there could be greater production without increased effort on the part of the workers. After an extensive study, the arbiter determined a wage scale for the new system.

In another case a unique question was presented when a dispute arose as to whether it would be in violation of the terms and conditions of a collective-bargaining agreement for one of the employees covered by the agreement to be a stockholder in the company. It appeared that the employee in question was a production worker who was not in a supervisory capacity but owned some shares of stock in the company. The arbiter found that the employee in question, who was a member in good standing of the union which had been certified as the collective bargaining agency, could be included in the unit and work under the terms of the agreement. The owning of stock in the company by an employee of this classification was held not to change his status to the extent of preventing his active participation in a collective-bargaining agreement.

A large zinc company and its employees had on several occasions requested the services of an arbiter, from this Department, primarily on the question of wages. In a recent decision the arbiter determined the applicable wage to be a wage based upon the price of zinc in the recognized zinc market in the area involved. The arbiter further recommended that, as a possible means of disposing of future wage disputes, the company and the workers initiate a policy of wage adjustments based on the change in the price of zinc at the recognized zinc market for the area. The arbiter made this recommendation because he found after an extensive study that in a great many of the metal-mining and smelting industries in this country the adjustments in wages were governed by the price of the particular metal in the recognized market for the area in which the operation was located.

It is of interest to note the various industries in which the services of arbiters have been requested from this Department. For example, arbiters have been appointed to act in cases involving steel, rubber, oil, shipping, telegraph, retail trade, fishing, newspapers—in fact, most of the major and many of the minor industries in America. It should be reported here that in the very few cases handled by arbiters from this Department, which have been appealed to the courts, the arbiter has, without exception, been upheld! In no case has a decision been modified or reversed.

6. *Prevailing Wage Division.*—The volume of work under the Davis-Bacon Act (act of August 30, 1935, 49 Stat. 1011, U. S. C. tit. 40, sec. 276 (a)) increased considerably during the last year. There were a total of 3,843 wage determinations issued during the past year, including confirmations and modifications, as compared to a total of 3,556 during the previous fiscal year 1939. This increase was accompanied by more complex and extensive projects due to the emergency defense program and the lumping into single projects work which in previous years would be spread over a period of months.

In addition to Federal construction projects, the work of the Prevailing Wage Division was expanded by section 212a of the National Housing Act, as amended (act of June 3, 1931, Public 111, 76th Cong.), requiring wage predeterminations for multiple housing projects approved for mortgage insurance by the Federal Housing Administration. Under this act, 76 decisions were issued.

The scope of the Davis-Bacon Act was expanded on June 15, 1940, by Public, No. 633, Seventy-sixth Congress, to cover Federal public buildings and public works in Alaska and Hawaii, which will undoubtedly increase the number of wage determinations, particularly with respect to defense projects.

A summary of the activities of this unit follows:

Davis-Bacon predeterminations

Requests received, fiscal year 1939 to 1940-----	3,561
Number of decisions rendered-----	3,149
Requests for review of prior decisions-----	475
Confirming, modifying, and superseding decisions-----	694
Advisory opinions to other agencies not subject to Davis-Bacon Act-----	2

Predeterminations under amended National Housing Act

Requests received, fiscal year 1939-40-----	89
Number of decisions rendered-----	73
Modifying decisions-----	3
Cases pending June 30, 1940-----	9
Cases canceled-----	7

7. *Children's Bureau.*—The Solicitor's Office was of service to the Children's Bureau primarily in the enforcement of the child-labor provisions of the Fair Labor Standards Act and the maternal and child-health program under the Social Security Act.

With respect to the administration of the Fair Labor Standards Act, this office prepared numerous opinions and drafted or reviewed letters, press releases, bulletins, and information and circulars interpreting the act. A member of the Solicitor's staff conducted public hearings and formulated an order with respect to hazardous occupations for minors in the operation of motor vehicles. This office also

reviewed State plans and agreements for the utilization of the inspection services of State agencies in the enforcement of the Fair Labor Standards Act. From time to time this Office also drafted regulations designating States in which State age, employment, or working certificates met with the standards prescribed by the Chief of the Children's Bureau.

During the 1940 fiscal year 16 actions were instituted against employers for violating the child-labor provisions of the Fair Labor Standards Act. Fourteen of these cases were disposed of through civil actions, and the employer in each case was permanently enjoined from future violations of the act. Two cases resulted in criminal prosecutions, one being founded on an indictment and the other on an information.

Of the 16 cases disposed of, including the 2 criminal prosecutions, 7 dealt with the employment of oppressive child labor in homes. Seven cases involved child labor in vegetable canneries and in seafood canneries. One case was brought against a manufacturer of wooden boxes and another against a manufacturer of shoes.

During this same period of time four new cases were recommended to the Department of Justice for the institution of criminal proceedings and one additional case was recommended for the institution of civil proceedings.

Illustrative of the civil cases disposed of in the fiscal year 1940 are the following:

In the case of *Katharine F. Lenroot v. Hump Hairpin Manufacturing Co.*, of Chicago, Ill., a decree was entered with the consent of the defendant on December 29, 1939. It was charged that this company, which was engaged in the manufacture of hairpins and bobbiepins, had employed 250 minors under 16 years of age to assemble pins on cards in their homes. The injunction obtained permanently enjoined this company from employing home workers who were under 16 years of age.

The case of *Katharine F. Lenroot v. Bata Shoe Co.*, of Belcamp, Md., resulted in the entry of a decree with defendant's consent on June 3, 1940. The complaint in this case charged that this company employed 17 minors under 16 years of age in its shoe factories, and the decree handed down permanently enjoined this firm from employing oppressive child labor.

The facts in the two criminal prosecutions were as follows:

In the case of the *United States v. Miller-Gebhardt Co.*, of Chicago, Ill., a manufacturer of artificial flowers was charged with having employed 54 minors under 16 years of age. These minors were employed as homeworkers and were engaged in making artificial flowers from materials provided by the company. A plea of guilty was entered by this company on November 24, 1939, and a fine of \$1,500 was imposed.

The other criminal action was that of *United States v. Universal Manufacturing Co.* of Kansas City, Mo. This company also employed homeworkers in the production of numbered slips for lottery games. In the information filed against the partners operating this company, it was charged that 15 minors under 16 years of age had been oppressively employed. The defendants pleaded guilty to the information on October 27, 1939, and fines totalling \$1,500 were imposed.

With respect to the administration of the maternal and child-welfare provisions of the Social Security Act, the Solicitor's Office reviewed the legality of proposed changes in State plans and prepared reports on pending legislation seeking to amend the basic act.

8. *Other administrative assistance.*—The Solicitor's Office was called upon frequently to advise the various bureaus and divisions

in the Department on the legal aspects of their administrative problems.

The members of the Personnel Division and other department officers received counsel in numerous cases involving annual leave, retirement, discharge, and other personnel problems. The Hatch Act, outlawing certain political activities on the part of Government workers, gave rise to many questions of interpretation, but once explained, there followed no cases of violation.

The Solicitor's Office furnished the Women's Bureau with legal opinions on a number of their problems arising out of the administration of state minimum-wage laws. On occasion a member of this office was sent into the field to collaborate with representatives of the Women's Bureau in advising State officials.

The Division of Labor Standards consulted the Solicitor's Office with respect to such problems as the creation of advisory committees with power to use the Federal mailing privileges, the revision of apprenticeship agreements, and the proper procedure for the enforcement of Federal labor laws. The Solicitor's Office also participated in some of the conferences on labor problems arranged by the Division of Labor Standards and assisted in the drafting of model legislation recommended to the States.

The past fiscal year was not very fruitful of new Federal labor legislation. Nevertheless, the Solicitor's Office prepared reports on approximately 137 bills pending before committees of the House of Representatives and approximately 107 bills pending before committees of the Senate, all of which related in some measure to conditions of American labor or immigration. Members of the Solicitor's Office also served upon special interdepartmental committees to consider and prepare legislation on un-American or subversive activities and on price controls.

9. *Reorganization of Office.*—Pursuant to administrative orders of the Secretary centralizing the legal staff of the Department in this office, the work was being reorganized at the time of the transfer of the Immigration and Naturalization Service to the Department of Justice. This resulted in the transfer of Assistant Solicitor Albert E. Reitzel and Edward J. Garrahan, both of whom had served in the office for many years and were experts in the immigration and naturalization field. At the same time George A. McNulty, esq., General Counsel of the Wage and Hour Division, was appointed Special Assistant to the Attorney General, and his staff was transferred to this office. Since these changes occurred almost at the end of the fiscal year, legal developments affecting the Wage and Hour Division are not included in this report.

Respectfully submitted,

GERARD D. REILLY,
Solicitor of Labor.

DIVISION OF PUBLIC CONTRACTS

L. METCALFE WALLING, *Administrator*

To the SECRETARY OF LABOR:

Since the Walsh-Healey Public Contracts Act became effective September 28, 1936, approximately 29,000 contracts valued at about \$2,500,000,000 have been awarded subject to its provisions.

Contracts have been coming in so rapidly that it has not been possible with our limited clerical force to include within the weekly bulletin for a given week all the contracts actually reported for that period and some of them have had to be held for a later bulletin. Not only has the number of contracts vastly increased but also their total valuation.

There has been even closer cooperation this year than hitherto with the War and Navy Departments to facilitate their highly important purchasing activities without any difficulty because of the provisions of the Public Contracts Act. In spite of the large number of new companies on the government purchasing list which have never dealt with the Government before and therefore were not informed about the provisions of the Public Contracts Act, there has been a minimum of disturbance because of its provisions. For instance, in only one case was it necessary for an exemption to be requested because of the reluctance of a bidder to comply with the provisions of this act. This is doubtless partly due to the fact that the hour standard of the Fair Labor Standards Act approximates so closely that of the Public Contracts Act that practically all companies have now generally adopted it.

The single case of exemption was one granted to the Navy Department for aircraft clocks where the low bidder was unwilling to comply with the provisions of the Walsh-Healey Act. In order that there might be no inequality of bidding conditions the Department granted an exemption from all the provisions of the act applicable to all bidders and not merely to the company which requested the exemption. At the same time the Department suggested that an attempt be made to persuade the company to comply with the provisions of the act, particularly in view of the fact that in October of this year the 40-hour week will become standard for American industry because of the requirements of the Fair Labor Standards Act. This was done, and as a result the Navy Department did not need to avail itself of the exemption as the reluctant bidder agreed to comply with the provisions of the Public Contracts Act.

Care in utilizing the ineligible list.

In view of the possible importance of certain companies which have violated the act to the national defense program, the policy has been adopted of clearing with the Army and Navy before a final decision is made to place any company on the ineligible list for 3 years in order

that a company vital to the defense program may not be barred from service to the Government. In all cases so far the operations of the companies in question have not been vital to Government procurement, and there has been, of course, no reason why a violator of the law should not be dealt with according to the manifest intent of Congress.

Advice on wage determinations.

A further reapprochement with the contracting officers of the Government has been brought about by the policy initiated last year of giving them an opportunity to comment on the definition of industries to be covered by wage determinations. Since the contracting officer is the one who has to apply the wage determination and decide in the first instance whether a pending contract comes within or without its provisions, it is helpful to have his comments as to the workability of the definition before it is finally adopted. If there is any ambiguity about the extent of the coverage of the industry definition or if some products have been improperly included or excluded and the contracting officer knows this from his experience, the matter can be rectified before the determination is issued rather than having to do it afterward. This will make for clarity and uniformity of application of the wage determination all along the line. This becomes increasingly important when there is much overlapping among industries as is more and more the case with the higher paid industries which are now the main object of our attention. We have worked closely with the Defense Commission, particularly with the offices of Mr. Knudson, Mr. Stettinius, and Mr. Hillman, whose work has naturally impinged on our activities more than the other Commission members.

Labor policies and the defense program.

There has been much confusion about the actual effect of labor legislation, particularly hour legislation, on the speedy prosecution of the defense program. It was said in many quarters, for instance, that the French collapse was due to the 40-hour-week requirement imposed by the Blum government. While this may or may not be true, it is important to recognize that the French 40-hour week was a rigid requirement imposed not on the individual worker but on the industrial establishment, and that it substantially necessitated a single-shift operation. Permission to vary from this rigid standard was extremely difficult to obtain, and as a practical matter few industrial establishments and few workers except in isolated cases were able to work more than a 40-hour period even though the industrial establishments were willing to pay an overtime rate.

The American labor legislation, specifically both the Fair Labor Standards Act and the Public Contracts Act, was very carefully drawn to prevent this undesirable result and to permit flexibility. There is no limitation whatsoever on the maximum workweek which any worker or any industrial establishment can operate except that under the terms of the Public Contracts Act any employee who works more than 40 hours during a week must be paid overtime on the basis of one and one-half times his normal compensation. In the case of the Wage and Hour Act the overtime requirement begins after 42 hours but in

October of this year that will drop to 40 and the weekly standards will be the same under the two acts.

The legislative situation.

When this misunderstanding was cleared up and it was recognized in the Congress that the labor legislation did not in any way interfere with the speedy and efficient prosecution of the defense program but would actually facilitate it, legislation was enacted requiring that not only the contracts awarded as the result of competitive bidding which are normally within the coverage of the Walsh-Healey Act but also all negotiated contracts must be awarded subject to the provisions of the act. The importance of this additional coverage and the benefits to wage earners and employers alike which will result from this requirement is in direct proportion to the extent to which negotiated contracts are made in the coming months and years. But in any event it means that there will be no arbitrary discrimination between workers on contracts for defense which are negotiated directly by the Government and those employed on contracts awarded as a result of competitive bidding.

Legislative amendments to the act itself.

Although amendments to the Public Contracts Act embodied in S. 1032 were unanimously passed by the Senate and hearings were held on them before the House Judiciary Committee no action has been taken by the House to concur in the Senate amendments. These amendments provide for an increased jurisdiction of the act to contracts in excess of \$4,000; the prevention of evasion by bringing within the scope of the act certain types of subcontractors; reconciliation of the child-labor provisions of the act with those of the Fair Labor Standards Act; the inclusion of nonprofessional service contracts; the adding to the ineligible list of violators of collective bargaining statutes so found after a final court adjudication; and certain desirable administrative changes.

Field investigation for compliance.

In view of the huge increase in the number of contracts reported to the Division for inspection, it was apparent that some policy must be adopted which would net the maximum policing on the basis of an inspection coverage of contracts reported considerably less than complete. Out of the 24,102 contracts reported up to June 30, 1940, it has been possible to inspect only 10,426, although 11,867 individual investigations were made because of the presence of more than one source of supply for the manufacture of some contracts. Six thousand seven hundred and seventy-one, or 52.05 percent, were found to be in full compliance. There were 2,737 office adjustments and 717 field adjustments involving overtime, minimum wage, or child-labor violations, that is 29.11 percent, and 1,642 nonmonetary violations including safety and health, inadequate records, failure to post the labor requirements, and manufacturer or dealer status, making a total of 13.84 percent nonmonetary violations.

By the autumn of 1937 there were 10 regular investigators in the field, and the force has now grown to 28 during the past year, but its inadequacy is obvious from the record. It became increasingly apparent this year that some policy would have to be adopted of post-

poning inspection of companies and industries which we believed on the basis of past experience or otherwise to be least inclined to violate the provisions of the act. That this selected "white" list has shown results is indicated by the high percentage of violations found in other cases in relation to the total inspections made.

There are certain types of contracts where, in the face of this dilemma, inspection for one reason or another can better be deferred than in other contracts or where there can be spot checking here and there. Term or indefinite contracts, contracts being performed outside the continental limits, contracts of companies which have been investigated once or more and found to be in full compliance, auto and truck, tire and tube, subsistence, rental, service, and oil and gas contracts are illustrations. In these instances enough inspections are made to insure compliance but there cannot be complete coverage. Where it is impossible to cover all contracts within the course of a year it is better to put aside some of those where compliance is likely to be good, and this has been the policy adopted without harmful results from the enforcement standpoint.

No industry or no contractor where there is a serious doubt as to his compliance can hope to escape inspection, and eventual detection, and employers who are voluntarily complying need not fear that this policy will result in their competitors being immune from detection and the penalties of the law.

Cooperation with State labor departments.

Closest cooperation exists between the Division and the various State labor commissioners, many of whom make available their inspection records to us. One-third of the States report the physical condition of plants receiving Government contracts, particularly safety and health conditions. The other States would gladly cooperate if they had the necessary personnel to make inspections or, in some cases, a safety and health law to enforce. This cooperation is particularly helpful, as the State standard of safety and health is required as a minimum and the State departments of labor are the most competent judges of whether their standards are being met.

Cooperation with other divisions.

It is obvious that the Division of Public Contracts, the Children's Bureau, and the Wage and Hour Division, which frequently have to deal with the same companies, should work out a system of coordinating their activities to prevent duplication. Although there have been very few violations of the child-labor standards of this act, and most of those the case of girls between the ages of 16 and 18, there is some possibility of overlapping with the work of the Children's Bureau. If a child-labor case is discovered which has not been reported to the Children's Bureau through the various State departments of labor which are authorized by it to enforce the child-labor provisions of the Fair Labor Standards Act, a report is forwarded from this office to the Children's Bureau advising it of the violation.

Special attention is given by our investigators to conditions which may be hazardous for children, and a report is sent to the Children's Bureau as well as a special check of those occupations which have been prohibited entirely for children by order of the Children's

Bureau. Reciprocally, the Children's Bureau reports to the Division of Public Contracts any violations of its provisions which the Children's Bureau investigators uncover in the course of their work, and there is constant cross reference to prevent duplication of factory visits.

With the Wage and Hour Division the cooperation is naturally more extensive because of the greater problem presented. There has been a widening and deepening of the cooperation between the two divisions which I was able to report last year. Where a company receives a contract subject to the Public Contracts Act, report of it is made immediately to the Wage and Hour Division, which then removes the company from the list of inspections that its investigators are to make. If there has been any complaint of violation of the Fair Labor Standards Act against a company with a Government contract, the Public Contracts investigator checks for this at the time he makes his regular inspection for violations of the Walsh-Healey Act. Even if there has been no complaint he makes an inspection to see whether the Fair Labor Standards Act is being complied with and a report is forwarded of the results of his investigation. If a serious violation is found by one of our investigators which may necessitate an action in court by the Administrator of the Fair Labor Standards Act, the case is turned over to the Wage and Hour Division for appropriate action. There is almost daily checking between representatives of the two divisions to see that there is no duplication and that two sets of inspectors from the same Department do not visit the same establishment. In this way both divisions, which are undermanned, can divide the work up between them and insure the maximum benefit from the work of each.

Administrative costs.

There has been a steady decrease in the administrative cost to the Government of enforcing the act. This has been partly due to increased efficiency but also partly due to the increasing disproportion between the work coming into the Division and the personnel available to handle it. During the first year the administrative cost was \$111.16 for every \$100,000 worth of contracts handled. This was lowered to \$63.97 the second year and again to \$41.99 for the third year. Because the pressure for minimum wage determinations has not been as great this year, since most of the so-called sweat shop industries have been covered by wage requirements, it has seemed advisable to spend an increasing amount of the Division's budget of \$322,120 for inspection purposes.

Minimum-wage determinations.

Notwithstanding this, hearings since the act became effective have been held in 45 industries where about 1,822,500 persons were employed. The attached table gives in summary form the wage determinations which have been made to date. During the last year alone there were research projects in 49 industries employing over 3,000,000 workers, with a total of 1,000 special reports on 100 industries in the 4 years of our operations. It is difficult to estimate how many workers have been affected by wage determinations under the act, but it is probably in excess of 2,000,000. In the iron and steel, vitreous or vitrified china, flint glass, woolen carpets and rugs, tags,

aircraft, soap, photographic supplies, paper and pulp, and cement industries alone 872,300 workers are estimated to be employed.

In all these industries the minimum wage determined under the Walsh-Healey Act has become or already was substantially the minimum wage for the entire industry. In the case of the aircraft and steel industries this is so because of the importance of Government contracts and the difficulty of operating under two wage standards. In other industries, such as flint glass, china, and tags, the minimum rate determined was being paid to a substantial majority of the workers in the industry before its determination. The effect of the act in these cases has been to buttress the employers who are voluntarily maintaining good labor standards and to prevent their deterioration by wage cutting on the part of the small minority maintaining substandards.

In other industries where Government purchases are relatively unimportant the rate determined was not generally adopted by the industry and probably affected only the establishments and workers actually engaged in performing a Government contract.

The pace of making minimum-wage determinations will inevitably be slower in the future as the industries being dealt with are much more complicated and have many ramifications with other industries. It is becoming increasingly important to define them in such a way that overlapping will be avoided or at least minimized. Clear definitions must be worked out for the benefit not only of the industries themselves but also the contracting officers of the Government. New products not hitherto purchased by the Government have also complicated the picture and made our research activities more vital than ever. Proposed wage rates are given very serious study from the standpoint of their economic effect before they are finally adopted in addition to the careful assemblage of facts before the wage hearings are held by the Public Contracts Board. Many of the industries on which work is now being done for minimum-wage purposes employ hundreds of thousands of workers and a wage determination in one of these will affect as many people as several wage determinations in industries with smaller employment.

One of the important fields where wage determinations will be helpful is in industries where contracts will be negotiated instead of let by competitive bidding. If there is no minimum wage applicable to such contracts, the Government will have no way of protecting workers on them as the contractor might negotiate his contracts on the basis of his existing wage scale, which he could legally lower in the absence of a minimum wage and thus unjustly enrich himself at the Government's expense.

Wage restitution.

About \$450,000 has been found due for violations of the act, of which all but about \$20,000, representing liquidated damages on the basis of \$10 a day for child-labor violations, will reach the pockets of employees. Of this amount, \$362,153.42, as shown by the attached table, has been collected from contractors and \$343,045.82 has actually been paid out to employees. The difference is explained by the presence of the child-labor fund that reverts to the Federal Treasury and certain undisbursed funds the payment of which always lags somewhat behind the collection because of inability to locate em-

ployees and various other reasons. Of this total, \$22,114.83 was paid out in the field under the supervision of representatives of the Division; \$21,529.90 was paid directly by contractors to their employees as the result of unintentional violations where restitution was voluntarily made and \$318,509.69 was recovered as a result of "collection letters" requesting voluntary payment or formal litigation by the Administrator's office.

Legal activities.

The "collection letter" is a request that the company make restitution of the amount owing the Government for its employees or for child-labor violations in accordance with its own records. The typical case is a noncontroversial one where the employer is willing to make restitution and no litigation is necessary. Fortunately, the great bulk of collections can be made in this way. If there is some substantial dispute either as to the law or the facts or if an employer's records have been falsified, lost, or so inadequately kept that it is impossible to determine without the taking of testimony the extent of the violation, a complaint is issued, setting the matter down for hearing before the trial examiner in the community where the employer's establishment is located.

Complaints were issued in 105 cases, of which only 89 resulted in hearings and 16 were dismissed. As a result of these administrative hearings, violations have been found amounting to \$126,770.60. In 11 of these cases the violations were of such a serious nature that the Department did not interfere with the penalty automatically imposed by Congress that the violator should be ineligible to deal further with the Government for a period of 3 years unless the Department intervened. In addition to this an intermediate system called the "short procedure" has been followed. This is used in those cases where it appears *prima facie* that there are violations for which restitution can be made without resort to an administrative hearing but where there may be some dispute as to the facts or law. As a result of this procedure where the contractor is advised that a decision will be entered against him unless he shows cause why it should not be, violations have been found to the extent of \$7,213.47. This procedure has been used in 26 cases but only 13 went to the stage of a formal decision by the Administrator, and of these 13 only 6 appeals were taken to the Secretary. In all cases the decision was sustained.

At the present time in addition to cases now pending there are 10 more in which complaints have issued or will presently issue where violations are alleged and a hearing will be necessary. It is anticipated there will be a sizable increase in the volume of administrative hearings because of the large number of additional contracts and new contractors who have had no previous experience with the act. I am glad, however, to be able to report that in 4 years the Department has not had to resort to the Department of Justice in a single case to bring suit in the Federal courts to recover monies due.

Court action.

In one case within the last 2 months, however, a contractor has refused the Department access to certain of his records that it is believed, are material to determine whether there is a violation of the act. In this case it has been necessary to bring action in the

Federal district court to compel the employer to produce the necessary books and records. This action is pending at the present time. The only other litigation in which the Division was involved was the *Lukens* case, in which a group of steel companies sought to enjoin the Department and other officers of the Government from giving effect to the minimum-wage determination for the iron and steel industry. As the result of a final adjudication by the Supreme Court, it was held that the complainants had no right to bring suit and the Court no jurisdiction to interfere with the wage determination, which finally went into effect on May 27 of this year after considerably more than a year of delay.

Report of the Attorney General's committee.

The Attorney General's committee appointed to study the administrative procedure of certain agencies of the Government selected the Division of Public Contracts as its first study. The Division was generally commended for the fairness of its procedure. It was suggested that perhaps its defects were those of overcaution and overscrupulousness rather than a denial of fundamental rights. For instance, the very definite policy of keeping separate the functions of trial examiner and trial attorney in administrative hearings in violation cases was pointed out as an overnice distinction, but in view of the care with which administrative agencies, as well as the courts, should conduct their activities, I believe the decision to keep separate the functions was sound.

The whole field of administrative law is an important one and a rapidly growing one, and the public at large will have the requisite concept in the usefulness and fairness of administrative agencies if they do not offend present conceptions of the legal proprieties even though they may be regarded by the more advanced thinkers of today as formalities rather than substance. One of the most effective arguments for the use of the administrative technique as distinguished from the court technique in the adjudication of matters is the greater speed and efficiency and absence of technicalities which have caused the courts to be so bitterly assailed by laymen.

If, as someone has said, delayed justice is that much injustice, then the Division can be justly proud of its record in adjusting violations as out of 4,000 cases of violations found it has been necessary to set down only 105 cases for administrative hearings, and in only 89 of those cases was it actually necessary to hold a hearing, the rest being dismissed before the hearing actually was convened. We have tried constantly to keep in mind the fact that the law was enacted for the benefit of wage earners and that any litigation to which they might be subjected impaired its effectiveness to that extent. Although the administrative hearing machinery is there to insure payment to employees of the wages due them under contracts subject to the Act, it is our constant policy to resort to it only when necessary, and that is quite as much in the interest of the employer as the employee since time and money are saved for all concerned, including the Government, which has to bear the cost of administrative hearings in different parts of the country.

The future.

It is obvious, as suggested in last year's report, that the future field of activity under the Public Contracts Act will be in the indust

dealing with the Government which pay a minimum wage higher than 40 cents an hour. Our research activities are almost entirely confined to such industries, with the exception of the post-hearing work which has to be done on minimum-wage determinations already issued where the minimum happens to be less than 40 cents. There is constant collaboration between our Research Section and that of the Wage and Hour Division with exchange of information so that identical projects are not worked on simultaneously and each has the benefit of the activities of the other.

During the coming months the emphasis will be on enforcement in the industries most closely involved in the defense program, partly because this group will include many employers who are unused to the labor requirements of the Walsh-Healey Act and partly because it is of the utmost importance to smooth and efficient production that labor standards be observed. This will, of course, not mean that other industries less vitally involved in the defense program will be immune from inspection, but first things will have to be placed first and many of these industries will fall within the group being given the particular attention of the Wage and Hour Division so that the Division of Public Contracts need not concentrate on them. This will be one way of carrying out the governmental policy of preventing unjustified profits, and will keep the confidence of labor in the national objectives of the defense program and that they are being reached with proper recognition of labor's part in the industrial and social mechanism.

"There has been a gratifying minimum of strikes and labor disturbances, which has not surprised those of us who predicted that this would be so if labor's fundamental rights were safeguarded."

"There is a new patriotic spirit of sacrifice being generated in America on the part of both industry and labor. This will discourage attempts to "Chisel" or make an undue profit on defense contracts. So long as labor is sure of this, it will cooperate to the fullest extent of its ability! The cooperation and sacrifices asked of labor may be real and not empty appeals. Employers will cooperate, knowing that their competitors by complying with the same standards will not be able to enrich themselves unjustly out of the public purse." Out of this spirit will come an attitude of service to our country in its hour of threat that cannot fail to have lasting value on the lives of all our citizens long after the emergency is successfully surmounted.

*Summary of minimum-wage determination of the Secretary of Labor made
Laws through June 30, 1940*

Industry	Estimated number of employees	Determination	Effective date
1. Aeroplane	1,000,000	50 cents an hour, or \$20 a week (40 hours)	Dec. 29, 1938
2. Bobbinet	1,500	37½ cents an hour, or \$15 a week (40 hours)	Feb. 13, 1939
3. Cement	26,000	(1) Pennsylvania, New York, New Jersey, Maryland, West Virginia, Ohio, Delaware, Massachusetts, Connecticut, Rhode Island, Vermont, New Hampshire, and the District of Columbia: 57 cents an hour, or \$22.80 a week (40 hours). (2) Maine: 50 cents an hour, or \$20 a week (40 hours).	Mar. 2, 1940
4. Cotton garments and allied industries.	200,000	(3) Michigan, Indiana, and Kentucky: 50 cents an hour, or \$20 a week (40 hours). (4) Illinois: 63½ cents an hour, or \$25.40 a week (40 hours). (5) Wisconsin, Minnesota, Iowa, and Missouri: 55 cents an hour, or \$22 a week (40 hours). (6) South Dakota, Nebraska, Kansas, and North Dakota: 50 cents an hour, or \$20 a week (40 hours). (7) Colorado, Wyoming, Utah, Montana, Idaho, Oregon, Nevada, Arizona, and New Mexico: 55 cents an hour, or \$22 a week (40 hours). (8) Washington: 70 cents an hour, or \$28 a week (40 hours). (9) California: 62½ cents an hour, or \$25 a week (40 hours). (10) Oklahoma and Texas: 47 cents an hour, or \$18.80 a week (40 hours). (11) Arkansas, Louisiana, Alabama, Tennessee, Georgia, Florida, Mississippi, North Carolina, and South Carolina: 40 cents an hour, or \$16 a week (40 hours). 37½ cents an hour. \$15 a week (40 hours). Same as for cotton garments.	Aug. 2, 1937
Amendment 1: (Barrack bags.)	1,000	do.	Feb. 14, 1938
Amendment 2: (Wool and wool-lined jackets.)	10,000	(1) Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York: 57½ cents an hour. \$23 a week (40 hours). (2) Pennsylvania, Maryland, Wisconsin, Minnesota, South Dakota, all other States not included in (1) and 3: 42½ cents an hour. \$17 a week (40 hours). (3) North Carolina, Virginia, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Arkansas, Texas: 32½ cents an hour. \$13 a week (40 hours). 37½ cents an hour, or \$15 a week (40 hours). 42½ cents an hour. \$17 a week (40 hours).	May 13, 1938
5. Dimension granite	10,000	(1) New Mexico, Colorado, Wyoming, Montana, Idaho, Utah, Arizona, Nevada, California, Oregon, and Washington: 50 cents an hour, or \$20 a week (40 hours). (2) Virginia, Tennessee, Kentucky, the Eastern Shore of Maryland (consisting of Cecil, Kent, Queen Anne's, Talbot, Caroline, Dorchester, Wicomico, Worcester, and Somerset Counties), and Kent and Sussex Counties of Delaware: 30 cents an hour, or \$12 a week (40 hours).	Jan. 15, 1938
6. Drug and medicine	24,000		Aug. 3, 1939
7. Envelope	9,000		May 12, 1938
8. Fertilizer	21,000		Sept. 12, 1939

¹ Cotton garments determination, effective August 2, 1937, shall continue in effect as to such wool and wool-lined jackets as were designated in that determination.

Summary of minimum-wage determination of the Secretary of Labor made through June 30, 1940—Continued

Industry	Estimated number of employees	Determination	Effective date
Amendment.....		(3) North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas: 25 cents an hour, or \$10 a week (40 hours). (4) The District of Columbia and all other States or counties not enumerated in (1), (2), and (3) above: 40 cents an hour, or \$16 a week (40 hours). Minimum wage for States in group (3) above, changed to 30 cents an hour, or \$12 a week (40 hours).	Apr. 19, 1940
9. Fireworks.....	1,500	(1) Commercial fireworks division..... 31½ cents an hour. \$12.50 a week (40 hours). (2) Fusee Division: 37½ cents an hour. \$15 a week (40 hours).	Oct. 15, 1938
10. Flint glass.....	23,000	42½ cents an hour..... \$17 a week (40 hours).	July 12, 1938
11. Furniture.....	144,000	(1) Wood Furniture Branch..... (a) Virginia, Kentucky, North Carolina, Georgia, South Carolina, Florida, Alabama, Tennessee, Arkansas, Louisiana, Oklahoma, Texas, and Mississippi: 30 cents an hour. \$12 a week (40 hours). (b) California, Washington, and Oregon: 50 cents an hour. \$20 a week (40 hours). (c) All other States and the District of Columbia: 35 cents an hour. \$14 a week (40 hours). (2) Public Seating Branch: 37.5 cents an hour. \$15 a week (40 hours). No regional differentials. (3) Metal Furniture Branch: 45 cents an hour. \$18 a week (40 hours). No regional differentials.	May 13, 1939
12. Handkerchiefs.....	4,500	35 cents an hour..... \$14 a week (40 hours).	Jan. 26, 1938
13. Iron and steel.....	500,000	(1) Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia (except the counties of Brooke, Hancock, Harrison, Marshall, Monongahela, and Ohio): 45 cents an hour. \$18 a week (40 hours). (2) Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming: 60 cents an hour. \$24 a week (40 hours). (3) Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and the area in and about East St. Louis, Ill.: 58½ cents an hour. \$23.40 a week (40 hours). (4) 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, and that portion of the State of West Virginia comprised within the counties of Brooke, Hancock, Harrison, Marshall, Monongahela, and Ohio: 62½ cents an hour. \$25 a week (40 hours).	Mar. 1, 1939
14. Leather and sheep-lined jackets.	3,200	42½ cents an hour..... \$17 a week (40 hours).	May 13, 1938

Summary of minimum-wage determination of the Secretary of Labor made through June 30, 1940—Continued

Industry	Estimated number of employees	Determination	Effective date
15. Luggage and saddlery-----	6,500	(1) Northeast and Far West: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Maryland, Delaware, Washington, Oregon, California, Idaho, Nevada, Arizona, Montana, Wyoming, Utah, Colorado, New Mexico: 40 cents an hour. \$16 a week (40 hours). (2) The remaining 26 States and the District of Columbia: 37½ cents an hour. \$15 a week (40 hours).	July 27, 1938
16. Men's hats and caps-----	16,000	67½ cents an hour----- \$27 a week (40 hours).	Aug. 2, 1937
17. Men's neckwear-----	4,000	50 cents an hour----- \$20 a week (40 hours).	Do.
18. Men's raincoats-----	3,200	40 cents an hour----- \$16 a week (40 hours).	Do.
19. Men's underwear-----	29,000	North: (All States, including D. C., except those listed below for South). 35 cents an hour. \$14 a week (40 hours). South: Virginia, Tennessee, Georgia, North Carolina, Florida, South Carolina, Alabama, Mississippi, Arkansas, Louisiana, Texas, and Oklahoma. 32½ cents an hour. \$13 a week (40 hours).	Do.
20. Men's welt shoes-----	33,719	40 cents an hour----- \$16 a week (40 hours).	Jan. 5, 1938
21. Paper and pulp-----	111,000	(1) California, Oregon, and Washington: 50 cents an hour, or \$20 a week (40 hours). (2) Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas: 35 cents an hour, or \$14 a week (40 hours). (3) The District of Columbia and all other States not enumerated in (1) and (2) above: 35 cents an hour, or \$15.60 a week (40 hours).	Oct. 15, 1939
22. Photographic supplies-----	18,000	40 cents an hour, or \$16 a week (40 hours)-----	Aug. 14, 1939
23. Seamless hosiery-----	60,000	35 cents an hour----- \$14 a week (40 hours).	Aug. 2, 1937
24. Small arms ammunition, explosives, and related products:	12,000	42½ cents an hour, or \$17 a week (40 hours).	Oct. 19, 1939
a. Small arms ammunition.		42½ cents an hour, or \$17 a week (40 hours).	
b. Blasting caps.		47½ cents an hour, or \$19 a week (40 hours).	
c. Explosives.		57½ cents an hour, or \$23 a week (40 hours).	
25. Soap-----	14,000	40 cents an hour, or \$16 a week (40 hours)-----	Aug. 14, 1939
26. Specialty accounting supply manufacturing.	5,000	40 cents an hour, or \$16 a week (40 hours)-----	Aug. 8, 1939
27. Tag-----	2,084	35 cents an hour----- \$13.20 a week (40 hours).	Oct. 31, 1938
28. Tobacco-----	34,524	32½ cents an hour----- \$13 a week (40 hours).	May 2, 1939
29. Vitreous or vitrified china.	4,400	42½ cents an hour----- \$17.10 a week (40 hours).	May 19, 1938
30. Wool-carpet and rug-----	27,633	40 cents an hour----- \$16 a week (40 hours).	Oct. 15, 1938
31. Work gloves-----	5,428	35 cents an hour----- \$14 a week (40 hours).	Aug. 2, 1937

Contracts reported by the Government agencies as awarded within the scope of the Walsh-Healey Act for the fiscal year 1940

	Number	Amount	Percent of grand total
Grand total.....	24,101	\$1,800,866,682.85	100.00
Executive departments.....	21,999	1,705,022,262.01	94.68
Navy (total).....	6,636	811,974,081.91	45.08
Office of the Secretary.....	.99	401,129,032.87	22.27
Supplies and Accounts.....	4,900	359,706,373.85	19.97
Field purchases.....	1,373	35,609,648.84	1.98
Yards and Docks.....	93	9,040,093.07	.50
Marine Corps.....	171	6,488,933.28	.36
War (total).....	6,366	550,438,104.40	30.56
Air Corps.....	987	160,956,207.66	8.94
Quartermaster Corps.....	1,947	134,793,757.56	7.48
Ordnance.....	1,253	107,374,592.32	5.96
Civilian Conservation Corps.....	983	83,788,691.22	4.65
Engineers.....	654	34,006,866.19	1.89
Signal Corps.....	292	22,484,582.43	1.25
Medical Section.....	182	4,503,088.16	.25
Chemical Warfare Service.....	84	2,444,693.61	.14
Coast Artillery.....	3	85,625.25	(1)
U. S. Military Academy.....	1	Indefinite	(1)
Interior.....	684	43,520,781.50	2.42
Agriculture.....	1,110	26,948,154.08	1.50
Treasury.....	245	15,047,574.18	.84
Post Office.....	239	12,919,142.77	.72
Justice.....	167	4,963,920.76	.28
Commerce.....	96	4,756,620.54	.26
State.....	19	375,247.14	.02
Labor.....	7	180,316.88	.01
Treasury Procurement Service (total).....	6,430	233,898,317.85	12.99
Departmental purchases.....	2,858	124,086,806.10	6.89
Field purchases.....	3,103	98,845,235.47	5.49
Works Progress Administration and Farm Security Administration.....	392	9,674,433.43	.54
Puerto Rico Reconstruction Administration.....	77	1,291,842.85	.07
Independent establishments.....	2,102	95,844,420.84	5.32
Tennessee Valley Authority.....	606	39,900,788.69	2.21
Government Printing Office.....	192	18,501,457.55	1.02
Panama Canal.....	361	16,154,058.73	.90
Veterans' Administration.....	695	12,741,525.59	.71
Civil Aeronautics Authority.....	54	3,571,386.61	.20
District of Columbia Government.....	80	2,354,114.12	.13
Maritime Commission.....	67	1,775,402.53	.10
National Advisory Committee on Aeronautics.....	16	310,569.38	.02
Federal Loan Agency:			
Home Owners Loan Corporation.....	5	98,753.13	.01
Federal Housing Administration.....	6	77,160.00	(1)
Architect of the Capitol.....	7	120,405.75	.01
Inland Waterways Corporation.....	5	99,900.00	.01
Federal Works Agency.....	3	51,602.30	(1)
National Railroad Adjustment Board.....	2	40,000.00	(1)
National Archives.....	1	21,498.23	(1)
Smithsonian Institute.....	1	13,178.96	(1)
Interstate Commerce Commission.....	1	12,559.27	(1)

¹ Less than 0.01 percent.

Contracts reported by the Government agencies as awarded within the scope of the Walsh-Healey Act for the fiscal year 1940, by major industries

Industrial classifications	Number of contracts	Value	Percent of grand total
Total.....	24,101	\$1,800,866,682.85	100.00
Transportation equipment.....	1,716	685,547,151.12	38.06
Textiles and their products.....	2,662	195,125,942.84	10.83
Asphalt, coal, and petroleum products.....	2,877	174,578,032.56	9.69
Iron and steel products.....	2,636	150,404,139.94	8.35
Other machinery.....	2,535	127,119,025.06	7.06
Electrical apparatus.....	1,778	102,222,612.78	5.68
Stone, clay, and glass products.....	2,742	75,747,099.30	4.21
Chemicals and allied products.....	1,138	57,233,774.03	3.18
Nonferrous metals and alloys.....	778	37,277,213.86	2.07
Paper and allied products.....	571	36,164,139.28	2.01
Food and kindred products.....	1,497	35,880,824.07	1.99
Forest products.....	908	29,743,305.60	1.65
Leather and its manufactures.....	164	20,814,310.52	1.16
Rubber products.....	342	14,030,746.70	.78
Printing and publishing.....	62	1,606,222.01	.09
Tobacco manufactures.....	78	1,357,935.29	.08
Miscellaneous.....	1,617	56,014,297.89	3.11

Contracts reported by the Government agencies as awarded within the scope of the Walsh-Healey Act for the fiscal year 1940, by commodity groupings

Commodity grouping	Number of contracts	Value	Percent of grand total
Food and kindred products.....	1,497	\$35,880,824.07	1.99
Canned fruits and vegetables.....	286	6,069,176.67	.39
Coffee and tea.....	145	5,215,918.28	.29
Sugar, sirup, and sorghum.....	171	4,024,404.33	.22
Condensed and evaporated milk.....	138	3,627,682.15	.20
Meat-packing products.....	75	3,459,896.24	.19
Feed for animals.....	180	2,628,851.61	.15
Flour.....	122	2,610,547.01	.14
Shortening, etc.....	8	499,707.70	.03
Canned sea food.....	14	427,101.04	.02
Cereal preparations.....	21	288,155.49	.02
Miscellaneous.....	337	6,129,383.55	.34
Tobacco manufactures.....	78	1,357,935.29	.08
Textiles and their products.....	2,662	195,125,942.84	10.83
Woolen goods.....	266	72,986,678.92	4.05
Cotton goods.....	960	50,330,853.42	2.79
Housefurnishing goods.....	223	15,179,419.49	.84
Knit goods.....	205	12,507,997.84	.70
Clothing.....	162	9,619,190.76	.53
Work clothing.....	95	7,536,165.45	.42
Furnishing goods.....	99	5,336,602.00	.30
Cotton products, miscellaneous.....	163	3,924,655.87	.22
Cordage and twine.....	133	3,854,220.24	.21
Hats and caps.....	55	2,832,355.21	.16
Gloves.....	69	2,474,322.39	.14
Shirts and nightwear.....	34	1,774,777.04	.10
Canvas bags and covers.....	31	1,084,607.05	.06
Miscellaneous textile products.....	168	5,594,067.16	.31
Forest products.....	908	29,743,305.60	1.65
Furniture.....	319	11,934,085.07	.67
Rough lumber.....	309	7,044,102.08	.39
Planing-mill products.....	126	6,370,306.49	.36
Lumber and timber products.....	74	2,583,499.99	.14
Treated lumber and timber.....	65	1,468,971.73	.08
Cork and cork products.....	10	236,017.24	.01
Miscellaneous.....	5	56,320.00	(1)
Chemicals and allied products.....	1,138	57,233,774.03	3.18
Explosives.....	107	19,156,134.78	1.06
Ammunition.....	96	13,433,020.37	.75
Paints and varnish.....	165	3,215,245.89	.18
Soaps, etc.....	171	2,707,121.82	.15
Compressed and liquefied gases.....	98	1,462,219.22	.08
Linsseed and related oils.....	54	1,264,119.53	.07
Miscellaneous.....	447	15,995,912.42	.89

¹ Less than 0.01 percent.

Contracts reported by the Government agencies as awarded within the scope of the Walsh-Healy Act for the fiscal year 1940, by commodity groupings—Con.

Commodity grouping	Number of contracts	Value	Percent of grand total
Asphalt, coal, and petroleum products.....	2,877	174,578,032.56	9.69
Gasoline.....	1,048	68,670,155.17	3.81
Fuel oil.....	686	55,731,076.65	3.65
Asphalt, oil, and tar.....	552	15,576,133.05	.87
Coal and coke.....	398	11,972,206.35	.66
Lubricating oils.....	69	8,439,712.32	.47
Miscellaneous.....	124	4,188,749.02	.23
Paper and allied products.....	571	36,164,139.28	2.01
Paper.....	220	20,967,713.14	1.16
Envelopes.....	46	4,350,087.19	.24
Cardboard.....	44	1,199,615.49	.07
Miscellaneous.....	261	9,046,723.46	.54
Printing and publishing.....	62	1,606,222.01	.09
Periodicals and journals.....	11	407,330.61	.03
Books.....	20	255,510.95	.01
Miscellaneous.....	31	943,380.45	.05
Leather and its manufactures.....	164	20,814,310.52	1.16
Boots and shoes.....	72	17,396,015.30	.97
Boot and shoe cut stock.....	33	1,458,467.23	.08
Miscellaneous.....	59	1,959,827.99	.11
Stone, clay, and glass products.....	2,742	75,747,009.30	4.21
Cement and products.....	704	33,866,035.13	1.88
Crushed and broken stone.....	749	10,342,454.98	.58
Sand and gravel.....	235	9,363,839.72	.52
Concrete, ready-mixed.....	166	5,551,988.76	.31
Concrete products.....	153	2,960,493.10	.16
Tile and clay products.....	144	2,658,457.27	.15
Soil and black earth.....	99	1,702,546.44	.09
Granite and marble.....	46	1,328,230.53	.07
Riprap stone.....	30	897,476.20	.05
Glass.....	68	802,118.44	.05
Terra cotta products.....	24	380,782.36	.02
Miscellaneous.....	324	5,891,686.37	.33
Rubber products.....	342	14,030,746.70	.78
Tires and tubes.....	126	7,417,011.96	.41
Clothing.....	64	3,263,874.51	.18
Miscellaneous.....	152	3,349,860.23	.19
Iron and steel products.....	2,636	150,404,139.94	8.35
Structural steel.....	387	25,981,622.11	1.44
Forgings and castings.....	277	25,521,430.74	1.41
Sheets, plates, and shapes.....	328	20,433,671.39	1.14
Rails, bars, posts, etc.....	304	11,369,345.55	.63
Pipe and fittings.....	294	8,417,579.48	.47
Stoves and ranges.....	92	7,153,803.04	.40
Wire rope and cable.....	102	2,301,948.75	.13
Tools (excluding machine tools).....	101	1,826,527.94	.10
Metal doors, sash, and frames.....	44	1,690,833.72	.09
Hardware, miscellaneous.....	78	1,311,437.82	.07
Bolts, nuts, rivets, etc.....	76	1,029,218.42	.06
Fencing materials.....	30	635,436.07	.04
Metal shingles and roofing.....	16	457,048.48	.03
Plumbing supplies.....	24	399,137.17	.02
Miscellaneous.....	483	41,875,099.26	2.32
Nonferrous metals and alloys.....	778	37,277,213.86	2.07
Aluminum.....	143	10,056,371.79	.56
Brass.....	126	6,413,278.51	.36
Tin.....	44	3,556,273.74	.20
Copper.....	89	3,460,680.92	.19
Nickel.....	23	1,461,911.47	.08
Bronze.....	42	1,450,317.77	.08
Fire extinguishing equipment.....	53	905,583.99	.05
Lead.....	25	589,717.49	.03
Zinc.....	15	289,366.42	.02
Plated ware.....	9	200,883.55	.01
Miscellaneous.....	209	8,889,828.21	.49

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Contracts reported by the Government agencies as awarded within the scope of the Walsh-Healy Act for the fiscal year 1940, by commodity groupings—Con.

Commodity grouping	Number of contracts	Value	Percent of grand total
Other machinery	2,535	127,119,025.06	7.06
Engines, turbines, etc.	266	35,445,133.57	1.96
Machine tools	830	22,823,646.38	1.27
Office equipment	135	13,624,164.45	.76
Windlasses	185	9,936,857.78	.55
Pumps and equipment	146	8,958,650.49	.50
Road machinery	191	4,015,725.79	.22
Dredges and shovels	130	3,310,211.91	.18
Compressors	84	2,875,180.42	.16
Printing and publishing machines	30	1,455,604.54	.08
Air-conditioning equipment	19	1,357,895.50	.08
Refrigerators	53	1,227,115.45	.07
Miscellaneous	466	22,088,838.78	1.23
Electrical apparatus	1,778	102,222,612.78	5.68
Electrical conductors	535	10,548,522.24	1.09
Radio equipment and supplies	183	19,291,544.89	1.07
Generators and parts	148	17,090,934.30	.95
Lamps and lights	89	9,428,361.55	.52
Transformers	112	5,609,917.70	.31
Switchboards	107	5,341,908.13	.35
Circuit breakers	111	5,176,962.71	.20
Telephone and telegraph equipment	86	3,914,490.00	.29
Batteries (including aircraft)	65	2,640,722.40	.12
Heaters and ranges	79	1,920,130.63	.11
Spark plugs	37	1,655,582.28	.09
Motors	23	1,511,362.70	.08
Miscellaneous	203	9,092,173.25	.50
Transportation equipment	1,716	685,547,151.12	38.06
Boats, ships, and equipment	83	382,551,768.90	21.24
Aircraft	88	177,861,847.01	9.87
Aircraft parts and equipment	650	55,718,921.20	2.98
Trucks and parts	557	47,305,171.31	2.63
Automobiles and parts	107	5,405,075.27	.30
Miscellaneous	231	18,704,367.43	1.04
Miscellaneous	1,617	56,014,297.89	3.11
Instruments	339	20,198,069.87	1.19
Rentals, services, etc.	230	7,197,984.84	.40
Photographic equipment	143	5,016,409.96	.28
Commissary stores	163	4,858,639.74	.27
Aerial surveys	123	4,720,226.44	.26
Surgical supplies	213	1,663,727.82	.09
Brooms, brushes, etc.	55	1,570,305.80	.09
Dental goods and equipment	43	777,790.54	.04
Other materials	308	10,011,142.88	.58

Recoveries and distributions—monetary violations

Recoveries		Distributions					
	Amount	Firms	Employees	Overtime	Minimum wage	Total	
Field adjustments:		Field adjustments:					
1937	\$15,038.22	148	2,021	15,030.61	\$7.61		
1938	1,917.39	80	663	1,878.19	39.20		
1939	3,664.00	148	961	3,633.83	30.17		
January-May 1940	1,133.98	84	642	1,078.18	55.80		
June	251.63	20	196	251.63			
		480	5,383	21,872.44	132.78	\$22,005.22	
Direct payments to employees:		Direct payments by companies:					
1937	4,422.07	17	862	4,415.16	6.91		
1938	2,369.11	81	1,012	2,364.86	4.25		
1939	5,197.01	124	1,893	5,101.02	95.99		
January-May 1940	5,829.56	110	2,623	5,750.71	78.85		
June	355.49	9	229	355.49			
		341	6,619	17,987.24	186.00	18,173.24	
Collections by office:		Distribution through U. S. Treasury:					
1937	17,931.36	44	1,888	15,509.14	127.46		
1938	64,009.44	184	7,585	59,462.36	1,587.62		
1939	133,164.32	252	7,896	85,485.30	30,506.65		
January-May 1940	78,162.00	181	7,313	57,378.79	10,213.10		
June—(schedule A)	6,013.60	23	1,168	4,334.40	34.90		
		634	24,850	222,170.17	42,529.73	264,699.90	
		Grand total	1,505	36,852	262,029.85	42,848.51	304,878.36
		Undisbursed funds					
		Disbursements withheld—Legal request			22,717.08		
		Unable to locate—addresses unknown			2,801.46		
		Unpaid deceased amounts			1,449.76		
					396.98		
		Total undisbursed				27,365.28	
		Child-labor account				5,050.00	
		Transferred to miscellaneous receipts account				1,488.68	
		Refunded to companies				676.86	
		Total distributions				339,459.18	
Total recoveries	339,459.18						

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Activities of the Division of Public Contracts for the fiscal years 1938, 1939, 1940

	Fiscal year 1938	Fiscal year 1939	Percent of change	Fiscal year 1940	Percent of change
Contracts reported:					
Number.....	5,158	6,396	+24.0	9,350	+46.2
Value.....	\$294,852,682.08	\$528,392,755.87	+79.2	\$852,376,125.21	+61.3
Number of employees affected by the Walsh-Healy Act.....	1,002,277	1,242,692	+24.0	1,816,746	+46.2
Contracts received for inspection.....	#5,000	#6,500	+30.0	#9,325	+43.5
Contracts investigated.....	#2,600	1 #2,730	+5.0	1 #4,294	+57.3
Primary and/or secondary contractors inspected.....	#3,100	#3,200	+3.2	4,678#	+46.2
Investigated contracts requiring adjustment ²	#520	#956	+83.8	#1,331	+39.2
Investigated contracts in full compliance or in nonmonetary violation.....	#2,080	#1,774	-14.7	#2,963	+67.0
Investigators working in the field.....	#18	18-24	-----	24-28	-----
Violation adjustments (field and Washington office):					
Amount received.....	\$40,411.77	\$78,749.05	+94.9	\$178,253.67	+126.4
Amount disbursed.....	³ \$38,770.03	³ \$68,524.04	+76.7	³ \$155,496.32	+126.9
For overtime violations.....	\$38,280.42	\$66,084.09	+72.6	\$115,926.15	+75.5
For minimum wage violations.....	\$489.61	\$2,469.95	+404.5	\$39,570.17	+1,502.1
Employees paid wage adjustments.....	5,115	7,555	+47.7	11,903	+57.6
Litigation cases:					
Hearings.....	53	22	-----	13	-----
Rehearings.....	4	5	-----	2	-----
Oral argument before administrator.....	0	1	-----	1	-----
Oral argument before Secretary.....	0	0	-----	1	-----
Examiner's report.....	27	37	-----	15	-----
Administrator's decision.....	19	33	-----	22	-----
Secretary's decision.....	0	2	-----	7	-----
Formal decisions made by Administrator without necessity for hearing.....	0	2	-----	11	-----
Industries covered by hearings ⁴	24	13	-45.8	8	-38.5
Wage determinations made ⁵	17	9	-47.1	8	-11.1
Industries covered by wage determinations.....	14	9	-35.7	8	-11.1
Recommendations by the board					
Industry studies made in collaboration with trade associations.....	19	17	-10.5	10	-41.2
Informal conferences held.....	5	4	-20.0	8	+100.0
Panels.....	28	23	-17.9	2	-----
Pieces of mail handled.....	21,587	47,898	-----	50,971	-43.5
Incoming.....	⁶ 13,642	31,992	(6)	34,916	+9.1
Outgoing.....	⁶ 4,550	8,237	(6)	8,928	+8.4
Memoranda—interoffice and intraoffice.....	⁷ 3,395	7,669	(6)	7,127	-7.1
Duplicating work:					
Mimeographing.....	970,982	1 204,855	+24.1	1,261,645	+4.7
Stencils used.....	1,548	2,760	+78.3	3,122	+13.1
Multilithing.....	51,155	68,134	+33.2	45,900	-32.6
Addressographing.....	25,945	76,417	+194.5	56,398	-26.2
Photostating.....	61	1,206	+1,877.0	268	-77.8
Administrative cost per \$100,000 worth of contracts.....	\$111.16	\$63.97	-42.4	\$41.99	-34.

¹Estimated.²Some of which were reported during the previous year.³Field or office adjustments required because of violations of the minimum wage and/or overtime and/or child-labor provisions.⁴The difference between the amount received and the amount disbursed is caused by the inability to contact the payees.⁵The surveys of the 45 industries for which hearings have been held cover approximately 1,822,500 employees.⁶Wage determination cases for 3 industries have been suspended. 11 industries are awaiting wage determinations, 2 of which are awaiting recommendations by the Board and 9 of which have recommendations by the Board and are awaiting decisions by the Secretary.⁷Figures for the 1938 fiscal year cover only period from October 1937 through June 1938; no record was kept prior to October 1937.

Respectfully submitted,

L. METCALFE WALLING,
Administrator.

OFFICE OF THE CHIEF CLERK

SAMUEL J. GOMPERS, Chief Clerk

To the SECRETARY OF LABOR:

Division of Budgets and Accounts.

For the fiscal year ended June 30, 1940, the appropriations by Congress to the Department and its services were as follows:

Salaries, Office of the Secretary-----	\$411, 680
Transferred from Wage and Hour Division-----	29, 150
	<hr/>
Transferred to Federal Security Agency-----	440, 830
	4, 000
	<hr/>
Contingent expenses, Department of Labor-----	251, 620
Transferred from Wage and Hour Division-----	15, 000
	<hr/>
Transferred to Federal Security Agency-----	266, 620
	16, 000
	<hr/>
Printing and binding, Department of Labor-----	454, 800
Transferred to Federal Security Agency-----	44, 350
	<hr/>
Traveling expenses, Department of Labor-----	1, 488, 700
Transferred to Federal Security Agency-----	167, 800
	<hr/>
	1, 320, 900. 00
Salaries and expenses:	
Commissioners of Conciliation-----	325, 000. 00
International Labor Organization, Geneva, Switzerland-----	21, 000. 00
Division of Public Contracts-----	322, 120. 00
Division of Labor Standards-----	218, 500. 00
Bureau of Labor Statistics-----	1, 012, 500. 00
Investigation of labor conditions in Hawaii-----	2, 000. 00
Salaries, Office of Commissioner of Immigration and Naturalization-----	580, 480. 00
Salaries, field service, Immigration and Naturalization-----	8, 133, 420. 00
General expenses, Immigration and Naturalization-----	1, 340, 000. 00
Immigration stations-----	65, 000. 00
Transporting Filipinos to the Philippine Islands-----	62, 370. 14
Salaries and expenses:	
Children's Bureau-----	364, 560. 00
Maternal and child welfare-----	331, 500. 00
Child-labor provisions, Fair Labor Standards Act-----	312, 720. 00
Women's Bureau-----	151, 230. 00
Grants to States:	
For maternal and child-health service-----	4, 800, 000. 00
For services for crippled children-----	3, 350, 000. 00
For child-welfare services-----	1, 505, 000. 00
Wage and Hour Division:	
Salaries-----	\$3, 254, 000
Transferred to Secretary's Office-----	\$29, 150
Transferred to Women's Bureau-----	35, 700
Transferred to Labor Statistics-----	68, 960
Transferred to Labor Standards-----	12, 600
Transferred to contingent expenses-----	15, 000

Wage and Hour Division—Continued.

Salaries—Continued.

Transferred to Miscellaneous Expenses, Wage and Hour Division--	\$65,000	
		\$226,410
Miscellaneous expenses	207,200	\$3,027,590.00
Transferred from salaries, Wage and Hour Division	65,000	
		272,200.00
Salaries, Wage and Hour Division :		
Transfer to Labor Standards		12,600.00
Transfer to Women's Bureau		35,700.00
Transfer to Labor Statistics		68,960.00
Foreign service pay adjustment, appreciation of foreign currencies		20,000.00
Trust funds :		
Return of deposits to secure payment of fines and passage money		50,000.00
Disposition of deposits of aliens who become public charges		500.00
Unearned naturalization fees		40,000.00
Unearned immigration registry fees		30,000.00
Unearned immigration reentry permit fees		5,000.00
Total appropriations		28,878,750.14

In addition to the above, the following allotments were received from emergency appropriations:

Public Works Administration : Allotment to Bureau of Labor Statistics	\$45,000.00
Emergency relief, Labor, Labor Statistics, Federal nonconstruction projects (transfer from W. P. A.)	1,924,038.00
Emergency relief, Labor, Labor Statistics, administrative expenses (transfer from W. P. A.)	62,718.00
National industrial recovery, Federal administration of public works (1933-41)	25,000.00
Total	2,056,756.00

The following amounts were received by transfer from appropriations made to other agencies:

Temporary National Economic Committee (transfer to Labor)	\$58,250.00
Working fund, Labor, Labor Statistics (transferred from Railroad Retirement Board)	10,000.00
Total	68,250.00

Expenditures.—The expenditures, arranged according to items of appropriation, were as follows:

Office of the Secretary:

Salaries :	
1939	\$283.53
1940	429,325.36
Printing and binding :	
1938	360.77
1939	74,182.79
1940	220,029.06
Contingent expenses :	
1938-39	100.00
1939	20,442.51
1940	199,944.04
Traveling expenses :	
1939	123,027.16
1940	814,490.06

Office of the Secretary—Continued.

Salaries and expenses, Division of Labor Standards:	
1938	\$ 0.83
1939	2,269.41
1940	212,305.75
Salaries, Wage and Hour Division (transfer to Labor Standards)	4,895.98
Salaries and expenses, Commissioners of Conciliation:	
1938	1.00
1939	5,473.03
1940	315,654.18
Salaries and expenses, Division of Public Contracts:	
1939	4,024.09
1940	304,409.46
Salaries and expenses, International Labor Organization, Geneva, Switzerland:	
1939	431.93
1940	16,181.33
Foreign service pay adjustment, appreciation of foreign currencies:	
1938	24.59
1939	1,952.52
1940	7,768.12
Total	2,757,577.50

Bureau of Labor Statistics:

Salaries and expenses:	
1938	2.69
1939	4,774.63
1940	930,093.60
Investigation of labor conditions in Hawaii:	
1939	1,834.12
1939-40	1,794.72
Administration of Fair Labor Standards Act (transfer to Labor Statistics) 1939	3,483.52
Salaries, Wage and Hour Division (transfer to Labor Statistics)	52,516.69
Total	994,499.97

Immigration and Naturalization Service:

Salaries. Office of Commissioner of Immigration and Naturalization:	
1939-40	15,180.50
1940	579,790.82
Salaries, field service, Immigration and Naturalization Service:	
1939	49,916.01
1939-40	18,614.41
1940	8,056,607.63
General expenses, Immigration and Naturalization Service:	
1939	306,635.63
1940	904,943.71
Salaries and expenses, Immigration and Naturalization Service: 1938	4,525.42
Immigration stations:	
1938	20.00
1939	2,049.80
1940	24,636.53
Transporting Filipinos to the Philippine Islands: 1937-41	33,809.78
Total	9,996,730.24

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Children's Bureau:

Salaries and expenses:	
1939-----	\$5,146.58
1940-----	356,248.79
Salaries and expenses, maternal and child welfare:	
1939-----	8,310.55
1940-----	324,788.28
Salaries and expenses, child-labor provisions, Fair Labor Standards Act:	
1939-----	14,655.56
1940-----	225,148.22
Grants to States:	
For maternal and child-health service:	
1937-38-----	57,159.08
1939-----	755,991.16
1940-----	4,012,186.14
For services for crippled children:	
1937-38-----	204,619.46
1939-----	517,329.26
1940-----	2,640,036.84
For child-welfare services:	
1937-38-----	41,875.48
1939-----	625,244.00
1940-----	829,954.14
Total-----	<u>10,618,693.54</u>

Women's Bureau:

Salaries and expenses:	
1939-----	471.43
1940-----	148,781.92
Administration of Fair Labor Standards Act (transfer to Women's Bureau) -----	2,517.56
Salaries, Wage and Hour Division (transfer to Women's Bureau) -----	35,698.44
Total-----	<u>187,469.35</u>

Wage and Hour Division:

Salaries, 1940-----	2,637,837.38
Administration of Fair Labor Standards Act:	
1938-39-----	5,786.02
1939-----	135,788.52
Miscellaneous expenses: 1940-----	235,824.67
Total-----	<u>3,015,236.59</u>

Trust funds:

Deposits to secure payment of fines and passage money, Immigration and Naturalization Service-----	40,590.03
Unearned immigration registry fees-----	20,010.00
Unearned naturalization fees-----	36,636.43
Unearned immigration reentry permit fees-----	1,816.05
Total-----	<u>99,052.51</u>
Grand total-----	<u>27,669,259.70</u>

The following expenditures were made from emergency appropriations:

Emergency relief, Labor, Bureau of Labor Statistics, assistance for educational, professional, and clerical persons (transfer from W. P. A.), 1938 and 1939-----	\$184,199.71
Administrative expenses, 1938 and 1939 (transfer from W. P. A.)-----	211.15

Administrative expenses, 1940 (transfer from W. P. A.)	\$58,536.23
Federal nonconstruction projects, 1940 (transfer from W. P. A.)	1,645,863.48
National industrial recovery (immigration)	4,992.82
P. W. A. allotment to labor, Bureau of Labor Statistics	44,912.22
N. I. R., F. E. A. of P. W. A. allotment to Labor Statistics	24,924.80
Total	<u>1,913,640.41</u>

Disbursements from funds transferred to Labor:	
Working fund, administrative expenses, (emergency relief, W. P. A.) 1938 and 1939	824.10
Working fund, Labor, Labor Statistics, administrative expenses, Federal emergency administration of public works	273.94
Working fund, Labor, Labor Statistics, Railroad Retirement Board, R. R. unemployment insurance administration	7,752.99
Temporary National Economic Committee:	
1939-41	58,287.15
No year	9,609.72
Working fund, Labor, Labor Statistics (Railroad Retirement Board)	9,131.67
Golden Gate International Exposition	250.00
New York World's Fair	374.90
Working fund, Labor, Labor Statistics	2,445.42
Administrative expenses (E. R., W. P. A.)	6,369.10
Total	<u>95,318.99</u>

In addition to the disbursements by the Chief Disbursing Officer the following expenditures on behalf of the Department were specifically made:

By special disbursing agents	\$101,101.57
By Office of the Comptroller General	55,600.84
Total	<u>156,702.41</u>

Miscellaneous receipts.—The following receipts from miscellaneous sources have been received during the year:

Immigration and Naturalization Service:	
Naturalization fees	\$2,418,091.00
Head tax	913,869.00
Fines	46,369.50
Reentry permits and extensions	85,964.65
Immigration fees (registry)	182,130.00
Immigration overtime	118,002.99
Forfeiture of bonds	18,600.00
Sale of exclusive privileges	150.00
Sale of Government property	3,016.03
Miscellaneous collections	1,436.29
Coin-box collections	931.93
Collections on account of hospital expenses of persons detained in hospitals of the Public Health Service under the immigration laws and regulations	<u>73,476.50</u>
Total	<u>3,857,037.89</u>

Division of Publications and Supplies.

The appropriation for printing and binding for the fiscal year 1940 was \$410,450. At the close of the year, bills amounting to \$329,534 for work done at the Government Printing Office had been paid, leaving a balance of \$80,916 to meet the \$63,723 estimated obligations of pending requisitions which will leave an unencumbered balance of \$17,192.

A total of 2,458 requisitions amounting to \$445,028 was placed during the year, of which 352 requisitions amounting to \$51,770 were chargeable to funds other than the regular printing and binding, appropriation for the Department. These were placed by the Bureau of Labor Statistics, Women's Bureau, and the International Labor Organization.

A total of 506 orders calling for 12,147,940 envelopes at a cost of \$16,795 were placed during the year. Fifty-two of the above orders amounting to \$2,280 were paid from the contingent appropriation of the Department.

During the year, 387 requests for printed stationery were received, of which 75 were for requests from the Department in Washington and 312 for services outside of the District of Columbia.

The editorial work and proofreading are reflected in the figures herewith. Foliōs of copy, not including reprints, 25,561; galley proofs received 5,877, returned 7,244; page proofs received 21,883, returned 21,948; proofs of forms received 337, returned 306.

The Division distributed a total of 6,214,117 publications, of which 1,107,135 were forwarded on mailing lists and 5,106,982 on franks.

The Duplicating Section produced 15,796,077 copies of mimeograph and multilith work during the year. Of this, 2,282,815 copies required folding and 1,891,724 sealing. During the year, this section produced 17,802 photostat copies. In addition to embossing 101,882 addressograph plates for mailing lists, it was necessary to have a considerable amount of embossing done outside the Department, due to lack of sufficient equipment and personnel. During the year, 3,530,429 pieces of material were addressed.

The appropriation for contingent expenses of the Department for the fiscal year 1940 was \$250,620. In addition, the issuing of supplies from stock to be reimbursed, and other reimbursements from various miscellaneous funds amounted to \$9,888, which turn-over made the total amount of orders placed, payable from the contingent fund \$255,509. At the close of the fiscal year 1940 there remained in the appropriation a sufficient sum to meet outstanding unliquidated encumbrances amounting to \$2,686. The unobligated balance of the allotment was \$4,999.

The Division received 6,451 supply requisitions during the year, requiring the placing of 8,596 orders for 15,967 items, amounting to \$469,603. At the close of the year, after the transfer of certain supplies to the Department of Justice, the inventory value of supplies in the stock room to meet the immediate requirements of the Department amounted to \$16,975.

In connection with furnishing supplies, and so forth, to the field offices, 3,572 shipments were made, weighing 322,652 pounds. Of these, 3,376 necessitated the preparation of Government bills-of-lading. To expedite deliveries and to economize on transportation and handling costs whenever possible, orders were placed with contractors for direct shipment to field offices.

Respectfully submitted,

SAMUEL J. GOMPERS,
Chief Clerk.

DIVISION OF LABOR STANDARDS

VERNE A. ZIMMER, *Director*

To the SECRETARY OF LABOR:

The country's steadily growing interest in labor standards continued through the year 1939-40. As the year closed, the Nation, girding itself for the greatest defense effort of its history, looked to its labor standards.

There were, to be sure, earnest differences of opinion. Some argued that labor standards might be all right for easy times, but that they must be waived for the period of the emergency; that production would be hampered by labor standards.

Others, however, pointed out that good labor standards—the protection of workers from accident and disease, the proper training of skilled mechanics, equitable industrial relations, a fair working day, and at least a minimum wage to live on—were the prerequisites to efficient production, to high morale, and to healthy citizenship.

The year's close found the Division of Labor Standards basing its part in the Nation's essential preparation on its continuing activities and its accumulated experience. Apprenticeship, the promotion of industrial safety and health, the formulation of reasonable and flexible labor standards, the improvement of labor-law enforcement, the growing practice of cooperation between the State and Federal governments—these were some of the Division's activities which, launched during the previous 5 years, were going forward vigorously last year, and took on new accents of meaning in line with the national defense program.

Interest in labor laws continued to be keen among many groups, although 1940 was an off year in legislation. Services asked of the Division ran the gamut from compilation of existing laws to suggestions for new bills; from technical bulletins to popular exhibits; from drafting of safety and health codes to the training of State inspectors. And, as usual, calls came from many quarters—from State labor officials and from other Federal agencies, from trade-unions, from technical bodies and professional associations, from safety councils, from employers' associations, from college and high-school classes, from chambers of commerce, from women's organizations and civic groups.

Then there were all the letters from individuals. Warm, human stories pulse through the penciled or the penned—rarely the typed—lines of these letters. Workers, or their wives, or their children, are writing to the President, to the Secretary of Labor, to the Department, asking about their rights, confiding their difficulties.

Many of these letters can be referred to a State agency which has power to help the worker. Often, though, it is all too plain, from the worker's statement, that existing laws offer him no protection. A worker in an intrastate business wants to know why he has to work

longer hours, for smaller pay, than the man in a factory across the street (protected by the Fair Labor Standards Act). Or an injured worker finds that the partial coverage of his State workmen's compensation law leaves him out in the cold.

Answers to these letters must often be routine matters, and this correspondence does not bulk large in the Division's accounting of time spent. But these letters vividly reflect the extent to which law and administration meet the needs of people; they help to show the gaps in legislation and enforcement, and hence to point up the States' requests upon the Division for service.

Promoting industrial safety and health.

The promotion of workers' safety and health is one of the day-in, day-out jobs of the Division of Labor Standards.

As the year ended, industrial health and safety were coming in for greater attention than ever. As in many other fields, defense turned a hot white light on everyday needs.

On June 21, 1940, was held the first meeting of the National Committee on the Conservation of Manpower in Defense Industries. The committee, made up of safety men from industry, labor-union officials, and Government experts in safety and health, was called together by the Secretary of Labor.

The committee began out of the recognition of the fact that in the days ahead the toll of accidents and occupational disease—already far too high—may be even greater, what with pressure on getting out production and with the taking on of many new workers.

What we need most, the committee felt, is not to accumulate new knowledge, but to put into action the knowledge we already have. It drew up a plan to enlist the cooperation of safety experts in private industry, on a volunteer basis. Under the direction of the committee and the staff of the Division, these experts are making the best industrial safety practices available to concerns producing goods on Government contracts.

On behalf of the committee, the Division was preparing to issue a series of special bulletins. Two were already in preparation. "Safeguarding Manpower for Greater Production," addressed chiefly to management, stresses the importance of safe working conditions and briefly suggests general methods of correcting common hazards. "Labor and Safety on the Job in National Defense" is addressed to labor and gives practical pointers on working safely.

This is in line with the continuing activities of the Division as a public clearing house in the whole field of industrial safety and health.

Safety consciousness on the part of management, originally stimulated by the advent of workmen's compensation, has become part of intelligent industrial practice. But safety work has been mostly confined to the largest industrial units; and probably the majority of American wage earners are still needlessly exposed to hazards on the job.

Labor's contribution to the safety movement has been chiefly in terms of pressure for better working conditions, for State action on safety and health, and for more adequate workmen's compensation benefits.

The various States have attempted to control specific accident situations by laws and safety codes.

But, until the establishment of the Division of Labor Standards, there was (except for the mining industry) no centralized safety promotion service in the Government to which the States, management, and labor could turn. All three groups have made use of the Division. It has brought together the points of view of labor and of industry, of the State labor official and of the safety technician, and cooperative action among them is increasing.

Within the limitations of a small staff, the Division has been in a position to render a unique service. Staff members have worked with State legislative committees, industrial boards, State labor commissioners; with labor unions; with employer associations. Its engineers and hygienists have helped to draw up basic laws and codes for safety and health; planned safety conferences; assisted in the training of inspectors to enforce both State and Federal standards. Our staff has cooperated with the safety movement as developed in National, State, and community industrial safety councils. We have launched investigations of the hazards to workers in specific industries, when their unions have come to us for technical assistance.

Training schools for inspectors.

The old saying is that no law enforces itself. Only regular and adequate inspection, by trained inspectors, can translate the letter of laws and codes into the reality of safer working conditions.

Naturally, the States vary in their ability to furnish such inspection. Variations come from differences in the extent of industrialization, in the length of time that safety provisions have been on the books, in the method of selection and training and tenure of inspectors, in the extent to which employers and workers and the community as a whole understand the importance of safety laws and regulations—all this in addition to the fundamental fact of differences in the safety statutes and codes themselves.

The States have called upon the Division of Labor Standards to help them improve enforcement. One of the most successful methods has been to hold training courses for factory inspectors. Short, intensive courses, usually 2 weeks long, have been given for anywhere from 20 to 35 inspectors at a time. Members of the Division staff discuss the essentials of safe and healthful physical working conditions in a variety of industries, and bring the best in each State's enforcement practices to the attention of other States.

These training schools have been run at the request of a single State or, more often, of a group of neighboring States with somewhat similar industrial problems. They have been aided by the universities on whose campuses the classes are generally held; by the employers who have opened their plants to the classes; and by the labor-union representatives who have helped bring to the classes the point of view of those whom safety laws and codes are primarily designed to help.

Seven schools were conducted last year: One at Birmingham for inspectors from Arkansas, Alabama, Colorado, Florida, Georgia, Tennessee, and South Carolina; one at Richmond for Virginia and West Virginia; one at St. Paul for Minnesota inspectors; one in Chicago for Illinois and Indiana; one at Boston and another at

Worcester for Massachusetts, Rhode Island, and New Hampshire inspectors. In several States, specialized courses were conducted for building inspectors.

The Walsh-Healey Act gives the Public Contracts Division a responsibility for the maintenance of safe and healthful working conditions on all Federal contracts that come under the act. In December 1939, the Division of Labor Standards ran a special course in safety and health for the field staff which enforces the Walsh-Healey Act.

Cooperation on safety standards.

The Division has continued to work closely with the various organizations active in standardizing and promoting improved safety and health techniques.

The safety and health section has cooperated with the National Safety Council in the preparation of industrial data sheets and safe-practice pamphlets. It has been responsible for the development of a "Governmental Officials Program" at the annual National Safety Congress. The Division is represented on the Standards Council and the Safety Code Correlating Committee of the American Standards Association, as well as on the following technical committees of that organization: Building codes and building code requirements; mining standardization correlating committee; textile safety; safety code for rubber mills and calenders; specifications for accident prevention signs; walkway surfaces; industrial lighting, industrial sanitation, woodworking plants; allowable concentrations of toxic dusts and gases; exhaust systems; conveyors and conveying machinery; and methods of recording and compiling accident statistics. The Division is also represented on the American Society of Safety Engineers' committee for safeguarding machinery at its source.

A representative of the Division has been working closely with the Illuminating Engineering Society in launching a survey of lighting conditions in the needle trades of New York City and its environs. Active and indispensable cooperation has come from the International Ladies' Garment Workers' Union.

Staff members have contributed articles to many trade and technical journals, and they have served as judges in contests to develop safe practices and stimulate safety consciousness.

Services to Federal agencies.

Federal employees are often thought of as all wearing white collars or dressy daytime frocks, and all working at desks and typewriters. Actually, a great number work in arsenals and navy yards, in the world's largest printing establishment, and in many other plants where they might be exposed to accidents and occupational disease.

During the past year the Division has helped a number of Government agencies in safety and health programs for their employees. It has continued its activities as secretariat of the Federal Interdepartmental Safety Council. Other agencies in the Council have asked the Division for specific services. A few may be listed.

Assistance was given the United States Housing Authority in the preparation of a bulletin on "Planning for Safety." An engineer worked with the Rural Electrification Administration in the develop-

ment of its safety program and its field demonstrations of safe practices. We conferred with the Navy Department's Bureau of Medicine and Surgery on occupational disease prevention. The staff aided the Training Division of the Civil Service Commission in the development of safety training programs for Federal employees. Cooperation with the Public Contracts Division has included making special plant surveys upon request of field investigators.

A representative of the Brazilian Civil Service Commission sought, and received, aid in setting up a program of safety and health for Federal employees of Brazil.

The Division takes part in the work of the District of Columbia Commissioners' Traffic Advisory Council. This is in line with modern industrial practice, which extends the responsibility of employers for the safety of their employees to preventing off-the-job accidents.

Services directly to labor.

Safeguarding the health and life and limb of American working-men and women is the direct or indirect goal in all the work of the Division's safety and health unit. In many instances the help is given directly to labor organizations. For example, the United Mine Workers of America asked aid on mine-inspection problems and on the development of a movable canopy to protect miners from roof falls at the working face in coal mines. Contacts were made with one of the large research foundations with a view toward further study of dust diseases and of the health services of mining communities.

On the joint request of the plant management and the union, staff members made a detailed safety and health survey of a smelting and chemical plant in Pennsylvania. Assistance has been given to the American Federation of Labor, upon request, in the development of a check list of accident and health hazards for the use of some of its affiliated unions. Many other instances of assistance to individual unions might be cited.

The publication of "Occupational Poisoning in the Viscose Rayon Industry" illustrates the service the Division can render directly to labor. This study had been made by the Division's consultant, Dr. Alice Hamilton, and a group of physicians and other experts of the University of Pennsylvania. It was begun at the request of the Textile Workers' Union of America, after many complaints by workers. The survey traced many of the health hazards in the industry to carbon-disulphide poisoning, whose most dramatic and dangerous end—result is insanity. It went further and pointed out measures that could and should be taken to protect the men and women who work in the industry. By the time the survey's results were published, in May 1940, notable improvements had already been made in plant practice.

Five more leaflets in the Division's series on the Causes and Prevention of Occupational Diseases were issued. This makes 18 popular four-page leaflets available for the use of workers and management.

The tri-State conference.

Occupational disease may sometimes blight a whole community. This is the danger, apparently, in the tri-State lead- and zinc-mining area which takes in parts of Kansas, Missouri, and Oklahoma. Silicosis, and the tuberculosis so often associated with it, have long been a problem to this community.

To this region, the Secretary went to observe conditions at first hand and to bring together, on April 23, 1940, at Joplin, Mo., a widely representative conference of people from many local groups and technical experts and public officials from the three States and the Federal Government.

"Just what this conference of outstanding citizens, the Government, both State and Federal, the church, industry, and labor—and the chairman, Secretary Perkins—means today in moral relief to the workers of the tri-State district is hard for me to put into words," said a representative of the tri-State miners. "To many people, it is the usual approach to a problem, to sit down with all interested parties and discuss what is wrong, in order to agree on a remedy. But a conference of this sort is new and different to the working people of the tri-State area. And this conference has been received by them with great hope."

Among the questions the conference took up were these: Is everything being done that can be done to control harmful dust below the surface in the mining operations? Is it possible that the surface dust which men, women, and children alike breathe causes silicosis? Are hospital beds and medical care available to the victims of silicosis and tuberculosis? Can housing conditions be improved so that infection from tuberculosis will not spread so easily? Might joint action by the three States improve the level of, and make for uniformity in, mine inspection, workmen's compensation, public health services? In short, must workers and the community be reconciled to such a high percentage of both silicosis and tuberculosis in their families, or can we through cooperative effort do more about it than is now being done?

Real differences of opinion found real expression at this conference. On the whole, though, all the groups represented there expressed a willingness to cooperate in working out solutions for the tri-State area's problems.

Members of the Division staff remained in the region making dust counts and checking the procedure used by workers, mine operators, mine inspectors, and health officials.

Workmen's compensation.

The principle of workmen's compensation is simple, and it has, in theory, been accepted on all sides. But the detailed methods of applying the principle vary widely from State to State.

There are large gaps in compensation, such as those left by elective provisions and numerical limitations. The benefit provisions of the laws represent great compromises. Compensation for occupational disease, even where it is recognized in principle, is severely limited.

The size of benefits and methods of procedure under the various State acts have become, with the passage of time, hallowed by tradition. Progress in revising the laws is therefore slow and accomplished only by continual amendments to bring them more into line with the fundamental purposes of workmen's compensation. The National Conference on Labor Legislation has promulgated definite and detailed standards for workmen's compensation legislation.

The Division was asked to appraise existing laws in a number of States last year. In some other cases assistance was asked either in the preparation of specific amendments or in the preparation of

drafts for the complete revision of the laws. Service in either appraising or revising was given to Arkansas, Connecticut, Florida, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Nebraska, and Virginia, and to the Territories of Alaska and Hawaii.

Because of the conflicting approaches of employers, labor, and insurance companies, the technical representative of the Division is often asked to act as mediator, to assist the parties in reaching a solution which satisfies those concerned, and which is sound in the light of fundamental principles and actual experience.

Sometimes the Division is required to comment upon the soundness of existing or proposed legislation, or a staff member is asked to appear before a legislative committee in the role of expert witness.

The compensation unit maintains a complete file of compensation laws and decisions and gathers information on actual administrative practices through the cooperation of State administrators. Basic standards are found in the recommendations of the National Conferences on Labor Legislation.

Workmen's compensation is the oldest of our social-insurance programs, but it varies most widely from State to State. The gradual introduction of the system in one State after another over a period of years meant that workmen's compensation never had the Nation-wide publicity which has accompanied the enactment of old-age insurance and unemployment compensation. Workmen's compensation is necessarily rather technical in legal provisions and administrative procedures—sometimes more technical than it needs to be. So the Division has continued to receive many calls for information and appeals for help from workers and their families from every State. Practically all of the letters are referred to the State workmen's compensation agency—where the situation can often be straightened out.

Noteworthy, too, last year were the numerous requests for information in connection with proposed legislation covering employees of interstate carriers.

One of the persistent questions in workmen's compensation has been—"What type of insurance carrier?" Organized labor, as well as successive National Conferences on Labor Legislation, have repeatedly gone on record in favor of insurance through exclusive State funds. During the year the Division published a factual study by Dr. John B. Andrews on the "Progress of State Insurance Funds under Workmen's Compensation."

A loose-leaf index to the 25 years of "Proceedings of the International Association of Industrial Accident Boards and Commissions" was issued by the Division. It will be kept up to date by periodic supplements. The Division last year again edited for publication the annual proceedings of the Association.

The series of maps and charts summarizing coverage, benefits, and procedure under all the State workmen's compensation laws was revised as of January 1, 1940.

National Conference on Labor Legislation.

The Sixth National Conference on Labor Legislation, for which the arrangements were carried out by the Division, brought together official representatives of the Governors of 35 States, Alaska, and Puerto Rico; and of the District of Columbia. The Division pub-

lished the conference resolutions and committee reports, followed by the complete proceedings of the Conference.

Delegates from the States reported that, in many legislatures earlier that year, the necessity of stopping restrictive bills had made it difficult to push strongly for needed new laws. Nevertheless they set themselves the task of promoting a wide program of labor legislation and sound labor-law administration.

Restating its program of State labor legislation, the Conference called for State wage-and-hour laws; for the abolition of industrial home work; extension of child-labor laws; legislation to provide regular payment of wages, and wage collection of earned back wages by State labor departments. It outlined a specific program on prevention and compensation of industrial injuries and diseases. It laid down the principles for sound programs of apprenticeship and for the retraining of skilled workers.

The Conference recommended active consideration of permissive State legislation, such as that of Massachusetts and New York, to make savings-bank life insurance available in the States where it cannot now be purchased.

It once more urged that State constitutions, laws, and Federal statutes be revised to forbid the requirements of poll-tax payments as a prerequisite to voting. This requirement, it held, disfranchises workers and farmers of low income; and hence "makes difficult the passage of adequate labor legislation."

The Conference suggested that the United States Public Health Service, in its industrial hygiene grants under the Social Security Act, make such Federal funds available to State labor departments that do industrial hygiene work. It endorsed a national health program in line with the proposals to Congress by the President's Inter-departmental Committee to Coordinate Health and Welfare Activities and called for "protection of workers from the financial catastrophes brought by sickness and the loss of jobs because of sickness."

Conferences on migratory workers.

Migratory agricultural labor problems came in for vigorous discussion, at the National Conference, by administrators and labor spokesmen from States as far apart as California, Missouri, and Virginia.

Unfair methods of recruiting labor, it was reported, lower the migrant workers' wages and standards of living, and threaten the labor standards already built up in the areas into which they come. Farmers complained of labor stealing by contractors and row bosses.

Housing of migratory workers and their families is pitiful. Lack of sanitary facilities and lack of medical care create a health menace both to the migrant families and to the communities in which they may be living. Children go without schooling, and many of them work in the fields.

"Separate State action," the Conference declared, "is insufficient to solve these problems, which are national in scope." The Secretary of Labor was asked, in cooperation with other Federal agencies, to work with the States on the assembling of the necessary factual information, and to plan definite programs of action.

At the request of the Commissioner of Labor of Virginia, the labor commissioners from most of the Atlantic Coast States, from Florida to New Jersey, met after the National Conference to discuss the problem.

In February a 2-day conference, sponsored by four States, was held in Baltimore. It enlisted the participation of officials of labor, agriculture, public welfare, health, and educational departments from Virginia, Maryland, Delaware, and New Jersey, as well as representatives of Federal agencies and civic organizations.

The Baltimore conference was in agreement on the general nature of the problem, and the need for concerted action by local, State, and Federal agencies. On certain specific questions, more current and detailed facts were asked. Opinions differed somewhat on the extent of the problem in various localities, and on the placing of responsibility for improvement of conditions.

Among the Conference recommendations were the following:

That local labor be employed as much as possible, that the Public Employment Service increase its farm placement work in cooperation with farm groups and individual farmers, that the practices of farm labor contractors be regulated by State and Federal legislation.

"That the same services for education, school attendance, health, relief, housing, and sanitation be made available for migratory labor families as are available to the residents of the communities in which they work."

That these be the "responsibility of the community and the State, with Federal aid to assure equal opportunities and services for migrants (as well as for residents) where State and community resources are insufficient * * * on condition that the States and communities receiving Federal aid agree not to discriminate between residents and migrants * * *."

The Division brought together representatives of a number of Federal agencies, during the course of the winter, for informal meetings to pool information, to formulate plans for collecting additional information and holding regional conferences, as well as plans for assistance to migrants.

The Assistant Director of the Division testified at hearings before the Senate Subcommittee on Civil Liberties, at the Committee's request, on the status of agricultural workers under State and Federal labor laws.

The Interdepartmental Committee to Coordinate Health and Welfare Activities called for the draft of a proposed bill to regulate interstate operation of private employment agents, including farm labor contractors. With the help of other agencies, such a bill has been prepared by the Division.

Preemployment physical examinations.

A committee on preemployment physical examinations was appointed by the Secretary, at the direction of the Sixth National Conference.

Labor has become apprehensive about these examinations, because they have sometimes been so refined as to screen out thousands of qualified workers on the grounds of minor physical defects.

Here obviously is a problem which does not lend itself easily to legislation or administrative regulation. It calls for a concerted campaign of education, if injustice is not to be done to many workers and bitterness created among many more.

The Committee on Preemployment Physical Examinations, meeting in May, brought together representatives of labor and of man-

agement; and, for the public, a number of physicians, administrators, and experts.

Publication of labor-law material.

The Division continued its service of publishing material on labor laws. A summary of State hours laws was brought up to date in October 1939. The summary of State hours regulations for bus and truck drivers was revised and amplified, in cooperation with the Interstate Commerce Commission.

A memorandum on State wage payment and wage-collection laws was prepared. It briefly surveys the existing legislation, and the reasons for these laws.

Part 1 of a Handbook of Federal Labor Legislation has been sent to the printer. It will be available for distribution by the time this report is issued. Dealing with labor standards on Government contract work and work financed by the United States, this handbook covers a field that is increasingly important as defense production and building gather momentum.

Laws give only the general framework of workers' protection; at least as important are the rules and regulations issued under each law. These rules and regulations, too, are compiled and arranged for ready use in the Federal Handbook. Sections of the handbook still to come will deal, respectively, with: General regulatory laws (such as the Fair Labor Standards Act); laws affecting industrial relations; compensation for accidents, unemployment, old age; and a miscellaneous section on apprenticeship, prison-made goods, and so forth.

Organized labor, notably the American Federation of Labor, has requested this compilation so that workers and union representatives may know not only what their rights are but what agencies are administering what laws, and to whom to make complaints when necessary.

Analyzing bills and laws as they appear.

The work of digesting and reporting on the labor bills introduced and the laws enacted in the State legislatures and in Congress was continued. Because few legislatures met in regular session, the number of current mimeographed legislative reports was reduced to eight issues last year.

The Annual Digest of State and Federal Labor Legislation, covering the legislative year 1940, was in preparation and will be available before this report appears.

As they are received, the bills are carefully and critically appraised by the staff members to meet demands made—in correspondence or consultation—by labor organizations, by State officials and civic groups, and by other interested people.

In spite of relative inactivity on the part of the legislatures this year, the Division was called upon to give technical assistance upon a variety of bills. The requests came most often from labor unions or officials of State labor departments. Illustrations of these requests are the following: One State federation of labor requested a draft of a bill creating a State department of labor. The labor department of another State called for assistance in connection with a State wage and hour bill. A minimum-wage board consulted the

Division on amendments to its hours law for women. A draft of a bill granting a State labor commissioner rule-making power on safety and health was prepared at his request. The labor commissioner of one commonwealth requested an appraisal of proposed legislation on industrial relations.

Committees on labor bills and administrative procedures.

The Division gave technical assistance during the year to committees appointed by the Secretary on suggested language for State wage and hour bills, and bills on apprenticeship and regulation of private employment agencies.

The committee on private employment agency regulation likewise advised on the draft for a Federal bill to regulate interstate operations of these agencies, and on methods of administration. A preliminary outline of administrative procedure, based on material gathered from various State departments of labor, is now being reviewed by the committee. As approved, it will form an added section in the Inspection Manual issued 2 years ago by the Division.

Similarly, administrative practices in industrial home-work regulation are being compiled by the Division for consideration by a joint committee of State and Federal officials, with a view to incorporation in the Inspection Manual.

Standards of Qualifications for General Labor Law Inspectors, prepared under the direction of an advisory committee of State officials and officials of labor organizations, was completed and sent to the printer.

Coordination of Federal-State inspection.

With the enactment of the Walsh-Healey and the Fair Labor Standards Acts, the United States Department of Labor began enforcement in a legislative field in which the States formerly had sole jurisdiction. For workers engaged in interstate commerce there is now dual jurisdiction, resulting in duplication of inspection and sometimes in conflict between standards. Both Federal and State officials responsible for the enforcement of wage, hour, industrial home work, and child-labor laws have recognized that there must be uniformity of approach and coordination of activities if the administration of such legislation is to receive public understanding and support and to be of greatest benefit to workers and employers. In cooperation with the various enforcement units of the Department of Labor and State labor departments, the Division is developing programs to reduce duplication of inspection to a minimum, to provide for the most effective use of Federal and State staffs, and to promote uniform standards of inspection and legislation.

Since January 1940, when funds from the Wage and Hour Division were made available for this work, assistance has been given to the labor departments of three States, North Carolina, Connecticut, and Minnesota, and to the District of Columbia Minimum Wage Board in formulating plans for the utilization of State inspection staffs on a reimbursable basis pursuant to section 11 (b) of the Fair Labor Standards Act and the Joint Regulation for Utilization of State Agencies for Investigations and Inspections. These plans were approved by the Administrator of the Wage and Hour Division and the Chief of the Children's Bureau and agreements signed.

Surveys of inspection policies and procedures, methods of selecting and training inspectors, and other administrative practices were made in seven States and the Territory of Hawaii. The information secured through these surveys is being used in developing informal cooperative arrangements for exchange of information, joint inspections, industry drives, and so forth.

Two conferences of State and Federal wage-hour, child-labor, and industrial home-work administrators were held to work out detailed methods of closer cooperation. Their reports outlining informal and practical remedies for the difficulties involved in dual jurisdiction are serving as a pattern in improving administration on both Federal and State levels.

Labor contacts.

Direct contacts with labor groups provide a continuously vital two-way channel of information. In the enforcement of a new law they can aid greatly.

One form of these contacts was the effort made during the year to have a representative of the Division—with long experience as a union official, as a legislator, and as a State administrator—participate in labor conventions and conferences and keep in close contact with labor organizations, particularly in connection with the wage and hour law. In many cases he brought about contacts, mutually helpful, between unions and officials of the Wage and Hour Division.

Apprenticeship.

Defense needs have emphasized the value of the national apprenticeship program established 3 years ago in the Labor Department. Fortunately the machinery and the techniques of training apprentices are available, and the active support of employers and labor has been obtained, so that immediate expansion of apprenticeship, particularly in the defense industries, is practicable.

The need for an apprentice program in the expanding metal trades, and the aircraft and airline industries, has made it necessary to concentrate our limited staff on promotion activities in these fields and merely give such assistance as was required to existing joint committees in the construction and service industries.

A large number of firms have established new systems of apprenticeship or brought existing programs in line with approved standards. Among these are:

Clyde Iron Works, Consolidated Steel Corporation, Saco-Lowell Co. (textile machinery), J. H. Williams Co. (drop-forged parts), Boeing Aircraft Co., Aviation Manufacturing Corporation (Lycoming Division), United Aircraft Corporation (Pratt and Whitney Division), Sperry Gyroscope Co., American Airlines, Braniff Airlines, Pennsylvania Central Airlines, Northwest Airlines.

In the national promotion of apprenticeship, the need for local action has been recognized from the outset. State and local groups are basic to the conduct of the program. As far as possible they should handle their own apprenticeship problems in the attempt to meet their own needs for skilled workers. Our services are available to help them in the setting up of State and local committees; to provide the technical assistance that they ask; collect and pass on the information as to what is being done by other communities,

industries, unions, and public agencies; and give national impetus and cohesiveness to the program as a whole.

State developments of the year show the steady growth in the framework for sound apprenticeship training. In California, a State apprenticeship council has been appointed in accordance with the new State act, and an apprenticeship division has been set up in the State Department of Industrial Relations. Kentucky enacted a law establishing an apprenticeship council in the department of industrial relations. The Massachusetts Legislature has extended the operation of its apprenticeship law for another 2 years, to December 1941. The Minnesota State Council has been appointed, and a State director of apprenticeship employed. In New Mexico, Washington, and Vermont the labor commissioners have appointed State councils. The Ohio State Council, set up last year, is now active. Virginia for the first time has provided an appropriation to implement the State apprenticeship law.

This means that 22 States have State apprenticeship councils at work, either under specific State laws or under the general powers of the governor or the commissioner of labor. Before Congress made the promotion of apprenticeship a permanent function of the Department of Labor in 1937, there had been only 2 such State agencies.

In all of the 22 States labor standards for apprenticeship have been established or revised in conformity with the basic standards recommended by the Federal Committee on Apprenticeship. In only 5 States, however, were appropriations last year sufficient to permit the hiring of a full-time State director of apprenticeship.

Local joint trade apprenticeship committees, operating under standards similar to those recommended by the Federal Committee on Apprenticeship, numbered, by the end of the year, 521. This was an increase of 200 over last year. The majority of these committees were in the construction industry. But in manufacturing industries, too, the number of apprenticeship systems rose steadily, to a total of 60, and new ones are in process of formation.

The general committee on apprenticeship for the construction industry adopted two reports, dealing with standards of apprenticeship and with the mechanics of apprenticeship.

Collaboration with other agencies, private and public, is of the essence of the apprenticeship unit's work. Good working relationships exist with practically every trade union that has any concern with apprenticeship. Among the employer associations, the unit's relationships are particularly close in the construction industry and to an increasing extent in the metal trades and in the aeronautical field.

The Federal Employment Service has called upon all its local branches to assist the apprenticeship program. This will make public employment offices, from coast to coast, available for general information on apprenticeship and for active work with local joint apprenticeship committees. Cooperation with the Office of Education has been widened by the unit's consultation with regional officers of the vocational division. The unit has continued to assist the Wage-Hour Division of the Department of Labor in setting up and revising regulations, and reviewing indentures in connection with special certificates for apprentices to work at wages below the statutory minimum.

As a national clearing house for information on apprenticeship, the unit has been asked for literature of all sorts for the guidance of local and national trade groups. And from all parts of the United States have come requests for specific information.

Copies of approved sets of standards have been made available to the public as part of the promotional program. The second part of the national steamfitting standards has been printed.

A catalog of all apprenticeship systems in the United States would be of great help to many organizations, private and public. The nucleus of such a catalog has been developed and is growing rapidly. Its detailed information will make this a basic reference on apprenticeship problems. The value of this catalog will depend in part on special research, but even more upon the extent to which the staff is able to cover industrial establishments in the field.

Exhibits.

The Department's Exhibits Unit in the Division of Labor Standards plans the subjects for exhibit themes, and the form in which those subjects can be most effectively presented. It does the actual mechanical job of creating and building the exhibits.

Labor organizations are taking an increasing interest in exhibits, as a means of reaching both their own members and the general public. Perhaps more significant than the enlarged use they are making of our exhibits is the fact that international unions and State bodies are beginning to develop their own exhibits. In this work we have been glad to assist with our technical experience and with the actual construction of exhibits.

The Division prepared the exhibits and furnished attendants for the annual conventions of the A. F. of L. and the C. I. O., for regional conferences of the A. F. of L., for conventions of international unions, for many State federation and council meetings.

The same service was given to a large number of other national, State, and local organizations. Safety groups featured exhibits on safety codes; medical organizations used exhibits to illuminate problems of occupational disease.

Conferences of social work, State labor departments, and departments of education requested exhibits to point up the labor problems that are so closely related to their own activities.

The unit participated in the American Negro exposition held in Chicago, in the Ohio Council of Churches meeting, in the Baltimore Home Show, and in the American Association of University Women's "Citizen of Tomorrow" exhibit in Washington. It continued its participation in the San Francisco Golden Gate Exposition and the New York World's Fair.

In many cases an attendant goes along with the exhibits. The attendant is a sort of personal channel of communication between the visitor to the exhibit and the Department, for he gets questions on all phases of the Department's work. These he transmits to the proper agency within the Department. Without the attendant, the questions—often of a technical nature—might never get asked; or, framed unclearly, they might fail to draw the most useful answer.

About 2,000,000 people, it is estimated, saw the 184 exhibits of the Department last year.

For the first time, the Department issued a Labor Day poster.

Posters, it is expected, will help in the campaign for safety-consciousness among workers in national defense production. One poster is being prepared, at the request of the National Committee for the Conservation of Manpower in Defense Industries.

Popularizing.

Popular understanding, necessary for the success of almost any law, is especially important in the case of labor laws. The great advances in State as well as Federal labor legislation within less than a decade can only be maintained if the purposes of these laws are understood by the citizens of today and tomorrow.

Recently one State educational department consulted the Division on this problem: How to interest youngsters in their State's labor laws and give them an awareness of what labor legislation means to the community as a whole, to workers, and to employers. This State was anxious to keep instruction in civics, for high-school boys and girls, abreast of changing industrial and social patterns.

Workers, as individuals and in their trade-unions, are the major audience reached by the Labor Department. There, too, much depends upon presentation. A highly technical study, undertaken to benefit one group of workers, may have great implications for a large number of other workers. The Division of Labor Standards tries to make the fullest use of the information which it gathers, in order to reach the widest possible audience. For example, a study of one type of industrial poisoning made by the safety and health unit helped to bring about needed improvements in plant practice, and to save the health and lives of many workers. In publishing the results of the study, the Division tried to make a necessarily technical bulletin as readable as possible.

The circulation of such a bulletin is, however, restricted almost entirely to men and women in the industry concerned and to industrial physicians and engineers. A briefer, simpler story was also prepared, which many of the labor papers—and to some extent, the general press—utilized. Their stories showed the need for cooperation between unions and State labor departments in industrial hygiene work to get at the causes of occupational disease. Editors used the story to point up the need for modernization of workmen's compensation laws.

Publications.

The Division has published the following bulletins and pamphlets during the year:

Suggested Local Standards for Training Steamfitting Apprenticeship. Bull. 28, pt. II. (Outlines procedure for the setting up of local programs by employers and workers, in accordance with national standards adopted by the trade and published as Bull. 28, pt. I.)

Cumulative Index to Proceedings, International Association of Industrial Accident Boards and Commissions (Loose-leaf). Bull. 29. (For use by compensation officials, and those having complete sets of proceedings.)

Progress of State Insurance Funds under Workingmen's Compensation. Bull. 30. The Work of an Industrial Hygiene Division in a State Department of Labor. Bull. 31. (Describes the work done by this unit of the New York State Labor Department in connection with occupational disease prevention, rule-making, and adjudication of workmen's compensation claims.)

Digest of State and Federal Labor Legislation Enacted July 1, 1938, to July 1, 1939. Bull. 32.

The Division of Labor Standards of the United States Department of Labor. Bull. 33. (Briefly describes the set-up and work of the Division, and what types of service the Division can render.)

Occupational Poisoning in the Viscose Rayon Industry. Bull. 34. (Describes hazards, effects of poisoning, and methods of prevention.)

Proceedings of the Sixth National Conference on Labor Legislation. Bull. 35. Reports of Committees and Resolutions Adopted by the Sixth National Conference on Labor Legislation. Bull. 35-A.

Protecting Eyes in Industry. Bull. 37. (Describes safety measures.)

New folders in industrial health series:

Causes and Prevention of Nitrous Fumes Poisoning (No. 14); Metal Fumes Fever (No. 15); Ammonia Poisoning (No. 16); Manganese Poisoning (No. 17); Injury from Acids and Alkalies (No. 18); (Popular 4-page leaflets.)

Other pamphlets:

Age and the Job. (A dialogue between workers.)

Silicosis Prevention—Dust Control in Foundries. (Describes safety measures.)

The Worker's Stake in Safety. (An address by the Secretary of Labor to the 1939 National Safety Congress.)

Labor Standards.

Nine issues of LABOR STANDARDS appeared during the year. The publication attempts to cover developments of interest to State labor-law administrators and to labor organizations in connection with their legislative programs.

Articles describing administrative procedures in State labor departments are featured; they are written either directly by State officials or prepared in the Division from materials sent in by them. Letters from workers and their families are quoted to illustrate problems encountered in the administration of the laws, or hardships caused by gaps and deficiencies in labor legislation. Each issue reviews the leading recent court decisions on the Federal Wage and Hour Law.

Respectfully submitted.

VERNE A. ZIMMER,
Director.

OFFICE OF THE DIRECTOR OF PERSONNEL

ROBERT C. SMITH, *Director of Personnel*

To the SECRETARY OF LABOR:

The Office of the Director of Personnel has concentrated upon development of working relationships with administrative officials of the several bureaus and offices of the Department. This has been made necessary by the very nature of the problem of developing and coordinating the personnel program for the Department, since in many instances it is necessary to collaborate with or individually to supplement the personnel functions carried on by officials in their normal administrative or supervisory capacity. Prior to the establishment of the Office of the Director of Personnel, practically all personnel activities were carried on by the administrative officials of the several bureaus and offices, and the development of sound relationships with these officials was normally the first basic activity for the Personnel Office. Considerable progress has been made in identifying and allocating functions and in coordinating procedures as between administrative units and the Personnel Office. Much still remains to be accomplished, but the essential identity of interests and objectives in carrying on personnel administrative functions has been demonstrated and has formed a definite basis for working out the problems that yet remain to be solved.

Special projects.

Immigration and Naturalization field classification survey.

Just prior to the transfer of the Immigration and Naturalization Service to the Department of Justice, the Office of the Director of Personnel completed a position classification plan covering all positions in the field service, numbering some 3,700. The immediate occasion for undertaking the development of a classification plan for these field positions in the latter part of 1938 was the problem encountered in distributing \$50,000 in accordance with the directions of the Congress among clerical employees receiving less than \$2,000 a year. It had been known before this time that neither the central office of the Immigration and Naturalization Service nor the Office of the Director of Personnel had detailed information as to the duties and responsibilities of most field positions and, therefore, was without any satisfactory means of handling classification matters, pay adjustments, efficiency ratings, transfers, and other types of personnel transactions. It was felt that the development of a classification plan in accordance with the Classification Act of 1923, as amended, would provide a sound basis for handling not only pay problems but all other personnel matters affecting these 3,700 field employees.

The Brookhart Act, approved in 1930, is an amendment to the Classification Act of 1923. It authorizes and directs that the rates

of pay for certain civilian positions in the field service, including nearly all of those in the Immigration and Naturalization Service, be adjusted to correspond as far as practicable to the rates established for positions in the District of Columbia. In 1936 this mandate of the Congress, at the behest of the Comptroller General, had been carried out hurriedly, but without observing essential parts of the procedures prescribed for establishing rates of pay for positions in the District of Columbia and without sufficient knowledge of the duties and responsibilities of individual positions. It was decided, therefore, to do this work in accordance with the procedures established by the Classification Act of 1923, as amended.

The act makes a sharp distinction between the classification process and the pay process. It provides that as a prerequisite to the handling of the pay problem, positions shall be classified on the basis of their duties and responsibilities. The procedure is that the duties and responsibilities of each position shall be ascertained and recorded; that positions shall be grouped into classes, each class containing all positions sufficiently alike as to duties and responsibilities; that they can be treated alike for recruiting and pay purposes; that individual positions be allocated to the classes established; that an adequate statement be prepared describing each class in detail; and that regulations be adopted by the Secretary of Labor providing for the manner of doing all of this work and for the maintenance and administration of the classification plan after it has been developed. The act clearly states that the classes of positions after they have been established shall be used not only for pay purposes but also for establishing and administering systems of efficiency ratings. It clearly implies, without explicitly requiring such action, that the classification plan thus developed be used also for recruiting purposes, for effecting transfers, for discovering and dismissing those failing to meet reasonable standards, and for some other important personnel purposes.

The development of the classification plan was carried out with meticulous regard for the procedures thus described. At the same time it was kept in mind that a classification plan should be developed that could be used for all personnel purposes mentioned above. The duties and responsibilities of every position were ascertained and recorded in detail. It was found that about 150 classes of positions existed and should be recognized. The 3,700 positions were allocated to the appropriate classes. Regulations providing for the adoption and administration of the classification plan were prepared and approved by the Secretary of Labor. The work of preparing the specifications for the several classes has not been completed, but progress has been made in this direction, and specifications are now available for nearly all of the large classes, with others in the course of preparation.

When the classification plan was prepared and adopted, it was possible to approach the pay problem. The procedure prescribed in the Classification Act of 1923, as amended, is that each class of position shall be allocated to its appropriate service and grade; that a scale of pay, which may be coterminous with that for the grade to which the class is allocated or only a part thereof, shall be set up for each class; that the rates of pay for the individuals holding positions allocated to any class shall be adjusted in accordance with the

rules contained in the Classification Act, as amended; that standards of efficiency shall be set up to govern four types of action (increases in pay for those who have not reached the maximum rate for their classes, no changes in pay, decreases in pay for those who are above the maximum rate for their classes, and dismissal according to the standard of efficiency attained and maintained); and that individual employees shall from time to time be rated and appropriate action taken in accordance with the standards set up.

This procedure regarding pay was followed. Each of the 150 classes was allocated to the appropriate service and grade; a scale of pay was set up for each class. The initial adjustments in rates of pay to be made in accordance with the rules contained in the Classification Act of 1923, as amended, have been determined, but have not as yet been given effect. (Increases in pay could not be made effective without an appropriation of funds for the purpose by the Congress.) The regulations adopted provided for the establishment of standards of efficiency and for the securing of efficiency ratings to make it possible to determine within which of the four groups mentioned in the law individual employees fall.

The classification plan has been developed, and regulations for its adoption and administration have been approved by the Secretary of Labor. Likewise, the pay plan has been developed and regulations for its adoption and administration approved by the Secretary of Labor.

Full effect could not be given to the pay plan without additional funds to make the pay increases required. Accordingly, the Secretary of Labor submitted an estimate to the Bureau of the Budget in May 1940 which provided for the necessary funds to bring the rates of pay up to the minimum rates adopted.

All pertinent materials in connection with the completion of these classification and pay plans were given to the Bureau of the Budget and to the officials of the Immigration and Naturalization Service prior to the transfer of that Service to the Department of Justice in June 1940.

Card-punch system.

During the past year the card-punch system of recording employee qualification and statistical data was reorganized to meet the standards set by the Civil Service Commission. The revised system is materially aiding the recruitment and selection section in locating qualified employees for promotion. The coding and putting upon punch cards of personnel data has produced greater accuracy at reduced cost than the system of obtaining statistics by manual methods.

Department stenographic and clerical unit.

The creation of the Department stenographic and clerical unit in October 1937 has been thoroughly justified. It was established so that stenographers, typists, and clerical employees could be recruited at the Department level and trained before assuming permanent positions in the several bureaus and divisions of the Department. The number of positions now provided for in the unit should be increased so that the reserve will be large enough to supply currently the needs of the bureaus and divisions.

Projects in process.

At the present time the Office of the Director of Personnel has several projects under way. It has been found necessary to prepare a brief manual of instructions for use by the administrative officers in the various bureaus, divisions, and field offices of the Department, setting forth the procedures to be followed in effecting any desired personnel action. This manual will be of vital assistance to administrative officers and will result in more prompt action and greater economy in the handling of all personnel transactions.

There is also in process of preparation a handbook of information for employees of the Department that will provide the answers to many intricate employment rules and procedures which must now be answered individually at considerable expenditure of time and energy.

A number of office forms and procedures used in handling personnel transactions are being revised and improved for the purpose of increasing the efficiency and reducing the unit cost of handling personnel problems and transactions within the Department.

*Number of officials and employees of the Department of Labor on July 1, 1940,
as compared with July 1, 1939*

Bureaus	July 1, 1940			July 1, 1939	Increases (+) or de- creases (-)
	In District of Colum- bia	Field	Total		
Office of the Secretary.....	221	6	227	135	+92
Division of Labor Standards.....	62	26	88	87	+1
Division of Public Contracts.....	120	6	135	153	-18
Conciliation Service.....	58	49	107	83	+24
Bureau of Labor Statistics*.....	691	120	811	799	+12
Children's Bureau.....	376	222	598	514	+84
Immigration and Naturalization Service†.....	0	0	0	1,147	-4,147
Women's Bureau.....	75	14	89	79	+10
Wage and Hour Division.....	567	1,074	1,641	551	+1,090
Total.....	2,179	1,517	3,696	6,548	-2,852

*Includes Emergency Relief employees formerly listed separately.

† Immigration and Naturalization Service transferred to Department of Justice under Reorganization Plan No. 5, June 13, 1940.

¹ Includes 8 at \$1 per annum.

² Includes 3 at \$1 per annum.

³ Includes 16 at \$1 per annum.

⁴ Includes 16 at \$1 per annum.

⁵ Includes 160 at \$1 per annum.

⁶ Includes 169 at \$1 per annum.

⁷ Includes 2 at \$1 per annum and 372 without compensation.

Respectfully submitted.

ROBERT C. SMITH,
Director of Personnel.

DEPARTMENT LIBRARY

LAURA A. THOMPSON, *Librarian*

To the SECRETARY OF LABOR:

The Library has, throughout the past year, continued its efforts to improve its day-by-day service to the Department and also to facilitate the use of its resources by other government and nongovernment organizations and by individual students. It endeavors to keep in touch with investigations in progress in the bureaus and to obtain and bring to the attention of the persons immediately concerned publications of interest to a particular study. Periodicals, as received, are circulated to the staffs of the different offices. A special effort was made this year to speed up this circulation. Arrangements have been made for representatives of the research bureaus to examine new books and reports in the catalog room before they go into circulation and, by the insertion of special examination slips, provide for priority in routing.

To meet the needs of the various industry studies in progress, a special effort was made to make the file of industrial directories in the reference reading room as complete and up-to-date as possible. A classified list of these directories was prepared for reference use, and copies of this list were distributed to the divisions using the directories most frequently. Aid was given in connection with the investigations of the White House Conference on Children in a Democracy, and special memoranda and short lists of references prepared for other special studies. The number and complexity of the reference questions handled during the year were greatly increased by the requests for material on problems arising out of the European war. As in previous years, extensive use of the library's resources was made by other government agencies, both by personal use of the reading rooms by their research staffs and by telephone inquiries. One thousand three hundred and one registrations were made by readers from private research bureaus, trade-unions and employers' organizations, and colleges and universities.

The cataloged accessions to the library for the year totaled 9,960, of which 4,202 represent monographs, 1,432 volumes of periodicals, and 4,326 other serials. In addition 1,857 publications, consisting mainly of second copies of reports and documents, were given temporary classification labels without adding them to the records. The decrease over last year was chiefly in the number of serials catalogued, and was in part due to the nonreceipt of various official reports from European countries. New cards to the number of 23,889 were added to the main catalog, which now contains over half a million cards.

On June 30, 1940, the library had 210,207 accessioned books and pamphlets, exclusive of several thousand publications on the shelves with temporary classification labels, and of the subject files of small pamphlets. There are still considerable arrears of uncataloged ma-

terial, particularly the files of labor agreements and older publications. The full strength of the collection is believed to be over 220,000 volumes. It is generally regarded as the most important collection on labor and social welfare in the country. In the acquisition of material in the past year special attention was paid to Latin American literature and particularly to the establishment of exchange relations. In response to various requests, selected publications of the various bureaus of the Department were sent to libraries in other countries. A special exhibit of recent publications of the Department of Labor was prepared for the Pan American Scientific Congress.

As in previous years, the library participated in the cooperative cataloging work of the Library of Congress by furnishing copy for printed catalog cards for all the publications of the Department of Labor and of the International Labor Office as well as for other important new accessions. These entries go to the principal libraries in the United States and to a number in other countries, which helps to make known the work of the Department of Labor. Considerable time was given by the catalogers to the checking of the new edition of the Union List of Serials in the Libraries of the United States and Canada. This cooperative undertaking by the libraries of the country is one of the most important bibliographical projects in recent years. In the process of recording the holdings of the Library of the Department of Labor a large number of new entries have been contributed to the list. At the same time a want-list is being prepared of items missing from the labor collection.

The list of periodicals currently received was increased during the year by 122 new titles, including 31 new trade-union journals and 39 labor papers; 65 periodicals ceased publication or were superseded, making a net addition to the current list of 57 titles. Separate issues of periodicals received numbered 61,208; 20,254 periodicals were circulated to the various bureaus. In comparison with last year the number of periodicals received was lower by 2,214, due largely to the suspension or irregularity in the receipt of various European publications because of war conditions. The cutting off or delay in receiving many of these fundamental sources of current foreign economic information added greatly to the difficulties of the periodical reference service. The list of American trade-union journals and labor papers was again revised and has continued to be in great demand.

The volumes prepared for binding totaled 984. Temporary binders were used for 226 volumes and 391 volumes were wrapped and sent to the shelves without binding. Because of the steadily increasing cost of binding, it has been necessary to discontinue binding a number of periodicals and also the files of labor papers. There is much other valuable material in the collection urgently in need of binding, and a larger fund for this purpose is greatly needed. The files of uncataloged trade and price journals that are kept for a few years only were rearranged on the upper deck of the stacks to permit easier use.

The Library issued during the year a mimeographed list of selected references on profit-sharing, 1923-39, supplementary to an earlier bibliography on this subject printed in the Monthly Labor Review for April 1923. Two other bibliographies were issued: "The Public

Contracts (Walsh-Healey) Act: Selected References" and "The National Health Program and Medical Care in the United States: Selected Recent References." A large number of requests have been received for both of these lists. Progress was made on several other bibliographies which, it is hoped, may be ready early in the fall. Many short lists of references were prepared in connection with problems on which help was requested in letters received.

Respectfully submitted.

LAURA A. THOMPSON,
Librarian.

BUREAU OF LABOR STATISTICS

ISADOR LUBIN, *Commissioner*

To the SECRETARY OF LABOR:

Modern warfare and modern methods of armament production bracket together the industrial forces and the military forces of a country. As a result, immediately following the laying of plans for a national defense program on a comprehensive scale, demands were made for information covering all phases of our industrial equipment, including, as of prime importance, the size, skills, training, employment status, wages, working hours, and other characteristics of the country's labor force which might have a bearing upon adaptation of industry to the national defense.

As the principal Federal fact-finding agency in the field of labor, the Bureau of Labor Statistics was naturally looked to as the source for most of the desired information in the field of labor. In very considerable part the Bureau was able to meet these demands but in certain fields its fact-finding machinery was not geared to the extraordinary requirements of a national military emergency. For example, over a period of years, the Bureau had built up an effective organization for the current reporting of changes in employment, in working hours, and in earnings for practically all manufacturing industries; but it had not included in its coverage certain industries such as firearms, ammunitions, abrasives, and optical glass—which, while of little peacetime significance, are of great importance to an armament program. Similarly, the Bureau developed a comprehensive system of wholesale-price reporting, including daily reports for a selected group of commodities; but again the intense interest in the subject of price movements as a vital factor in the defense program called for certain refinements of price collection and analysis which the Bureau had not felt warranted in undertaking as a peacetime policy.

These are but examples of the ways in which the shadow of war fell upon and affected the activities of the Bureau of Labor Statistics during the latter part of the past fiscal year. At the close of the year, changes which geared the Bureau's activities more closely to the specific requirements of the defense program were under way. These are reflected in only very partial degree in the following review of the Bureau's activities during the year as a whole.

During the course of the year, the Bureau received inestimable aid from the Division of Statistical Standards of the Bureau of the Budget. It has also had the unstinting cooperation of the other statistical branches of the Federal Government. The cooperative arrangements that now prevail between the Federal statistical agencies is a tribute to their common aim to improve the scientific standards of statistical collection, analysis, and procedures. This common aim has made it possible not only for each of the agencies to avail itself of the

services of its sister agencies, but has also made possible greater uniformity in collection procedures, as well as in the comparability of the data collected by the different statistical units.

Occupational outlook service.

Under the authorization of the Congress, the Occupational Outlook Service was established in the Bureau of Labor Statistics during the current year. This Service is concerned with attempting to answer questions of the following type: Which occupations are most overcrowded? Which are expected to provide the largest number of opportunities for employment during the next 5 years? In which occupations are shortages of trained workers most likely to occur?

The impulse for its creation came from two different directions. There is a tremendous need for accurate forecasts of industrial activity such as have been developed for agriculture over the past 30 years in the Department of Agriculture. It is reasonable to suppose that a long period of experimental development will be necessary as was the case in agriculture before accurate forecasts can be made. Even within this first year, however, it has been possible to predict changes in the level of industrial activity and employment to assist the various defense agencies in the planning of the huge defense program and to assist the Bureau of the Budget in visualizing the need for funds for training and relief programs.

The regular War and Navy Department appropriations of themselves indicated large increases of industrial activity for defense purposes in the fiscal year 1941. These were followed by supplemental national defense appropriation acts which raised the level of appropriations and contract authorizations for the fiscal year 1941 to unprecedented levels. Even before these acts were passed the Outlook Service was able to prepare for the Bureau of the Budget tentative estimates of the labor which would be created by the two regular appropriations and the first and second supplemental appropriation acts. These four acts provided for \$10,145,000,000 of expenditures. Of this amount, somewhat more than \$9,050,000,000 was provided for construction activities, for the building of vessels, or for the purchase or manufacture of supplies, material, or equipment. The appropriations for national defense have been still further increased but by the close of the fiscal year the Occupational Outlook Service was able to report to the Bureau of the Budget and to the National Defense Commission that somewhat more than 4,400,000 man-years of labor would be required to complete the work provided for in the first four acts. On the basis of these estimates, it was possible to formulate even by the close of the fiscal year a fairly accurate picture of the character of the industrial development to be expected in the coming year.

The second stimulus to the establishment of the Occupational Outlook Service came from people interested in education and in the placement of young people in jobs. As this work was conceived, it would necessarily be confined to the determination of broad trends of occupational opportunity. No agency of government, either in times of peace or in times of national emergency, can control the industrial development of the country or predesignate the work which individual young people shall enter. In normal times the function of an occupational outlook service is merely that of clearly indicating broad lines of development so that the plans of individuals may be more intelligently formulated.

Either in times of peace or of national emergency this long view of broad occupational trends is important as a background against which the decisions of free individuals shall be made. Young persons and those concerned with their guidance should have the necessary information to prevent the unknowing entrance of young persons into blind-alley jobs. This involves a study of technological trends. The most advanced industrial practice of today becomes the standard or average practice of industry a decade or so from now. In the past there has been no agency of government responsible for assembling information with reference to proven developments which foreshadow the widespread adoption of a new industrial technique. We have become aware of the implications of such revolutionary processes as the continuous strip steel mill only after the process has been widely adopted and has resulted in the dislocation of thousands of individuals. The Occupational Outlook Service is engaged in the study of new processes as they emerge. Increasingly, we shall be able to guard young people against entering into occupations which are almost certain to disappear in the foreseeable future.

The forecasting of occupational opportunity involves also a careful analysis of the lines of expanding opportunity. The first task completed by the Occupational Outlook Service was in fact an analysis of expanding employment opportunities as revealed by the censuses of manufacture.

In appraising the significance of trends such as these, perspective is of the utmost importance. During the depression from 1929 to 1933 there was an extensive spread-the-work movement. Weekly earnings of workers were reduced as part-time work became increasingly common. The shorter full-time workweek was established in this administration under the N. I. R. A. and was reaffirmed in collective agreements and in the Fair Labor Standards Act. During these few years the workweek was shortened more rapidly than ever had been the case in the past. In the early days of this administration, therefore, emphasis was properly given to the great influence of the shorter workweek upon the maintenance of the total volume of employment. Viewed from the perspective of 1940, however, we can see the shortening of the workweek which has taken place in the past decade as essentially a continuation of a movement that reaches back over several generations.

This trend toward the shorter workweek was measured this past year for manufacturing industries in connection with the Occupational Outlook Service. In manufacturing industries in 1909 wage earners averaged 52.0 hours per week, and in 1929 averaged 44.5 hours. In June 1940 manufacturing wage earners averaged 37.5 hours. Thus we see that while the workweek has been reduced more rapidly during the past 11 years than in earlier decades, there is an essential continuity. A shortening workweek has for many years been contributing to the maintenance of manufacturing employment, and it is a mistake to think of the experience of the last few years as essentially unique.

While long views of the trends of occupational opportunity must always be an essential function of the Occupational Outlook Service, the defense program even in the fiscal year of 1940 presented this division with pressing and immediate problems. What types of work would the millions of workers engaged on the defense program

be doing? Where were they to come from? Was there need for a large training program? These were the questions which were being asked at the close of the fiscal year. As always happens in a period of national emergency, research agencies with a broad background of experience were called upon to apply their information quickly to outstandingly important administrative problems.

In order to visualize the service rendered by the Occupational Outlook Service in the closing days of the fiscal year 1940, it is important to review the employment situation at that time. On the one hand were agencies responsible for the prompt execution of a production program that called for tremendous increases in the production of airplanes, of naval vessels, of ordnance items, and the thousands of supplies purchased by the quartermaster. They were forced to view the need for labor 6 months, 1 year, and even 2 years hence. Throughout the country there sprang up almost overnight a demand for training programs to meet these future needs. On the other hand were millions of workers registered with the public employment services with experience but without jobs. Other tens of thousands were seeking work through their trade-unions. These people who were seeking work saw the problems of the Nation not in terms of next year's needs but in terms of the pressing problem of their need for employment. In this difference of point of view there might have been ground for serious conflict with reference to public policy and to serious delay in the inauguration of a wise training program for national defense.

The development of that program took place largely in the fiscal year 1941 and is not properly a part of this report. The background of understanding of the problem was achieved, however, by virtue of the work of the Occupational Outlook Service and other agencies in the fiscal year under review. We knew before the close of the fiscal year that of the 4,400,000 man-years of labor to be created, approximately 1,500,000 man-years of skilled labor would be required, nearly 1,800,000 man-years of semiskilled labor would be required. We knew that of the skilled labor nearly 215,000 man-years would be required on construction jobs and in shipyards. Approximately 570,000 man-years would be required in factories engaged primarily in the manufacture of aircraft and ordnance materials. We were able to establish the characteristic skills of the majority of these individuals. Special field studies made as early as July 1939 indicated the types of labor required in the manufacture of airplanes and of aeroengines and indicated the problems involved in an expansion of the labor force in these key industries. Studies made in the closing months of the fiscal year 1940 in machine-tool building and aeroengine centers indicated the types of problem which manufacturers faced in meeting the needs of the defense program. These studies indicated a localized need for skilled workers and for the training of workers as yet inexperienced in these industries. They indicated also, however, the extremely localized character of either immediate or prospective shortages.

Out of this particularization of the problem came the basis for discussions that bridged the possible gap between present surpluses of labor and prospective needs. Without such studies it must inevitably have taken longer to achieve a full understanding of the problems to be met by a training program. The more detailed and

specific problems on which the employment and outlook branch would be engaged in the fiscal year 1941 was foreshadowed by activities in the closing days of June. Before any machinery could be established in the Advisory Commission to the Council of National Defense for studying the problems of plant location, the Navy Department requested the Bureau of Labor Statistics to advise it with reference to the location of one of its most important new plants. Field and statistical studies were undertaken and recommendations were made which expedited by several months the final decision in this case. The Occupational Outlook Service was asked to prepare itself to report on the availability of labor possessing requisite skills so that defense orders might be allocated in such a manner as to achieve both prompt delivery and a relief of pressing problems of unemployment. Detailed estimates of labor requirements by communities waited primarily upon more accurate information than could be available in the fiscal year 1940 on the timing of the expenditures under the various appropriations acts.

Employment and pay rolls.

During the past year, the monthly reports of the Bureau of Labor Statistics on employment and pay rolls became of increasing significance owing to the emphasis placed on industrial production by the national defense program and because of the widespread increases in industrial employment. These reports cover most of the manufacturing and nonmanufacturing industries as well as all forms of Federal employment, including the Public Works Administration and the Works Progress Administration. The data for public employment are complete in their coverage. The data for private employment are necessarily only partial, but the samples are now sufficiently comprehensive to indicate with close accuracy changes in each major industry and industrial group. The estimates and indexes based on these sample data are the only official figures currently available, indicating fluctuations in employment and pay rolls.

The monthly reports made to the Bureau by the various cooperating establishments include, for the majority of such establishments, data on man-hours worked, as well as total employment and total pay rolls. The data on man-hours worked makes it possible for the Bureau to compile average hourly earnings and average weekly hours for each of the industries covered.

Summary information on employment and pay rolls by industry by States and by selected cities is made available in mimeographed form each month. Later, a detailed report on employment and pay rolls, and on earnings and hours worked, is issued in printed form. These reports, in addition to presenting information on changes in employment and earnings, are used extensively by various governmental and private agencies as a basis of estimates of unemployment and national income.

A bulletin presenting employment and pay-roll data for each manufacturing and nonmanufacturing industry covered by the Bureau's monthly reports, by years from 1932 to 1939 and by months from January 1932 to June 1940, is now being prepared.

Private employment.

Ninety separate manufacturing industries and 16 nonmanufacturing industries are separately covered in the regular monthly survey of

private employment and pay rolls. In addition, the manufacturing industries are combined into the two significant groups of durable goods and nondurable goods. The 16 nonmanufacturing industries are: Anthracite mining, bituminous-coal mining, metalliferous mining, quarrying and nonmetallic mining, crude petroleum producing, telephone and telegraph, electric light and power, street railways and busses, wholesale trade, retail trade, hotels, laundries, dyeing and cleaning, brokerage, insurance, and private building construction. As the reporting sample in some of the nonmanufacturing industries was recognized as not being as complete as desirable, thousands of additional contacts were made during the past year in order to increase coverage, particularly in wholesale trade and retail trade. Reports were received in June 1940 from 148,000 establishments employing nearly 8,400,000 workers in all covered private employments, as compared with 146,000 establishments with 7,750,000 workers in June 1939.

In keeping with the Bureau's established policy of revising its indexes to conform with the biennial censuses of manufactures, the indexes of employment and pay rolls for manufacturing industries were adjusted to the level of the 1937 Census of Manufactures. Similarly, the indexes of employment and pay rolls in the telephone and telegraph, electric light and power, and street railways and busses industries, were adjusted to the levels of the 1937 Census of Electrical Industries. The construction of weighted indexes of employment and pay rolls for retail trade was also completed, and separate indexes for 25 individual lines of retail trade and for 6 trade groups are now available monthly. Similar indexes will soon be compiled for wholesale trade.

In addition to continuing the Bureau's regular surveys on changes in clerical employment in manufacturing industries, and the semi-annual collection of data showing earnings by sex, made in cooperation with the Women's Bureau, a number of special studies with regard to hours and earnings were made of various industries subject to the provisions of the Fair Labor Standards Act. A survey made in April 1939 was used as a basis for estimating the total number of workers subject to the provisions of the act.

In connection with the national defense program, special tabulations of employment and pay rolls in "key" industries were prepared and many industries formerly classified under "miscellaneous manufacturing" are now reported on separately. Among these industries are: Ammunition, optical goods, firearms, machine-tool accessories, and instruments. It is planned to publish regular indexes for these industries.

In accordance with the recommendation of the Central Statistical Board, the employment and pay-rolls indexes of the Bureau of Labor Statistics will be converted to the 1935-39 base as soon as the necessary census data are made available. The remoteness of the 1923-25 base and the current importance of industries, such as aircraft, liquors, plastics, and radios, which were unimportant or even nonexistent at that time, makes the adoption of new weights desirable. At the same time the Bureau is planning to follow, insofar as practicable, the standard industrial classification recommended by the Central Statistical Board.

The Bureau continued its cooperative arrangements with 16 State agencies which collect employment and pay-roll data for joint use by the Bureau and the State agencies.

Public employment.

The cooperation of various Federal departments and agencies enabled the Bureau to continue its monthly compilation of Federal employment and pay rolls. In addition to the regular Federal services, the figures include the Civilian Conservation Corps; construction projects financed by the Public Works Administration, Reconstruction Finance Corporation, and by regular Federal appropriations; construction projects of the United States Housing Authority; Federal agency projects financed by the Work Projects Administration and projects operated by the Work Projects Administration; and programs of the National Youth Administration. Monthly employment and pay-roll figures are also published for the construction and maintenance of roads which are financed wholly from State or local funds. In addition to these regular monthly series the Bureau, in conjunction with the Civil Service Commission, prepared a special report analyzing personal-service expense in relation to total Federal expenditures for the fiscal year 1939.

Five reports were issued during the year on the State, county, and municipal survey which was undertaken to provide employment and pay-roll reports for non-Federal governmental units comparable with those collected regularly by the Bureau for Federal employment. This survey is being conducted on a Nation-wide basis, and the governmental units covered include all State governments, all cities having a population of 50,000 or more in 1930, and a sample of counties, smaller cities, and minor civil divisions. The principal objectives of the survey are to obtain data on (1) the number of employees and the amount of pay rolls by months for the period from 1929 through 1938, and (2) construction contracts let during the same period, exclusive of contracts involving Federal funds. Information is also being assembled on hours of work, the receipt of perquisites in addition to salaries and wages, and the number of employees on full time and part time. The information thus collected will form the basis for computing estimates of employment and pay rolls for all non-Federal governmental agencies over the 10-year period and will lay the foundation for continuing reports by mail. The techniques used in the survey have been developed with the co-operation of a technical advisory committee representing the Central Statistical Board, the Bureau of the Census, the Bureau of Foreign and Domestic Commerce, the Division of Tax Research of the Treasury Department, the National Resources Planning Board, and the Work Projects Administration.

Working conditions among two groups of municipal employees—firemen and policemen—were the subjects of special surveys conducted by the Bureau in cooperation with the Work Projects Administration. Data have been collected and tabulated on salaries and perquisites, hours, and such other items as vacations with pay, promotions, and the incidence of disabling injuries. The studies are based on reports from more than 97 percent of the cities with a population of 25,000 or more, and describe conditions as of July 1, 1938. A recently published report on hours of work of municipal firemen is the first of a series of reports which will make available the results of these surveys.

Estimates of total employment.

As a part of its regular employment and pay-roll statistics, the Bureau now prepares monthly estimates of nonagricultural employment for the United States as a whole, and for each of the 48 States and the District of Columbia. In the preparation of these figures the Bureau's regular employment indexes are supplemented, wherever necessary, by reports from other public and private sources. During the year the national estimates were substantially revised on the basis of information available for the first time, while the estimates by States constitute a recent development of the Bureau.

Building construction.

The volume of private and public construction activity in the United States is shown each month by the Bureau of Labor Statistics in terms of the number of buildings for which permits have been issued and the permit valuation thereof. The information is sought and in most cases obtained from all cities and towns with a population of 1,000 or more in continental United States, as well as in Hawaii, Puerto Rico, and the Virgin Islands. Both nonresidential and residential building are analyzed by type of building, and for residential building, the number of families provided for are shown. The information is collected directly from local building officials except in Illinois, Massachusetts, New Jersey, New York, North Carolina, and Pennsylvania, where the State departments of labor collect and forward the necessary figures to the Bureau.

Based on the above reports, the Bureau makes quarterly estimates for the entire urban area of the United States of the total permit valuation of residential building construction and the number of dwelling units provided. Recently these estimates have been expanded to include the rural nonfarm area as well, so that estimates are now available for all housing other than strictly agricultural. The method of estimating this total was developed by the Bureau of Labor Statistics in collaboration with the National Bureau of Economic Research.

A special study of building-permit data is being conducted by the Bureau in cooperation with the Work Projects Administration. This study has been undertaken to obtain information on: (1) Building cycles prior to 1921; (2) construction activity during 1936-38 for residential buildings by type of building, permit valuation, exterior material, rooms per unit, and so forth, and for nonresidential structures by type of building, permit valuation, and exterior material; (3) the number and value of dwellings erected in the rural nonfarm areas of the United States for 1938 and for earlier years where data are available; (4) the relationship of actual cost and selling prices to permit valuations in the case of one-family dwellings; ratios of contract prices to permit valuations for multifamily, industrial, commercial, and other new buildings as well as for additions, alterations, and repairs; and the development of a technique for obtaining current real-estate price indexes; and (5) the ratios of the volume of building construction outside city limits to the volume within the cities. Reports containing information collected on the second of the above-mentioned objectives have been issued for 61 cities with 100,000 or more inhabitants, and results for 50 cities with

25,000 to 100,000 inhabitants have been grouped in 15 State reports. Preliminary findings on the relationship of cost and selling price to permit valuations for one-family dwellings and on the size of builders' operations in the construction of these houses are also available.

Labor requirements in building construction.

Two studies published by the Bureau during the year furnished further material for gaging the amount of direct and indirect employment provided by Federal construction projects. The first analyzes labor requirements and unit costs in 47 P. W. A. low-rent housing projects. Labor requirements are measured in terms of the man-hours of employment provided at the construction site and in producing and distributing materials used on the job. Average costs per dwelling unit, per room, and per cubic foot are shown for each locality. The second study, conducted with the cooperation of the Associated General Contractors of America, makes information available on overhead man-hours on selected P. W. A. construction projects in 1936-38. Overhead labor refers to all labor necessary for the completion of a project other than site labor and labor in producing and distributing construction materials. In other words, this study provides a measure of the amount of overhead labor in contractors' offices and that involved in surveys, consultations, and other professional services on a fee or contract basis which resulted from the P. W. A. contracts awarded.

A more comprehensive survey of construction projects financed wholly or partially from Federal funds was initiated during the past year. This is known as the Construction Pattern Survey, and is being conducted by the Bureau of Labor Statistics in cooperation with the Work Projects Administration. It is designed to obtain information which will be of value in planning future public works programs. Specifically, as a result of this study, it will be possible to estimate as contracts are let the volume of employment month by month on a public works program. With this objective employment, man-hours, pay rolls, and value of material orders placed on completed projects are being analyzed to determine variations due to differences in size of project, climatic conditions, time of year the projects were started, and similar factors. Approximately 17,000 projects undertaken from 1933 on have already been analyzed, and it is anticipated that the survey will ultimately cover between 35,000 and 40,000 projects.

Wages, hours, and working conditions.

The work of the Bureau of Labor Statistics in the field of wages and hours of labor falls into three main groups:

(1) *Monthly reports on earnings and hours.*—Average hourly earnings, average working hours per week, and average weekly earnings are derived from the data secured from the monthly reports on employment and pay rolls described above. These averages apply only to entire industries and to the country as a whole but they offer up-to-date information on wage and hour trends for most of the principal industries, except agriculture. The data lend themselves to special tabulations to show regional differences in earnings and earnings of special groups of establishments. Such special tabulations have been frequently requested by the Conciliation Service.

(2) *Industry surveys.*—Comprehensive wage surveys of particular industries are made from time to time as resources permit. These industry surveys are made by field agents of the Bureau, who secure the necessary data from the various establishments covered. Very detailed data are secured, and these permit an analysis of the structure of the industry in all its major aspects as regards wages, hours, and working conditions. Such a procedure is necessarily relatively expensive and, as a result, the Bureau can cover the more important industries only once in every 3 or 4 years. During the past 2 years the activities of the Bureau in this field have been greatly increased by the requirements of the Wage and Hour and Public Contracts Divisions of the Department of Labor for wage and hour data necessary to the formulation of minimum-wage determinations by these two agencies.

During the past year field work on wage surveys of the above character was completed for six industries, namely: paperboard, converted paper products, leather including leather belting and packing, luggage including miscellaneous leather products, carpet and rug, and lumber and timber products. In these surveys, detailed wage and hour data were obtained for approximately 265,000 workers. Field work on a special survey of labor and industry in the Hawaiian Islands was also completed. In addition, field surveys were started in five other industries, namely: lamp and lamp shades, embroidery, jewelry, motor vehicles, and motor vehicle bodies and parts. These five surveys will cover approximately 275,000 individual workers. Also, a less detailed special survey of wages and hours in the drug, medicine, and toilet preparations industry, covering approximately 4,500 establishments, was being made at the close of the year. During the year completed wage reports were also published for the following industries: men's neckwear; men's robes; and meat packing. There also was published a report covering entrance rates of pay of common laborers in 20 industries.

Two studies of wage rates in the shipbuilding industry, for the months of November and May, respectively, made for the United States Maritime Commission, were also conducted.

Special reports dealing with annual earnings of workers in the meat-packing, hosiery, and knit-goods (other than hosiery) industries were completed and published during the year.

(3) *Union wages.*—The results of the regular annual survey of union wages and hours of labor for 1939 were assembled and made public during the year under review, and the new survey for 1940 was inaugurated in June. The 1939 survey covered 72 cities and 69 trades and subdivisions of trades in the baking, building construction, transportation, and printing industries. Summary reports for these industries appeared in the *Monthly Labor Review*, and more detailed reports were issued later in bulletin form.

In each of these bulletins complete listings, for the industry dealt with, of the union scales in effect for each city on June 1, 1939, were included, along with a detailed analysis of other provisions appearing in union agreements. Among these other matters discussed were the contractual relationship between the unions and the employers, the methods provided for adjusting disputes, and the working rules governing employment.

Historical survey of wages, hours, and productivity.

The recent growth of collective bargaining and adoption of far-reaching public policies relating to wages and hours have created an unusual interest in earlier wage and hour data. The working out of new policies has also made desirable a better knowledge of earlier experiences. In consequence, the Bureau of Labor Statistics undertook an extensive study and new analysis of earlier wage and hour data extending back to 1909, the results of which have been summarized in the Monthly Labor Review. The survey included the construction of statistical series on average hourly earnings and on such related subjects as labor productivity and purchasing power, weekly hours, weekly earnings, employment, total wages, and wage earners' share of income paid out.

Vacations with pay.

It has been the general practice to grant vacations with pay to salaried workers, but the principle of extending vacations to wage earners has been a more recent development. In the past few years the movement has extended rapidly in this and other countries. In 1938-39 the Bureau made a comprehensive study of the extent to which this policy has been adopted in this country, showing the extent and characteristics of paid-vacation plans in manufacturing and extractive industries and in nonmanufacturing industries. A report embodying the results of this study was published during the past year. A study of trade-union agreements which provide for paid vacations was also completed, and new or amended vacation laws in foreign countries were followed in the Monthly Labor Review.

Labor turn-over.

During the past year the Bureau continued to compile and publish monthly rates of labor turn-over among factory workers. The number of manufacturing industries represented is now 144, and reports are received from about 6,000 manufacturing establishments, employing approximately 2,500,000 factory workers. Separate turn-over rates are published for 36 of these industries. This represents an increase of 6 industries over the preceding year; the additional 6 industries being aircraft, cast-iron pipe, shipbuilding, agricultural implements, dyeing and finishing textiles, and brass, bronze, and copper products. For each of the industries for which separate turn-over rates are compiled the Bureau receives monthly reports from representative establishments employing at least 25 percent of the workers in the industry concerned. In addition to the rates by industries, there are also published separate turn-over rates for 30 States. Similar data on labor turn-over are being currently collected and tabulated for clerical and supervisory employees in these industries.

Improvements made in the methods of reporting in the past year now make it possible to distinguish between "quits" due to the voluntary giving up of jobs and "quits" due to such miscellaneous causes as death, permanent disability, and retirement on pensions. Information on accessions has likewise been broken down into rates for rehirings (i. e., rehiring after a separation of 3 months or less) and rates for new hirings.

In addition to the regular monthly reports, special studies on turn-over were made during the year for cotton textiles, foundries and machine shops, sawmills, and boots and shoes. In these studies the volume of labor turn-over is analyzed according to such items as size of establishment and classified turn-over rates. The first three of the mentioned studies contrasted turn-over experience in 1937 and 1938, while the study for boots and shoes compared conditions in 1938 and 1939.

Labor productivity and labor cost.

During the year the Bureau published various articles in the field of labor productivity. A special study was made of labor cost, and an article was published on "Unit Labor Cost in 20 Manufacturing Industries, 1919 to 1939." Other articles included a report on "Man-Hour Output and Employment in Petroleum and Natural-Gas Production," which was a portion of a larger study prepared in cooperation with the W. P. A. National Research Project and the United States Bureau of Mines; a report on "Employment and Productivity in Manufacturing Industries, 1909 to 1936," which was a summary of a study by the W. P. A. National Research Project; and "Wages, Hours, and Productivity of Industrial Labor, 1909 to 1939." In accordance with the provisions of Public Resolution No. 77 of the present Congress, it is expected that more extensive studies in these fields, in which the Bureau was a pioneer, will be undertaken in the near future.

Industrial accident statistics.

The outstanding accomplishment of the Bureau in the field of accident statistics during the past year was the expansion of the number of voluntarily reporting establishments from approximately 20,000 to more than 30,000 in about 130 separate industries. This expansion was accompanied by a speeding up of statistical procedures which permitted publishing the results of the annual survey about 5 months earlier than had been possible in previous years.

In part the expansion was made possible by a cooperative arrangement with the Department of Labor and Industry of Pennsylvania. Both the State and the Federal departments profited from this arrangement, and it is planned to extend this cooperation to other States, if conditions permit.

A "Manual on Industrial-Injury Statistics (Bull. 667)" was published during the year. Several States are now using this manual as a guide to be used in methods of reporting injuries and in the statistical analyses thereof and other States are considering its adoption. The outstanding feature of this type of analysis is the greater use of statistical data for accident-prevention activities than was possible up to now.

Work was completed on a bulletin entitled "Problems of Workmen's Compensation Administration" (No. 672). As its title indicates, this bulletin deals with certain outstanding problems in the administration of the various State and Federal laws dealing with industrial-accident compensation to workers.

Aside from the usual annual survey of industrial injuries in manufacturing industries, a special study was made of accidents in the construction industry, with particular emphasis on accident causes

and methods of accident prevention. A similar study was inaugurated for lumber, logging, sawmills, and planing mills, because of the very high accident records of these industries.

Activities were continued in the development of better methods of accident-cause analysis through the Federal Accident Statisticians and the Federal Interdepartmental Safety Council, and in the development of safety codes through the American Standards Association.

Cost of living.

Changes in cost of living.

New indexes of the cost of goods purchased by wage earners and lower-salaried workers in 33 large cities were completed in the first quarter of 1940. The new series brings the items included in the indexes and the relative importance assigned each item into line with current consumption habits.

Basic data for this purpose were provided by the Bureau's Nationwide study of family purchases that was conducted in 1934-36. The new series was carried back to March 1935 at quarterly intervals. At that date the group indexes were linked to those of the original cost-of-living index series in such a way as to provide figures back to 1913 which take into account gradual changes in consumption habits. Important additions to the list of commodities and services priced quarterly for the index are automobiles, gasoline, fuel oil, electric refrigerators, radios, dry cleaning, and beauty-shop services. One city, Manchester, N. H., was added to the 32 cities formerly covered. In accordance with a recommendation of the Central Statistical Board, the base period used in presenting the revised indexes is an average of the years 1935-39.

Indexes of cost of living of Federal employees living in Washington, D. C., were collected and published for December 15, 1939.

Intercity differences in living costs.

The types of goods priced for inclusion in the Bureau's current indexes, showing changes in living costs in 33 large cities, are representative of the purchasing habits of workers in the respective cities, varying with differences in climate and custom and in prevailing wage and salary levels. They show changes between given dates in the cost of goods customarily purchased by wage earners and clerical workers in each city. They do not provide, however, a measure of differences in the cost of a given level of living from city to city.

To meet the need for comparisons between cities, the Bureau has been bringing up to date, by the use of its quarterly indexes of living costs, the cost of the budgets priced by the Works Progress Administration in March 1935 in 31 large cities in different parts of the country.

Expenditures of wage earners and lower-salaried workers.

A summary of the survey of incomes and expenditures of families of employed wage earners and lower-salaried clerical workers was completed and sent to press during the year. Several chapters of this report, which will appear as a Bureau bulletin, were published in the Monthly Labor Review. The data in the bulletin will cover expenditure habits, income, family size and economic level, food,

housing, clothing, furnishings and equipment, transportation and recreation, medical care and personal care, and savings.

Three of the regional reports in this series were published during the year, covering cities in the West North Central, North Atlantic, and Pacific regions.

General survey of consumers' purchases.

Final reports of the urban series of the Study of Consumer Purchases have now been published. This study was conducted in co-operation with the Bureau of Home Economics of the Department of Agriculture, the Works Progress Administration, the Central Statistical Board, and the National Resources Committee. The final reports comprise 22 volumes. Seven volumes deal with the details of family incomes in 2 metropolitan areas and in large, middle-sized, and small cities in 5 regions of the United States. They also include information on nativity, color, family size, rents paid, and the housing facilities available to a representative cross section of the urban population.

Another group of seven volumes presents summary data on family expenditures for the principal groups of consumption goods and services and family savings for the cities covered in the income volumes.

A third group of seven volumes presents, for the use of those who are concerned with the original work materials, detailed information, for all cities covered in the survey by the Bureau, on expenditures for housing, food, clothing and personal care, furnishings and equipment, medical care, transportation, and miscellaneous expenditures, including recreation, reading, education, gifts, and community welfare. The concluding volume covers changes in family assets and liabilities in all the cities covered.

Each of these reports presents separate data for families at different income levels and for families of different size, and in different occupational groups. The data provided in this series of bulletins (together with the companion bulletins prepared by the Bureau of Home Economics) make possible for the first time an analysis of the incomes, expenditures, and savings of a cross section of the entire American population. They are utilized, under a cooperative arrangement, in summary reports by the National Resources Committee.

Retail prices.

Retail-price work during the past year was marked by improvements in the regular reporting services as well as by special reports designed to keep the Bureau and the public informed regarding retail-price changes as they occurred. As food prices began to rise rapidly with the outbreak of the European war in September 1939, the Bureau made arrangements to secure special reports for a limited list of food items in 15 cities and issued weekly releases showing changes in prices of staple foods. This special service was discontinued in all but two cities after January 1940, when the immediate effect of the outbreak of war in Europe upon food prices in this country was dissipated.

Special information also was secured and reported to the Advisory Commission to the Council of National Defense regarding changes in retail prices of commodities such as silk, woolen, and cotton goods

that were affected by existing domestic and international conditions. Because of the great interest in recent changes in prices of silk and cotton, a special report was prepared which shows average retail prices of men's socks and women's silk hosiery from 1926 to March 1940, inclusive.

Regular monthly reports on the retail costs of food and quarterly publications of the retail prices of electricity, gas, and other fuels were continued. Indexes of rents by types of dwellings for 33 cities were released quarterly. The regular quarterly collection of retail-price data to be used in constructing the cost-of-living index was extended to cover outlets representative of prices paid by nonwhite wage earners and lower-salaried workers in those cities where they constitute an important element of the population.

The food-cost indexes were revised to make them more representative of current food-consumption habits as indicated by the 1934-36 study of family expenditures of wage earners and clerical workers, and certain procedural improvements were introduced into the calculation of the indexes. New weighting factors were derived from the survey of expenditures for various foods in 1934-36, and the revised indexes were based on average costs in 1935-39, in accordance with a recommendation of the Central Statistical Board. In 1935 the number of foods for which prices were collected was increased from 42 to 84 in order to provide a more adequate basis for food-cost studies. However, an analysis of price movements over the succeeding 5 years showed that changes in the prices of certain foods were similar and that the regular collection of so large a number of food prices was no longer needed. The number of foods regularly priced was therefore reduced to 63.

In response to numerous requests, a report was prepared showing a complete list of the commodities and services for which retail-price data are secured by the Bureau, the cities for which they are obtained, and the frequency of collection. This list covers approximately 400 items, and contains a brief description of each article. A report also was prepared which contains a statement of the objectives, scope, and methodology of the Bureau's retail-price work.

The Bureau cooperated with the Consumers' Counsel Division of the Department of the Interior in a survey of prices, sales, and sources of various kinds of bituminous coal for household use in 33 cities. The information obtained was used as a basis to increase the coverage and representativeness of fuel-price data, and the frequency of collection was changed from quarterly to monthly during the fuel-burning season; i. e., from September through April.

A report is under preparation recapitulating information regarding residential rents obtained by the Department of Labor back to 1889 and giving details of changes in rents from 1926 to date.

Wholesale prices.

During the past year surveys made for the purpose of improving the Bureau's wholesale-price reports were completed for rayon, silk, and chemicals and allied products. Beginning with January 1940 the resulting revisions for these commodities were incorporated in the general index number of wholesale prices. Similar surveys are now in progress covering the lumber, hosiery, cotton garments, and carpet and rug industries, as well as several individual commodities, such

as plaster, building board, and wood pulp. These continuing efforts to improve the wholesale-price reports involve careful study of all the major commodity groups and also involve the expansion of industry coverage, improvement of specifications, a greater knowledge of market and price structures, and improved technique for the construction of the index numbers.

In addition to carrying on the regular monthly and weekly reports, a daily index of market prices for 28 basic commodities was inaugurated in January 1940. This daily index is based on average prices for August 1939 as 100, and is available on the evening of the day to which the prices relate.

With the cooperation of the Temporary National Economic Committee and through an allotment of funds from that committee, the Bureau has made several special studies in the wholesale-price field. Among these were surveys covering price behavior and industrial policy, geographical price differentials for 42 important building materials in 50 localities, market structure, and margin relations for a selected list of commodities.

The outbreak of war last September added greatly to the demand for wholesale-price information. An allocation of funds from the National Defense Commission is enabling the Wholesale Price Division to make special surveys covering recent price developments, prices during the first World War, and construction of special indexes covering such commodities as strategic and critical materials, exports and imports, waste materials, and machine tools.

Industrial disputes.

With greater acceptance of a scientific approach to labor-relations problems and with the recently increased emphasis on the need for peaceful labor-management relations has come an increased demand for accurate and dependable material on the extent, causes, and effects of strikes and lock-outs. During the past year, perhaps more than ever before, the Bureau's reports on strikes have been used by Congress, by the administrative departments of the Government, State and local governments, labor unions, and employers' associations.

To satisfy these demands, the Bureau has attempted to improve its strike statistics both in quality and in thoroughness of coverage by obtaining the cooperation of an increased number of State and city agencies, international unions, and employers' associations. Published information during the past year included, as in preceding years, monthly reports giving information as to the number and intensity of current strikes together with a detailed analysis of strikes in the nearest preceding month for which fairly complete information had been received. An analysis of 1939 strikes on an annual basis was published in May 1940, with classifications according to industries, States and cities, duration, causes, results, and types of labor organizations involved.

Union agreements.

The file of union agreements maintained by the Bureau contains approximately 9,000 agreements of practically all national and international unions. Directories of national and international unions affiliated with the A. F. of L. and the C. I. O. and the major independent unions, containing names and addresses of the officers, are kept

up to date. The constitutions of these unions are also kept on file. As a supplementary source of information, files are maintained of important newspaper notices, articles, and other pertinent material relating to union organization and collective bargaining.

The agreements are a source of valuable information to Federal and State Government agencies, trade-unions, individual companies, employers' associations, universities, research agencies, and others interested in particular phases of collective bargaining. Nearly 1,000 requests for information on the extent of collective bargaining, unions operating in various industries, union wages, hours, overtime, and other pertinent factors were answered during the year. This material will be of growing importance, as the development of the national defense program increases the need for up-to-date information on working standards and personnel policies in thousands of American plants working under agreements with organized labor.

During the past year articles were published in the Monthly Labor Review analyzing the agreements of the American Newspaper Guild and the United Rubber Workers. Articles were also prepared describing the union agreements in effect in the shipbuilding and aircraft manufacturing industries. Analysis of all agreements on file were the basis for reports on the methods of meeting certain problems under union agreements, namely, work sharing, enforcement, settlement of grievances, wage adjustments, annual wage and guaranteed employment plans, the closed shop and the check-off. Another report dealt with the extent and methods of collective bargaining with employers' associations. In addition, a special study was made of the various kinds of vacation-with-pay plans established through union agreements, together with estimates of the prevalence of annual vacations in the various industries concerned.

One of the most significant developments of the past year has been the marked growth in the requests from employers and union organizations for guidance through collective bargaining in solving troublesome problems that have arisen in the administration of industrial relations. These employers and unions also want to know the collective-agreement conditions prevailing in their own industries. In order to be of greater service in this respect, a bulletin is in preparation which will analyze the provisions of the entire file of agreements. Also included will be a listing of sample agreement provisions dealing with the common problems of union-management relations.

Labor legislation and court decisions affecting the worker.

An important function of the Bureau for many years has been the study and analysis of labor and social-insurance legislation, including decisions of courts relating thereto. This has been intended primarily to meet the needs of wage earners for information in nontechnical language on labor legislation and allied subjects.

During the past year a series of special reports were prepared analyzing the comparative legislation of the Federal and State Governments on the following subjects: The restrictive employment of aliens, prison labor, hours and wage legislation, labor relations, weekly rest laws, and Federal legislation dealing with railroad employees. In the field of court decisions affecting labor, special attention was given during the year to analyses of the cases decided by

the United States Supreme Court involving the National Labor Relations Act.

Labor conditions in Hawaii.

A first-hand study of labor conditions in the Territory of Hawaii was completed by the Bureau of Labor Statistics during the past year. The study was made under a special appropriation of Congress, and is one of a series of such studies called for in the organic law of the Territory of Hawaii.

The field work incident to the survey included visits to all of the Hawaiian Islands, conferences with the representatives of the labor groups and employer groups in the Territory, the direct observation of the techniques and working conditions in the industries covered, and the scheduling of wages and hours by race, sex, and occupation of approximately one-fourth of all gainfully employed workers in the Territory.

A report giving the results of the survey is to be published as a congressional document.

Consumers' cooperation and self-help activities.

No general survey of consumers' cooperatives was made during the year. Questionnaire studies of certain types of cooperatives were made, however, and the results published in the Monthly Labor Review. Among these were cooperative wholesale associations, funeral associations, and credit unions.

Closely associated with the subject of consumers' cooperation is that of the self-help activities of the unemployed, which developed as a result of the depression and have continued to be of considerable importance. Developments in this field were also covered by the Bureau, as well as studies being made of two cooperative housing projects operated on a self-help basis.

Care of aged.

A revision of the Bureau's directory of homes for aged wage earners and others was made during 1939-40. The directory includes over 1,400 homes, having accommodations for over 92,000 old people. It also lists the "cooperative clubs"—houses run on a cooperative basis—by recipients of old-age assistance in the State of Washington. The new directory showing the entrance requirements of the various homes is now in press.

The older worker in industry.

During the past fiscal year the Bureau continued its interest in the problem of the older worker. Special efforts were made to collect and disseminate information on measures that had been successful in obtaining employment for older people. An account of some of these experiments for the solution of the older workers' employment difficulties, based in part on a first-hand investigation, was published in the Monthly Labor Review in a report entitled "New Techniques for Getting Jobs." Among these new and non-profit-making schemes are the "man-marketing clinic," in which unemployed persons from various occupational classes act as consultants to each other at conferences presided over by a leader experienced in business management, and the "forty-plus club," composed of mature unemployed persons who have been competent executives with fairly

substantial salaries and undertake to sell the services of their fellow club members.

International Labor Organization.

The war in Europe made it impracticable for the International Labor Organization to hold its regular annual conference in June 1940, and later necessitated the transfer of the research activities of the International Labor Office from Geneva to Montreal. However, these research activities continued to be carried on, and this involved the preparation by the Bureau of Labor Statistics of a number of statistical and other reports asked for by that Office.

Labor conditions in Latin America.

In furtherance of the program of the Interdepartmental Committee on Cooperation with the American Republics, the Bureau of Labor Statistics began, during the year, the publication, at convenient intervals, of a special pamphlet entitled "Labor Conditions in Latin America," containing reprints of articles in the Monthly Labor Review dealing with Latin America. During the year 3 numbers of this pamphlet appeared and it is planned to continue its publication during the current year.

Several of the articles published in the Review were later translated and published in various Latin American journals. Thus, the article on social insurance in Latin America in the September 1939 issue of the Monthly Labor Review was translated into Spanish and published in full in the Peruvian *Informaciones Sociales* for March 1940, and a summary of the establishment and operation of low-cost restaurants in Latin America, published in the January 1940 issue of the Monthly Labor Review, was reproduced in full in English with a companion translation in Spanish in the Puerto Rican *Labor News* for January-April 1940.

Social insurance in foreign countries.

In view of the interest in social-insurance problems, special studies of the social-insurance systems in foreign countries were started in 1937, and articles covering health and unemployment insurance and old-age pension systems were published in various issues of the Monthly Labor Review in 1937 and 1938. In continuation of these reports a special study was made in 1939 of the systems in effect in the South American republics and in Cuba and Panama. A total of 31 compulsory insurance systems covering varying proportions of the working population were in operation in these countries in that year. The risks covered in the systems include retirement for old age and invalidity, payments to dependent survivors of insured persons, funeral benefits, and sickness and maternity benefits. Changes in the social-insurance laws in a number of the European countries have also been followed during the year.

Temporary National Economic Committee.

During the fiscal year 1939-40, the Department of Labor continued its part in the activities of the Temporary National Economic Committee. Through the Commissioner of Labor Statistics, it was represented at the hearings conducted by the committee and the formulation of plans for special investigations that were made by the various Federal agencies. The Bureau of Labor Statistics, during the course

of the year, completed various investigations for the committee. These investigations were definitely related to the regular activities of the Bureau and covered the following fields:

- Price behavior and business policy;
- Industrial wage rates, labor costs and price policies;
- Real earnings of employees in large and small enterprises;
- Economic standards of Government price control;
- Building materials prices.

Several of these reports were completed at the end of the fiscal year. The remainder will be submitted to the committee in the very near future.

Inquiries and correspondence.

Because of its essential character as an organization concerned with the dissemination of information on labor matters, much of the Bureau's work originates as a result of requests made upon it by correspondence or by personal visits of inquirers. Many of these requests are of a nature that can be answered by the sending of material already compiled and printed. Many, however, are of a kind that require more or less extensive research work and the preparation of rather elaborate replies. During the last year approximately 54,500 requests for information of various kinds were handled by the Bureau.

Monthly Labor Review.

The Monthly Labor Review is a monthly journal of approximately 270 pages, now in its twenty-sixth year of publication. It is the principal medium for making public the results of the regular and special work of the Bureau of Labor Statistics, and, in certain cases, of the work of other divisions of the Department of Labor. For instance, the Review carries each month a summary of the current activities of the Conciliation Service. Between 80 and 90 percent of the contents of the Review represents the original work of the Bureau of Labor Statistics, of other divisions of the Department, or of other official agencies of the Government. The remaining space consists of brief summaries of other publications, both American and foreign, covering important developments of interest to American labor.

Labor Information Bulletin.

Planned and written to provide reliable statistical and educational material for workers, union officials, and others especially interested in economic and social problems of wage earners, the Labor Information Bulletin continued during the past year to publish articles on the history and activities of various national and international unions. These articles, developed with the collaboration of union executives, have met with favorable response, not only among members of the particular unions but also among other readers of the Bulletin. Reprints of articles appearing in the Labor Information Bulletin have been requested in large numbers, and many labor papers and journals regularly carry stories, charts, and illustrations originally published in the Bulletin. Despite a drastic revision of the mailing list, the circulation of the Bulletin has increased steadily during the year.

Bulletins.

Several of the bulletins issued by the Bureau during the past year have been noted in the preceding sections in connection with the topics

with which they deal. The full list of bulletins published during the year or in press at the end of the year is as follows:

- Earnings and hours in shoe and allied industries, 1939 (670).
- Earnings and hours in hat industries, 1939 (671).
- Earnings and hours in leather and leather belting and packing industries, 1939 (679).
- Wages, hours, and working conditions in union bakeries, June 1, 1939 (673).
- Union wages, hours, and working conditions in buildings trades, June 1, 1939 (674).
- Union wages, hours, and working conditions in printing trades, June 1, 1939 (675).
- Union wages, hours, and working conditions of motortruck drivers, June 1, 1939 (676).
- Problems of workmen's compensation administration in United States and Canada (672).
- Homes for the aged in the United States (677).
- Labor laws and their administration, 1939 (678).
- Money disbursements of wage earners and clerical workers in 42 cities (638).

Recommendations.

On previous occasions it has been pointed out that the Bureau of Labor Statistics is not and, by the very nature of its functions, cannot be a static organization. Its work, and its method of working, must change continually to meet the changing needs of our economic and social life. This is vividly illustrated at the present time when the peacetime economy of the country has been so seriously affected by the sudden initiation of a defense program. The activities of the Bureau must necessarily be reshaped to meet the new demands made upon it.

To meet the needs of American industry and American labor, as well as the needs of the legislative and administrative agencies of the Government, the Bureau must expand many of its existing activities and, at the same time, undertake certain new activities of special significance to existing national policies. Already there is evidence of a tremendous increase in the demands for information which has a definite bearing upon labor conditions in defense industries. More inclusive and detailed data are already being required, and will be required in an increasing quantity, on wages and hours, the cost of living, employment trends, and on the essentials of the efficient functioning of effective collective bargaining. In addition, the effective attainment of our national defense needs has created the need for data on labor requirements, by industry, skill, and occupational breakdown. These are basic to any effective plan for making a sufficient labor supply available to the plants that are engaged in making defense materials.

Such new responsibilities as have been imposed upon the Bureau, and their resulting activities, must, of course, be strictly limited to those where the results to be obtained are clearly of major current importance. With this in mind, arrangements should be made for the following developments within the Bureau of Labor Statistics:

Expansion of statistics of employment.

Expansion is particularly desirable along three lines:

(a) *Monthly estimates of total nonagricultural employment by States.*—This work was first undertaken 2 years ago with W. P. A. funds and is now being performed at the request of the National Defense Commission with funds provided by Congress in the Second

Deficiency Act. These are the only official estimates of their kind and it is essential that provision be made for their continuance as a regular part of the Bureau's work.

(b) *New industries in the monthly employment reports.*—As previously noted, there is a large number of industries which have not been included in the Bureau's reports in the past because of their relative unimportance as employers of labor. As a result of the defense program, however, many of these industries have now become of tremendous significance. For example, firearms, ammunition, optical goods, and professional and scientific instruments have become key factors in the current economy of the country. Data on employment changes, pay rolls, hourly earnings, weekly earnings, and weekly hours of employment should be available for these industries.

(c) *Collection of employment and earnings data for men and women separately.*—The rapid expansion of employment in American industry and the existing evidences that shortages of certain types of skill may arise at strategic points in American industry give a substantial basis to the belief that women workers, as in the last World War, will be employed in increasing numbers to fill voids resulting from the movement of workers into defense industries, as well as from the increasing need for workers with capacities that are peculiar to women employees. This trend necessitates a wider collection and a more detailed analysis of employment conditions and the earnings of women as distinct from those of men. The monthly data of the Bureau on employment and earnings are not segregated by sex. In the past, the collection of separate data for men and women has been done at rather long intervals by the Bureau of Labor Statistics cooperating with the Women's Bureau. These data, however, covered only a relatively few selected industries in which large numbers of women are normally employed. The data have been collected on too limited a scale to be of practical service at the present time, when the problems incident to the wider employment of women in the defense industries may well raise questions of crucial importance regarding the effect upon labor standards generally of the employment of women in jobs normally filled by men.

Special studies of wages and employment in the construction industry.

A very significant proportion of the appropriations made for the national defense will be spent on new construction. Relatively little is known, however, about wage conditions in this industry. Such data as are available cover the organized branches of the trade and throw little light upon the employment conditions of the vast number of unorganized workers in this industry. The only general survey of wages in the construction industry as a whole was made by the Bureau in 1936. In order that information may be available regarding labor costs in building construction, and in order that the innumerable possible frictions that may arise in labor relations in this industry may be avoided, it is important that a new wage survey of the entire industry be made, covering all communities in which knowledge of building costs will be of significance both to the Federal Government in its own construction work and to private industry, which will be called upon to increase its facilities.

Since construction is such an important creator of employment, it is highly desirable that the work of the Bureau in the field be

extended to include the preparation of periodical estimates of the total volume of construction of all types, including road building, bridges, and sewers, and the resultant employment. At present, only residential construction is so covered.

Effect of fatigue on efficiency.

A period of national emergency emphasizes the need for maximum production on the part of both management and labor. From the standpoint of labor this involves the vital question as to what is the most productive length for the working day or the working week, and as to whether different optima exist as between various industries and occupations. There is a vast amount of discussion and argument on this subject but a paucity of reliable information.

From the British experience in the first World War, it is evident that in the matter of working hours there is a point, subject to determination by careful study, beyond which weekly output actually diminishes, due to such causes as increased spoilage, rising accident rates, slower tempo of work, and more absenteeism. A study of the relation of the length of the working day to productive output is of immediate significance during the current period of intensive defense preparation when production and effective manpower must be kept at a maximum. Subsequent to this period, continuing study will be required to determine the effects of technological changes and varying working conditions on output, accidents, and so forth.

Comparative living costs in different cities and regions.

The pressure of defense needs upon the resources of our economy must inevitably bear upon the price level. Coupled with this pressure will come the impact of the marked increase in payrolls that already is resulting from the increased employment available to those who have jobs and for the absorption by industry of those who have been unemployed. These factors will have a definite and certain effect upon both wholesale prices and the cost of living.

The effects, however, will not be evenly distributed. In certain areas, due to the increased demand for housing resulting from increased employment, rents have already shown a tendency to rise. In other areas, the defense program has had no effect upon living costs.

This geographical unevenness of price changes makes it more necessary than ever before that we have information relative to the interregional differences in living costs. Such information has a definite bearing, not only upon wage negotiations, but also on the administration of Federal legislation on wages and hours.

Very little is known about interregional differences in living costs at the present moment. The collection of retail prices of the major commodities entering into the budgets of wage earners' families and studies of the differences in consumption habits in different communities must both be expanded. Only with the existence of such information will it be possible effectively and justly to treat with the changes in the wage structure that always follow marked changes in the cost of living.

Respectfully submitted,

ISADOR LUBIN,
Commissioner of Labor Statistics.

IMMIGRATION AND NATURALIZATION SERVICE¹

JAMES L. HOUGHTELING, *Commissioner*

To the SECRETARY OF LABOR:

The Immigration and Naturalization Service is required as one of its principal duties to inspect and identify every person, whether citizen or alien, entering the United States at a legal port of entry, and to prevent any alien from entering this country at any other point. The prevention of illegal entry into the United States has always been a problem distinct from, and not to be confused with, the equally important work inspecting the travel documents of immigrants legally entering this country. The immense volume of inspection work required of this Service is shown by the 50,102,398 individual entries into the United States along our land borders (including each individual crossing of the border by any United States citizen or traveling alien). This number includes 13,066,509 alien entries and 13,989,994 citizen entries from Canada, and 15,054,532 alien entries and 7,991,363 citizen entries from Mexico. The Immigration and Naturalization Service must identify those claiming to be citizens of this country, and determine whether the aliens are entering for permanent residence or as visitors.

Practically all primary inspection of aliens today is done on steamships and railroad trains, or at the ports of entry on automobile highways. This method of inspection and the continued increase of entry ports have required the Immigration and Naturalization Service to maintain a larger staff of inspectors than in the old high-water days of the immigration flood, which reached its peak with the admission of 1,285,349 immigrants in 1907.

I. ADMISSION AND DEPARTURE

The conditions existing in Central Europe have imposed an added burden upon the United States Immigration and Naturalization Service. Even while quota immigration for 1940 was but 51,997, a drop of more than 16 percent from 62,402 in 1939, it was increasingly necessary to check with utmost care the travel documents of aliens whose departure from their home countries has been practically in the nature of an expulsion. In handling such cases, this Service has done its duty thoroughly and conscientiously, in strict conformity with the requirements of the law.

Only 138,032 nonimmigrants were admitted to the United States in 1940 as compared to 185,333 in 1939, a decrease of more than 25 per-

¹The Immigration and Naturalization Service of the Department of Labor and its functions were transferred to the Department of Justice, as of June 14, 1940, under the provisions of Reorganization Plan No. V of the President. Inasmuch as the Service was a part of the Department of Justice for only 17 days of the fiscal year 1940, the present report is submitted to the Secretary of Labor for presentation to the Congress.

cent. This decrease in the number of visitors, transients, and resident aliens returning from abroad supplies clear evidence that sensational reports to the effect that floods of alien visitors are being admitted to this country on any sort of excuse are not based on cold facts nor on the accurate records of a responsible Government agency. The immigration laws of this country applying to visitors have been fairly and intelligently enforced by this Service during the past fiscal year, in spite of increased difficulties.

TABLE I.—*Aliens admitted and departed, aliens debarred, and United States citizens arrived and departed, year ended June 30, 1940, by ports*

Port	Arrivals ¹				Departures ¹			
	Aliens admitted		United States citizens	Aliens debarred	Aliens departed		United States citizens	
	Immigrant	Nonimmigrant			Emigrant	Nonemigrant		
All ports.....	70,756	138,032	258,918	5,300	21,461	144,703	224,727	
New York, N. Y.....	48,408	79,403	144,911	505	10,694	81,771	118,244	
Boston, Mass.....	1,219	1,881	3,832	17	304	1,730	2,827	
Philadelphia, Pa.....	24	196	899	9	4	105	657	
Baltimore, Md.....	24	169	521	12	5	146	355	
Miami, Fla.....	2,700	17,745	67,367	84	725	16,528	59,076	
Key West, Fla.....	171	673	3,709	—	30	631	3,571	
Tampa, Fla.....	65	678	2,008	7	1	619	2,448	
New Orleans, La.....	280	1,381	6,275	28	243	1,299	8,166	
Galveston, Tex.....	13	71	195	15	17	14	168	
San Francisco, Calif.....	765	4,452	6,627	66	1,774	5,555	6,409	
Seattle, Wash.....	89	970	1,028	58	126	746	719	
Los Angeles, Calif.....	481	2,845	5,209	28	784	4,020	5,177	
Other seaports.....	283	4,943	8,306	97	1,655	12,897	10,668	
Canadian land border.....	13,664	18,081	7,132	3,779	622	15,836	2,665	
Mexican land border.....	2,570	4,544	899	595	4,477	2,806	3,577	

¹ Exclusive of cruise passengers, travelers between continental United States and outlying possessions, and persons habitually crossing and recrossing the international land boundaries, such as commuters, motor tourists, and short-time visitors.

TABLE II.—*Immigrant aliens admitted, year ended June 30, 1940, by principal races and countries of last permanent residence*

Racial designation	Country of last residence										
	Great Britain	Germany	Italy	Poland	Czechoslovakia	Other Europe	Canada	Mexico	Other America	Other countries	
English.....	1,090	11	13	1	—	184	2,868	92	374	256	4,889
French.....	14	7	4	—	—	610	1,627	16	60	25	2,363
German.....	341	1,470	60	11	33	771	541	62	215	52	3,556
Greek.....	4	—	99	—	—	806	61	1	25	53	1,049
Hebrew.....	4,099	19,880	733	521	704	7,882	967	122	914	1,123	36,945
Irish.....	185	1	20	—	1	827	1,342	18	127	27	2,548
Italian.....	25	7	4,276	—	—	199	325	55	590	35	5,512
Magyar.....	9	13	8	—	14	416	86	2	11	2	561
Polish.....	8	35	10	147	4	67	141	5	37	13	467
Russian.....	6	34	11	11	10	173	68	23	20	315	671
Scandinavian.....	21	7	4	—	—	1,095	308	16	38	25	1,514
Scotch.....	248	—	2	—	—	12	1,588	19	40	37	1,946
Slovak.....	8	9	19	—	189	63	37	6	16	2	349
Spanish.....	1	—	1	—	—	271	21	22	107	12	435
Spanish-American.....	4	1	3	—	—	26	2	19	865	2	922
All other.....	95	45	39	11	119	2,296	824	1,835	1,264	501	7,029
Total.....	6,158	21,520	5,302	702	1,074	15,698	10,806	2,313	4,703	2,480	70,756

The comparative numbers of admissions of immigrant aliens and of permanent departures of aliens, for the present and the 3 immediately preceding years, are shown in table III.

TABLE III.—*Immigrant aliens admitted and emigrant aliens departed, fiscal years 1937 to 1940, by countries of last or intended future permanent residence*

Countries	Immigrants				Emigrants			
	1937	1938	1939	1940	1937	1938	1939	1940
All countries.....	50,244	67,895	82,998	70,756	26,736	25,210	26,651	21,461
Europe.....	31,863	44,495	63,138	50,454	14,258	13,185	13,770	9,143
Albania.....	222	254	229	152	24	46	31	21
Belgium.....	307	478	683	1,713	122	129	121	61
Bulgaria.....	93	123	129	87	35	26	36	21
Czechoslovakia.....	1,912	3,203	2,896	1,074	269	224	145	39
Denmark.....	203	366	306	250	266	223	199	140
Estonia.....	29	46	93	75	33	18	17	17
Finland.....	218	421	411	233	262	267	197	231
France.....	1,018	1,475	1,907	2,575	570	477	469	542
Germany.....	10,895	17,199	33,515	21,520	{ 2,340 105 }	2,270	4,211	1,978
Austria.....	480							
Great Britain:								
England.....	1,377	1,890	2,739	5,850	2,276	2,034	1,639	998
Scotland.....	309	338	277	263	1,075	892	651	312
Wales.....	40	34	42	45	110	65	47	18
Greece.....	875	1,009	907	811	374	460	470	261
Hungary.....	739	973	1,348	1,902	149	119	124	136
Ireland (Eire).....	412	914	1,101	749	795	652	676	322
Italy.....	7,192	7,712	6,570	5,302	1,726	1,788	1,829	1,534
Latvia.....	92	125	168	288	15	20	18	13
Lithuania.....	193	305	290	262	105	99	43	24
Netherlands.....	646	698	1,250	2,097	234	209	165	108
Northern Ireland.....	119	171	88	90	242	168	158	75
Norway.....	427	635	527	488	580	506	455	276
Poland.....	1,212	2,403	3,072	702	422	400	315	81
Portugal.....	301	374	422	448	186	187	283	448
Rumania.....	349	346	421	333	180	152	126	83
Soviet Union.....	97	63	59	40	197	108	112	114
Spain.....	315	379	257	259	256	132	133	447
Sweden.....	341	385	342	518	731	976	557	437
Switzerland.....	462	617	1,237	1,211	160	171	163	119
Yugoslavia.....	632	1,019	1,090	652	335	290	302	192
Other Europe.....	356	540	753	465	84	77	78	95
Asia.....	1,065	2,376	2,162	1,913	2,826	1,665	1,627	2,368
China.....	293	613	642	643	1,808	672	524	998
Japan.....	132	93	102	102	763	726	804	1,078
Palestine.....	369	1,291	1,066	550	60	70	62	66
Syria.....	136	227	207	111	31	47	42	29
Other Asia.....	135	152	145	207	164	150	195	197
America.....	16,903	20,486	17,139	17,822	7,355	8,095	8,954	8,163
Canada.....	11,799	14,070	10,501	10,806	1,027	1,018	965	769
Newfoundland.....	212	334	312	272	82	58	69	35
Mexico.....	2,347	2,502	2,640	2,313	3,745	3,667	5,117	4,584
West Indies.....	1,322	2,110	2,231	2,675	1,379	1,919	1,453	1,300
Central America.....	484	582	530	639	376	453	425	470
South America.....	738	885	915	1,115	745	980	922	1,004
Other America.....	1	3	10	2	1	—	3	1
Africa.....	155	174	218	202	138	97	101	93
Australia.....	106	179	159	156	142	88	66	126
New Zealand.....	39	49	54	51	32	39	23	36
Philippine Islands.....	84	116	119	137	1,980	2,020	2,090	1,516
Pacific Islands.....	29	20	9	21	5	21	20	16

NOTE 1.—The number of immigrants shown above as admitted include not only quota immigrants as shown in table V but nonquota immigrants, being wives of citizens, husbands who married citizen wives prior to July 1, 1932, children of citizens, etc. It will also be noted that this table is based on the country of last residence of the immigrant. These figures do not, therefore, agree accurately with the immigration quota figures included in table V, because the quota under which any immigrant is admitted is that of the country of his birth, not that of the country of his last residence.

NOTE 2.—Immigrants admitted from the "barred zone" of Asia are mainly persons of the white race.

In the following table (Table IV) appears an analysis of the claimed professions, trades, or occupations of immigrants, which should command the careful study of persons interested in the problem of alien competition with American labor and business. The fact that only 12.5 percent of the immigrants admitted were classified as skilled labor and 3.1 percent as common labor, while 55.7 percent (mostly women, children, and old people) claimed no occupation whatsoever and were therefore noncompetitive, gives some light on this problem; as does also the fact that only 843 out of 70,756 immigrants were farmers.

TABLE IV.—*Immigrant aliens admitted, year ended June 30, 1940, by principal races or peoples, occupations, sex, age groups, and marital status*

Occupation, sex, age, and marital status	English	French	German	Greek	Hebrew	Irish	Italian	Scandi-navian	Scotch	Other races	Total
Number admitted.....	4,889	2,363	3,556	1,049	36,945	2,548	5,512	1,514	1,946	10,434	70,756
OCCUPATION											
Clergy.....	52	44	31	8	127	99	22	9	15	163	570
Lawyers.....	11	4	30	2	402	1	4	1	2	28	485
Physicians.....	41	6	56	5	832	19	22	3	28	83	1,095
Professors and teachers.....	110	217	100	7	488	107	42	22	53	177	1,323
Other professional.....	494	142	210	9	1,375	204	90	102	221	359	3,206
Merchants and dealers.....	80	28	210	39	5,429	23	207	46	21	365	6,448
Other commercial.....	164	38	100	17	1,577	36	108	42	46	197	2,325
Farmers.....	51	42	48	35	220	40	51	31	23	306	847
Skilled laborers.....	560	213	366	140	4,200	262	1,031	401	249	1,326	8,838
Servants.....	219	195	129	17	439	578	138	147	130	478	2,470
Laborers.....	76	63	42	34	261	100	881	40	30	666	2,193
Miscellaneous.....	173	62	64	68	393	95	280	59	65	288	1,547
No occupation ¹	2,858	1,309	2,170	668	21,112	984	2,636	611	1,063	5,998	30,409
SEX											
Male.....	1,925	740	1,463	448	18,482	824	3,212	775	707	4,884	33,460
Female.....	2,964	1,623	2,093	601	18,463	1,724	2,300	739	1,239	5,550	37,296
AGE GROUP											
Under 11 years.....	425	187	280	42	3,058	105	313	110	126	810	5,456
11 to 20 years.....	716	360	483	163	5,681	502	996	179	243	1,963	11,286
21 to 30 years.....	1,581	805	743	353	5,491	1,140	1,014	454	708	2,842	15,131
31 to 40 years.....	1,016	541	932	298	7,925	380	2,047	437	412	2,736	16,724
41 to 50 years.....	515	209	619	100	7,004	172	656	191	196	1,127	10,789
51 to 60 years.....	311	144	320	42	4,667	123	254	82	126	552	6,621
Over 60 years.....	325	117	179	51	3,119	126	232	61	135	404	4,749
MARITAL STATUS											
Single.....	2,117	1,184	1,355	327	14,252	1,667	2,145	742	886	4,407	29,082
Married.....	2,466	1,056	2,031	681	20,381	779	3,133	690	931	6,460	37,608
Widowed.....	251	93	126	37	1,841	82	222	57	115	454	3,278
Divorced.....	55	30	44	4	471	20	12	25	14	113	788

¹ Includes chiefly women and children and men of advanced age.

The Quota Law of 1924 and the Quota Proclamation of 1929 set up annual immigration quota limitations for all countries from which aliens are admissible except those of the Western Hemisphere. Immigration visas under the quotas are entirely controlled by the United States Consular Service of the Department of State and are granted to such aliens as are found otherwise admissible, on the basis of the place of birth and not of present citizenship. Certain groups, such as alien wives and children of United States citizens,

alien husbands married to citizens prior to July 1, 1932, professors, and ministers of religion do not require quota positions. Table V shows the admission of aliens from quota countries as compared with quota limitations.

TABLE V.—*Annual quotas allotted under 1924 act, and quota immigrants admitted, fiscal years 1933 to 1940, by countries or region of birth and sex*

Nationality or country of birth	Annual quota	Quota immigrants admitted in—							
		1933	1934	1935	1936	1937	1938	1939	1940
All countries.....	153,774	8,220	12,483	17,207	18,675	27,762	42,494	62,402	51,997
Albania.....	100	75	57	74	107	98	106	97	88
Belgium.....	1,304	59	104	173	185	211	278	307	441
Bulgaria.....	100	11	17	52	63	57	106	105	92
Czechoslovakia.....	2,874	171	389	610	766	1,519	2,853	2,716	1,979
Danzig, Free City of.....	100	10	8	13	16	41	89	177	100
Denmark.....	1,181	123	101	146	135	192	323	282	255
Estonia.....	116	17	36	28	34	30	40	107	98
Finland.....	569	72	114	105	72	215	496	461	282
France.....	3,086	257	308	413	464	566	720	817	741
Germany}.....	27,370	{ 1,324	3,515	4,891	6,073	11,127	{ 17,868	32,759	26,083
Austria }.....		121	229	641	569	409			
Great Britain and Northern Ireland:									
England.....		772	933	1,043	1,122	1,418	1,698	2,096	1,974
Northern Ireland.....	65,721	89	137	152	126	133	238	154	134
Scotland.....		266	443	434	340	483	634	506	488
Wales.....		44	53	50	50	73	66	72	42
Greece.....	307	108	200	324	347	370	351	381	346
Hungary.....	869	187	209	399	515	739	962	1,087	1,432
Ireland (Eire).....	17,853	282	322	301	367	447	1,100	1,418	966
Italy.....	5,802	1,109	1,362	2,127	2,467	2,905	3,428	4,155	3,905
Latvia.....	236	29	48	49	60	114	154	223	184
Lithuania.....	386	96	124	190	151	221	397	365	294
Luxemburg.....	100	4	2	12	5	10	18	24	24
Netherlands.....	3,153	128	136	244	245	347	331	637	1,003
Norway.....	2,377	141	155	208	197	330	518	465	456
Poland.....	6,524	961	1,158	1,682	1,250	1,855	4,218	6,512	4,354
Portugal.....	440	69	166	303	275	236	323	404	417
Rumania.....	377	236	199	295	282	371	407	499	469
Soviet Union.....	2,712	309	407	357	391	578	917	1,727	1,614
Spain.....	252	164	228	252	250	244	264	253	225
Sweden.....	3,314	105	153	160	154	303	364	324	411
Switzerland.....	1,707	122	133	192	189	312	427	605	617
Yugoslavia.....	845	105	110	215	291	527	852	850	651
Other Europe.....	2,500	68	183	190	174	173	271	193	175
Asia.....	2,1649	392	433	393	399	467	823	835	797
American colonies.....	(2)	67	159	251	294	339	516	419	374
Other quota regions.....	2,1850	127	172	238	250	302	338	370	396
Sex:									
Male.....		3,573	5,920	7,953	8,709	13,673	20,913	31,699	26,463
Female.....		4,647	6,563	9,254	9,966	14,089	21,581	30,703	26,534

¹ Includes aliens to whom visas were issued during the latter part of the preceding year which were charged to the quota for that year. Nationality for quota purposes does not always coincide with actual nationality. See sec. 12 of the act.

² Quota for colonies, dependencies, or protectorates included with allotment for the European country to which they belong.

Aliens debarred.

The record of aliens admitted to the United States as shown in tables I to V, inclusive, does not include every alien who presented himself at a port of entry and applied for admission. The Immigration Service is required to satisfy itself that the applicant is legally qualified, even if in possession of a valid visa issued by the Consular Service of the Department of State. In the year 1940 a total of 5,300 aliens applying for entry were debarred on various grounds at ports of entry. Of these rejections, 3,779 occurred on the Canadian

border, 595 on the Mexican border, 505 at New York, and 421 at other seaports. Grounds for debarment were as follows:

Criminals	144
Immoral classes	33
Mental or physical defectives	128
Aliens previously debarred or deported	115
Contract laborers	111
Stowaways	272
Aliens likely to become public charges	1,296
Illiterates	8
Aliens without valid consular visa :	
Canadian border	2,100
Mexican border	482
Seaports	545
Miscellaneous	66

Repatriations.

Section 23 of the act of February 5, 1917, as amended by the act approved May 14, 1937 (50 Stat. 164), provides for the removal of indigent aliens to their native land at Government expense at any time after entry: *Provided, however,* That any person thus removed shall forever be ineligible for readmission except upon the approval of the Secretary of State and the Secretary of Labor.

During the fiscal year 1940, 1,575 applications were received, as compared with 2,419 in the fiscal year 1939, and 1,475 applications were granted, as compared with 1,941 in the previous year. Of the 1,475 applications that were granted, 1,151 departed from the United States before the close of the fiscal year. The following tabulation gives the statistics in detail:

<i>1939 applications</i>	<i>1940 applications</i>
2,419 received.	1,575 received.
1,941 granted.	1,475 granted.
127 denied.	100 denied.
345 canceled after approval.	368 canceled after approval.

Deportations.

During the fiscal year 1940, 6,954 aliens were deported from the United States under warrants of deportation, while 8,594 aliens who had been adjudged deportable were allowed to depart at their own expense without a warrant of deportation. The total number of enforced departures thus aggregates 15,548, as compared with 17,792 during the previous fiscal year. The principal reasons for the decrease in number of actual deportations—from 9,275 in 1938 and 8,202 in 1939 to 6,954 in 1940—have been four in number: (1) the slackened flow of immigration during the last 9 years and the great decrease in the number of unnaturalized aliens in this country; (2) the greater care and strictness exercised by American consuls in issuing visas; (3) the use of more effective methods by this Service in preventing illegal entry; and (4) the present impossibility of securing transportation for aliens deportable to many European countries.

TABLE VI.—*Aliens deported from the United States, years ended June 30, 1935 to 1940, by principal classes, countries, races or peoples, and sex*

Causes, destination, race or peoples, and sex	1935	1936	1937	1938	1939	1940	Total
Number deported	8,319	9,195	8,829	9,275	8,202	6,954	50,774
Classes:							
Criminals	1,632	1,727	1,603	1,662	1,638	1,514	9,776
Violators of narcotic laws	111	154	118	81	82	91	637
Anarchists and kindred classes	17	47	17	8	1		90
Immoral classes	413	407	308	318	270	164	1,880
Mental or physical defectives	510	533	392	401	326	362	2,524
Previously debarred or deported	933	1,048	1,000	1,085	1,056	1,033	6,155
Remained longer than authorized	786	850	702	748	652	563	4,301
Entered without valid visa	2,824	3,181	3,294	3,545	3,080	2,474	18,398
Unable to read (over 16 years of age)	416	502	550	676	453	331	2,928
Under Chinese Exclusion Act	77	53	47	30	21	21	249
Likely to become public charges	33	50	40	24	22	13	182
Miscellaneous	567	643	758	697	601	388	3,654
Destination:							
Czechoslovakia	99	68	78	40	17	2	304
Germany	191	176	150	120	172	41	850
Great Britain and Northern Ireland	305	335	251	297	228	202	1,618
Greece	110	165	109	144	131	114	773
Irish Free State	69	64	53	43	42	23	294
Italy	513	495	449	391	320	228	2,396
Norway	44	50	55	79	39	28	295
Poland	71	80	68	73	52	10	354
Portugal	97	89	75	67	53	35	415
Yugoslavia	77	105	83	38	54	68	425
Other Europe	431	385	277	282	213	255	1,843
China	169	151	134	134	85	100	773
India	48	51	50	63	69	61	342
Japan	55	68	62	56	38	32	311
Other Asia	32	44	25	12	23	19	155
Canada	1,554	1,784	1,833	1,941	1,915	1,503	10,530
Mexico	4,078	4,660	4,764	5,113	4,415	3,902	26,932
Cuba	48	70	56	63	80	63	380
British West Indies	92	114	67	88	91	78	530
Other America	169	165	140	160	111	133	878
Other countries	67	76	50	71	54	57	375
Races or peoples:							
Chinese	167	151	140	135	84	100	777
English	575	652	672	715	670	538	3,822
French	502	539	492	449	427	371	2,780
German	305	298	263	263	281	121	1,531
Greek	117	169	124	155	139	146	850
Hebrew	96	107	109	84	103	78	577
Irish	337	365	323	354	386	257	2,022
Italian	554	535	490	486	361	270	2,646
Scandinavian	167	152	155	190	131	104	899
Scotch	220	291	292	308	277	220	1,608
All others	5,279	5,936	5,769	6,186	5,343	4,749	33,262
Male	7,501	8,155	7,943	8,344	7,385	6,309	45,637
Female	818	1,040	886	931	817	645	5,137

States bordering on Mexico and Canada furnish 94.0 percent and 68.4 percent, respectively, of the total number of aliens deported to those countries.

Thirty-six of the aliens deported in 1940 were under 5 years of age, and 1,153 under 21. These were largely children belonging to family groups. Of the remainder, 4,569 were between 21 and 40 years of age, 849 between 41 and 50, and 383 over 50 years of age.

Of the 6,954 aliens deported in 1940, 3,902, or 56.1 percent, were returned to Mexico; 1,503, or 21.6 percent, to Canada; 1,006, or 14.5 percent, to Europe; 212, or 3.0 percent, to Asia, and 331, or 4.8 percent, to other countries.

Criminal aliens deported.

During the last fiscal year, 1,514 criminal aliens were deported. Of these, 773 were returned to Mexico, 443 to Canada, and 236 to Europe. The principal criminal grounds of deportation were:

	1938	1939	1940
Larceny-----	508	526	534
Burglary-----	353	345	321
Robbery-----	134	117	113
Perjury-----	188	177	145
Assault and battery-----	48	39	48
Forgery-----	50	62	59
Manslaughter or murder-----	45	60	56
Bigamy-----	28	25	20
Contributing to the delinquency or impairing the morals of a child-----	15	15	14
Counterfeiting-----	20	20	14
Attempt to kill-----	22	14	6
Kidnaping-----	3	4	1
Prostitution, other immorality, and other grounds-----	248	234	183
Total-----	1,662	1,638	1,514

Prevention of white-slave traffic.

Under the Paris Agreement of 1904, to which the United States is a party, and the "White Slave Traffic" Act of 1910, the Commissioner of Immigration and Naturalization is designated as the Central Authority of the United States to receive and circularize information in the prevention of transportation in foreign commerce of alien women and girls for immoral purposes. During the fiscal year 1940 the cases of aliens deported because of prostitution or other immorality were reported to the Central Authorities of the following countries, adherents to the Paris Agreement:

Country	Number
Bulgaria-----	2
Canada-----	29
Cuba-----	2
Finland-----	1
France-----	1
Great Britain-----	6
Italy-----	6
Japan-----	2
Poland-----	1
Portugal-----	2
Spain-----	1
Switzerland-----	1
Yugoslavia-----	3
Total-----	57

Forced departures without a deportation warrant.

Aliens found subject to deportation on other than criminal, immoral, or subversive radical grounds, or because of mental or physical defects, who are able and willing to leave the country without expense to the Service are often accorded that privilege. In such cases the alien's removal from the country is as effectively accomplished as if actual deportation occurred, and he is not debarred from applying immediately for readmission if the basis of his de-

portable status is technical and does not involve any element of bad moral character which might disqualify him from readmission.

Of the 8,594 deportable aliens who were allowed to leave the country at their own expense during the fiscal year, 4,149 were destined to Mexico; 3,981 to Canada; 204 to Europe; 148 to the West Indies; 49 to Central and South America; 25 to Asia, and 38 to other countries.

The required departures from the United States arranged by the Immigration and Naturalization Service since July 1, 1933, have been:

1934	8,010	1938	9,278
1935	7,978	1939	9,590
1936	8,251	1940	8,594
1937	8,788		

Deportations not effected.

In considering the number of aliens deported from the United States in any given year, a legal finding of deportability and the issuance of a warrant of deportation are entirely ineffectual in cases in which it proves impossible to procure a valid passport or travel document to gain entry for the alien into some foreign country. In the past, as a general rule, most nations have accepted the return of their own citizens, even when the latter have been convicted of crimes while abroad. However, there is reason to believe that many deportations will be prevented during the coming fiscal year because of the increasingly unsettled conditions abroad. During the fiscal year 1940, for instance, the Immigration and Naturalization Service has been unable to deport 243 aliens for whom warrants have been issued, because the native countries of these aliens have refused to issue passports for them. This compares with 345 in 1939.

II. THE BORDER PATROL

During the fiscal year 1940, officers of the immigration border patrol patrolled 7,895,348 miles, over 70,000 miles more than in 1939, examined 683,776 conveyances, and questioned 987,274 persons, in their effort to detect and prevent the smuggling and illegal entry of aliens into the United States. They apprehended 11,092 law violators, 126 of whom were smugglers of aliens, 10,492 illegal entrants, and 474 persons wanted for other law violations. They seized and delivered to other appropriate law-enforcement agencies 155 automobiles and trucks and 26 other conveyances, or restored them to owners from whom they had been stolen. The estimated value of seizures made was \$36,455.

Two thousand eight hundred and forty-six criminal prosecutions of persons apprehended by the border patrol for violation of the immigration laws were disposed of by 2,766 convictions with but 14 acquittals and 66 dismissals.

The average force of officers and employees of all grades on duty during the year was 856. The transportation equipment consisted of 309 automobiles, 27 trucks, 4 saddle horses, 13 patrol boats, and 16 outboard motor craft.

Two additional radio communication stations were added to the border patrol radio net during the year, bringing the total number of stations up to 21. The radio equipment at Detroit, Mich., was

replaced with more powerful and improved equipment. Six 400-watt radio transmitters were constructed in the border-patrol radio shop at Detroit and arrangements made for their installation. Ten additional transmitters were installed in patrol cars, bringing the number of patrol cars and boats equipped with 2-way radio up to 34. Thirty-one special 4-frequency automobile receivers were delivered during the year, which materially extended the distances over which communications could be handled. Six 40-watt radio telegraph transmitters were installed in border-patrol cars for communications over distances greater than can normally be covered with radio telephone type of equipment. The performance of this equipment has indicated that satisfactory communication over distances of 200 miles may be normally expected.

The field-training course for new appointees to the border patrol in the border patrol school at El Paso was continued during the year just closed with even greater success. Two classes of new appointees were graduated from the school.

As predicted in last year's annual report, the international situation which has developed in Europe furnished strong reason for strengthening the border patrol without undue delay. Conditions abroad always have an effect on the problems of the border patrol, and there is every reason for the belief that aliens whose presence in this country would be inimical to its best interest will endeavor to enter surreptitiously, particularly over the southern border.

Because of world conditions during the latter months of the fiscal year the Congress acted on June 27, 1940, in its Second Deficiency Appropriations Act, to make available \$2,000,000 for additional personnel and equipment for the border patrol. This appropriation provided for adding 712 additional patrol officers and 57 other employees to the patrol force. It also provided for increasing the number of patrol cars from 309 to 500, for providing 26 horses, a number of autogiros, additional radio equipment, water craft, firearms, and other accessories.

The expansion project was well under way at the close of the year, a substantial number of the newly authorized force had been ordered to report for duty, and contracts had been let for a large part of the authorized equipment.

III. MINOR IMMIGRATION PROBLEMS AND DUTIES

Chinese.

Chinese aliens seeking admission to the United States, as well as those residing in the United States, are required to comply with the provisions of the Chinese exclusion law and the immigration laws. The exclusion law does not permit the entry of laborers but does provide for the admission of teachers, merchants, students, and travelers for curiosity or pleasure. Since the passage of the Immigration Act of 1924, however, students may be admitted only for the purpose of attending a higher institution of learning formerly approved by the Secretary of Labor (and now by the Attorney General), and are required to terminate their residence upon the conclusion of their studies. Teachers are not admissible unless they fall within the class of professors in universities, colleges, academies, or seminaries. Under this act travelers are classed as temporary visitors.

and may remain only for the period fixed at the time of admission. The only alien Chinese who are entitled to come to the United States for permanent residence are returning legally domiciled aliens, ministers of recognized religious denominations, and professors, together with their wives and unmarried children under 18 years of age. Under the act of 1924, as amended in 1932, merchants must be engaged in international trade with the country of their nationality and may remain only so long as they maintain their status. A number of years ago the act was amended to permit the permanent admission of the alien Chinese wives of American citizens whose marriage took place prior to May 26, 1924.

During the fiscal year 1940 there were admitted for permanent residence 142 returning Chinese residents and 99 wives of citizens who fell within the amendatory provision set forth above. Admission was granted to 150 merchants, 236 students, 593 temporary visitors, and 1,974 Chinese persons passing in transit through the United States. It thus appears that the number of alien Chinese coming to the United States to reside either permanently or temporarily, as heretofore, is not large.

The main duties of the Immigration and Naturalization Service in determining the admissibility of Chinese occur in connection with the application for admission of those claiming United States citizenship either by birth or by reason of relationship as sons or daughters of citizens of the United States. Chinese cases in which relationship is claimed to citizens required extensive examinations and investigations in the effort to determine this fact. During the last fiscal year 2,035 Chinese claiming citizenship as children of citizens were admitted; 102 applications for admission as citizens were denied. During the same period 160 Chinese aliens were refused admission for various reasons under the exclusion laws and the immigration laws, and 100 were deported. Chinese claiming citizenship who previously resided in the United States to the number of 1,316 were readmitted.

Alien seamen.

Alien seamen entering United States ports are subject to inspection under the immigration laws. During the fiscal year 1940 the Immigration and Naturalization Service conducted 738,718 such inspections, as compared with 971,662 in 1939. The foregoing figures do not mean that 738,718 individual alien seamen arrived at United States ports of entry, as many of them made several voyages during the fiscal year and were inspected and counted separately on each arrival. A large proportion of these alien seamen left the port of inspection on the same vessel on which they arrived. Those who did not do so can be classified as follows:

Alien seamen paid off or discharged in United States ports during the year-----	28,452
Alien seamen removed to hospital on arrival-----	2,586
Alien seamen deserting their ships-----	4,734
Total not leaving on same vessel-----	35,772
Alien seamen reshipped foreign-----	<u>30,162</u>
Excess of alien seamen remaining in the United States-----	5,610

The recorded alien seamen departures totaled 733,108, leaving but 5,610 remaining in the United States, of whom 416 were lawfully admitted as immigrants.

American seamen arriving at United States ports during 1940 numbered 439,899, as compared with 416,124 arrivals in 1939.

TABLE VII.—*Vessels boarded by immigration officers, alien seamen arrived and departed, and American citizens serving as seamen on vessels boarded, year ended June 30, 1940, by districts¹*

District or port	Vessels boarded ²			Alien seamen			United States citizens
	Foreign	Coast-wise	Total	Arrived and examined	Departed	Excess ³	
All districts	30,324	2,852	33,176	738,718	733,108	+5,610	439,899
New York, N. Y.	4,425	—	4,425	244,220	242,557	+1,663	132,674
Boston, Mass.	2,377	34	2,411	42,671	42,285	+386	34,743
Philadelphia, Pa.	909	135	1,044	23,463	23,211	+252	9,662
Baltimore, Md.	1,450	653	2,103	35,222	34,617	+605	11,988
Jacksonville, Fla.	3,439	213	3,652	38,843	38,785	+58	68,877
New Orleans, La.	1,261	116	1,377	26,758	26,031	+727	25,558
Galveston, Tex.	1,320	200	1,529	38,631	38,272	+359	8,883
San Francisco, Calif.	921	101	1,022	14,765	14,624	+141	3,009
Seattle, Wash.	5,751	234	5,985	124,727	124,425	+302	45,037
Los Angeles, Calif.	3,012	458	3,470	56,319	55,725	+1,094	31,146
San Juan, P. R.	881	420	1,301	8,922	8,945	-23	21,654
Honolulu, T. H.	306	—	306	23,720	23,714	+6	13,318
Great Lakes	4,263	288	4,551	59,957	59,917	+40	32,450

¹ Each and every arrival of the same vessel or seamen counted separately.

² Exclusive of aircraft.

³ Excess of arrivals indicated by plus sign (+), of departures by minus sign (-).

Nonquota students.

During the fiscal year just closed, 2,044 students were admitted as nonquota immigrants to attend educational institutions approved by the Secretary of Labor, a decrease of 138 students from the previous year. Such aliens must maintain their student status as long as they remain in the United States. Student departures numbered 1,501.

Contract laborers.

Petitions to the number of 1,582 were filed by prospective employers during 1940 for waiver of the contract-labor provisions of the Immigration Act of 1917, as compared with 1,208 petitions in 1939. Under the statute, skilled labor may be imported if unemployed labor of like kind cannot be found in the United States. Of the petitions received in 1940, favorable action was taken on 641, as compared with 772 in 1939. Petitions totaling 172 were denied, as compared with 258 in 1939. In 1940, 114 aliens were held to be exempted from the provisions of the contract-labor law, and 27 applications were canceled.

Reentry permits.

There were 17,215 applications for permits to reenter the United States filed with the Service in 1940, under the provision of law which authorizes such documents for aliens lawfully admitted for perma-

nent residence and desiring to make temporary visits abroad. During the year, 16,243 permits were issued and 161 denied.

Filipino repatriation.

Native Filipinos desirous of returning to the Philippine Islands may, upon application to the Attorney General, receive the benefits of the act of July 10, 1935, as amended, which provides for such return at the expense of the United States Government. Applications numbering 710 were received during the year just passed, as compared with 756 during 1939. Of those received during 1940, 573 were granted. There were 475 departures under this procedure during 1940, as compared with 392 during 1939.

Applications for permission to reapply after deportation or exclusion.

Aliens deported from the United States are barred from returning to this country unless, prior to their journey, they receive permission from the Secretary of Labor to reapply for admission. During 1940, there were 2,497 such applications received, of which 280 were granted, and 1,819 denied.

The law provides that aliens excluded from admission to the United States are barred for a period of 1 year from the date of exclusion from reapplying for admission, unless they have first obtained the permission of the Secretary of Labor to reapply. During the fiscal year 1940, 1,030 such applications were received.

IV. NATURALIZATION

Naturalization applications and certificates.

Naturalization courts admitted 235,260 aliens to citizenship during the fiscal year 1940—132,406 males and 102,854 females. In 1939, 188,813 aliens were naturalized—113,934 males and 74,879 females. In 1940, the courts denied 6,549 petitions for naturalization. Declarations of intention were filed by 203,536 aliens, of whom 128,443 were males and 75,093 were females. In 1939, 155,691 aliens declared their intention. During 1940, 278,028 aliens—149,158 males and 128,870 females—filed petitions for naturalization, as compared with 213,413 petitions filed in 1939.

Table VIII shows by decades various naturalization documents filed or issued since 1907, the entire period of Federal administration of our naturalization laws.

TABLE VIII.—*Declarations of intention and petitions for naturalization filed, and certificates of naturalization issued for fiscal years 1907 to 1940*

Period	Declar- ations filed	Petitions filed			Certificates issued		
		Civilian	Military	Total	Civilian	Military	Total
Total, 34 years, 1907 to 1940	7,291,724	4,740,604	326,206	5,066,810	4,211,962	320,397	4,532,359
4 years, 1907-10	526,322	164,036	-----	164,036	111,738	-----	111,738
1907 ¹	73,658	21,113	-----	21,113	7,941	-----	7,941
1908	137,571	44,032	-----	44,032	25,975	-----	25,975
1909	145,745	43,141	-----	43,141	38,374	-----	38,374
1910	169,348	55,750	-----	55,750	39,448	-----	39,448
10 years, 1911-20	2,686,909	1,137,084	244,300	1,381,384	884,672	244,300	1,128,972
1911	189,249	74,740	-----	74,740	56,683	-----	56,683
1912	171,133	95,661	-----	95,661	70,310	-----	70,310
1913	182,095	95,380	-----	95,380	83,561	-----	83,561
1914	214,104	124,475	-----	124,475	104,145	-----	104,145
1915	247,958	106,399	-----	106,399	91,848	-----	91,848
1916	209,204	108,767	-----	108,767	87,831	-----	87,831
1917	440,651	130,865	-----	130,865	88,104	-----	88,104
1918	342,283	105,514	63,993	169,507	87,456	63,993	151,449
1919	391,156	128,523	128,335	256,858	89,023	128,335	217,358
1920	299,076	166,760	51,972	218,732	125,711	51,972	177,083
10 years, 1921-30	2,700,014	1,827,073	57,204	1,884,277	1,716,970	56,206	1,773,185
1921	303,904	177,898	17,636	195,534	163,656	17,636	181,292
1922	273,511	153,170	9,468	162,638	160,979	9,468	170,447
1923	206,636	158,059	7,109	165,168	137,975	7,109	145,084
1924	424,540	166,947	10,170	177,117	140,340	10,170	150,510
1925	277,218	162,258	-----	162,258	152,457	-----	152,457
1926	277,539	172,107	125	172,232	146,239	92	146,331
1927	258,295	235,298	5,041	240,339	195,493	4,311	199,804
1928	254,583	235,328	4,993	240,321	228,006	5,149	233,155
1929	280,645	254,799	720	255,519	224,197	531	224,728
1930	62,138	111,209	1,942	113,151	167,637	1,740	169,377
10 years, 1931-40	1,369,479	1,012,411	24,702	1,637,113	1,498,573	10,891	1,518,464
1931	106,272	142,249	3,225	145,474	140,271	3,224	143,495
1932	101,345	181,043	19	131,062	136,598	2	136,600
1933	83,046	110,604	2,025	112,629	112,368	995	113,363
1934	108,079	114,524	2,601	117,125	110,867	2,802	113,669
1935	186,524	131,378	-----	131,378	118,945	-----	118,945
1936	148,118	165,559	1,568	167,127	140,754	481	141,265
1937	176,195	157,670	7,794	165,464	162,923	2,059	164,976
1938	150,673	169,131	6,282	175,413	158,142	3,936	162,078
1939	155,691	213,413	-----	213,413	185,175	3,638	188,813
1940	203,536	276,840	1,188	278,028	232,500	2,760	235,260

¹ From Sept. 27, 1906, to June 30, 1907.

The principal nations to which aliens admitted to citizenship during the fiscal year 1940 owed allegiance were:

Countries of former allegiance.

British Empire	59,680
Italy	37,357
Poland	26,964
Germany	25,802
Soviet Russia	15,598
Czechoslovakia	9,059
Yugoslavia	6,908
Hungary	6,291
Sweden	5,746
Greece	4,378
All other countries	37,477

Preliminary applications.

Preliminary applications to obtain certificates of arrival and to file declarations of intention were received during 1940 from 237,599 aliens in comparison with 208,864 received in 1939. There were also

received in 1940 applications for certificates of arrival and for petitions for naturalization from 312,840 aliens, as compared with 294,203 in 1939. These figures for the two kinds of applications are about three times larger than those of 7 years ago, as the fiscal year 1933 showed 87,921 preliminary applications for declarations of intention, and 105,469 applications for petitions for naturalization. In 1940 there were 312,197 certificates of arrival issued as a basis for filing declarations of intention and petitions for naturalization, as compared with 270,135 such certificates issued during 1939.

Work of naturalization examiners.

Naturalization examiners, in the course of administrative hearings, examined or reexamined 301,789 petitioners in person and 15,133 by correspondence, as compared with 238,736 and 15,440, respectively, in 1939. They also questioned 566,919 witnesses in person, as compared with 429,818 last year; and 30,371 by correspondence, as compared with 31,567 in 1939; and attended 4,573 court hearings as compared with 4,064 in the previous year. The courts canceled 1,011 certificates of naturalization for various causes, compared with 882 in 1939.

Naturalization Certification Division.

The Naturalization Certification Division in the Central Office issued 11,738 duplicate naturalization certificates, as compared with 9,541 for 1939, and 2,440 new declarations of intention, as compared with 2,606 in 1939, to replace originals that had been lost, mutilated, or destroyed. During the fiscal year 1940, 4,050 certificates of derivative citizenship were also issued, as compared with 2,633 in 1939, and 1,208 other documents of various kinds as compared with 1,668 in the preceding year.

There follow figures showing the number of aliens from the various countries who were naturalized during the fiscal years from 1923 to 1940, inclusive, by country of origin or nationality, and the percentage of the total from each country:

Aliens naturalized, years ended June 30, 1923, to 1940, by country of origin or nationality, showing number and percent of total for each country

Country	Number naturalized	Percent of total
Belgium.....	13,948	.5
British Empire.....	632,035	21.5
Bulgaria.....	3,821	.1
Czechoslovakia.....	114,060	3.9
Denmark.....	27,383	.9
Finland.....	21,575	.8
France.....	20,574	.7
Germany.....	324,672	11.0
Greece.....	71,940	2.4
Hungary.....	70,160	2.4
Italy.....	512,463	17.5
Lithuania.....	31,008	1.1
Mexico.....	9,321	.3
Nethe-lands.....	27,932	1.0
No way.....	46,496	1.6
Poland.....	393,453	13.4
Portugal.....	18,543	.6
Rumania.....	57,118	1.9
Soviet Russia.....	220,915	7.5
Spain.....	14,843	.5
Sweden.....	77,268	2.6
Switzerland.....	22,719	.8
Turkey.....	41,741	1.4
Yugoslavia.....	77,103	2.6
Central and South America.....	7,398	.3
All other:.....	78,421	2.7
Total.....	2,939,910	100.0

Registry of aliens.

By the act of March 2, 1929, an alien of good moral character not ineligible to citizenship and not subject to deportation, who entered the United States prior to July 1, 1924, and who has resided in the United States continuously since, in whose case there is no record of admission for permanent residence, may apply to the Commissioner of Immigration and Naturalization to make a registry of his arrival for both immigration and naturalization purposes. Upon proof of the required facts, the registry is made and such alien is deemed, for the purposes of the immigration and naturalization laws, to have been lawfully admitted to the United States for permanent residence as of the date of his entry. With the amendment of the Registry Act by extending the date prior to which such aliens must have arrived in the United States from June 3, 1921, to July 1, 1924, the number of applications for registry increased by leaps and bounds. During the fiscal year 1940, 31,565 applications for registry were received and 21,461 finally disposed of by the Central Office, of which 19,308 were granted, 1,987 denied, and 166 withdrawn. The number of registry applications received in 1940 was greater than in any previous year and double the number received in 1939.

Petitions for immigration visas.

The Immigration Act of 1924 establishes the policy of family reunion by giving nonquota or preferential quota status to certain close relatives of citizens of the United States. The nonquota group includes the wives and unmarried minor children under 21 years of age of citizens of the United States, and the husbands of citizens where the marriage occurred prior to July 1, 1932. Aliens who are the fathers and mothers of citizens of the United States who are 21 years of age or over, or are the husbands of citizens by marriages occurring on or after July 1, 1932, are accorded a preference under the quota. The interested citizen in any such case is required to file with the Commissioner of Immigration and Naturalization a petition for the issuance of a nonquota or a preference quota visa. In 1940, 11,017 petitions for the issuance of nonquota or preference quota visas were filed with the Commissioner of Immigration and Naturalization, and 11,002, involving 12,691 prospective immigrants, were approved. In this way American citizens secured priority for 6,800 aliens in the nonquota class and 5,891 in the preference quota class, including 3,829 wives, 1,876 unmarried minor children, and 1,095 husbands in the nonquota group, and 1,051 fathers, 2,027 mothers, and 2,813 husbands as quota preference beneficiaries.

During 1939, 17,524 such petitions were received and 11,228 of them, involving 13,228 prospective immigrants, were approved. The decrease in the 1940 figures was undoubtedly due to a considerable extent to the more extensive investigations which were made in such cases where it was suspected that fraudulent claims of financial ability on the part of the visa petitioners had been made. While these investigations increased greatly the work of the field service and Central Office, which were already overburdened, the salutary results justified the extra effort.

V. EDUCATION FOR CITIZENSHIP

In accordance with statutory provision, the Immigration and Naturalization Service distributes without cost a Federal Textbook on Citizenship for the instruction and training in citizenship responsibilities of applicants for naturalization. The purpose of such instruction is twofold. First, it serves as preparation for the examination which is an immediate need of the petitioner for naturalization who is required to show his knowledge of and attachment to the principles of the Constitution of the United States and that he is well disposed to the good order and happiness of this country. Second, it forms the basis for a statement of principles which the applicant should have in order to properly function as a citizen.

As was indicated in the annual report for 1939, a new textbook was undertaken, the objective of which was a simplified, up-to-date text which could be easily adapted by the public schools to fit the needs of students at various grade levels. The fiscal year 1940 saw the completion of that text, and in April the first books were sent out. From that time until the beginning of the fiscal year 1941, 8,627 copies of the new book, "Our Constitution and Government" were sent to the schools.

Dr. Catheryn Seckler-Hudson, well known among political scientists, wrote the new text, which comprises 400 pages. The lessons are 30 in number, covering briefly that part of the history of the Government of the United States which inspired the Constitution and its evolution into written form; the principles of the Constitution and what those principles mean in terms of everyday life; the machinery of government provided by the Constitution; discussion of local city, county, and State governments; and the duties and responsibilities of citizenship of the United States.

The book is graphically charted with 60 illustrations and contains lesson projects at the end of each chapter. The book also contains the Declaration of Independence and the Constitution of the United States, as well as a glossary of the more difficult words used in the text. The Service considers this a valuable contribution to the cause of adult education in citizenship, and it has been generally acclaimed as an educational text of high value.

Because the United States can offer no higher privilege than citizenship, the importance of the acquisition of that status has engaged the attention of both the legislative branch of the Government and of the Immigration and Naturalization Service in its administrative capacity during this fiscal year. The Congress, by its joint resolution of May 3, 1940, set aside the third Sunday in May of each year as "Citizenship Day." Cooperation of local civic, social, patriotic, and other groups throughout the United States was solicited by the Service, the resultant response suggesting a keen awareness of the need and value of this recognition of citizenship. Observances of Citizenship Day were held in many localities throughout the United States, with a promise of even greater cooperation in future years.

VI. NEW LEGISLATION

During the fiscal year 1940 a number of legislative measures were enacted by the Congress, both on immigration and naturalization.

Immigration.

1. The act of July 27, 1939, provided for the return to the Philippine Islands of native-born Filipinos residing in any State or Territory or the District of Columbia on the effective date of the act. Applications are to be approved by the Secretary of Labor and certified to the Secretary of the Navy and the Secretary of War. Filipinos so certified are entitled, at the expense of the United States, to transportation and maintenance from their present residence to a port on the west coast of the United States, or in the case of a Filipino residing in Hawaii, to a port in that Territory and to Manila. Navy or Army transports when space is available are to be used, or any ship of United States registry, operated by a commercial steamship company having a contract with the Secretary of Labor.

Applications for the benefit of this act may not be accepted after December 1, 1940, and all benefits are to terminate on December 31, 1940, unless the journey has been started on or before that date.

Filipinos receiving the benefits of this act may return to the United States, its Territories, or possessions only as quota immigrants under the provisions of the Philippine Independence Act of 1934.

2. Extension of the Registry Privilege. Under the act of March 2, 1929, aliens of good moral character, not ineligible to citizenship and not subject to deportation, but in whose cases there were no records of lawful admission for permanent residence, were permitted to apply for and receive from this Service a certificate of lawful admission, provided they had arrived in the United States prior to June 3, 1921, and had resided here continuously thereafter. By the act of August 7, 1939, the Congress extended the benefits of this "registry" to qualified aliens whose arrival had occurred prior to July 1, 1924.

3. The immigration law concerning stowaways was strengthened by legislation approved June 11, 1940, making it a misdemeanor, punishable by fine not exceeding \$500 or imprisonment for not exceeding 1 year, or both, for the offense of boarding, entering, or secreting oneself on board any vessel without the consent of the owner, charterer, or master with intent to obtain transportation without payment therefor.

One who knowingly aids, abets, or assists any person to violate this act is liable to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year, or both.

Alien Registration Act, 1940.

One of the most far reaching statutes relating to aliens which was enacted during the Seventy-sixth Congress was the Alien Registration Act, 1940, approved by the President on June 28, 1940. It includes provisions by which there is set up the practice of registering and fingerprinting aliens at the time they apply to United States consular officers abroad for their immigration visas. As to those aliens who are in the United States 60 days after the passage of the act, those 14 years of age and over must be registered and fingerprinted between August 27 and December 26, 1940. Alien children under 14 years of age must be registered by their parents or guardians.

Aliens remaining in the United States 30 days or longer must apply to be registered and fingerprinted within such period. The

law exempts from registration and fingerprinting all officials of foreign governments and members of their families.

The Commissioner of Immigration and Naturalization, with the approval of the Attorney General, is authorized to prescribe special regulations for the registration and fingerprinting of alien seamen, holders of border-crossing identification cards, aliens confined in institutions within the United States, aliens under order of deportation, and aliens of any other class not lawfully admitted to the United States for permanent residence.

Registration and fingerprinting are to take place at convenient post offices throughout the United States, Alaska, Hawaii, District of Columbia, Puerto Rico, and the Virgin Islands. Registration and fingerprinting are to be conducted by postal employees of the United States under the direction of postmasters, with such assistance as may be provided by the Commissioner of Immigration and Naturalization.

Aliens are required to answer under oath inquiries concerning the date and place of entry into the United States, activities in which engaged or intended to be engaged, length of expected stay in the United States, criminal record, if any, and such additional matters as may be prescribed by the Commissioner with the approval of the Attorney General.

Registration and fingerprinting have been regarded as a defense measure. When President Roosevelt signed this act, he said that it would not carry with it any implication of hostility toward non-citizens who are loyal to this country and its institutions.

This act also penalizes subversive activities intended to interfere with the loyalty, morale, or discipline of the military or naval forces of the United States, subjecting violators to punishment of as much as \$10,000 fine or imprisonment for as long as 10 years, or both.

Additional deportable classes include alien smugglers for gain, aliens convicted of possessing or carrying in violation of law automatic weapons which fire more than one shot by a single action of the trigger, or sawed-off shotguns, and aliens convicted within 5 years after entry of violating that section of the Alien Registration Act of 1940 concerning subversive activities.

The Attorney General is given some measure of discretion in certain classes of deportable aliens of good moral character for 5 years, in either permitting them to depart from the United States at their own expense in lieu of deportation or in suspending deportation if they are not racially inadmissible or ineligible to naturalization, and if deportation would result in serious economic detriment to a citizen or legally resident alien who is the spouse, parent, or minor child of such deportable alien. This discretion, however, does not apply to the anarchistic classes, convicted narcotic violators, nor the immoral classes.

Naturalization.

On August 9, 1939, the residence provisions of the naturalization law were modified so as to classify as residing in the United States any alien who has been lawfully admitted to this country for permanent residence, but who has subsequently been absent solely in the capacity as a regularly ordained clergyman.

Codification of the Nationality Laws of the United States.

A proposed reform which has proceeded far toward a successful conclusion has been the codification of the Nationality Laws of the United States, including those dealing with citizenship, naturalization, and expatriation. Hardly any subject is more important to the welfare of a nation than that which governs the means by which its citizenship may be acquired and lost.

For many years the laws dealing with these subjects have been in an unsatisfactory state because statutes have been enacted from time to time without definite relationship to one another, resulting in inconsistencies, conflicts, and ineffective administration.

The President, by his Executive order of April 25, 1933, appointed the Secretary of State, the Attorney General, and the Secretary of Labor as a committee "to review the nationality laws of the United States, to recommend revisions, particularly with reference to the removal of certain existing discriminations, and to codify those laws into one comprehensive nationality law for submission to the Congress."

The cabinet committee set up a technical advisory committee consisting of six experts upon the subject from the Department of State, one from the Department of Justice, and six from the Department of Labor.

This group worked assiduously for a period of years in producing a draft code based upon the needs in this field as demonstrated by years of practical administration of the various naturalization, citizenship, and expatriation laws. It was submitted to the President on June 1, 1938, and transmitted by him to the Congress on June 13, 1938, "for the attentive consideration which its wide scope and great importance demand." Three invaluable public documents upon the subject, consisting of a commentary upon the code and the reasons for the suggested changes, parallel texts of the present and the proposed law, and a compilation of all the existing provisions in the Constitution, statutes, and treaties relating to naturalization, citizenship, and expatriation, were printed for the use of the House Committee on Immigration and Naturalization. These documents were published largely as a result of the untiring efforts of representatives of the Department of Labor.

Hearings were conducted and the measure was favorably reported by the Immigration Committee of the House of Representatives on June 5, 1940. Should this code be adopted, it will bring, under an orderly and systematic arrangement, the consolidation and restatement of the laws of the United States upon citizenship, naturalization, and expatriation. It will also amend and strengthen the present law wherein it has been shown to be weak or vague in its terms. It will serve the further purpose of repealing obsolete, conflicting, unnecessary, and undesirable provisions of the statutes, and will permit a more prompt, expeditious, and economical enforcement and satisfactory administration of the laws upon these subjects. In various respects this nationality code will serve to strengthen our national defense.

(Note.—After the close of the fiscal year, this Nationality Code was passed by both Houses of Congress and signed by the President.)

VII. IMPROVEMENTS IN ADMINISTRATION

For some years past the development of administrative law throughout the Federal Government has been phenomenal. Several decisions of the Supreme Court had great impact upon the pattern of its development and in preserving the delicate balance between the efficiency of administrative procedure and the need of safeguarding the rights of litigants under the "due process" clause of the Constitution.

So important was this judicial history in its implications upon the work of the Immigration and Naturalization Service that in 1938 Prof. Marshall E. Dimock of the University of Chicago, Prof. Henry M. Hart of Harvard Law School, and Prof. John McIntire of George Washington University were named as the Secretary of Labor's Committee on Administrative Procedure to make a study of procedure in the Service. This was with a view to making such changes as would bring it into harmony with new concepts of due process and administrative fairness.

A number of these noteworthy recommendations have recently been put into effect. The Board of Review was relieved of administrative work and made a genuine quasi-judicial body by making it responsible, until the transfer of the Immigration and Naturalization Service to the Department of Justice, directly to the Secretary of Labor, the officer having the power of determination under the statute.

As a result of the committee's recommendations, prosecuting and judicial functions in deportation hearings were separated by having two inspectors rather than one conduct such hearings, one inspector acting as presiding officer and the other conducting the actual prosecution of the case. The recommendations in such cases are always made by the presiding inspector, who in the nature of things is more apt to be unbiased in his analysis of the evidence than would be the officer who prosecuted the case. The presiding inspector's recommendations moreover are now submitted in accordance with standards required of the intermediate reports of trial examiners in other administrative agencies; that is, their reports contain carefully drafted findings of fact and law as well as a proposed order which constitutes the inspector's recommendation as to the disposition of the case. These findings are now served upon the alien or his counsel, and an opportunity given him to file exceptions thereto.

The examining staff whose work is essential to the success of the Board of Review has also been strengthened, and a uniform system of preparing draft memoranda for the consideration of the Board has been adopted.

As a part of the reorganization resulting from this committee's recommendations, the position of executive officer was created in order that the Service might be provided with a coordinator. It is his duty to see that all parts of the Central Office organization work together, and that all move forward at the same pace without friction. It is the executive officer's duty to keep an eye on all component parts of the organization to prevent units working at cross-purposes. This officer studies problems of field and Central Office coordination, develops plans for improved integration, and makes appropriate recommendations to the head of the Service.

Supervisor of Naturalization.

Much greater efficiency has been achieved in naturalization through the appointment of a Supervisor of Naturalization. This action was taken as a result of the recommendation of the Committee on Administrative Procedure, to which reference has already been made. There had hitherto been no officer of the Service who was charged primarily with the general oversight of the work of the field and the Central Office. He makes frequent trips to the field, confers with the field officers, and reports the results to the Central Office for consideration and action. The interchange of experience growing out of this arrangement has proved to be most helpful.

The Service has been successful in developing, in close conjunction with the Supervisor of Naturalization, a program of education for citizenship of the foreign born. The stress placed upon the duties and responsibilities of citizenship and of the dignity of that status has been a potent force in proving the quality of citizenship of naturalized persons.

Conference of naturalization examiners.

During the year there were held three conferences of naturalization examiners, one in Chicago on April 15 and 16, attended by naturalization officers from the central districts, one at New York City from May 27 to 29, attended by representatives of the eastern districts, and one at San Francisco from June 6 to 8, participated in by naturalization representatives of the western districts.

These conferences were called to discuss common naturalization problems in the field and the Central Office, and were the first of their kind to be held. The Commissioner was present at the first two conferences and all three were attended by the Director of Research, Information and Education, and the Supervisor of Naturalization. This was the first opportunity given to the men actually performing naturalization work in the field to exchange points of view upon practice and procedure with representatives of the Central Office and their fellow field officials.

The conferences afforded an opportunity to inform the field of changes in regulations, practice, and forms in the interest of administrative efficiency and economy effecting the handling of hundreds of thousands of cases each year.

There was free and frank discussion on all items upon the programs. It was the unanimous opinion of the participants in these conferences that they possess great value, both to the field and the Central Office.

Enforcement of the criminal statutes.

The Special Investigating Unit, with headquarters in the city of New York, has continued to wage a relentless fight against racketeering in immigration and naturalization matters and in the prosecution of violations of the immigration and naturalization laws. Since the consolidation of the Immigration and Naturalization Service in 1933, this work has proceeded without cessation.

One of the most salutary accomplishments in the administration of the work of the Service has been the detection of frauds, the criminal prosecution of those guilty of violation of the law, and the cancellation of certificates of naturalization obtained illegally or fraudu-

lently. A special assistant to the Attorney General was appointed to prosecute these cases.

While this special unit had been created originally for the purpose of discovering and prosecuting naturalization frauds, the evidence uncovered made it necessary to enlarge the scope of the unit's activities. These have included registry frauds, visa frauds, the smuggling of aliens, the fraudulent use of certificates of naturalization, seamen certificate frauds, fraudulent petitions to bring persons to the United States, illegal activities of lawyers, and the impersonation of immigrant inspectors.

Since its creation this special unit has successfully prosecuted over 250 racketeers, employees, aliens, and steamship companies. At the close of the fiscal year a large number of criminal prosecutions were pending in various judicial districts, and many more cases were still in process of investigation.

VIII. FINANCIAL STATEMENT

*Appropriation for the conduct of the Immigration and Naturalization Service
and the administration of the immigration and naturalization laws*

Salaries and expenses:

Departmental service	\$580,480
Field service, coast and land border patrol	9,473,420
Total	10,053,900
For physical maintenance and upkeep of immigration stations	65,000

Total	10,118,900
The net amount expended for all purposes after deducting refunds to the appropriation not properly chargeable to the Government was	9,832,293

Net balance	286,607
(There was also expended the unobligated balance of \$32,734 available for obligation during the fiscal year 1940 from the 2d Deficiency Appropriation Act approved May 2, 1939.)	
Balanced against the expenditures mentioned, there was collected as hereinafter shown the sum of	3,860,568
Making the net cost of operation	6,004,459

Income and sources thereof (net collections)

Naturalization fees	\$2,418,091.00
Head tax	916,541.00
Administrative fines	47,027.50
Reentry permits and extensions	85,964.65
Certificates of registry	182,130.00
Immigration overtime	118,002.99
Bonds forfeited and paid without suit, including interest coupons on Liberty bonds	13,600.00
Sale of exclusive privileges (feeding money, etc.)	150.00
Sale of Government property	3,016.03
Miscellaneous collections	1,436.29
Coin-box collections (New York, Boston, Philadelphia, and Seattle)	931.93
Collections on account of persons detained in hospitals of Public Health Service under the immigration laws and regulations	73,676.50
Total	3,860,567.89

NOTE.—Because the revenues produced by the various branches of the Immigration and Naturalization Service are covered into the United States Treasury

and in no way used as offsets against the operating cost of the Service, citizens often forget that Immigration and Naturalization are partly self-supporting functions of government and that increasing activity and expense bring with them increased revenues. For this reason the following comparative figures of receipts of the Service are interesting:

	1940	1939	1938	1937	Decrease or increase 1940 over 1939
Naturalization fees.....	\$2,418,091.00	\$1,514,609.25	\$1,448,043.50	\$1,862,567.25	+\$903,481.75
Head tax.....	916,541.00	1,131,796.50	1,029,327.01	951,412.53	-215,255.50
Administrative fines.....	47,027.50	98,834.97	74,800.50	65,651.51	-51,807.47
Reentry permits and extensions.....	85,964.65	144,121.16	171,066.17	197,020.17	-58,156.51
Certificates of registry.....	182,130.00	104,270.10	107,760.10	98,910.00	+\$77,859.90
Hospital collections.....	73,676.50	74,737.00	80,771.25	46,071.50	-1,060.50

The personnel of the Immigration and Naturalization Service, which has supervised the 52,000,000 individual entries into the United States during the past fiscal year and has conducted the other widespread activities described in this report, consists of: A central office in Washington employing 9 executive officers and a legal and administrative staff of 265; and a field service consisting of 69 executive and supervisory officers, 1,179 inspectional and investigative employees, 146 naturalization examiners, 856 border patrol employees, 802 clerks, 49 interpreters, and a custodial force of 442 employees; or a total of 3,817 persons, exclusive of temporary employees.

Respectfully submitted,

JAMES L. HOUGHTELING,
Commissioner.

CHILDREN'S BUREAU

KATHARINE F. LENROOT, *Chief*

To the SECRETARY OF LABOR:

In the first annual report of the Chief of the Children's Bureau for the fiscal year 1913, Julia C. Lathrop defined the final purpose of the Children's Bureau "to serve all children, to try to work out the standards of care and protection which shall give to every child his fair chance in the world."

Twenty-seven years later the General Report adopted by the White House Conference on Children in a Democracy, the fourth in a series of children's conferences held during the past 30 years, addressed itself "to the interests of all the children of the Nation and to every aspect of child welfare, including home life, material security, education, health, and general preparation for the responsibilities of citizenship."¹

In the intervening years, through research, publications, conferences, consultation service, legislation, and administration, the people of the United States have come to see more clearly and to express more effectively their goals for the nurture and development of those to whom our civilization must look for the defense, transmission, and enrichment of its heritage.

In the various periods into which the service of the Children's Bureau may be divided the chief events that characterized the work of the Bureau or have been closely associated with it are as follows:

- 1912-15 Organization of research and informational activities; publication of Prenatal Care and Infant Care; development of cooperation with official agencies and lay groups.
United States birth-registration area established, 1915; infant mortality rate for the 10 States and the District of Columbia in that area, 100 per 1,000 live births; maternal mortality rate, 61 per 10,000 live births.
- 1916-20 Cooperation in National defense measures, Children's Year campaign, and second White House Conference; administration, 1917-18, of the first Federal child-labor law; research activities extended; plan for public protection of maternity and infancy with Federal aid developed.
1920 infant mortality rate, United States expanding birth-registration area, 86; maternal mortality rate, 80.
- 1921-29 First Federal-aid act for maternity and infancy adopted and administered by Children's Bureau, 1921-29; child-labor amendment submitted by Congress to the States; research and reporting activities extended and current statistics in certain fields developed; studies of effects

¹ Children in a Democracy—General Report Adopted by the White House Conference on Children in a Democracy, January 19, 1940, p. 1.

of unemployment on child welfare, 1921-22; beginning of cooperation with League of Nations and International Labor Office, and continued Pan American work.

1929 infant mortality rate, United States expanding birth-registration area, 68; maternal mortality rate, 70.

1930-34 Third White House Conference; extension of current child-welfare statistics; studies of effects of depression on children and studies of transient boys; conferences on child health and dependent children; development of Child Health Recovery Program in cooperation with Federal Emergency Relief Administration and Civil Works Administration; cooperation in developing child-labor provisions of National Recovery Administration codes.

1935-40 1934 infant mortality rate, 60; maternal mortality rate, 59. Administration of Federal aid for maternal and child welfare under Social Security Act; administration of child-labor provisions of Fair Labor Standards Act of 1938; cooperation in developing National Health Program; Conference on Better Care for Mothers and Babies; fourth White House Conference; further development of research and statistical activities and of international cooperation.

1938 infant mortality rate, 51; maternal mortality rate, 44.

During the fiscal year ended June 30, 1940, increased appropriations became available for maternal and child-welfare services under the Social Security Act; these services were extended to Puerto Rico, and amendments to the act required all State plans submitted after January 1, 1940, to show provision for personnel administration on a merit basis. Administration of the child-labor provisions of the Fair Labor Standards Act was placed upon a firm foundation. The first stage of work of the White House Conference on Children in a Democracy was completed and follow-up activities were inaugurated. Plans for increased cooperation with the American Republics in promoting the welfare of children were made. Measures for meeting emergency needs of children in relation to the defense program were outlined.

In entering upon the new fiscal year, in which all values and aspirations of the American people are heightened and sharpened by the urgency of the world crisis, the following points of emphasis have become clear:²

1. The internal strength and unity of purpose which are essential if our democracy is to be effective in meeting the challenges which it now must face depend to a great extent upon the confidence with which parents can look to democracy to afford security and opportunity for their children. The safety, the health, the homes, and the schools of the children should be protected adequately at whatever cost of resourceful planning and financial sacrifice.

2. Basic public-health and maternal and child-health services, which have received great impetus in the last 5 years under the Social

² These were outlined in the July 1940 Supplement to The Child, devoted to the Follow-Up Program of the White House Conference on Children in a Democracy.

Security Act; should be conserved and extended as necessary to assure the people of this country that the lives and health of mothers and children will not be needlessly sacrificed or impaired for want of health supervision and medical service. In such a program, as well as in economic measures for strengthening the foundations of family life, nutrition should be given an important place, since good nutrition is essential to the physical and mental vigor of the population.

3. The social gains of the last decade which have helped to preserve and strengthen the economic foundations of home life should be maintained and extended. These include fair-labor-standards legislation, and the work-projects, farm-security, and public-assistance programs. General public-assistance and relief programs throughout the Nation should be strengthened, so that no children will be without adequate shelter, or nourishing food, or warm clothing, or opportunity to attend school.

4. Social services for children of all economic levels needing special assistance in dealing with problems of home, school, or community adjustment should be everywhere available.

5. Child-labor standards should be preserved and strengthened, and protection should be extended to children engaged in industrialized agriculture, especially children of migratory workers.

6. Educational resources should be maintained and augmented as necessary to assure to every child a fair chance for schooling throughout the school-age period.

7. The objectives of the Nation for its youth should be kept broad and sound as training programs for national preparedness are developed. Every needed facility for health protection and for educational and vocational guidance for youth should be provided. Youth with special aptitudes should be afforded opportunity for their full development as their contribution to the strength of the Nation. Opportunity for continued education or useful employment should be assured to all young people, not merely to those engaged in preparedness programs.

As indicative of the foundations for the belief that even in the face of the emergencies now confronting our people we shall go forward in developing more adequate safeguards for the young life of the Nation, the following accomplishments during the past 5 years may be cited: A reduction of 32 percent in maternal mortality and 20 percent in infant mortality between 1934—just prior to the passage of the Social Security Act—and 1939 (provisional figures); marked advance in child-labor standards and reduction in child employment in industrial occupations; establishment of maternal and child-health and public-welfare services for children in every State and Territory with the assistance of Federal funds; strengthening and extension of many types of public and private services for children; and continuing emphasis upon the needs of children by many types of citizens' organizations—together with the widespread and enthusiastic response to the program of the White House Conference on Children in a Democracy.

What is now needed is study of the needs of children and the resources for meeting these needs, in the light of Nation-wide standards and goals now clearly established, and action based on such

study, by citizens, in every State and in every community. To encourage and promote such study and action to strengthen the Nation's resources for children, and to assist in every possible way to meet special strains and dangers to childhood growing out of the world crisis must be the major objectives of the Children's Bureau for the coming year, working in cooperation with the follow-up organizations of the White House Conference, the Advisory Commission to the Council of National Defense, and many other organizations having similar purposes. The Children's Bureau also hopes to strengthen the scope and effectiveness of its cooperation with the other Nations of the Western Hemisphere in matters pertaining to the health and well-being of American mothers and children.

FACT-FINDING AND ADVISORY WORK OF THE BUREAU

Recognition of the importance of basic research led to the establishment of the Children's Bureau. Careful collection, scientific analysis, and imaginative interpretation of data concerning infant and maternal mortality, child labor, child dependency, juvenile delinquency, and State and community measures for the protection and care of children, have led to extension and improvement of service and greater understanding of childhood on the part of parents, nurses, teachers, social workers, and all others charged with special responsibilities toward the younger generation.

In the face of rapidly expanding opportunities for service and increased administrative responsibilities, the resources available to the Children's Bureau for research and for general informational and advisory service have not been expanded for many years. Through cooperative activities and careful planning substantial additions to the body of knowledge are made each year, but far more could be done if modest additions to the Bureau's resources could be made from time to time. Several of the recommendations of the White House Conference on Children in a Democracy urged increased support for research. The section of the General Report adopted by the Conference dealing with child health included the following recommendation:

Adequate support should be given to research as well as to direct service through public appropriation and private grants, since research underlies all advance in practical programs of health and medical care, including dental health for mothers and children. The results of research may markedly reduce the costs of care.

The Conference also recommended expansion of the research and advisory services of the Federal Government relating to social services for children.

The research and general advisory activities of the Children's Bureau are carried on by the following divisions: Division of Research in Child Development; Social Service Division; Child Guidance Division; Industrial Division; and Division of Statistical Research. Legal research is carried on by some of these divisions and by a Legal Research Unit in the office of the Chief. Brief accounts of the major research and advisory activities during the fiscal year follow.

Division of Research in Child Development.

The professional staff of this division in the Washington office included the director, two specialists in child hygiene, and a phy-

sician employed temporarily for part of the year; and in the field, three physicians (one part-time), two technicians assigned temporarily at the end of the year to a project in the District of Columbia, and a medical technician assigned to a study in Baltimore. In studies involving statistical analysis the division has received substantial assistance from the Division of Statistical Research. With this very small staff the following activities were carried on:

Publications.—Four reports were issued and eight prepared for publication; three papers were prepared for the Eighth Pan American Child Congress which was to have been held in October 1939; four popular bulletins were revised or are in process of revision and one new popular bulletin is in preparation.

Studies completed.—Brief studies of programs of public medical care for children were made in 10 communities in New York State, showing, in all but one community, lack of continuity in home care, ambulatory care, and hospital care; many persons not eligible for public medical care who were unable to pay for fully adequate medical care; lack of adequate provision for specialized or consultant pediatric service in public medical-care programs.

The Children's Bureau, in accordance with previously arranged plans, concluded direct participation in a continuing study of maternal deaths in the District of Columbia, which has now been broadened to include stillbirths. A preliminary report of the first 170 maternal deaths, made by the Children's Bureau, was submitted to the Medical Society of the District of Columbia. Members of the staff will continue to serve in an advisory capacity.

In cooperation with the Social Service Division, a brief study was made of the health and welfare of mothers and children in the tri-State mining area, located in the lead-mining and zinc-mining areas of three counties in Missouri, Kansas, and Oklahoma. The material was used in connection with a conference called by the Secretary of Labor April 23, 1940, to consider the health, economic, and social needs of the area.

A study of the Babies' Hospital of Philadelphia, undertaken in 1939 at the request of the Board of Directors, was completed. The report recommended the continuance and strengthening of the program of the hospital as a health center.

The report of a clinical study of vitamin-C nutrition in a group of school children in northern Maine, undertaken in cooperation with the Bureau of Health of the State Department of Health and Welfare and the University of Maine, was completed. The study covered 86 children, of whom a considerable proportion were found to be undernourished with respect to vitamin C.

Studies with field work completed; the material under analysis, or the report in preparation.—Findings of the study of physical fitness of school children in New Haven were incorporated in a monograph on methods of assessing the physical fitness of children, completed during the year in cooperation with the Division of Statistical Research. Other reports and papers based on the material are being prepared. Among other findings, the study showed that any evaluation of physical fitness should include three aspects of the child's well-being—his physical condition as found at clinical examination, his growth and development, and his dietary habits.

Studies of premature infants made in cooperation with Johns Hopkins Hospital formed the basis of a paper on the development of centers of ossification also completed in cooperation with the Division of Statistical Research—the second report of a series based on this inquiry. A third report is in preparation.

Further analysis of data collected in a study of rickets among infants in Detroit, which had been reported in 1936, was made during the year in an effort to estimate average monthly gains in weight and increase in length.

A study of the effect of rickets on the pelvis of adolescent children, in cooperation with the Yale University School of Medicine, was completed, except for analysis of the material, which is in process.

The final report of the stillbirth study, which is a joint project of the Division of Statistical Research and the Division of Research in Child Development and is based on 6,750 stillbirths occurring in 223 hospitals in 26 States, is nearing completion. The material has been used in formulating the medical items incorporated in the 1940 revision of the standard birth and stillbirth certificates and the classification of the causes of stillbirth (see p. 143) that is to be adopted by the Bureau of the Census as of 1940. The preliminary findings have given stimulus to the development of studies of the causes of stillbirth in many communities. It is clear that improvement in both prenatal care and delivery technique is important in the prevention of stillbirths.

Statistical analysis of a study of factors influencing the birth weight of infants, made in cooperation with the Union Memorial Hospital of Baltimore, is in process. A preliminary report on one aspect of the study showed an association of low economic status with low birth weight or short period of gestation.

Field work on a study of home-delivery services conducted by 17 medical schools in 11 States was completed.

Studies in progress.—Metabolic studies of premature infants, which may yield important information relating to the feeding and care of such infants, are being conducted in cooperation with the New York Hospital and the Department of Pediatrics, Cornell University Medical School. Analysis of the feeding records of premature infants cared for in a special unit of New York Hospital, to determine the relation of breast-milk feeding to the growth of the infant, is under way. Such studies should be of great assistance in placing the feeding of premature infants on a scientific basis, and should lead to reduction of the high mortality from digestive disturbance which occurs among such infants. A study of methods of raising the body temperature of premature infants and maintaining it at normal is also being made at the same center. In the Out-Patient Department of New York Hospital a special clinic for premature infants is being conducted as part of the research program in the care of premature infants in which the Children's Bureau is cooperating.

Different types of incubators for premature babies are being studied by the Children's Bureau in cooperation with the National Bureau of Standards of the United States Department of Commerce.

Research in regard to rickets, in cooperation with Johns Hopkins Hospital and School of Medicine, is continuing.

Advisory committees.—Correspondence in regard to bulletins was carried on with the members of the Obstetric and Pediatric Advisory Committees of the Children's Bureau. The Pediatric Advisory Committee met on May 25, 1940, to review a revision of Infant Care.

Social Service Division.

With a professional staff of five persons, of whom one was assigned for part-time service to the Child Welfare Division during the latter part of the year, the Social Service Division carried on the following activities:

Publications.—Reference lists on marriage, marriage and family counseling, and divorce were compiled and mimeographed for distribution. Previously compiled reference lists on institutional and foster-home care, adoption, and illegitimacy were revised. A bulletin on "The Meaning of State Supervision in the Social Protection of Children" was published, and a report on "Problems and Procedures in Adoption" was prepared. Five news letters on methods of providing service for children born out of wedlock and problems related to illegitimate birth were prepared for the use of study committees and State welfare departments. News letters for the use of groups studying or providing homemaker-housekeeper service as a method of conserving home life for children were issued.

Studies completed.—The organization of State services for children in Virginia was studied by the Children's Bureau as part of a study of the public-welfare organization of the State undertaken by the Public Administration Service at the request of the Governor. A study of social conditions affecting children in the tri-State mining areas was made in cooperation with the Division of Research in Child Development. (See p. 130.) The study revealed the acute social needs of the families in the area and limited resources for assistance and service. Yet the interest and cooperation of the State health and welfare departments and the beginnings of social programs under social-security and Work Projects Administration programs afforded significant evidence of what these services may mean to children in rural areas suffering from extreme economic depression. A brief study of a maternity home for Negro girls in Cleveland was made, in order to furnish a basis for decision as to the future program of the institution.

Studies in progress.—In preparation for a more extensive study of community resources for the care of mentally retarded children, brief visits were made to four cities and to one institution in a fifth city in order to obtain a general picture of the provisions made for the care of such children. Some excellent examples of good educational programs were found, but no program for follow-up service to mentally retarded children leaving the public schools had been organized in the communities visited, and in only one was there a program of vocational placement. Likewise, in only one city was there an organized program of social services for mentally deficient children. Such programs, though greatly needed in view of the limitations of institutional programs, are very rare.

By means of questionnaires to local committees studying illegitimacy problems, information concerning the application of laws relating to the establishment of paternity in 22 cities located in 17 States was compiled as part of the Bureau's continuing service in this

field. Information regarding nearly 5,000 cases showed that in more than one-fifth paternity had been established by court order and in half the cases paternity had been either legally established or voluntarily acknowledged. Need for revision of legislation on this subject was reported from 10 cities.

Consultation services.—The resources of the division for consultation and advisory services on matters relating to methods and practices in child welfare and legislation affecting children are far from adequate to meet the urgent requests for such service which come to the Children's Bureau. The Bureau has cooperated with and served as an information center for 31 special committees working on problems associated with illegitimate birth, 11 new committees having been organized during the year. Leadership in discussions of problems of illegitimate birth was given in staff meetings of two State welfare departments and in staff meetings of private child-care agencies in 3 cities. Consultation service on adoption laws was given to 3 States, 2 of which were visited.

The Bureau cooperated in the work of a committee organized by social agencies in various localities providing housekeeper and home-maker service for families, and gave consultation services in this field to agencies in four cities. At the request of this committee the Bureau has undertaken to serve as a center for exchange of information and for encouragement of the formation of committees under councils of social agencies in the cities to study and develop such services.

Comprehensive reviews of child-welfare legislation and proposals for needed changes in the laws were prepared on request of official agencies or committees in four States and Alaska. Consultation service on child-welfare legislation was given in five States and the District of Columbia. Among the subjects covered by this consultation service with respect to legislation were responsibilities of State departments for children; jurisdiction of juvenile courts; supervision of child-caring agencies and of child-placing activities; illegitimacy laws; and adoption laws. Memoranda or charts on many phases of child-welfare legislation were prepared. The director of the division continued to serve on an interdepartmental legal committee working with the Bureau of the Census on a model vital-statistics law, giving special attention to protection of children born out of wedlock from prejudicial use of items on birth certificates.

Child Guidance Division.

This division, functioning throughout the year under the name "Delinquency Division," has been concerned with the field of prevention and treatment of behavior problems and social maladjustments among children. In recognition of this broad field of interest its name was changed, in August 1940, to "Child Guidance Division." The professional staff in the Washington office during the fiscal year included three people, with part-time service of a fourth worker in the latter part of the year. In the St. Paul demonstration five professional workers were employed full time and two part time. The principal activities of the division during the year were as follows:

Publications.—A supplement was prepared to a list of references on juvenile delinquency, first issued in 1939. Papers were prepared for the Eighth Pan American Child Congress and the Twelfth International Penal and Penitentiary Congress. An article was written

based on observations of the care of refugee children in Europe, made by the director of the division in the summer of 1939. A Directory of State, County, and Municipal Training Schools Caring for Delinquent Children in the United States was compiled and several reports on various phases of institutional treatment were in preparation at the close of the year.

Studies and advisory service with reference to juvenile courts and other courts dealing with the problems of children and youth.—During the fiscal year 1939 a study of trends in juvenile-court work was begun. Additional visits to courts were not possible during the past fiscal year, but the information gathered previously was utilized in staff discussions and advisory service.

Requests for studies of courts having jurisdiction over juvenile cases in Portland, Maine, and Kansas City, Mo., were under consideration at the close of the year. Request for the study of another juvenile court had to be denied for lack of available staff. A study of public agencies giving service to children in St. Louis, Mo., which would include the work of the juvenile court, was planned for the fall of 1940, in cooperation with the Social Service Division. Advisory service in relation to studies of juvenile courts and juvenile delinquency, or to State-wide review of needs in these fields, was given in Iowa, Louisiana, and Maryland; advisory service with reference to juvenile-court legislation was given to Alaska, Louisiana, Massachusetts, and Mississippi; and consultation service was given to the American Law Institute in connection with the preparation of two acts, the Youth Correction Authority Act and the Youth Court Act, designed to bring about better ways of dealing with youthful offenders beyond the age of juvenile-court jurisdiction. Other services with relation to juvenile-court work were also rendered.

Studies and advisory service with reference to institutional care.—Although the position of institutional consultant was vacant during the year, the director and staff of the division continued to work with the Advisory Committee on Training Schools for Socially Maladjusted Children in promoting improved standards of institutional care and integration of institutional services with the general child-welfare programs of States and local communities. In addition to meetings of the committee two meetings were held in the Children's Bureau in which members of the National Conference of Juvenile Agencies and the National Association of Training Schools participated—one to consider standards of institutional care, on October 24, and a smaller one on November 13, 1939, to discuss methods of making surveys and carrying on research in this field. Additions to the membership of the advisory committee were made. The work of the committee is resulting in definite progress in recognition of the position of the training school as a unit in a total program of child welfare, whose activities must be related closely to the work of other units. Far-reaching questions are being raised with reference to such subjects as the organization of medical service in the training school in relation to community health and medical services for children; the relation of the educational program of the school to the public-school system of the State; and the kind of vocational education which should be developed, whether generalized or specialized.

In accordance with a request of the advisory committee made in 1939, a Directory of State, County, and Municipal Training Schools Caring for Delinquent Children in the United States was completed and is in press. Data for all State-administered schools, numbering 115, and for 43 county or municipal schools—a total of 158 institutions—showed 32,597 children in such institutions as of June 30, 1939. Of these, 28,652 were in State and 3,945 in local institutions. Of the total number of children, 20,312 in State-administered schools were boys and 8,340 were girls. Data regarding local schools were incomplete.

Progress was made in the analysis of material and the preparation of a report on cottage life in four training schools, the first of a projected series of studies dealing with the administration and programs of such institutions.

Problems of institutional care of Negro girls were given consideration during the year through cooperation with the Bureau's Child Welfare Division, which has on its staff a special consultant on child-welfare problems among Negroes. At the request of the State Department of Public Welfare of Virginia the aftercare services available to the Virginia Industrial School for Colored Girls and the administrative program of the school in relation to aftercare were studied. In the light of the study the State department decided that the most pressing need was to strengthen the entire program of the school. An assistant superintendent with social-work training and experience was appointed, and social case-work services will be added later.

Assistance was given in the reorganization of the program of the Tennessee Vocational School for Colored Girls, at the request of the State Department of Institutions. Emphasis was given to improvement of the health, educational, and vocational programs and the individualization of treatment in the light of the needs of the girls.

A project of special interest involved consultation service to Long Lane Farm, in Connecticut, at the request of the superintendent, as to ways in which the school could better serve the needs of both the white and the Negro girls for which it is responsible. The work was carried on principally through individual and group discussions with members of the staffs of the cottages.

At the request of the chairman of a subcommittee of the Committee on the District of Columbia of the House of Representatives, brief surveys were made of three institutions in the District—the Receiving Home for Children, the Industrial Home School for White Children, and the National Training School for Girls. These institutions are under the jurisdiction of the Board of Public Welfare. Work was begun on a study of the Alabama State training schools for boys and girls, requested by the Governor for the girls' school, and by the board of directors for the boys' school. A brief study was made of the Children's Home of Chatham County, Ga., which serves as a detention home and an institution for the care of children following juvenile-court action. The study was undertaken at the request of the local juvenile-protective association and with the cooperation of the State Department of Public Welfare. Request for a study of an institution in another State had to be denied for lack of available

staff service. Considerable time was devoted to the work of the Board of Visitors in the District of Columbia, appointed by the United States Department of Justice for service in connection with the program of the National Training School for Boys, an institution under the jurisdiction of the Department of Justice which receives Federal juvenile offenders from any part of the United States and boys committed by the Juvenile Court of the District of Columbia. Advisory service with regard to training-school problems was given to official agencies in Ohio and Tennessee.

St. Paul demonstration of community service for children.—This project, known locally as Community Service for Children, was begun in 1937 in a neighborhood of St. Paul, Minn., with the cooperation of five local agencies. It covers a district of approximately 2 square miles, having a population of approximately 16,000. The chief objective of the demonstration is the development and evaluation of services for the prevention and treatment of problems of delinquency and maladjustment among children through administrative rather than judicial agencies, and the coordination of community resources relating to these problems. The staff included at the end of the year a psychiatrist, in charge of the project, a psychologist, an assistant psychologist employed for temporary part-time service, a group worker, a junior assistant in group work employed for the summer, two case workers, and stenographic and clerical staff. A social worker who serves the schools of the area as visiting teacher and liaison worker with the project is part of the demonstration staff but her salary is provided through local resources. Services of students, Work Projects Administration and National Youth Administration workers, and volunteers are utilized.

Since the project was initiated the number of arrests of boys in the area has decreased 25 percent, whereas in the entire city the number of such arrests has increased 20 percent. The number of juvenile-court complaints from the area has decreased 52 percent, whereas in the entire city the number of such complaints has increased 7 percent. Facts are not available which would indicate the extent to which these declines in arrests and court cases in the project area represent a real reduction in juvenile delinquency or merely a shift of treatment from one agency to another. Analysis of material now under way will throw some light on this question.

The active case load carried by the project staff has remained fairly constant during the year, inasmuch as it represents about the maximum that can be served by the staff employed. Requests for service, on the other hand, particularly from the schools, have increased greatly. As of June 30, the staff had under care 120 major-service cases, and the average for the year was 116. More major-service cases were referred by schools than by any other source. Minor-service cases, given specific short-time service or longer but no intensive service, came to the attention of the case-work staff most frequently from the group worker.

Major developments in the work of the project during the year include: (1) The initiation of a group-work program, made possible by the addition of a group worker to the staff; (2) progress in co-ordinating the educational and social-welfare services of the city, in which the project staff has taken an active part; and (3) development

of methods of recording and evaluating the services given through the project.

Through the cooperation of the St. Paul Department of Education, the Work Projects Administration, and the National Youth Administration, a group-work program was carried on in one of the public schools of the area under the leadership of the group worker on the staff of the project. Activities were divided into interest groups and small social clubs, with leadership from three graduate students of the University of Minnesota. Several groups were centered in another public school in the area, relationships with the parochial schools were established, and consultation service was given to group programs sponsored by the Young Men's Christian Association "Y-Gang" program, the Girl Reserves, and the Campfire Girls. Special attention has been given to the needs of individual children in the group-work programs.

A neighborhood recreational committee has been organized, composed of representatives of group-work agencies and persons holding positions of leadership in the community. Plans are being made for decentralization of the group-work program, the schools being used only for certain types of activities. The group worker is chairman of a city-wide committee organized in January 1940 under the Welfare Council to consider how the case-work and group-work facilities of the city may be more closely coordinated. Community Service for Children is one of the agencies cooperating in a cooperative camp for children who need camping opportunities.

Definite progress has been made in the understanding of the project's services and the social needs of children by the teachers of the area. This is due mainly to the work of the visiting teacher as liaison officer between the schools and the project. A city-wide movement to coordinate the work of schools and social agencies has developed through the initiative of the project staff. A Committee on Coordination of Schools and Social Agencies has been formed, made up of representatives of public and parochial schools, case-work agencies, group-work agencies, the public recreation department, the school-hygiene department, and the juvenile police. A visiting teacher on the staff of the Department of Education has been designated to act as coordinator between schools and social agencies, through whom referrals are cleared. Consideration is being given, through subcommittees, to educational policies and uniform records. With the help of graduate students of the University of Minnesota and a volunteer worker, the project carries on a tutoring project which reached 33 children during the year.

In order to encourage cooperation with health services, the St. Paul Family Nursing Service conducts well-baby and prenatal clinics in the project offices. This arrangement is increasing understanding of the project services by the people of the area.

Work on evaluation of the program has progressed. This involves the collection of data concerning the community, a statistical card for the study of intake, and a case-study schedule, designed to aid in the interpretation and evaluation of material relevant to work on individual cases. Plans for the evaluation of group work are under consideration.

Industrial Division.

The Industrial Division is responsible for study of employment problems and industrial conditions affecting children and for administration of the child-labor provisions of the Fair Labor Standards Act of 1938. Its work during the past fiscal year has been directed toward the coordination and development of its research and administrative duties, with a view to the greatest possible development of both programs within the resources available. Sound research is basic to good enforcement, while practical experience in administration vitalizes and illuminates a research program.

The professional staff of the Industrial Division engaged in regular research and consultation services (not including staff assigned to child-labor administration) included 9 persons—2 specialists in legal research, 2 research associates, and 5 research assistants.

Publications.—At the beginning of the year the most important research projects of the Industrial Division in recent years had been completed or were nearing completion and reports have now been issued under the titles, "Welfare of Families of Sugar Beet Laborers," "Young Workers and Their Jobs in 1936," and "Junior Placement—A Survey of Junior-Placement Offices in Public Employment Centers and in Public-School Systems of the United States." Material on child labor in families of migratory workers, summarizing the studies of the Children's Bureau and other agencies in this field, was compiled and presented by the director of the division at hearings on migratory problems held by a subcommittee of the Senate Committee on Education and Labor. The report of a study of employment of minors in Maryland vegetable canneries, undertaken in 1938 in cooperation with the Women's Bureau of the Department of Labor, was completed. The report of a brief study of industrial home work in the candlewick-bedspread and the lace industry, made at the request of the Wage and Hour Division of the Department of Labor, is to be issued in mimeographed form.

Studies and advisory service on child labor in industrialized agriculture.—On the basis of studies of family and child welfare in the sugar-beet industry, the Industrial Division, in cooperation with the Sugar Division of the Department of Agriculture, developed plans for the 1939 sugar-beet season for making available to the beet producers of Ohio and Michigan certificates of age for children employed by them in the cultivation of sugar beets. The experiment followed the method used in administering the child-labor provisions of the Fair Labor Standards Act; namely, making certificates of age available to employers through cooperation with State and local labor and education departments.

In the fall of 1939 a brief survey was made to evaluate the effectiveness of this program. Visits to 262 families in 12 counties, having 654 children between the ages of 6 and 16 years, revealed that 47 percent were reported by their parents as having worked in the fields during the 1939 season. Thirty-two percent of the 487 children between the ages of 6 and 14 years had been employed, contrary to the minimum-age standards of the Sugar Act of 1937. For none of the children covered by the study had certificates of age been issued, and in the whole area covered by the experiment only 46 certificates had been issued. No marked change in the prevalence of child labor had

occurred since 1935, when the Jones-Costigan Amendment to the Sugar Act had been in effect and the Children's Bureau had made a similar study. Of the children between the ages of 6 and 16 years included in the 1939 study, 44 percent had failed to enroll in school up to the time of the interview (between October 1 and November 8), or their schooling had been interrupted by work on beets. Late enrollment was far more prevalent among migratory than among resident children.

In the light of this study arrangements were made with the Sugar Division of the Department of Agriculture for the 1940 season. The Department of Agriculture, through the State agricultural conservation committees, made arrangements for sending to sugar-beet growers letters calling attention to the child-labor provisions of the Sugar Act of 1937 and stating that a close check of compliance would be made by representatives of the county committees and that if children were found to be working in violation of the child-labor requirements the growers would be ineligible to receive the benefits provided by the act. State committees were instructed to arrange for the employment by each county committee of one or more persons with qualifications equal to those required of farm supervisors handling other phases of committee work, to visit the farms and check for compliance with child-labor and minimum-wage provisions. It was pointed out in these instructions that it is the responsibility of the producer to furnish satisfactory proof of age of any child whose age is questioned. The character of the proof of age which would be regarded as acceptable was outlined. Letters were sent by county committees to both growers and laborers.

The Children's Bureau, on its part, expanded its program for making age certificates available for sugar-beet workers in cooperation with State departments to cover six States—Iowa, Michigan, Montana, Nebraska, Ohio, and Wyoming. In all these States local school officials, under supervision of the State department of labor or the State department of education, agreed to issue proof-of-age cards for minors employed in the sugar-beet fields. The cooperation of county committees and of the sugar companies was enlisted and wide publicity was given to the program.

Since October 1939 a similar program has been carried out, in cooperation with the Sugar Division of the United States Department of Agriculture, in five parishes of Louisiana that include the chief sugar-cane areas. Through the cooperation of the Children's Bureau with the parish agricultural conservation committees, applications for proof-of-age cards were made available to minors, and employers were instructed in the need for obtaining these cards. The applications were cleared with birth-certificate records by a clerk assigned by the Children's Bureau to work in the Louisiana Bureau of Vital Statistics, and the cards were issued from a field office of the Children's Bureau in Jackson, Miss., which had been set up in connection with administration of the child-labor provisions of the Fair Labor Standards Act in Mississippi.

Child-labor problems in families of agricultural migratory workers have been considered during the year by the Industrial Division. The division cooperated with representatives of other Bureaus of the United States Department of Labor in an interstate conference on migratory labor called by the labor commissioners of Maryland,

Virginia, Delaware, and New Jersey: Service was also given in connection with the work of the Technical Committee on Migratory Labor of the Interdepartmental Committee To Coordinate Health and Welfare Activities. A report of this committee was submitted to the President on June 22, 1940. The director of the division, with the Chief and Assistant Chief of the Children's Bureau, testified on this subject at a hearing before a subcommittee of the Senate Committee on Education and Labor, held May 27, 1940.

The division is collecting basic information on the importance of crops in various localities and the seasons for work on processes performed by children—data needed in connection with administration of the child-labor provisions of the Fair Labor Standards Act. State school-attendance laws and regulations are being studied in relation to agricultural child labor. Additional field studies of both migratory and nonmigratory child labor are planned. The application of the Fair Labor Standards child-labor provisions to agricultural child labor is extremely limited (see p. 193), and State efforts to regulate the employment of children in industrialized agriculture have been few, and limited in their application. Methods of employment certification and child-labor inspection developed for industrial employment are not fully adequate to meet the problems of regulating employment in agriculture, where shifts from employer to employer are likely to be very frequent during short harvesting seasons and where places of employment are widely scattered. Analysis of the limited experience that has been accumulated is particularly important as a basis for extension of measures to protect children from agricultural labor at too early ages or under conditions that interfere with health, schooling, and normal childhood pursuits.

Industrial home-work studies.—A brief survey of industrial home work in the candlewick-bedspread and the lace industry was made in the fall of 1939 at the request of the Wage and Hour Division of the Department of Labor. Industrial home work for establishments producing goods for interstate commerce is within the wage and hour provisions and the child-labor provisions of the Fair Labor Standards Act. The lace study was carried on in New York, Rhode Island, and New Jersey; the candlewick-bedspread study, in northern Georgia and an adjacent county of Tennessee. Two hundred families were interviewed in each industry. Recommendations growing out of the study were formulated in consultation with the Wage and Hour Division, the Women's Bureau, and the Division of Labor Standards. The findings of the studies were in general agreement with those of previous studies of industrial home work made by the Children's Bureau and other agencies. Child labor continued despite the 16-year minimum-age provisions of the Fair Labor Standards Act. Earnings of the majority of home workers included in the study continued to be substandard, and hours of work for some were excessive, despite attempts to enforce the wage and hour provisions of the Fair Labor Standards Act. The report recommended that factory production be substituted for industrial home work as the most effective means of assuring workers the wage, hour, and child-labor standards established under the Fair Labor Standards Act, and that if immediate prohibition in all industries is not found to be practicable, such prohibition should be brought about industry by industry through order of the administrative agency. To prevent cases of individual hard-

ship it was recommended that the administrative agency be authorized to permit handicapped workers to continue home work under safeguarding administrative regulations.

Study of children in theatrical performances.—Little information is available concerning the working conditions of children appearing on the legitimate or vaudeville stage and in other public performances, or the prevailing administrative practices in the enforcement of State laws applicable to this type of employment. Study of these problems was recommended by the 1940 White House Conference on Children in a Democracy, as well as by the 1930 Conference. The subject was discussed at a group meeting called by the National Child Labor Committee in October 1939, and that committee is now studying children licensed in New York City to appear on the legitimate stage. The Industrial Division of the Children's Bureau is studying the laws affecting children in public performances and the administration of this legislation.

Study of employment status of out-of-school minors.—In order to obtain information regarding urban young people under 18 years of age who are employed or seeking employment, with special reference to their number, their education, and the employment opportunities open to them, a study was begun in three cities in October 1939. The study was confined to cities in the 100,000 to 200,000 population group, located in States where the basic minimum age for gainful employment is 14 years.⁸ The cities selected were Elizabeth, N. J., Tulsa, Okla., and Richmond, Va. The field work in the first two was completed by the end of the fiscal year.

Legal research and advisory services.—Although only eight State legislatures met in regular session in 1940, and only three others had been in regular session since July 1, 1939, considerable legislative activity was reported. The Industrial Division gave assistance in drafting State child-labor bills to State organizations or interested groups in Mississippi, New Jersey, Rhode Island, South Carolina, and Virginia. A draft of a child-labor law for Iowa was prepared for possible later use, and suggestions for improvement of existing child-labor standards were made to officials or other interested persons in several other States. Opportunities for advisory service of this kind have increased through contacts with State departments of labor and education and other interested agencies by members of the Bureau staff engaged in administration of child-labor provisions. Material relating to legislative standards has been prepared on request for the use of State departments, Federal bureaus, and private organizations.

The influence of the child-labor standards of the Fair Labor Standards Act was indicated by proposals for advanced State legislation in Louisiana, New Jersey, Rhode Island, and Virginia. New Jersey enacted companion measures which strengthened compulsory school attendance provisions and raised child-labor standards. The new child-labor act is significant in that it includes within its coverage agricultural employment and also extends special protection to migratory child workers. Farm work and domestic service outside school hours performed by the child at his own home and for his parent are entirely exempted. The act establishes a 16-year minimum age

⁸ Since this study was undertaken New Jersey has enacted a law fixing a basic 16-year minimum age for employment.

for work in factories at any time and for work in any occupation during school hours. For work outside school hours a minimum age of 12 is set for agricultural employment and 14 for other nonfactory and nonprohibited employment. No girl under 18 may engage in street trades; boys 14 or over may work in street trades outside school hours (at 12 as newspaper and magazine carriers on residential routes). Special permits are required for work in street trades and agriculture for children under 16, and employment certificates are required for employment of minors under 18 in other work. Provision is made also for the issuance, upon request, of certificates of age for young persons between 18 and 21 years of age. Hours and night-work standards are improved, and greater protection is extended to minors from work in hazardous occupations.

Virginia, like New Jersey, strengthened its compulsory school attendance law. Virginia also adopted a minimum age of 18 for work in quarries.

Rhode Island and Kentucky passed legislation permitting State cooperation in the enforcement of the Fair Labor Standards Act.

Resolutions for ratification of the child-labor amendment were introduced in Louisiana, New York, Rhode Island, and South Carolina, but no State ratified.

The Director of the Industrial Division testified at a hearing before the House Committee on Merchant Marine and Fisheries, February 6, 1940, concerning proposed legislation to implement ratification by the United States of the International Labor Organization Convention fixing a minimum age for employment of minors at sea. The bill proposes a minimum age of 18 years for employment in any capacity on vessels of the burden of 100 gross tons or upward, and of 16 on smaller vessels, with a minimum age of 18 on such vessels for work in the engine department or on power-driven machinery. Persons 17 years of age would be permitted to work on school ships approved by and conducted under rules prescribed by the Secretary of Commerce.

Division of Statistical Research.

This division conducts studies in cooperation with the research divisions; collects, compiles, and prepares for publication current reports in various fields; develops and maintains, in cooperation with the States, reports on activities under the maternal and child-welfare provisions of the Social Security Act; collects and assists in analyzing statistical material necessary as a basis for administration of the child-labor provisions of the Fair Labor Standards Act; and serves the other divisions of the Children's Bureau in the planning, tabulation, and analysis of statistical material. Its permanent personnel includes 17 professional workers, including 3 field representatives), 31 clerical, and 10 stenographic workers. Eleven of the 17 professional workers are assigned to the current-reports section, which is responsible for the special series of current statistics described later and for reports of social-security activities.

Publications.—An expanding amount of material has been made available for general distribution in recent years. In addition to publications prepared jointly with other divisions, elsewhere reported, four statistical supplements to *The Child* were prepared and issued, three articles were published in *The Child*, three articles were pub-

lished in other journals, tables and charts on infant and maternal mortality were prepared and issued, and three reports were published or in press at the close of the year—Children in the Courts, 1937, Statistical Measurement in Group Work, and The Health Situation of Negro Mothers and Babies in the United States.

Activities related to birth and mortality statistics.—Work in this field is directed toward special analysis of birth and mortality statistics, made available through the United States Bureau of the Census and the United States Public Health Service; special studies as a basis for more adequate registration that will include information necessary to analyze the causes of stillbirth and deaths of mothers and infants; and cooperation with public and private agencies concerning these and other aspects of birth and death registration as related to maternity and infancy.

Provisional figures for 1939 issued by the Bureau of the Census and the Public Health Service may be found to vary somewhat from final figures by reason of the fact that birth and general mortality rates for 1939 are based on population estimated as of July 1, 1937, from population data of 1920 and 1930. Final rates will be based on population estimates in the preparation of which the information revealed by the 1940 census will be taken into account.

The provisional birth rate for 1939 reported by the Bureau of the Census is 17.4 births per 1,000 population—a decrease of 0.2 since 1938, when the rate was 0.6 higher than for 1937. The provisional infant mortality rate of 48 infant deaths per 1,000 live births, if sustained by the final figures, will constitute a new low rate—the first time infant mortality has dropped below 50. Since 1934 there has been an irregular but marked drop in infant mortality, the provisional 1939 rate being 20 percent lower than the 1934 rate—the year before the Social Security Act was passed. Provisional figures for maternal mortality are even more encouraging. From figures supplied by the Public Health Service for 46 States the Children's Bureau has estimated that the 1939 rate is 40 maternal deaths per 10,000 live births, a drop of 9 percent since 1938 and of 32 percent since 1934. A marked decline in maternal mortality was apparent after 1936 and accompanied the expanding maternal and child-health activities under the Social Security Act. If the estimated savings in maternal life for each of the 5 years since 1934 are added, they show a total of 11,000 mothers saved.⁴

The Children's Bureau has assisted in encouraging the States to adopt the 1940 revision of birth-, stillbirth-, and death-certificate forms. All these revised forms contain new medical items which will cast new light on the factors underlying maternal and child health. Correspondence and conference with registrars of vital statistics as of the end of April 1940 showed that 36 States had adopted the standard certificate of death, 23 the standard certificate of stillbirth, 27 the standard certificate of live birth in form to include all the medical items recommended by the Children's Bureau and 6 in form to include part of these items. Several other States reported that they expected to adopt the new forms. Plans are now being made for compiling statistical information on factors associated with birth

⁴ The 1939 figures are based on the provisional rate.

and mortality that will be made available through the use of the revised forms, and establishing uniform statistical procedures which the States will be encouraged to follow.

Work on the development of a classification of causes of stillbirth for use in the United States has been carried forward. The Bureau of the Census has indicated that as of 1940 it will initiate tabulation of causes of stillbirth under plans developed by the Children's Bureau with the cooperation of the subcommittee on stillbirths of the American Public Health Association and with the assistance of the Bureau of the Census on technical matters.

Schedule forms and instructions prepared in 1939 for the use of States making studies of neonatal deaths are now in use in nine States, Hawaii, and one city.

Studies of child health, growth, and development.—The work of the statistical unit concerned with child health is carried on in cooperation with the Division of Research in Child Development (see p. 129). The statistical work for the following studies, reported under that division, was completed in this unit: New York study of premature infants, Maine study of vitamin-C nutrition, New Haven study of physical fitness, New Haven study of pelvimetry, Baltimore study of birth weight, Baltimore study of centers of ossification, and additional analysis of Detroit rickets data. In addition, the unit prepared for publication a paper demonstrating the relation between growth and economic status, prepared a summary of Children's Bureau studies on child growth and development, and began the collection of material for a review of the published data on human milk. Assistance in planning and setting up child-growth and child-health studies formed a substantial part of the work of this unit.

Current reports—Juvenile-court statistics.—Juvenile-court statistics have been compiled annually by the Children's Bureau since 1927. For the calendar year 1939 reports were received from three entire States—Massachusetts, Rhode Island, and Utah—from the greater part of five other States—Indiana, Michigan, Missouri, New York, and Ohio—from the District of Columbia, and from 34 courts in 20 other States. Nearly two-fifths of the population of the United States is included in the areas served by the courts reporting. The number of delinquency cases served by 28 courts that have reported to the Bureau each year since 1929 was 8 percent higher in 1939 than in 1938 and 17 percent higher than in 1936, which marked the end of a 6-year period of decline. Many factors other than change in actual prevalence of delinquent behavior affect statistics of cases coming to the attention of the courts. Annual reports in this series include statistics on Federal juvenile offenders issued in cooperation with the United States Department of Justice.

Current reports—Health and welfare service in urban areas.—The social-statistics project, covering reports of health and welfare services in 42 urban areas, is based upon cooperation between the Children's Bureau and local community-wide agencies, usually community chests or councils, which in turn are responsible for the monthly collection of information for the public and private agencies of the community on forms supplied by the Children's Bureau. Some 20 types of services are included. The information collected is summarized by the Children's Bureau for the agencies participating and is released to them and to the public. The reporting areas, most of

which have been participating in the project since 1930, are fairly representative of the large cities of the Nation. Trends and changes in the social-service picture, traced for this group of areas, indicate better than any other available measure changes occurring in these fields of health and welfare service in urban areas throughout the country. Financial data made available through the project are of vital importance to many large cities, in which they serve as a basis for program planning and the allocation of welfare funds.

At a meeting of the Bureau's Advisory Committee on Current Statistics in September 1939, consideration was given to the recommendations of a technical subcommittee on the development of a more satisfactory publication schedule and increased local use of the data collected. The number of items reported monthly to the Bureau was reduced, the items not sent in to the Bureau being maintained in the local offices for community use or as a basis for later special studies. It was arranged to publish monthly tables for each field of service, presenting for each city a few major items. The new plans were considered and approved by a conference of local supervisors held in Washington December 4-5, 1939. Publication of these monthly summaries began with the material for January 1940. The summaries are issued within 30 days after their receipt by the Children's Bureau, and within 60 days of the month covered by the figures.

The Bureau's field consultation service was strengthened during the year. Each of the 42 cooperating areas was visited once, and 31 areas received two visits. A meeting of local supervisors and executive secretaries of chests or councils in the reporting cities was held in Grand Rapids, Mich., in May at the time of the National Conference of Social Work.

Current reports—Maternal and child-welfare activities under the Social Security Act.—With the inauguration of a system of monthly reports on child-welfare services in January 1940, the Bureau rounded out its series of current reports of maternal and child-welfare activities carried on under the social-security programs for which the Children's Bureau has administrative responsibility. These reports provided the source of much of the statistical material appearing in later pages and indicating the accomplishments under the Social Security Act.

Reports on services provided in the States under the maternal and child-health and crippled children's programs and reports of crippled children on State registers are received quarterly from all the States and from Alaska, Hawaii, and the District of Columbia. Continued improvement in the reports received was manifested during the year. Tabulations by States were issued for the first time, covering the year 1939. A study of causes of crippling as reported for children on State registers for crippled children on December 31, 1939, led to the preparation of a revised list of diagnoses. Field visits in connection with statistical reporting of maternal and child-health services were made to 2 States, and in connection with crippled children's services, to 13 States. Requests for statistical field-consultation service from a number of other States could not be met by the staff available for this work.

The Children's Bureau assigned a statistical consultant for assistance in a cooperative study of records, reports, and administrative

practices sponsored by the Committee on Records and Reports of the State and Provincial Health Authorities of North America, in cooperation with the Commonwealth Fund, the Public Health Service, and the Children's Bureau. Eight States requesting the study were visited.

Monthly reports received regularly from 44 States, Alaska, and Hawaii show the number of children receiving child-welfare service from workers paid in whole or in part from Federal funds under the child-welfare-services provision of the Social Security Act, and the general type of care provided. The plan was based upon experimental work in reporting of services carried on by the Child Welfare Division, and monthly reporting was started by the Division of Statistical Research in January 1940. The report form and instructions used are comparable, in general, to those used in the social-statistics project for reporting protective and foster-care services in urban areas. Reports for the last day of May 1940 showed 41,386 children under care of workers paid in whole or in part from Federal funds in 43 States and 2 Territories. Of these children, 76 percent were in the homes of parents or relatives, 17 percent were in foster homes, 6 percent were in institutions for dependent or neglected children, and 1 percent were living elsewhere.

Current reports—Child-labor statistics.—In order to provide a more adequate factual basis for the administration of the child-labor provisions of the Fair Labor Standards Act, the Division of Statistical Research has explored the sources of information on child-labor statistics that will be available in the current year, in some instances through special sample counts and tabulations, from the Bureau of the Census, the Social Security Board's Division of Old Age and Survivors Insurance, studies of the Work Projects Administration, and several other sources. Consultations were also held with representatives of various State labor departments concerning the possibility of occasional special State reports on the employment of children.

Statistics of employment certificates issued, permitting children to engage in gainful employment, have been compiled by the Children's Bureau annually since 1921 for an expanding area, the project being carried on by the Division of Statistical Research and the Industrial Division in cooperation with State and local certificate-issuing officials. The development of the use of age certificates, made available in most instances through State agencies, as a basis for the administration of the child-labor provisions of the Fair Labor Standards Act has resulted in marked expansion of the reporting area. Reports on a State-wide basis are now received from 42 States, the District of Columbia, and Hawaii, and in 5 additional States reports are received from all but one of the 47 cities of 50,000 or more population.

In order to establish trends over a period of years, a plan has been worked out, in cooperation with the Industrial Division, for the selection of a group of cities which may be regarded as fairly representative of urban areas for a special tabulation on the issuance of employment certificates. Assistance has been given in drafting record forms for use in State offices.

Reports for 1939, covering certificates issued for both interstate and intrastate employment, showed that first regular certificates were issued for 4,395 children 14 and 15 years of age in 11 States and in 132 cities in other States. This was 15 percent less than the number issued in 1938, and the 1938 figures showed a decrease of 39 percent from 1937. Since the beginning of 1938, a basic 16-year minimum age for going to work has been established in 3 States by State legislation (in addition to the 10 States already having such a minimum), and in employment in establishments shipping goods in interstate commerce under the Federal Fair Labor Standards Act.

In 3 States and 79 cities in other States which in both 1938 and 1939 reported information on certificates issued to 16- and 17-year-old children, the total number issued for children of these ages in 1939 was 67,662, or 2 percent less than the number in 1938. Between 1937 and 1938 there had been a decrease of 27 percent in certificates issued to this age group in the same reporting area.

Legal Research Unit.

The Legal Research Unit in the Office of the Chief is responsible for most of the legal research work of the Children's Bureau except in the field of child labor, as to which legal research is carried on by the Industrial Division. Three legal-research specialists are assigned to the unit. Its work includes following and summarizing current legislation proposed and enacted in fields of interest to the Children's Bureau, compiling and keeping current State laws on selected subjects, preparing summaries, charts, and memoranda on legal subjects, and checking legal material in reports and articles. An annual summary of child-welfare legislation enacted during each calendar year is published, and mimeographed summaries for individual States are issued.

Information services.

For making the findings of its studies and information derived from many other sources available to parents, specialists in child health and child welfare, civic organizations, and the general public, the Children's Bureau utilizes the printed word, correspondence, radio talks, exhibits, conferences, addresses by members of the staff, and the continuing informal relationships in the Washington office and throughout the country with great numbers of organizations and individuals.

During the fiscal year 1940, 49 new publications and 2 revised publications were issued, 12 new publications were in press at the close of the year, and 23 were in preparation. With the approval of the Bureau of the Budget, *The Child* was issued in printed instead of planographed form. Ten regular issues and one double number of *The Child* and four Social Statistics Supplements were published.

The number of publications distributed by the Children's Bureau was 2,153,692, an increased of 19 percent over the preceding fiscal year. Distribution by the Children's Bureau and sales by the Superintendent of Documents of the six bulletins for parents on the care of

mothers and children since they were first published have reached approximately 25,000,000. The figures are as follows:

Publication	Distributed by the Children's Bureau			Sold by the Superintendent of Documents		
	1939	1940	Since publication	1939	1940	Since publication
Total.....	1,210,594	1,512,141	19,326,460	489,114	511,598	5,437,762
Prenatal Care.....	232,998	231,283	4,159,627	109,962	91,397	1,120,347
Infant Care.....	615,342	869,037	9,963,573	156,890	181,943	2,228,063
The Child From One to Six.....	201,313	227,004	3,497,484	74,071	87,985	907,603
Child Management.....	77,676	86,781	970,267	63,707	74,113	684,779
Are You Training Your Child To Be Happy.....	55,888	64,920	523,274	42,701	35,152	219,115
Guiding the Adolescent.....	27,377	33,116	212,235	41,783	41,008	187,855

The number of letters received was 371,560, an increase of 15 percent over 1939 and 42 percent over 1938.

Forty-one radio talks were given in the weekly program, "The Child Grows Up," presented by the National Broadcasting Co. The program was discontinued for the summer season on the first day of May. Other broadcasts were given over the Columbia Broadcasting System. All three broadcasting companies cooperated in broadcasting sessions of the White House Conference on Children in a Democracy and special features in connection with the Conference.

Eight articles for publication in encyclopedias were prepared by members of the Bureau staff, and many other special articles were prepared and published.

The resources of the Children's Bureau for exhibit work are far from adequate to meet pressing demands. Exhibits were sent during the year to 16 National health and welfare organizations holding annual meetings and to 108 groups for State, county, and local meetings. Although the Children's Bureau has not produced a film of its own for a number of years and has to depend on one film produced in 1926 and films purchased from other agencies, film shipments more than doubled in 1940 as compared with 1939; 933 shipments were made in 1940.

Following the observation of May Day—Child Health Day, 1939, it became apparent that many State and local health agencies considered that year-round programs to inform the public of child-health needs had taken the place of the concentrated program at one period of the year. In other States and communities the health authorities were still finding Child Health Day activities of value in increasing community effort in behalf of child health. After consultation with the State and Provincial Health Authorities of North America, which had asked the Children's Bureau in 1936 to take the lead in organizing Child Health Day activities, the Bureau notified the State health officers that it would no longer carry the responsibility for the observance of Child Health Day as a national movement. For Child Health Day, 1940, the Children's Bureau participation was confined to distributing the President's May Day proclamation and furnishing Children's Bureau publications for use in the States that decided to undertake Child Health Day programs.

White House Conference on Children in a Democracy.

The Children's Bureau has served the White House Conference on Children in a Democracy in an executive capacity, cooperating with the Report Committee of the Conference, whose work was financed through private funds, and arranging for publications and meetings. In October the Planning Committee of the Conference recommended that the date of the session to consider and take action upon committee reports be advanced. This action met with the approval of the President, who addressed the following letter to the Chairman of the Conference:

Last March I asked you to serve as Chairman of the Conference on Children in a Democracy, which held its initial session at The White House on April 26. The purpose of the Conference, as stated in this session, is to consider the relationship between a successful democracy and the children who form an integral part of that democracy. Plans were made for the development of committee work and preparation of a report which would be presented to another session of the Conference to meet in 1940.

It was with great satisfaction that I learned of the recommendation of the Planning Committee of the Conference, adopted on October 5, that the Conference be called into session from January 18 to 20, 1940, and that the Report Committee have ready for submission at that time a report containing its major conclusions and suggestions for a follow-up program. I am in hearty accord with the statement of the Planning Committee to the effect that events in Europe must not be allowed to divert the attention of the American people from the task of strengthening our democracy from within, and that the needs of childhood require particular attention at the present time. Will you, therefore, ask the Planning Committee to proceed with arrangements for a meeting of the Conference on the dates specified?

Through the untiring cooperation of the members of the Report Committee and of the staff, a draft of the General Report and 11 topical reports were ready for distribution to the membership in advance of the January session of the Conference. This material represented not only the research of the staff and the deliberations of the Report Committee of 27 members but also the active participation of about 160 Conference members who are expert in various fields.

By authorization of the Planning Committee, the membership of the Conference was increased during the fall until by January it numbered 676 persons. Of these about 450 attended the sessions of the Conference held in Washington January 18 to 20, 1940. Other persons, designated as Conference guests, were invited also, so that the number of persons present was more than 600.

The General Report was submitted to the Conference at the first session, and after modifications had been made by the Report Committee in the light of suggestions at group meetings held on the afternoon of January 18, the report was discussed and acted upon section by section on January 19. Following its adoption by unanimous vote it was presented to the President at an evening session held at the White House, when the address of the President was broadcast to the country. The Report Committee was authorized to revise the report in the light of the action of the Conference, and it was issued in printed form by the Children's Bureau in May 1940. The Report Committee was authorized also to prepare a more comprehensive report, with additional data supporting the recommendations of the Conference; this report will be completed late in 1940. Pre-

liminary statements on various topics, based on the topical reports discussed at group meetings on January 18, were in press and the Proceedings of the Conference were being prepared for publication at the end of the fiscal year.⁵

The General Report adopted by the Conference, which included recommendations covering practically all phases of the relationship between children and our democracy, constitutes a program for the next decade or even longer. The closing session of the Conference, on January 20, considered a report by the chairman of a provisional committee on a follow-up program, entitled "Plans for Nation-Wide Consideration and Action." Recommendations approved included the following:

1. That follow-up work be started at once.
2. That responsibility for national leadership in the follow-up program be placed in a National Citizens Committee and a Federal Interagency Committee of the White House Conference on Children in a Democracy. The National Citizens Committee should be nongovernmental in character, representing organizations and associations that have participated in the work of the Conference. The Federal Interagency Committee should include representatives of Federal agencies that have participated in the Conference activities.
- * * * * *
5. That State follow-up programs be inaugurated, adapted to the special problems and circumstances in each State. * * * Development of State citizens and interagency committees may be found to be advisable in many States; in others, different methods of organization would be more appropriate. The National Citizens Committee and the Federal Interagency Committee should make available to the States service in developing methods of organizing State follow-up work.
6. That State groups responsible for follow-up programs provide leadership to local communities which desire to organize or expand local programs for determining the ways by which children may be given more adequate care in their homes and through community services.
7. That the Conference authorize the Planning Committee to appoint a group of 5 to take responsibility for organizing and calling together a National Citizens Committee of approximately 15 to 25 members, representative of the interests of labor, industry, agriculture, religion, citizens, and the professions.
8. That the Finance Committee of the Conference be asked to explore the possibilities of financial support of the work of the National Citizens Committee for a definite period, sufficient to provide adequate leadership and staff assistance, with funds available if possible for assistance in the development of State follow-up programs.
9. That in all States and in local communities existing organizations interested in child welfare participate to the fullest extent possible, and that National, State, and local organizations stress continuity and progressive development of the services they are prepared to render.
10. That in organizing follow-up programs, National, State, and local, due consideration be given to minority representation in planning and carrying out the follow-up work of the Conference.

As the first step toward organization of the follow-up program, the Planning Committee of the Conference voted that the Conference chairman, after receiving suggestions from members of the Planning Committee, should appoint five members to form a nucleus of the National Citizens Committee, who would be authorized to appoint additional members. The original members of the committee were Homer Folks, chairman; William G. Carr, Mrs. Saidie Orr Dunbar, Henry F. Helmholz, M. D., and Rev. Bryant J. McEntegart.

The first meeting of the National Citizens Committee of the White House Conference on Children in a Democracy was held in

⁵The Preliminary Statements were issued and the Proceedings were in press in October 1940.

New York City on June 17, 1940. At this time the committee numbered 25 members. The executive committee elected at this meeting was empowered to fill vacancies and to add to the membership within limits which may be fixed by the National Citizens Committee. Plans were inaugurated for disseminating information about the Conference, stimulating and aiding in the development of State follow-up programs, enlisting the cooperation of voluntary agencies, and promoting consideration of the special needs of childhood growing out of emergency conditions.

A Federal Interagency Committee was organized following a suggestion from the President to the Secretary of Labor that as Chairman of the Conference she write the agencies that have participated in its work to serve on such a committee, with necessary staff service provided by the Children's Bureau. The functions of this committee include interchange of information and coordinated planning on the part of the Federal agencies in matters related to recommendations for action adopted by the Conference, and cooperation with the National Citizens Committee and with such other agencies as may be concerned with matters in connection with the White House Conference on Children in a Democracy.

Definite action to organize State follow-up programs was taken in several States before the close of the fiscal year.

Children in the National Defense Program.

In the last 2 months of the fiscal year it became evident that plans for safeguarding the health and well-being of the mothers and children of the Nation are matters of vital importance in an adequate program of national preparedness. Plans were outlined by the Children's Bureau and submitted to the Consumer Adviser of the Advisory Commission to the Council of National Defense, who early in the new fiscal year was specifically charged by the President with responsibility for conducting those defense activities of the Federal Government which are related to health and welfare services. The activities of the National and State councils of defense which have reference to child protection, and the follow-up activities of the White House Conference on Children in a Democracy, should be closely coordinated. Good teamwork is essential in order to safeguard the gains for childhood that have been won and to make further progress toward the goals of the people of the United States for their children.

International cooperation.

The usual reports due in the fall of 1939 were submitted to the League of Nations Advisory Committee on Social Questions.

The director of the Industrial Division attended the International Labor Conference held in Habana, Cuba, November 21 to December 2, 1939, under the auspices of the International Labor Organization.

The Chief and members of the staff of the Children's Bureau participated in preliminary conferences in the United States and Canada which led to the establishment of the United States Committee for the Care of European Children, Inc., organized June 20, 1940, to meet the need of a central agency to deal with the problem of providing a refuge in the United States for children from European war zones. Under a plan worked out by the committee in July 1940 with the Department of Justice and the Department of State, the reception,

placement, and care of the children must be in accordance with standards set by the Children's Bureau, which is also responsible for maintaining a central register of the children admitted under committee or other auspices.

In cooperation with the Public Health Service and the Office of Education, the Children's Bureau organized plans for United States participation in the Eighth Pan American Child Congress, which was to have been held in San Jose, Costa Rica, October 12 to 19, 1939. The Congress was postponed by the Government of Costa Rica because of conditions arising out of the war in Europe. Members of the staff of the Children's Bureau participated in the Fourth Pan American Conference of National Directors of Health and the Eighth American Scientific Congress, both held in Washington in May 1940.

The Chief of the Children's Bureau represents the Department of Labor on the Interdepartmental Committee on Cooperation With the American Republics. Plans were made for strengthening the relationships of the Children's Bureau with official and unofficial agencies in the other American countries.

As in former years, many persons from Latin American countries engaged in various types of service to children visited the Children's Bureau during the year and were given every opportunity to learn of the Bureau's work and the cooperative State programs for which it is responsible. Requests from these countries for materials on maternal and child health and on child welfare were met so far as limited resources permitted.

ADMINISTRATION OF MATERNAL AND CHILD WELFARE SERVICES UNDER THE SOCIAL SECURITY ACT

States and Territories cooperating.

The fiscal year 1940 marked the development of cooperative relationships in providing child-welfare services in the 1 remaining State (Wyoming) which had not hitherto participated in all 3 programs administered by the Children's Bureau. Maternal and child-health services, services for crippled children, and child-welfare services were in operation under approved plans in 48 States, Alaska, the District of Columbia, and Hawaii. Moreover, the extension of these programs to Puerto Rico was authorized by an amendment to the Social Security Act passed in 1939 which became effective January 1, 1940. The first Puerto Rican plan for maternal and child-health services was approved and became operative in the third quarter of the fiscal year 1940 and the plan for child-welfare services in the last quarter, and a plan for crippled children's services for the fiscal year 1941 was submitted in June and approved early in the new fiscal year.

Appropriations.

For the first time since the Social Security Act was passed in 1935, augmented Federal funds beyond the limits of the original authorizations placed added resources at the disposal of the States for maternal and child-health services and services to crippled children. Authorization for increased appropriations under amendments adopted August 10, 1939, was followed by appropriation of approximately half the authorized increases for the fiscal year 1940. The amount of the authorization for the more experimental child-welfare-services program, which, however, is becoming firmly estab-

lished as an essential part of public-welfare service, was not increased except for \$10,000 to meet part of the additional cost of extending the program to Puerto Rico. The full amounts authorized for all three services have been appropriated for the fiscal year 1941.

Amounts authorized under the amended act and amounts appropriated for the year ended June 30, 1940, for grants to States and for Federal administration under title V, parts 1, 2, and 3, of the Social Security Act are as follows:

Service	Annual authorization	Appropriation for 1940
Maternal and child-health services.....	\$5,820,000	\$4,800,000
Fund A (matching required).....	3,840,000	3,325,000
Fund B (matching not required).....	1,980,000	1,475,000
Crippled children's services.....	3,870,000	3,350,000
Fund A (matching required).....	2,870,000	2,860,000
Fund B (matching not required).....	1,000,000	490,000
Child-welfare services (available for part of cost).....	1,510,000	1,505,000
Federal administration:		
Salaries and expenses.....		331,500
Allotment for traveling expenses for social-security administration (Department of Labor appropriation).....		74,795

Allotments and payments.

Funds for maternal and child-health services and crippled children's services for which matching is required, and funds for child-welfare services, are available for payment for 2 fiscal years beyond the year in which the appropriation is made. Other funds are available for 1 year only. In the early years of operation of the program, when State and local organizations were being developed and personnel was being recruited and when State matching funds frequently were inadequate, relatively large balances remained for payment beyond the fiscal year for which they were appropriated. The States are rapidly approaching the point, in most instances, where only small balances will remain to be carried over from one year to another. Payments to States for the fiscal year 1940 considerably exceeded payments for 1939, the total amount for all three services being 18 percent greater than the 1939 payments.

Payments from appropriations for 1940 and from balances from 1938 and 1939 appropriations totaled \$9,699,266.27, distributed as follows:

Maternal and child-health services.....	\$4,823,207.09
Fund A (matched by State or local funds).....	3,361,523.80
Fund B (matching not required).....	1,461,683.29
Services for crippled children.....	3,378,985.56
Fund A (matched by State or local funds).....	2,888,985.56
Fund B (matching not required).....	490,000.00

Child-welfare services..... 1,497,073.62

Amounts available to each State and amounts paid on the basis of approved plans and estimates are shown in tables 1, 2, and 3 (pp. 154-158).

TABLE 1.—Federal funds available to States, Federal funds budgeted by States, and payments to States for maternal and child-health services under the Social Security Act, title V, part 1, fiscal year ended June 30, 1940

State ¹	Federal funds available				Federal funds budgeted in State plans as approved			Payments to States			
	Total	Balance of fund A available from allotment for fiscal year 1939	Allotment for fiscal year ended June 30, 1940		Total	Fund A	Fund B	Total	Fund A	Fund B	
			Total	Fund A—\$20,000 to each State and allotment of \$2,295,000 on basis of live births (matching not required)							
Total.....	\$5,749,660.53	\$950,567.52	\$4,799,093.01	\$3,325,000.00	\$1,474,093.01	\$5,564,823.44	\$3,868,798.03	\$1,696,025.41	\$4,823,207.09	\$3,361,523.80	\$1,461,683.29
Alabama.....	162,496.30		162,486.30	82,930.16	79,556.14	2 168,163.88	87,147.40	81,016.48	162,486.30	82,930.16	79,556.14
Alaska.....	67,157.58	24,789.62	42,367.96	21,314.56	21,053.40	56,223.07	33,505.84	22,717.23	47,556.59	28,469.16	19,087.43
Arizona.....	76,759.90		76,759.90	30,718.69	46,041.21	78,254.22	32,076.68	46,177.54	76,655.18	30,643.97	46,041.21
Arkansas.....	92,295.10	3,895.41	88,399.69	55,990.44	32,409.25	2 102,176.63	64,455.79	37,720.84	88,194.66	55,785.41	32,409.25
California.....	152,942.14	12,872.76	140,069.38	116,247.58	23,821.80	2 173,340.14	147,426.65	25,913.49	135,885.26	112,063.46	23,821.80
Colorado.....	94,624.20	7,603.88	87,020.32	40,029.87	46,990.45	2 112,519.63	51,456.15	61,063.48	94,624.20	47,633.75	46,090.45
Connecticut.....	67,854.41	4,211.67	63,642.74	43,261.61	20,381.13	2 73,125.11	50,792.07	22,333.04	65,321.83	44,940.70	20,381.13
Delaware.....	32,290.74		32,290.74	24,448.25	7,842.49	2 34,314.98	25,593.58	8,721.40	32,290.74	24,448.25	7,842.49
District of Columbia.....	65,203.82		65,203.82	32,607.28	32,596.54	2 81,503.86	36,429.54	45,074.32	65,203.82	32,607.28	32,596.54
Florida.....	86,913.01		86,913.01	50,138.73	36,774.23	2 88,112.74	56,578.15	41,534.50	86,913.01	50,138.73	36,774.23
Georgia.....	161,236.41		85,432.62	75,803.79	2 170,043.07	86,809.78	83,233.29	161,236.41	85,432.62	75,803.79	
Hawaii.....	45,979.37	1,125.25	44,854.12	29,175.34	15,678.78	2 52,128.15	33,548.80	18,579.35	44,322.26	28,643.48	15,678.78
Idaho.....	54,346.69	2,670.45	51,676.24	30,591.01	21,085.23	2 61,880.78	35,353.47	26,527.31	50,918.62	30,258.39	20,660.23
Illinois.....	210,716.25	65,707.68	145,008.57	137,750.33	7,258.24	2 229,570.46	212,022.22	17,548.24	136,187.90	178,929.66	7,253.24
Indiana.....	96,701.26	12,200.69	84,500.57	77,287.89	7,302.68	2 95,742.74	86,212.35	9,530.39	80,947.75	73,645.07	7,302.68
Iowa.....	131,549.17	52,557.08	78,992.09	63,006.52	15,985.57	2 96,033.69	76,994.71	19,038.98	79,871.37	63,885.80	15,985.57
Kansas.....	97,713.94	25,117.84	72,596.10	49,952.88	22,643.22	2 103,226.58	78,095.35	25,131.28	96,894.60	74,251.38	22,643.22
Kentucky.....	100,283.87	927.75	99,356.12	77,365.52	21,990.60	2 110,912.72	81,470.72	29,441.57	100,283.87	78,293.27	21,990.60
Louisiana.....	116,582.71	1,740.61	114,842.10	66,991.03	47,851.05	2 125,565.09	71,721.66	53,843.43	115,306.56	67,455.51	47,851.05
Maine.....	68,582.55		68,582.55	35,572.43	33,010.12	2 90,030.36	46,152.67	43,878.19	61,761.92	28,751.80	33,010.12
Maryland.....	93,813.52		93,813.52	48,332.92	45,480.60	2 96,965.41	49,014.51	47,950.90	93,813.52	48,332.92	45,480.60
Massachusetts.....	95,855.05		95,855.05	83,057.84	12,797.21	2 101,696.28	87,996.31	13,699.97	94,448.51	81,651.30	12,797.21
Michigan.....	151,720.01	27,007.45	124,712.56	113,498.96	11,213.60	2 131,760.33	119,176.79	12,583.54	116,360.70	105,147.10	11,213.60
Minnesota.....	86,240.00	.638.94	85,601.06	69,064.51	16,536.55	2 96,938.03	76,349.21	20,588.82	86,181.90	69,664.10	16,517.80
Mississippi.....	123,952.15	2,958.67	120,993.48	73;210.41	47,783.07	2 136,738.01	76,169.03	60,569.02	116,493.78	68,710.71	47,783.07
Missouri.....	126,680.79	22,698.03	103,982.76	78,170.39	25,812.37	2 144,394.31	113,256.30	31,138.01	102,642.28	76,829.91	25,812.37
Montana.....	71,814.38	9,658.31	62,156.07	30,467.42	31,688.65	2 80,995.18	45,060.90	35,934.28	71,814.38	40,125.73	31,688.65
Nebraska.....	135,654.06	79,264.18	56,389.88	42,746.83	13,643.05	2 48,350.46	28,781.30	19,509.16	39,413.53	25,770.48	13,643.05
Nevada.....	86,186.11	42,367.88	43,818.23	21,779.30	22,038.93	2 36,956.87	11,480.00	25,476.87	33,348.45	11,309.52	22,038.93
New Hampshire.....	60,217.60	21,041.36	39,176.24	27,796.43	11,379.81	2 45,673.92	31,288.35	14,385.57	34,484.87	23,105.06	11,379.81

New Jersey.....	95,503.47	2,969.03	92,534.44	75,776.20	16,753.24	99,670.03	82,342.84	17,327.19	94,037.36	77,279.12	16,758.24
New Mexico.....	96,237.35		96,237.35	34,133.27	62,104.08	99,715.05	35,885.31	63,830.64	96,237.35	34,133.27	62,104.08
New York.....	308,080.13	95,606.31	209,473.82	209,473.82		261,988.17	261,988.17		240,626.16	240,626.16	
North Carolina.....	169,626.26	13,596.07	156,030.19	100,773.19	55,257.00	173,660.63	115,111.85	58,548.78	150,840.08	95,583.08	55,257.00
North Dakota.....	69,548.25	11,828.39	57,179.86	32,907.57	24,812.29	82,697.74	48,155.51	34,542.23	61,327.15	36,514.86	24,812.29
Ohio.....	173,646.22	25,429.91	148,216.31	129,879.33	18,336.98	145,215.86	130,681.48	14,534.38	132,679.49	124,342.51	8,336.98
Oklahoma.....	123,410.10	22,906.99	100,503.11	62,343.63	33,159.48	120,638.13	86,701.44	42,936.68	98,748.29	60,583.81	33,159.48
Oregon.....	67,680.71	2,776.58	64,904.15	35,787.95	29,116.20	82,415.01	45,429.99	36,985.02	67,680.71	38,564.51	29,116.20
Pennsylvania.....	312,570.46	127,829.09	184,741.37	184,741.37		168,133.52	168,133.52		116,270.34	116,270.34	
Puerto Rico.....	84,904.78		84,904.78	43,997.05	40,907.73	84,904.78	43,997.05	40,907.73	84,904.78	43,997.05	40,907.73
Rhode Island.....	46,300.84	6,716.73	39,584.11	30,459.25	9,124.86	41,516.52	32,391.35	9,125.17	37,740.77	28,615.91	9,124.86
South Carolina.....	124,637.80	2,515.06	122,122.74	61,513.22	60,609.32	123,597.02	65,940.67	62,656.35	124,637.80	64,028.28	60,609.52
South Dakota.....	99,999.86	36,481.04	63,518.82	32,162.96	31,355.86	60,244.56	26,491.15	33,753.41	56,331.80	24,975.94	31,355.86
Tennessee.....	118,860.30	8,787.54	110,072.76	73,050.05	37,022.71	122,100.54	83,783.41	38,317.13	118,860.30	81,837.59	37,022.71
Texas.....	229,508.62	33,065.44	191,443.18	138,541.91	52,901.27	239,243.33	175,247.74	63,995.59	213,163.95	160,262.68	52,901.27
Utah.....	61,301.13	.13	61,301.00	32,964.77	28,336.23	74,140.75	39,244.85	34,895.90	61,301.13	32,964.90	28,336.23
Vermont.....	72,262.19	26,068.55	46,193.64	26,461.45	19,732.19	61,819.91	41,206.78	20,613.13	57,773.73	38,041.54	19,732.19
Virginia.....	110,071.18		110,071.18	73,062.32	37,008.86	115,939.96	73,062.32	42,877.64	105,757.34	68,748.48	37,008.86
Washington.....	62,887.29	4,706.93	58,180.36	45,572.05	12,608.31	79,096.98	59,628.46	19,468.52	58,258.97	45,650.66	12,608.31
West Virginia.....	110,036.49	34,366.53	75,669.96	63,144.41	12,525.55	124,505.18	101,334.98	23,173.20	97,768.94	85,243.39	12,525.55
Wisconsin.....	103,869.17	18,768.41	85,100.76	74,639.42	10,411.34	114,817.74	102,622.83	12,194.91	88,648.69	78,237.35	10,411.34
Wyoming.....	94,274.84	47,093.30	47,181.54	24,626.99	22,554.55	41,421.27	17,000.00	24,421.27	37,717.19	15,162.64	22,554.55

¹ The term "State" includes Alaska, the District of Columbia, Hawaii, and Puerto Rico.

² Excess over total available represents rebudgeting of balances on hand in the State as of June 30, 1939.

³ Allotment for 6 months ended June 30, 1940.

TABLE 2.—*Federal funds available to States, Federal funds budgeted by States, and payments to States for services for crippled children under the Social Security Act, title V, part 2, fiscal year ended June 30, 1940*

State ¹	Federal funds available			Federal funds budgeted in State plans as approved			Payments to States				
	Total	Balance of fund A available from allotment for fiscal year 1939	Allotment for fiscal year ended June 30, 1940		Total	Fund A	Fund B	Total	Fund A		
			Total	Fund A—\$20,000 to each State and allotment of \$1,830,000 on basis of need (matching required)							
Total	\$4,440,803.66	\$1,099,803.66	\$3,350,000.00	\$2,860,000.00	\$490,000.00	\$3,723,080.22	\$3,233,080.22	\$490,000.00	\$3,378,985.56	\$2,888,985.56	\$490,000.00
Alabama	90,764.63		90,764.63	72,755.83	18,008.80	90,764.63	72,755.83	18,008.80	90,763.21	72,754.41	18,008.80
Alaska	67,151.51	41,326.46	25,825.05	20,663.23	5,161.82	15,531.57	10,369.75	5,161.82	14,544.17	9,382.35	5,161.82
Arizona	38,644.96	4.95	38,640.01	32,460.10	6,179.91	2 43,870.39	37,690.48	6,179.91	38,313.44	32,133.53	6,179.91
Arkansas	88,538.75	11,480.15	77,058.60	60,913.30	16,145.30	2 93,502.38	77,357.09	16,145.30	81,149.19	65,003.89	16,145.30
California	153,117.26	22,322.99	130,749.27	91,513.83	39,280.44	2 169,705.94	130,425.50	39,280.44	153,117.26	113,836.82	39,280.44
Colorado	54,617.14	84.87	54,532.27	40,524.40	14,007.87	2 57,633.31	43,625.44	14,007.87	54,617.14	40,609.27	14,007.87
Connecticut	115,348.28		75,506.70	39,841.58	37,753.35	2,088.23	51,875.50	49,787.27	2,088.23	31,670.88	29,582.65
Delaware	67,682.01	45,121.34	22,560.67				5,625.50	5,625.50		4,702.17	4,702.17
District of Columbia	44,363.33	2,648.21	41,715.12	30,672.73	11,042.39	2 61,718.15	50,675.76	11,042.39	44,363.33	33,320.94	11,042.39
Florida	57,034.75	2,231.32	54,803.43	47,412.04	7,391.39	2 58,399.31	51,007.92	7,391.39	57,034.75	49,643.36	7,391.39
Georgia	163,307.50	85,113.85	78,193.65	60,299.95	17,893.70	118,966.67	101,072.97	17,893.70	108,394.37	90,500.67	17,893.70
Hawaii	53,506.17	32,264.77	26,241.40	25,017.24	1,224.16	26,224.16	25,000.00	1,224.16	21,532.07	20,307.91	1,224.16
Idaho	45,827.11	16,368.67	29,458.44	25,666.88	3,791.56	31,791.56	28,000.00	3,791.56	30,842.36	27,050.80	3,791.56
Illinois	164,547.89	20,549.40	143,998.49	132,698.82	11,299.67	2 166,120.36	154,820.69	11,299.67	158,320.39	147,020.72	11,299.67
Indiana	121,155.28	61,131.28	60,024.00	55,313.54	4,710.46	2 124,480.68	119,770.22	4,710.46	121,155.28	116,444.82	4,710.46
Iowa	74,705.96		74,705.96	60,625.92	14,080.04	2 78,051.82	63,971.78	14,080.04	74,705.96	60,625.92	14,080.04
Kansas	41,804.26	346.03	41,459.22	37,906.30	2 48,969.05	43,969.05	41,804.25	2 41,804.25	41,804.25	41,804.25	
Kentucky	87,131.19		87,131.19	73,906.30	13,224.89	2 88,073.01	74,848.12	13,224.89	87,131.19	73,906.30	13,224.89
Louisiana	142,896.36	95,264.24	47,632.12	47,632.12		63,893.60	63,893.60		34,849.99	34,849.99	
Maine	35,751.39	4,267.22	31,484.17	28,369.17	2,615.00	46,370.15	43,755.15	2,615.00	35,751.39	33,136.39	2,615.00
Maryland	51,724.41	.01	51,724.40	41,658.76	10,067.64	2 68,942.56	56,874.92	10,067.64	51,724.41	41,656.77	10,067.64
Massachusetts	96,774.63		72,906.61	23,868.02	2 107,687.17	83,819.15	23,868.02	96,774.63	72,906.61	23,868.02	
Michigan	110,927.85		94,793.77	16,134.08	110,927.85	94,793.77	16,134.08	110,927.85	94,793.77	16,134.08	
Minnesota	79,261.08	1,139.73	78,121.35	63,166.07	14,955.28	2 90,205.65	65,250.37	14,955.28	75,010.71	60,055.43	14,955.28
Mississippi	137,767.22	79,259.85	68,507.37	47,961.78	10,545.59	2 45,545.59	35,000.00	10,545.59	42,109.27	31,563.68	10,545.59

Missouri.....	75,308.72	75,308.72	58,864.27	16,444.45	* 75,910.97	59,466.52	16,444.45	75,308.72	58,864.27	16,444.45	
Montana.....	36,190.31	229.54	35,960.77	33,524.65	2,436.12	36,190.31	33,754.19	2,436.12	36,042.43	33,606.31	2,436.12
Nebraska.....	54,569.35	64,569.35	46,082.64	8,486.71	* 55,641.28	47,154.55	8,486.71	54,569.35	46,082.64	8,486.71	
Nevada.....	65,629.76	41,730.08	23,399.68	20,865.04	3,034.64	4,591.40	1,556.76	3,034.64	4,284.63	1,249.99	3,034.64
New Hampshire.....	77,009.95	49,788.92	27,221.03	24,894.46	2,328.57	15,111.48	12,784.91	2,326.57	12,813.53	10,486.96	2,326.57
New Jersey.....	102,723.25	25,369.06	77,354.19	70,473.45	6,880.74	* 114,441.62	107,560.88	6,880.74	82,913.25	76,032.51	6,880.74
New Mexico.....	40,102.15	5,758.38	34,343.77	29,961.72	4,382.05	* 42,262.04	37,879.99	4,382.05	40,102.15	35,720.10	4,382.05
New York.....	279,417.28	132,360.78	147,056.50	147,056.50	153,034.00	153,034.00	121,599.47	121,599.47	121,599.47	121,599.47	121,599.47
North Carolina.....	104,939.72	104,939.72	84,786.22	20,153.50	* 105,240.27	55,086.77	20,153.50	104,939.72	84,786.22	20,153.50	104,939.72
North Dakota.....	50,903.98	14,431.16	36,472.82	29,222.60	7,250.22	45,450.22	38,200.00	7,250.22	43,917.30	36,667.08	7,250.22
Ohio.....	124,011.51	94.34	123,917.17	113,487.69	10,429.48	* 129,226.22	118,796.74	10,429.48	124,011.51	113,582.03	10,429.48
Oklahoma.....	83,139.22	83,139.22	65,874.30	17,264.92	* 83,243.58	65,978.68	17,264.92	83,139.22	65,874.30	17,264.92	83,139.22
Oregon.....	83,700.08	52,155.08	31,547.00	29,501.22	2,045.78	69,045.78	67,000.00	2,045.78	67,587.89	65,542.11	2,045.78
Pennsylvania.....	155,556.49	5,496.02	150,060.47	150,060.47	154,650.13	154,650.13	136,579.08	136,579.08	136,579.08	136,579.08	136,579.08
Puerto Rico.....	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53	17,329.53
Rhode Island.....	58,151.89	29,631.48	28,520.41	27,611.59	908.82	25,848.47	24,939.65	908.82	21,284.70	20,375.88	908.82
South Carolina.....	97,817.92	4,732.99	86,084.93	66,848.78	19,236.15	* 96,640.94	77,404.79	19,236.15	90,817.92	71,581.77	19,236.15
South Dakota.....	37,329.18	6,437.52	30,891.66	28,776.08	2,115.58	31,604.05	29,578.47	2,115.58	29,200.32	27,084.74	2,115.58
Tennessee.....	121,283.43	58,912.87	62,370.56	54,233.92	8,116.64	89,556.64	81,440.00	8,116.64	72,904.75	64,788.11	8,116.64
Texas.....	153,265.98	3,557.40	149,708.58	121,298.46	28,410.12	* 163,362.46	134,952.34	28,410.12	153,265.98	124,855.86	28,410.12
Utah.....	48,285.69	.02	48,285.67	29,460.55	18,825.12	* 56,328.08	37,502.96	18,825.12	48,285.69	29,460.57	18,825.12
Vermont.....	52,063.31	25,395.94	26,667.37	23,978.23	2,689.14	19,662.94	16,973.80	2,689.14	19,238.15	16,549.01	2,689.14
Virginia.....	82,735.80	82,735.80	66,313.16	16,422.64	82,735.80	66,313.16	16,422.64	82,735.80	66,313.16	16,422.64	82,735.80
Washington.....	53,471.18	53,471.18	45,635.22	7,835.96	* 54,426.55	46,590.59	7,835.96	53,471.18	45,635.22	7,835.96	53,471.18
West Virginia.....	71,872.53	1,998.90	69,873.63	56,199.16	13,674.47	* 73,178.57	59,504.10	13,674.47	71,872.53	53,198.06	13,674.47
Wisconsin.....	71,279.10	71,279.10	65,789.39	5,489.71	* 75,022.25	69,532.64	5,489.71	70,926.70	65,436.99	5,489.71	70,926.70
Wyoming.....	69,365.44	45,294.14	24,071.30	22,647.07	1,424.23	17,707.63	16,283.40	1,424.23	15,863.93	14,439.70	1,424.23

¹ The term "State" includes Alaska, the District of Columbia, Hawaii, and Puerto Rico.

² Excess over total available represents rebudgeting of balances on hand in the State as of June 30, 1939.

³ Allotment for 6 months ended June 30, 1940.

TABLE 3.—*Federal funds available to States, Federal funds budgeted by States, and payments to States for child-welfare services under the Social Security Act, title V, part 3, fiscal year ended June 30, 1940.*

State ¹	Federal funds available for payment of part of local services and for development of State services			Payments to States
	Total	Balance available from allotment for fiscal year 1939	Allotment for fiscal year ended June 30, 1940, on basis of State plans for child-welfare services: \$10,000 to each State and allotment of \$90,000 on basis of rural population	
Total.....	\$2,197,057.44	\$692,057.44	\$1,505,000.00	\$2,070,865.69
Alabama.....	54,322.19	9,832.48	44,489.71	59,819.52
Alaska.....	20,244.50	9,311.73	10,932.77	16,173.00
Arizona.....	34,920.59	19,739.51	15,181.08	29,654.00
Arkansas.....	82,611.72	45,926.20	36,685.52	49,252.50
California.....	94,398.85	56,897.39	37,502.46	77,821.32
Colorado.....	24,783.47	5,428.16	19,355.31	22,010.00
Connecticut.....	36,534.97	17,919.08	18,615.89	22,182.00
Delaware.....	18,494.20	6,404.59	12,089.61	21,555.00
District of Columbia.....	13,400.92	3,400.92	10,000.00	13,740.00
Florida.....	25,049.12	2,202.65	28,846.47	25,962.83
Georgia.....	55,360.25	8,857.01	46,503.24	62,039.32
Hawaii.....	16,388.14	2,293.18	13,089.96	15,890.17
Idaho.....	23,312.76	7,581.15	15,721.61	26,950.00
Illinois.....	72,437.86	26,262.59	46,175.27	60,140.00
Indiana.....	55,904.58	19,744.81	36,159.78	64,436.07
Iowa.....	43,997.83	6,948.85	37,048.98	43,965.00
Kansas.....	46,950.32	16,075.55	30,874.79	46,310.00
Kentucky.....	47,852.75	4,930.00	42,922.75	47,572.50
Louisiana.....	43,936.01	10,941.46	32,994.55	33,767.50
Maine.....	28,164.69	9,534.59	18,630.10	22,385.57
Maryland.....	32,315.56	10,407.99	21,907.57	34,888.15
Massachusetts.....	44,632.64	26,949.37	17,583.27	18,872.00
Michigan.....	50,651.90	21,721.58	37,930.32	52,001.00
Minnesota.....	37,566.06	3,877.43	33,688.63	39,505.00
Mississippi.....	78,220.40	37,919.64	40,300.76	86,850.00
Missouri.....	58,321.24	16,220.21	42,101.03	53,530.00
Montana.....	17,096.77	630.87	16,465.90	17,700.00
Nebraska.....	38,190.53	12,017.94	26,172.59	31,501.66
Nevada.....	11,401.25	375.00	11,026.25	11,703.72
New Hampshire.....	19,570.72	6,085.18	13,485.54	17,778.68
New Jersey.....	36,557.07	13,825.63	22,731.44	35,113.33
New Mexico.....	22,086.73	6,347.42	15,739.31	19,915.79
New York.....	74,123.13	26,156.98	47,466.15	110,860.00
North Carolina.....	60,684.00	7,880.85	52,803.15	68,291.50
North Dakota.....	29,187.31	8,895.77	20,201.54	31,418.00
Ohio.....	93,708.33	44,914.59	48,793.74	93,980.24
Oklahoma.....	43,821.60	5,272.76	38,548.84	44,542.94
Oregon.....	22,328.28	3,913.56	18,414.72	27,507.50
Pennsylvania.....	120,476.10	54,301.03	66,175.07	94,739.17
Puerto Rico.....	15,021.30	—	15,021.30	2,390.00
Rhode Island.....	17,190.38	6,246.20	10,944.18	15,993.50
South Carolina.....	40,608.95	5,807.86	34,801.09	40,587.50
South Dakota.....	21,981.19	1,791.15	20,190.04	20,113.95
Tennessee.....	51,483.62	10,293.44	41,190.18	56,069.81
Texas.....	116,844.87	44,549.20	72,295.67	80,437.50
Utah.....	23,299.75	8,918.97	14,380.78	22,495.00
Vermont.....	15,252.08	884.69	15,367.39	15,767.90
Virginia.....	42,753.86	3,081.55	39,672.31	46,507.95
Washington.....	25,503.41	3,193.27	22,310.14	27,175.60
West Virginia.....	37,813.31	5,369.30	32,444.01	34,375.00
Wisconsin.....	37,584.17	2,466.13	35,118.04	38,965.00
Wyoming.....	12,819.20	—	12,819.20	7,660.00

¹ The term "State" includes Alaska, the District of Columbia, Hawaii, and Puerto Rico.

² Excess over total available represents rebudgeting of balances on hand in the State as of June 30, 1939.

³ Allotment for 6 months ended June 30, 1940.

Advisory committees.

The General Advisory Committee on Maternal and Child Welfare Services met with the Children's Bureau on March 4, 1940, to consider further development of the three social-security programs administered by the Children's Bureau. (See also pp. 167, 176, 180.)

In April and May 1940 the Secretary of Labor made new appointments for 3-year terms to the following committees that advise the Children's Bureau in relation to title V, parts 1, 2, and 3, of the Social Security Act:

General Advisory Committee on Maternal and Child Welfare Services;

Advisory Committee on Maternal and Child Health Services;

Advisory Committee on Services for Crippled Children;

Advisory Committee on Community Child Welfare Services.

Maternal and child-health services.

Policies with reference to use of additional funds for grants to States.—Shortly after the 1939 amendments to the Social Security Act were adopted, the Children's Bureau called a meeting of the committee on maternal and child health of the State and Territorial health officers, in conference with pediatricians and obstetricians representing advisory committees of the Children's Bureau. The group made recommendations relating to urgent needs to be considered in planning for expenditures of the additional appropriations authorized, which were transmitted to the State health agencies prior to the time plans and budgets were prepared for the use of the additional funds provided. The general recommendations adopted were as follows:

A. It is recommended that the additional Federal maternal and child-health funds should be used (1) to improve quality of services now under way, (2) to extend specific maternal and child-health services, or (3) to establish demonstrations of types of service needed to enlarge the scope of care and to provide programs of complete maternity care and care of children.

B. It is further recommended that a portion of the additional Federal appropriations for Fund B, under section 512 (b) of the act, be set aside for providing medical, nursing, and hospital care for maternity patients and children in selected areas.

C. It is recommended that the use of the new Federal funds be limited to one or more of the following types of service:

1. Expansion of established maternal and child-health programs with opportunity for additional features.

(Additional services suggested were listed under the headings: Types of medical services; Types of nursing services; Other services (nutrition and medical social work); Postgraduate education; Regulation and supervision of maternity hospitals and homes.

2. Special demonstrations of medical care in maternity or childhood.

(Specified under the headings: Maternity care and care of newborn infants; Medical care of children; Provisional conditions recommended to be met in setting up program of complete maternity care and care of newborn infants in selected areas; Requirements for hospitals providing care for maternity patients and newborn infants when such care is paid for from maternal and child-health funds; Provisional conditions recommended to be met in setting up demonstration diagnostic and treatment center for children in a small city and serving the surrounding area.)

D. Recommendations regarding qualifications of personnel.

(Qualifications regarding personnel listed under Types of Medical Services were adopted or reaffirmed by the committee.)

Activities financed by the additional funds made available were started, for the most part, in the last half of the fiscal year. Actual

maternal and child-health payments to States for the entire fiscal year; including payments from unallotted balances from preceding years, exceeded by \$1,098,844.80 the payments from maternal and child-health funds for the fiscal year 1939.

Progress in the States.—Reports from the States for the fiscal year 1939, the latest year for which final figures have been compiled, showed substantial increase in facilities for medical, dental, and nursing supervision for mothers, infants, and preschool children. Interest in developing State-wide nutrition services has been marked. Many State and local health agencies for the first time have attempted to provide corrective care for medically needy mothers and children, in addition to educational and preventive health services. Postgraduate education for staff members of the health agencies and for practicing physicians and dentists has been furnished more extensively than in any previous year.

TABLE 4.—*Maternal and child-health services, fiscal years 1939 and 1940*

[Services administered or supervised by State health agencies under the Social Security Act, title V,
part 1]

Type of service	Number reported ¹		Percent change from 1939 to 1940
	1940	1939	
Medical services:			
Maternity service:			
Visits by antepartum cases to medical conferences	371,434	353,280	+5
Cases given postpartum medical examinations	28,723	25,340	+13
Infant hygiene: Visits to medical conferences	458,363	493,530	-7
Preschool hygiene: Visits to medical conferences	514,905	500,462	+3
School hygiene: Examinations by physicians	1,390,892	1,523,296	-9
Public-health-nursing services:			
Maternity service:			
Field and office antepartum nursing visits	647,256	621,814	+4
Cases given nursing service at delivery	20,292	18,030	+13
Nursing visits to postpartum cases	435,759	419,863	+4
Infant hygiene: Field and office nursing visits	1,335,627	1,293,658	+3
Preschool hygiene: Field and office nursing visits	1,128,005	1,085,900	+4
School hygiene: Field and office nursing visits	1,445,809	2,403,390	-40
Immunizations:			
Smallpox	1,191,320	1,457,047	-18
Diphtheria	1,041,956	1,196,098	-13
Dental inspections:			
Inspections by dentists or dental hygienists:			
Preschool children	57,569	102,242	-44
School children	1,151,588	1,719,519	-33
Midwife supervision: Visits for midwife supervision	38,732	39,556	-2

¹ Reports were received from 48 States, Alaska, Hawaii, Puerto Rico, and the District of Columbia. Puerto Rico began participation during the quarter ended Mar. 31, 1940.

NOTE.—These figures are subject to revision; they include all corrections received through Oct. 8, 1940. Reports for the first two quarters of 1939 include some services (by public agencies) not administered or supervised by the State health agencies. This factor is believed to account for the decrease in several services.

The Puerto Rico plan for maternal and child-health services was approved on February 3, 1940. Puerto Rico has a population of nearly 2 million, a birth rate twice that of continental United States, and excessively high maternal and infant mortality rates. More than 68,000 live births are reported each year, of which only 10 percent are attended by a physician. The annual allotment of Federal maternal and child-health funds for Puerto Rico will be approximately \$190,000.

Prenatal clinics conducted under the maternal and child-health program totaled 1,229 in 1939, of which more than half had been estab-

lished in 1938 and 1939. These figures include only clinics held at least once a month with a physician in attendance. Such clinics, administered or supervised by State health departments, were being held in 17 percent of the rural and 26 percent of the urban counties of the United States. How many prenatal clinics were conducted under other auspices, such as hospitals, is not known. Fourteen entire States and 2,500 counties did not report any prenatal clinics regularly conducted under health-department auspices.

Child-health centers, with conferences held by physicians at least once a month, totaled 2,394, in 41 States, most of which had been established within 2 years. In many areas not covered by these 2,394 centers, child-health conferences are held only during the summer months or during the school year or at irregular intervals. In 10 entire States and 2,300 counties no child-health conferences were regularly conducted under health-department auspices.

Child-health conferences are not feasible in some counties, because of sparsity of population or for other reasons. In some counties, however, where such service is greatly needed it has not been possible to get support for such an undertaking from medical groups.

Local practicing physicians paid for services in prenatal clinics from maternal and child-health funds totaled 1,178, an increase of 54 percent over the preceding year. Local practicing physicians receiving compensation from these funds for service in child-health conferences totaled 2,634, an increase of 23 percent.

The additional appropriations for maternal and child-health services have made it possible for many of the State health agencies to begin to purchase medical and hospital care for maternity patients and children who could not receive such care otherwise. Twenty-six States budgeted maternal and child-health funds for the fiscal year 1940 for one or more of the following services:

Medical care during labor	Qualified practicing physicians paid on a case basis.
Medical care for sick children	
Clinical case-consultation services of specialists	
Hospital care	Hospitals meeting minimum requirements paid on a per diem cost basis.

The need for purchasing medical and hospital care is so great in many States that there is no possibility of meeting this problem with funds now available. The State health agencies are beginning these programs in selected areas where there is already a well-staffed local health department, where mortality rates are high, and where economic need is great. From these demonstration services the State and local health agencies are developing valuable experience in administering both preventive and corrective health services through the same public agency.

State health departments reported that in 1939 dental-health education programs were carried on by dentists or dental hygienists in 900 counties in 36 States and that corrective dental services were provided in 630 counties in 29 States. The number of practicing dentists who were paid from maternal and child-health funds for their services in clinics or conferences was 766. In the United States in recent years large sums have been spent on dental-health education

but few efforts have been made to determine, if it is possible to do so, whether or not dental health has been improved. Early correction of dental defects or disease is of course desirable, but the problem is of such magnitude for the country as a whole that it cannot be met with the present resources of knowledge or professional personnel.

Approximately 2,000 of the 3,076 counties in the United States have public-health nurses supervised by the health departments, who include maternity service in their nursing program. In far too many of these 2,000 counties, however, one public-health nurse is attempting to serve thousands of families for all types of public-health-nursing care. More than 1,000 counties have no public-health nurses under State health-department auspices rendering any type of service to maternity patients.

In 1939 there were 6,080 public-health nurses rendering services under the maternal and child-health programs, including 418 supervisors or consultants, and 5,662 staff nurses.

In 27 State health departments the nursing service is administered through a division of public-health nursing, in 11 States through a unit in the division of maternal and child health, in 7 States through a unit in the division of local health service, and in 7 directly under the health officer.

Special maternal and child-health nursing consultants, usually with preparation in both public-health and maternity nursing, were employed in 29 States, and in 6 other States the director or one of the general consultants had the necessary special preparation to function in this capacity. In 14 States nurse-midwives were employed on the State staff, either serving as special nursing consultants or giving direct obstetric care.

In 1939 nursing service at home during labor and at time of delivery was guaranteed by the health departments in 102 counties at all times, day or night. Nursing assistance was given at 16,823 home deliveries during the calendar year 1939. The presence of a trained nurse with the physician during this critical time is one of the most valuable nursing services provided under the public-health program. At no time is the mother more in need of expert care. Nursing care of the infant during the first few hours of life will do more to reduce the number of infant deaths than nursing assistance at any other time during infancy. It is an expensive type of nursing, requiring considerable time and special training in home-delivery-nursing technique, and with the funds available it can be developed in only a few areas each year. Both patients and physicians are enthusiastic in their appreciation of this service.

A number of States have had a series of conferences and demonstrations on the care of premature babies. In two States the supervisor in the nursery for premature babies at Michael Reese Hospital in Chicago conducted these institutes.

A steady increase in the demands for nutrition services in connection with the maternal and child-health program is indicated by the fact that during the fiscal year 1940, 6 States, Hawaii, and Puerto Rico for the first time made appropriations for nutrition services in their State health departments. Seven other States provided funds for the employment of additional nutritionists. At the end of the fiscal year 28 States, the District of Columbia, Hawaii, and Puerto

Rico had made provision for the employment of 62 nutritionists to strengthen that aspect of their maternal and child-health programs. Although this represents a gratifying increase over last year, it may be pointed out that 20 State health departments and Alaska are still relying on other agencies for consultation in this fundamental aspect of the maternal and child-health program. A large proportion of these States have expressed a desire for the services of at least one full-time consultant as soon as funds are available.

A few States added medical social workers to serve special areas where some form of medical care has been offered in connection with the maternal and child-health program.

Almost 800 professional employees of health departments who render services in the maternal and child-health programs were given postgraduate education in 1939 in recognized training centers, most of them schools of public health. Of these, 115 were physicians, 34 were dentists, 5 were nutritionists, and 640 were public-health nurses. The number of fully qualified professional personnel serving in these programs is still far below the need. The States will have to continue for several years, at least, to provide special graduate training for some of their staff, if they expect to maintain high standards of qualifications.

Since the social-security program began to function, the number of public-health nurses in the United States has increased from 19,939 (January 1937) to 23,705 (January 1940). During this period 3,450 nurses on the staff of official agencies, State and local, received stipends for graduate study in general public-health, pediatric, orthopedic, or maternity nursing.⁶

Every opportunity has been utilized by the public-health-nursing consultants of the Children's Bureau to bring to the attention of professional groups responsible for the education of nurses, the need for establishing in strategic places throughout the country sound programs of study in maternity and pediatric nursing for graduate nurses. The Alabama State Health Department is planning to co-operate with Tuskegee University in offering a program of study in midwifery to qualified Negro nurses. State maternal and child-health funds are assisting the Chicago Maternity Center in conducting a maternity-nursing course which includes supervised field practice in home-delivery nursing.

Among other organizations which have extended their facilities to meet the increased number of students on stipend from State health departments are the Maternity Center Association (New York City) and the Chicago Lying-In Hospital. The Maternity Center Association conducted institutes on maternity nursing in 5 States during 1939, in 7 States during 1938, and in 10 States during 1937. As more States appoint qualified maternal and child-health nursing consultants the educational program is carried on by them through a continuing in-service training program.

The States have been encouraged to grant stipends to carefully selected candidates for preparation in pediatric nursing. A committee of the National League of Nursing Education has been preparing a syllabus for an advanced program of study in this field. A

⁶The stipends were awarded to the nurses by the State agencies from Federal funds received through the Public Health Service and the Children's Bureau.

number of schools of nursing have reorganized their courses to meet the recommendations made by the committee. Among these are the Cincinnati Children's Hospital, affiliated with the University of Cincinnati; the Children's Hospital of Pittsburgh, affiliated with the University of Pittsburgh; and the Denver Children's Hospital, affiliated with the University of Denver.

Postgraduate education for practicing physicians and dentists is an important part of the maternal and child-health program. In 1939 such activities included:

- 2,152 obstetric lectures and teaching clinics in 617 communities, with more than 14,000 physicians attending.
- 1,284 pediatric lectures in 499 communities, with more than 14,000 physicians attending.
- 282 lectures on children's dentistry in 158 communities, with about 5,000 dentists attending.

Many State health departments now plan postgraduate-education programs on a permanent basis, making them available to all physicians in the State. They are adding courses on syphilis, pneumonia, and many other branches of medicine. The lecture courses and clinics previously conducted in communities throughout the States had shown that many practicing physicians wished to go to the larger teaching centers for short clinical courses and there were few places in the United States where such opportunities were available. Wherever possible, the new courses are developed in cooperation with State medical schools. The most interesting development in postgraduate education planned by State health departments under these programs is the short clinical postgraduate courses, of 2 to 5 weeks' duration, now conducted in cooperation with 15 medical schools.

Twenty States now have laws requiring blood tests for syphilis before marriage certificates will be issued, and 19 States have laws requiring physicians to take a blood test for syphilis on all pregnant patients. In New York State, where such a law is in force, a study has shown that 95 percent of the pregnant women are having blood tests for syphilis, but only one-fourth of the tests are made before the fifth month of pregnancy, when treatment should be begun if needed; one-third of the tests are taken at or near time of delivery. These laws are a great step forward in the efforts to prevent the occurrence of congenital syphilis.

State budgets.—Forty-three States, Alaska, the District of Columbia, Hawaii, and Puerto Rico were able to match their entire original and supplemental allotments of fund A for the fiscal year 1940. Nebraska, Nevada, Pennsylvania, South Dakota, and Wyoming did not match their entire fund A allotments. Requests for fund B far exceeded the amount available. The entire allotment of fund B was budgeted by the States.

Proposed expenditures for the fiscal year 1940, as summarized up to September 1, 1939, showed that the State health agencies planned to expend the maternal and child-health funds as follows: For medical personnel and travel, 19 percent; for dental personnel and travel, 6 percent; for public-health-nursing personnel and travel, 53 percent; for nutritionists and travel, 2 percent; for health educators, 2 percent; for postgraduate education, 3 percent; for nonprofessional personnel, 9 percent; and for supplies and other expenses, 6 percent.

Increased Federal aid that became available later in the year raised the total funds spent, but the proportion spent for various purposes probably was approximately the same.

The States budgeted practically the entire amount of the additional \$1,000,000 appropriated by Congress under the amendments approved August 10, 1939. The major portion of the additional funds was expended by the States to employ additional obstetricians and pediatricians to supervise and teach in the clinics and conferences, to increase the amounts available for medical, dental, and nursing services in these clinics, to provide postgraduate education, and in a few selected areas to pay for complete medical and hospital care for maternity patients and sick children.

Maternal and infant mortality.—The significant decrease in the maternal mortality rate in the United States which occurred in 1937 continued in 1938, and on the basis of provisional figures, in 1939 (see p. 143). The maternal mortality rate for 1938 was 11 percent lower than for 1937, 23 percent lower than for 1936, and 25 percent lower than for 1934, the year prior to the passage of the Social Security Act by Congress. The number of maternal deaths in 1938 was 9,953. This was 816 fewer than in 1937 and 2,229 fewer than in 1936, yet there were more live births (2,286,962) registered in 1938 than in any prior year of record. Maternal mortality rates of less than 40 per 10,000 live births were attained by 28 States in 1938. This is a notable step forward, for only 12 States had rates of less than 40 in 1937 and prior to 1937 only 3 States had ever attained rates of less than 40 (South Dakota in 1932 and Vermont and the District of Columbia in 1934). North Dakota and Connecticut, with maternal mortality rates of 24 and 26, respectively, for 1938 have set a goal for all States to strive for.

The infant mortality rate for 1938 was 6 percent lower than that for 1937, 11 percent lower than that for 1936, and 15 percent lower than that for 1934. Provisional figures indicate that the decline continued in 1939 (see p. 143). The number of infant deaths in 1938 was 116,702. This was 3,229 fewer than in 1937 and 5,833 fewer than in 1936, even though there were more live births in 1938 than in any prior year of record. Decreases in infant mortality are evident in both cities and rural areas and for both white and Negro infants. The maternal mortality and infant mortality for Negroes remains high, however—126 percent higher for Negro than for white mothers and 66 percent higher for Negro than for white infants.

Federal administration.—The professional staff in the Washington office consists of the director, the assistant director, two medical assistants, a nutritionist, and the chief public-health-nursing consultant, who serves also in the crippled children's program. Approximately half the time of the five regional medical consultants (a sixth has been added as an assistant in the western area since the end of the fiscal year) and the five regional public-health-nursing consultants is given to the maternal and child-health program. The Negro pediatrician on the staff has been temporarily assigned to direct a demonstration of Negro health services, with special emphasis on maternal and child health, at the Slossfield Health Center, Birmingham, Ala. This very small professional staff carried out the details of administration, for the Children's Bureau, of a program involving

in 1940 the expenditure of more than 8 million dollars under maternal and child-health plans.

Much of the time of the regional medical consultants during the past year was devoted to consultation service to the State health agencies with reference to the development of merit systems of personnel administration as a result of the new requirement included in the Social Security Act amendments of 1939. Prior to consultation with the States, the professional staff worked day and night, familiarizing themselves with the essential elements of sound personnel administrative practice. Experts from the Social Security Board, the United States Civil Service Commission, State civil-service commissions, and other agencies gave invaluable advisory service to the staff in the undertaking.

Members of the medical staff visited every State, Hawaii, and Puerto Rico, many of these areas several times during the year. Requests for advice and consultation service in the field far exceeded the ability of the staff to meet the demands.

Public-health-nursing field consultants gave field consultation service to 44 States during the year, conferring with members of health-department staffs, observing public-health-nursing activities, and participating in conferences and meetings on public-health matters. There is urgent need for additional public-health-nursing consultation service to meet the desire of many States for prolonged consultation visits to study and advise on certain special aspects of nursing services, such as the administrative and technical aspects of home-delivery-nursing services; inspection of nursing service in maternity homes; and the functions of a nurse-midwife in relation to private physicians, to the untrained midwife, and to the staff in the health department. The extension of permanent clinic services calling for a large share of the local nurse's time has focused attention on the need for analyzing her work from the point of view of a well-balanced program with proportional emphasis on the various aspects of the service. Guidance has been requested in establishing introductory programs for new staff members; continuous staff-education programs; and evaluation of clinical programs of study in educational institutions to which State health departments are contributing funds. It is not possible to comply with all these requests, nor is it possible, without administrative assistance, to analyze the factual material which is accumulating from the States.

The public-health-nursing consultants prepared the first draft of the recommended qualifications of the public-health-nursing personnel which were included in Children's Bureau Special Information Circular No. 1 on the merit system. The qualifications formulated by the public-health-nursing unit were submitted for suggestions to the public-health-nursing consultants in the United States Public Health Service, to a selected group of public-health nurses throughout the country, and to the education committee of the National Organization for Public Health Nursing. They were also presented for discussion at a meeting of State directors of public-health nursing before the final draft was prepared. Compilation and analysis were made of salaries paid to public-health nurses in various positions in State health departments.

The Manual for Teaching Midwives, prepared by Anita M. Jones of the New York Maternity Center Association, was issued by the Children's Bureau in mimeographed form and is now being printed.

The staff of the Maternal and Child Health Division assisted in the preparation of the newly revised standard certificates for registration of live births, stillbirths, and deaths. New medical items on these certificates and the medical items included in the optional section of the live-birth certificates will provide a large amount of data never before available (see p. 143).

There is urgent need for four additional medical field consultants, five additional public-health-nursing consultants, and an additional nutritionist. One nutritionist on the Children's Bureau staff cannot begin to fill the requests for consultation service in the States. The Children's Bureau has long recognized that there should be a dentist on the staff, who should have training in public health as well as a thorough understanding of the dental problems of children and maternity patients.

A conference of State maternal and child-health directors with the staff of the Children's Bureau was held in Cleveland, Ohio, September 12, 1939, at the time of the meetings of the First American Congress on Obstetrics and Gynecology. Methods of improving prenatal and postpartum care and child-health supervision were discussed at round-table sessions.

The General Advisory Committee on Maternal and Child Welfare Services of the Children's Bureau met on March 4, 1940, at which time the Director of the Maternal and Child Health Division reported on progress made during the past year. The Advisory Committee on Maternal and Child Health Services met on March 4 and 5, 1940, to discuss with the staff of the Children's Bureau special aspects of the maternal and child-health program, such as dental hygiene, postgraduate medical education, child-health supervision, and mental hygiene.

The State and Territorial health officers met with the Children's Bureau in October 1939 to discuss proposed policies relating to merit-system administration. The regular annual conference of the State and Territorial health officers with the Children's Bureau was held on May 10, 1940. Discussion was confined to problems relating to the merit system of personnel administration.

Services for crippled children.

Policies with reference to use of additional funds for grants to States.—The Third Deficiency Appropriation Act, approved August 9, 1939, made an additional amount of \$500,000 available for services for crippled children. Ten thousand dollars of this amount was reserved to provide for the uniform allotment (matching required) to Puerto Rico for the 6 months January 1, 1940, to June 30, 1940. The remaining \$490,000 was designated as fund B (matching not required). The following amounts were set aside from fund B for future allotments during the year on the basis of evidence of need submitted in supplementary State plans:

- (a) \$50,000 for States having an increased number of crippled children with poliomyelitis.
- (b) \$200,000 for States developing cardiac programs.
- (c) \$240,000 for States otherwise indicating the need for additional Federal funds for services for crippled children.

The amount reserved for Puerto Rico was allotted on March 29, 1940. The amount of \$50,000 which was reserved for States having an increased number of crippled children with poliomyelitis was apportioned to the States on the basis of the excess number of cases of poliomyelitis occurring in the State during 8½ months of 1939 over a median number of cases occurring annually in the same State over a 9-year period. Of the \$50,000 reserved only \$40,000 was apportioned immediately on this tentative basis and \$10,000 was reserved for future allotments for emergencies during the remainder of the fiscal year. Later allotments from this sum brought the total to \$47,000, allotted during the fiscal year to 13 States showing excess need for children with poliomyelitis.

The Social Security Act amendments of 1939, by authorizing the appropriation of additional funds for services for crippled children, made it possible for the first time to consider the development of programs of care for children with cardiac conditions. Soon after the amendments were adopted the Chief of the Children's Bureau called together a small committee of recognized authorities in services for such children. This group met on September 10, 1939, and outlined general policies for the development and administration of a program of services for children with cardiac disease. At a later meeting of the same group, March 3 and 4, 1940, the recommendations were amplified and clarified. They were approved by the Advisory Committee on Services for Crippled Children, March 4, 1940.

Interest in the cardiac program was indicated by requests and correspondence from 20 States. A distribution of funds was prepared based on the number of deaths from cardiac disease of persons from 5 to 24 years of age in the various States in the years 1934 to 1936, inclusive. Negotiations with the 20 States showed that not all were in a position to develop a cardiac program during the fiscal year 1940. Allotments were made from fund B to 9 States to enable them to start such a program. Funds were also made available to Connecticut for improving the cardiac program already in operation. The amount reserved for apportionment for cardiac work in one State was later released for carrying on its general crippled children's program.

An amount of \$240,000 of fund B was reserved for allotment to States where need for additional Federal funds for crippled children's services could be shown without respect to special need for funds for cardiac programs or for poliomyelitis. The apportionment of this fund to the various States was made on the basis of a distribution prepared as follows: 25 percent distributed on the basis of per capita income of the State; 25 percent on the basis of sparsity of population; and the remaining 50 percent on the basis of the number of crippled children on the State register. The States were advised that amounts had been reserved on this basis, and all but six requested the total amount of their allotment. These requests totaled \$195,773.08.

After the allotments had been made as described, there remained \$171,236.92 of the total amount of \$490,000, which had not been taken up on January 1, 1940. This amount was reapportioned to 36 States requesting additional funds on the basis of the number of crippled children on the waiting lists. No State was granted less than \$840 nor more than \$10,000 in this reapportionment of fund B.

The additional Federal funds that do not require matching by the States have made it possible to extend services to crippled children greatly in need of care who are residing in States where public funds are limited and per capita income is low.

Progress in the States.—Extension and improvement in services for crippled children provided under title V, part 2, of the Social Security Act have continued throughout the year. Significant progress has been made in the registration of crippled children. Clinic services are better standardized and better distributed to meet the need of rural areas. Fewer crippled children appear on waiting lists of State agencies. The duties of the various types of personnel have been more clearly defined. Progress has been made in the development of standards for personnel and for institutions used under the State plans. Finally, understanding and appreciation of the need of services for the child as a whole and for definite planning to meet these needs have increased. The additional Federal appropriations that do not require matching have made it possible to extend services to many children who otherwise would have gone without care. The requirement that State agencies must establish and maintain merit systems for the employment of personnel should attract persons to a career service and assure tenure in office which will have a profound effect on the quality of care provided for crippled children.

Under the 1939 amendments to the Social Security Act Federal funds became available for allotment to Puerto Rico on January 1, 1940. A visit was made to Puerto Rico by the assistant director of the Crippled Children's Division to assist the State agency in the development of plans for crippled children's services and also maternal and child-health services. The Puerto Rico plan of services for crippled children for the fiscal year 1941 was received June 3, 1940, and approved July 29, 1940.

As of June 30, 1940, the State agencies administering services for crippled children were as follows:

State health departments	1	26
State welfare departments	1	14
Crippled children's commissions	1	5
State departments of education	1	5
University hospital	1	1

¹ In Puerto Rico, also, the Insular Department of Health is the State crippled children's agency, making the total administered by health departments 27.

During the year there was only one shift in the type of official State agency. Wisconsin transferred responsibility for administration of services for crippled children from an interdepartmental committee to a Bureau for Handicapped Children in the Department of Public Instruction.

Increased provision is being made for medical supervision and medical direction of the crippled children's program. The practice of using technical advisory committees or part-time professional personnel in an administrative capacity or for supervision of medical services is gradually changing to the employment of a public official on a full-time or part-time basis who has responsibility for medical decisions and policies. At the end of the fiscal year 1940, 35 of the State crippled children's programs were being directed by physicians, and plans

were in process of development in a number of other States to provide a physician as supervisor or director.

State registers of crippled children are maintained in all the States and cooperating Territories. The registers include all children under 21 years of age who are suffering from crippling conditions, as defined by the State plan, and who have been diagnosed by a licensed physician.

Since many cities have independent agencies rendering service to crippled children not under the supervision of the official State agency, cooperative arrangements will have to be perfected before State registers will be complete. Other problems also will have to be overcome before the registers are fully accurate and comparable.

Reports of the number of crippled children on State registers are made quarterly to the Children's Bureau. They show an increase from about 85,000 on September 30, 1936, to 266,387 on June 30, 1940. Some States enlarged their registers very rapidly during 1939 through special surveys or checks.

In addition to the regular quarterly reports, a special report for December 31, 1939, classified according to primary diagnosis, was received from 45 States, covering 188,579 children, or 76 percent of the total number then on the register. The data are shown in Table 5.

TABLE 5.—*Number in specific diagnostic classifications, percent distribution, and number per 10,000 population under 21 years; crippled children on State registers, December 31, 1939*¹

Diagnostic classification	Crippled children		
	Number	Percent	Number per 10,000 population under 21 years (1930 census)
Total, 45 States.....	188,579	100.0	50.0
1. Poliomyelitis.....	36,271	19.2	9.6
2. Cerebral palsy.....	19,172	10.2	5.1
3. Paralysis due to birth injury (exclusive of cerebral palsy).....	4,532	2.4	1.2
4. Clubfoot.....	13,784	7.3	3.7
5. Harelip and/or cleft palate.....	8,232	4.4	2.2
6. Tuberculosis of bones and joints.....	7,196	3.8	1.9
7. Osteomyelitis.....	11,112	5.9	2.9
8. Scoliosis.....	6,746	3.6	1.8
9. Rickets.....	5,607	3.0	1.5
10. Burns.....	4,161	2.2	1.1
11. All other definite diagnoses ²	67,410	35.7	17.9
12. Provisional diagnoses ³	4,356	2.3	1.1

¹ The numbers recorded represent children, not conditions; therefore only one diagnosis is recorded here for each child, and that is the primary one.

² Item 11 is a composite of many conditions which individually are infrequent in occurrence.

³ Item 12 includes cases about which there is: (1) uncertainty as to which of two or more possible diagnoses is applicable; (2) only an indefinite diagnosis (such as "question of _____" or "suspicous of _____") available at the time of this report; (3) grave doubt about the correctness of the diagnosis. This item is used only when it is impossible to make a definite diagnosis.

There have been no significant changes in the procedures used by State agencies in locating crippled children, except that they are employing more systematic methods than in previous years. The inclusion on the standard birth certificate of a provision for recording birth injuries and congenital abnormalities will make it possible to locate promptly children with these conditions. In 37 States provisions have now been made for obtaining information on the birth certificate regarding congenital defects and birth injuries.

Some progress has also been made in the development of procedures for the prompt reference to State crippled children's agencies of epidemiological reports received by State health departments when information on these reports relates to crippling conditions in children who are in need of care. Reports for the fiscal year 1939 indicate that in general State agencies considered the diagnostic clinics and the constant searching by the field staff as the most effective methods of locating crippled children.

During the fiscal year 1939, 359 clinics at permanent clinic centers and 519 itinerant clinics for crippled children were reported to have been conducted as part of the State programs. Almost all these clinics were attended by local physicians.

Each year since the crippled children's program started there has been evident a sound tendency on the part of the States to broaden their eligibility requirements in order to reach as many crippled children as possible and to extend services to those in need of care. In the majority of the States during the past year, children up to 21 years of age have been accepted for care. Diagnostic services have been made available by most States prior to investigation of financial status since it has been recognized that a sound decision on economic eligibility can be made only after diagnosis by a qualified physician has indicated the length and cost of treatment, the degree and duration of disability, and the effect of the illness and cost of treatment upon the family budget and standard of living. With but few exceptions State agencies now make diagnostic services available to any crippled child known to be in need of care. Excellent cooperation of local physicians in seeing that such children are referred to diagnostic clinics conducted by the State agency has been given in practically every State.

State agencies have continued to give special consideration to children in need of care who have been moved across State lines and who have not established legal residence within the State to which they have gone. Although formal reciprocal agreements, as a rule, have not been completed between State agencies, provision has been made by a large number of States for the care of such crippled children under arrangements made for individual children. Much more needs to be done before the problem of care for nonresident children is solved. Another factor affecting eligibility for care on which there has been relatively little progress in the past year is the requirement in some States that children be committed to the State agency through the county courts.

Continued increase in the use of convalescent homes and of convalescent foster homes is shown in State reports. States have been encouraged to develop convalescent foster-care programs only where placement service is carried on by a competent child-welfare agency and where correlation of services is worked out through close cooperation between the child-welfare worker and the medical-social worker in the State crippled children's agency. As more child-welfare workers have become available in local communities the State crippled children's agencies have depended increasingly upon them to improve conditions in the child's own home during his convalescent period.

Although many States at first conceived of aftercare as medical follow-up alone, they have now broadened their conception to include

nursing care, physical therapy, and social care so that a child at home may continue to improve in his physical condition and may have an opportunity to develop a life as nearly normal as his handicap will allow.

TABLE 6.—*Crippled children on State registers and services for crippled children, fiscal years 1939 and 1940*

[Administered or financed in whole or in part by official State agencies under the Social Security Act, title V, part 2]

Type of service	Number reported		Percent change from 1939 to 1940
	1940	1939	
Crippled children on State registers at end of year.....	266,387	224,761	+19
Services for crippled children:			
Clinic service (diagnostic or treatment): Visits.....	189,580	195,101	-3
Hospital care:			
Children under care during year ¹	41,528	44,784	-7
Children under care at end of year.....	4,609	4,357	+6
Days' care provided during year.....	1,390,389	1,405,219	-1
Convalescent-home care:			
Children under care during year ¹	6,663	6,329	+5
Children under care at end of year.....	1,288	1,191	+6
Days' care provided during year.....	406,774	402,419	+1
Foster-home care:			
Children under care during year ¹	2,494	2,449	+2
Children under care at end of year.....	548	403	+36
Days' care provided during year.....	123,875	116,653	+6
Public-health-nursing service: Field and office visits.....	198,009	189,957	+4
Physical-therapy service: Field and office visits.....	181,437	149,314	+22
Vocational rehabilitation: Children referred for vocational service.....	5,538	4,038	+37

¹ Total of children under care at beginning of year and those admitted or readmitted to care during year.

NOTE.—The figures in this table are preliminary and subject to revision. Reports were received from 48 States, Alaska, Hawaii, and the District of Columbia.

Greater efforts have been made this year by State agencies to make it possible for parents to accompany a child to the clinic or hospital, to talk with the doctor and the representatives of the State agency, and to participate in making and carrying out plans for the child's treatment. Increased emphasis has been placed on giving local nurses and welfare workers responsibility for direct service to crippled children. As more local communities have employed qualified professional people equipped to render services to crippled children, the members of the State staff have been able to devote increased time to consultation service. Special attention has been paid to improving the exchange of reports between the State agency and the hospitals used for the care of crippled children. Efforts have been made also to furnish promptly hospital-discharge data to local personnel so that the responsible authorities in the child's home community will have a sound basis on which to carry on effective aftercare services.

There was evident an encouraging increase in the services provided for crippled children whose condition did not indicate the need of operative treatment and hospital care.

Although some further progress has been made in extending facilities for care to rural areas, the problem of adequate facilities in such areas is still far from being solved. Many States have very limited, if any, vocational-guidance and educational facilities for crippled children outside of a few large cities. Much needs to be done in improving services available in the home and the community before State crippled children's agencies can achieve a well-rounded

program that comprehends the maximum physical and social adjustment of each child.

With the additional Federal funds made available by Congress during the year it was possible to make a beginning in the provision of services to children with cardiac disabilities. A cardiac consultant was employed by the Children's Bureau. A special memorandum, in harmony with the recommendations of the Advisory Committee on Services for Crippled Children (see p. 176), was made available to State agencies interested in developing cardiac programs. State plans were submitted by a number of States, and at the end of the fiscal year plans had been approved for cardiac programs in the following 10 jurisdictions: California, Connecticut, District of Columbia, Iowa, Maine, Massachusetts, Oklahoma, Utah, Virginia, and Washington.

A number of State agencies have become interested in working out plans for reviewing the quality of care provided to crippled children.

Crippled children were hospitalized in 561 hospitals by the 51 State agencies during the year. Of these, 504 (90 percent) were hospitals approved by the American College of Surgeons. Those not approved included some hospitals devoted to the care of Negro patients where need for improvement in hospital facilities and services is known to exist. It is hoped that continued efforts will be made to bring such facilities for the care of Negro children up to desirable standards.

Information received from the State agencies administering services for crippled children showed the types and numbers of professional personnel employed by these agencies during the fiscal year ended June 30, 1939:⁷

Type of professional personnel	Full-time	Part-time
Orthopedic surgeons.....	8	527
Plastic surgeons.....	139	
Ophthalmologists.....	100	
General surgeons.....	48	
Pediatric and other consultants.....	886	
Public-health nurses.....	1,251	108
Physical-therapy technicians.....	88	7
Medical-social workers.....	48	1
Social workers.....	17	11
Occupational therapists.....	3	2
Psychologists.....	1	1
Speech pathologist.....	1	
Others.....	4	16

¹ Includes 78 local nurses.

² Includes 85 local nurses.

³ Includes 25 local physical-therapy technicians.

⁴ Includes 6 local social workers.

⁵ Includes 9 local workers.

More than two-thirds of the orthopedic surgeons participating in the State services for crippled children were certified by the American Board of Orthopedic Surgery. Almost half the plastic surgeons were certified by either the American Board of Plastic Surgery (recently established) or the American Board of Surgery. Almost half of the ophthalmologists were certified by the American Board of Ophthalmology.

⁷ Not including personnel employed on staffs of State crippled children's hospitals when administered by several State agencies. The figures refer to State personnel except when otherwise indicated. The report for 1940 is not yet available.

During the fiscal year 1939, as in former years, emphasis was placed on provisions for further training of staff personnel. Eleven States provided additional opportunity for training for 35 staff nurses through stipends for special study in orthopedic nursing; 12 States provided 20 staff nurses with additional training in public-health nursing; 7 States provided additional training for 14 staff members in physical therapy; and 3 States provided 4 staff members with further training in medical-social work. Twenty-four States indicated that planned in-service training programs were conducted during the year for members of the State and local staffs. In 11 States planned programs were also conducted for informing employees of other State agencies regarding the State services for crippled children and the role to be played by the various State agencies in these services.

Progress has been made in the past year in the number of university courses in orthopedic nursing and improvement in the quality of the programs of study offered. The following universities have provided such courses: Simmons College, Boston; Teachers College, Columbia University, New York City; Western Reserve University, Cleveland. New York University has reorganized the course given in former years. The Orthopedic Nursing Council, which is composed of members of the National League of Nursing Education and the National Organization for Public Health Nursing, has prepared and made available for distribution a syllabus for an advanced course in orthopedic nursing.

A grant from the National Foundation for Infantile Paralysis has enabled the National Organization for Public Health Nursing to appoint an additional member to the staff, who is a specialist in orthopedic nursing. She has conducted institutes on orthopedic nursing in five States and in one region for members of the nursing staff active in crippled children's programs.

As in former years, the Children's Bureau, through the courtesy of a number of agencies, has been able to arrange to have qualified nurses lent to States where there has been an epidemic of poliomyelitis. The intensive, well-planned staff-education program which they conducted is improving the quality of performance in orthopedic nursing.

In order to achieve greater unity in the public-health-nursing aspects of the program, it has been necessary to establish systematic routines and sound working relationships to assure close integration between (1) the nursing service in the health department and in the crippled children's agency; and (2) the clinic, the hospital, the convalescent home, and the local nursing service in the child's own community. To avoid gaps and overlapping of services, assistance has been given in determining approved public-health-nursing policies, procedures, and functions which will be in harmony with the general administrative design of the crippled children's agency and bring about effective cooperation with welfare agencies, schools, and private organizations.

In several of the States which have added services for children with heart disease to their programs a public-health nurse and a medical-social worker with special preparation in this field have been added to the staff to function in this service, which is usually limited to a specified area.

State agencies carried out plans during the fiscal year 1939 for informing the public regarding the State services for crippled children and how such services might be obtained. The following channels

**PERCENTAGES OF ANNUAL FEDERAL ALLOTMENTS OF FUNDS FOR
SERVICES FOR CRIPPLED CHILDREN, MATCHED BY STATES
IN THE FISCAL YEARS 1939 AND 1940 SOCIAL
SECURITY ACT, SECTION 512 A**



Bars extending to 100 percent on scale indicate that States listed supplied matching funds in the amount of 100 percent, or more (indicated by +), of annual Federal allotments requiring matching.

were used: Publications, 43 States; exhibits, 7 States; talks, 38 States; radio, 12 States; and films, 11 States.

State budgets.—Increased State funds in 1940 made it possible for the States to match a larger proportion of the Federal funds available than had been matched in previous years. (See chart.) Balances of allotments from previous years were available, in addition to the amount appropriated for the fiscal year 1940. Many States were able to match more than the total amount available, but 20 States were not in a position to match all the current appropriation in addition to the balances from previous years.

Federal administration.—The professional staff in the Washington office includes the director, the assistant director, the cardiac consultant, the director of medical-social consultants, and the chief public-health-nursing consultant, who serves also in the maternal and child-health program. Regional medical and public-health-nursing consultants give approximately half their time to the crippled children's program, and regional medical-social-work consultants give most of their time to crippled children's work. Two orthopedic surgeons give part-time service to field consultation.

During the year five medical-social workers were assigned on a regional basis, though one had to be released for work on the merit system during most of the year. A cardiac medical consultant was added to the staff and a medical-social worker was appointed on a temporary basis to assist in the development of cardiac programs. An additional medical-social worker was employed temporarily to study the crippled children's program of California. Much time was given by the professional staff during the year to the installation in the States of merit systems of personnel administration.

Regional medical consultants have continued to give consultation service to State agencies in the basic organization of services for crippled children and in the organization and planning of related medical services. They have advised State officials with regard to qualifications of professional personnel and standards of hospitals and institutions used for the care of crippled children. A special effort was made during the year to establish and maintain higher qualifications for the employment of all professional personnel and to improve the system of statistical, financial, and case records maintained by State agencies.

The cardiac consultant to the Crippled Children's Division appointed on December 18, 1939, has visited 29 State agencies in connection with the development of cardiac programs for children. These visits have included the interpretation to State agencies and interested professional and lay groups of fundamental policies recommended by the Children's Bureau for the establishment of cardiac programs. Advice has been given to State agencies with regard to the type and qualifications of necessary professional personnel and standards for hospitals and institutions to be used for the care of children with heart disease. Wherever possible these field trips have been arranged with the regional medical consultants in the respective areas.

In addition to consultation work with State agencies the cardiac consultant has visited hospitals and convalescent homes throughout the country and discussed with persons experienced in this field problems relating to the care of children with cardiac conditions.

The public-health-nursing consultants have continued to give consultation services to State agencies on nursing services for crippled children and on the qualifications of nursing personnel engaged in crippled children's programs. They have participated in conferences and nursing institutes in Pennsylvania, New York, Iowa, Indiana, Kentucky, and Louisiana, conducted by the orthopedic nursing consultant of the National Organization for Public Health Nursing. Information has been obtained from schools of nursing in areas where rheumatic fever is prevalent to determine the facilities for special instruction in the care of children with this disease. A bibliography on heart disease is being compiled.

Medical-social-work consultants visited 38 States and the District of Columbia during the year. They have placed special emphasis on improving the quality of medical-social service. Advice and help have been given the States in finding qualified medical-social workers. The supply of such personnel is not equal to the opportunities for appointment. The consultants have participated in conferences and institutes.

A report on crippled children's services, a leaflet, "Facts About Crippled Children," and special articles in *The Child* were prepared and published during the year.

The Advisory Committee on Services for Crippled Children met with the General Advisory Committee on Maternal and Child Welfare Services March 4, 1940. The Director of the Crippled Children's Division presented a progress report to the joint session. At the sessions of the Advisory Committee on Services for Crippled Children which followed, the discussion was focused on a review of the quality of care provided for crippled children under State programs and on methods of improving this care. A detailed review of State and Federal administrative policies, procedures, and problems relating to the establishment and maintenance of adequate care was presented to the committee for discussion, and recommendations were made with regard to a number of aspects of the program.

The Advisory Committee on Public Health Nursing met November 30, 1939. Consideration was given to the development of merit systems and to policies regarding massage and exercise in the care of crippled children.

A conference was held at the Children's Bureau April 22 to 24, 1940, attended by medical-social workers, public-health nurses, and child-welfare workers, to discuss the respective functions and interrelationships of these professional groups and to attempt clarification of the relationship of the various types of workers employed under the crippled children's program. It was deemed advisable to arrange for another conference later in the year and to appoint a special study committee consisting of a limited number of outstanding representatives from the fields of medical-social work, public-health nursing, and child-welfare work. This committee, designated as an advisory committee on medical-social and public-health-nursing services under the crippled children's program, met on June 21 for a study of the problems of interrelationships and functions. It was planned to hold another meeting for this purpose in the fall.

On October 23, 1939, a conference of the executive heads of official State agencies administering services for crippled children was held to discuss policies and procedures being considered in the establishment of merit systems of personnel administration.

Eight hundred and five letters of appeal for aid to individual crippled children were received from 44 States and the District of Columbia. The majority originated in States on the eastern seaboard, the greatest number coming from New York, North Carolina, Pennsylvania, and Virginia. Each appeal received individual consideration. The types of aid desired included the following: Medical, surgical, hospital, institutional care, and aftercare; treatment at Warm Springs Foundation and the Mayo Clinic; artificial limbs, braces, corrective shoes, wheel chair and walker; a hearing aid; educational and vocational training; transportation to schools and to clinics; pensions; employment; financial aid to meet subsistence needs, to pay off hospital and doctor's bills, to provide glasses, a short-wave receiver, typewriter, bicycle, and other miscellaneous items; and general information regarding the crippled children's program.

Child-welfare services.

Progress in the States.—Prior to the passage of the Social Security Act, the Children's Bureau had established its program on the broad foundations of interest in all children and recognition of the need for development of the resources required to prevent in the future many of the child-welfare problems met with at present. Although title V, part 3, of the act provides limited funds for child-welfare services and confines the program to areas predominantly rural and other areas of special need, in many States the demonstration of the value of specialized services to children in the more sparsely populated districts has also created in other sections an awareness of unmet needs and a sense of responsibility for providing better basic services. From the vantage point of the Child Welfare Division in the Children's Bureau, this growing interest in child-welfare problems and in the special skills needed for dealing with them seems like the rising tide which creeps almost unnoticed through hidden channels and bays until it appears suddenly to be at full flood.

The fiscal year 1940 closed with 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico cooperating with the Children's Bureau in the child-welfare-services program. Not all these, however, functioned throughout the year. Louisiana's plan covered a period of 8 months from November 1, 1939; Maine's first plan for the year was approved only for the 6 months ending December 31, 1939, and its second plan for 3 months, from April 1 to June 30, 1940; and Puerto Rico, included in the program for the first time by the 1939 amendments to the Social Security Act, submitted a plan which was approved for 2 months beginning May 1, 1940. Wyoming, which was the only State not participating in the fiscal year 1939, had its first plan approved as of December 1, 1939, for a 7-month period.

Professional and clerical workers employed on June 30, 1940, on State and local welfare staffs whose services were paid for in whole or in part from Federal child-welfare-services funds were as follows:

	Full time	Part time
Total	695	195
State staff:		
Professional	175	65
Clerical	58	12
Local workers:		
Professional	398	97
Clerical	64	21

The major part of the allotments to the States for child-welfare services is expended for the development of local services. Many of the State workers also do some case work on a regional or district basis and assist in creating in local communities an awareness of children's problems and of the need to provide adequate local and State resources to meet them. This emphasis on community responsibility, not only to provide care for children in need but also to prevent that need whenever possible, is in accordance with the recommendations of the White House Conference on Children in a Democracy.

On June 30, 1940, 445 workers, paid in whole or in part from child-welfare-services funds, were employed in 512 counties with direct responsibility to county departments of public welfare or to other local officials or on assignment by the State welfare department. Thirty-nine other workers under the direction of the State department working on a district or regional basis were assisting a number of counties or local communities in their areas to offer case-work service to children, were stimulating interest in better methods of care, and were aiding in the improvement of social resources and the extension of a sound community program of child care. Six hundred and fifty-two counties had service of this type and 6 States found this a valuable method of utilizing child-welfare workers.

In 4 New England States, where local responsibility for welfare activities is on a town basis, there were 6 areas, including 51 towns, that had 6 child-welfare-services workers. In Alaska there was 1 area, including 2 towns, with 1 worker; and in Puerto Rico there were 3 areas, including 16 municipalities, with 4 workers.

As a result of the stimulation of this program a number of child-welfare workers paid from State or county funds have been placed in many counties or local areas. It is evident that there is a growing appreciation throughout the country of the value of this specialized service to children.

As the programs within the States expand they are generally becoming better integrated with the total public-welfare programs, especially with the child-welfare programs for which the States had legal responsibility prior to the passage of the Social Security Act.

Little information has been available hitherto concerning the number of children receiving protective or foster care and the type of care that is being provided for children in rural areas of the United States. A formal system of reporting on numbers of children in local areas receiving service from workers paid in whole or in part from Federal funds was not initiated at the beginning of the program. Instead, the assistant director of the Child Welfare Division of the Children's Bureau explored what the States themselves had been doing, and on the basis of material secured, prepared tentative reporting forms and then asked that the States themselves experiment with them.

The experience gained in this exploratory period is now being utilized by the Division of Statistical Research of the Children's Bureau. Monthly reports are now requested by the Children's Bureau for all workers in the child-welfare-services program who are on the staff of the local public-welfare department in rural counties, certain other areas of special need, and administrative units composed of several counties or towns.

February 1940 was for most States the first month for which reports were submitted. On May 31, 1940, 41,386 children were under care

of workers paid in whole or in part from child-welfare-services funds in 43 States, Hawaii, and Alaska; 20,110 families were represented. The number of children under care varied widely from State to State.

On the last day of May 1940 children in homes of parents or relatives constituted 76 percent of all children receiving child-welfare services from workers paid in whole or in part from Federal funds in 45 States and Territories. Seventeen percent were in foster homes, 6 percent in institutions for dependent or neglected children, and 1 percent under care in other places.

The plans for child-welfare services for the fiscal year 1940 as submitted by the States included provision for educational leave for approximately 160 workers, at a total cost, from child-welfare-services funds, of \$78,039. The period of leave is usually one semester or two quarters, but in many instances it has been three quarters or the entire school year.

In addition to provision for educational leave and competent supervision, a few of the States have established local training units within the public-welfare departments. These training units are used as resources for try-out of potential workers for educational leave or for orientation of new workers to the program. In five States schools of social work and State agencies have entered into a cooperative arrangement which permits the local unit to accept students for field work who give promise of fitting into a rural child-welfare program. Under these cooperative arrangements the supervisor of the training unit, who is a member of the child-welfare staff of the State or county department of public welfare, works closely with the supervisor of field work for the school.

State budgets.—Federal funds budgeted in State plans as approved totaled \$2,070,865.69, but only \$1,497,073.62 was actually paid to the States during the year. The States frequently encounter delays in finding qualified workers to fill vacancies, and other factors often operate to delay the initiation of projects under plans that have been made. It is significant, however, that the sum actually paid closely approximates the annual appropriation authorized (\$1,500,000).

Federal administration.—There has been no change in the size of the Child Welfare Division staff during the year. Services to the States and Territories in the development of their child-welfare-services programs are rendered mainly by the five field consultants, a limited amount of field responsibility being shared by the director and assistant director in addition to their other duties. The assistant director of the division has given service throughout the year to the White House Conference on Children in a Democracy.

In addition to the five regional consultants, the Child Welfare Division staff includes a special consultant on Negro child-welfare problems and an associate in child-welfare services. The latter carries responsibility for the detailed review of plans and of amendments and conducts certain research activities in connection with the plans and reports submitted by the States.

Members of the staff have given a large amount of time to advisory service in relation to merit systems of personnel administration (see p. 183). In addition, the director of a State child-welfare division who had had special experience in merit-system administration was given leave of absence from his State for temporary service with the Children's Bureau.

Staff members of the Child Welfare Division have participated in many activities designed to extend and strengthen the Children's Bureau services to child-caring programs throughout the country. They have participated in State welfare conferences, served on committees of the National Conference of Social Work and other organizations, addressed meetings, and led institutes on special child-welfare problems.

The Committee on Case Recording for Child-Welfare Services in Rural Areas has continued its work during the year. Three meetings have been held, in New York, Washington, and Chicago, and an article on the purpose and development of the work of the committee, written by the assistant director of the division, appeared in *The Child*. The committee discussions have afforded a valuable opportunity for interchange of thought and experience among committee members and local workers who have participated in the project, and for stimulation of interest in case recording on the part of public child-welfare agencies.

From time to time the Child Welfare Division plans to supplement the generalized services given the States by the field consultants, by the employment of technical consultants on a temporary basis to help improve the quality of certain phases of State child-welfare programs. In accordance with this policy, a special consultant on foster care was made available to the Alabama State Department of Public Welfare for a 3-month assignment. At the end of that time the State department took over the financial responsibility for this consultant service for another 3-month period.

The number of requests for the services of the special consultant on Negro child-welfare problems has increased. She has kept in touch with the projects and activities begun in previous years and has made return visits for consultation and advice to Alabama, Kentucky, Tennessee, and Virginia. In New Jersey she advised the State welfare agency on the development of resources in one county, and in West Virginia she assisted the Bureau of Child Welfare to review its child-caring program in relation to Negro children.

The special consultant has also visited training schools for delinquent Negro youth, conducted conferences and institutes, addressed national and local meetings of professional social workers and volunteers, both Negro and white, assisted in interpreting to various groups some of the special problems of Negro children, and helped to explore community resources for the better protection of dependent and neglected Negro children and those in danger of becoming delinquent.

It is interesting to observe that frequently the emphasis placed on meeting the needs of Negro children has served to direct greater attention to the needs of all children. Moreover, the special consultant's inquiries have sometimes shown ways and means by which local white workers, where Negro workers are not available, may earlier recognize Negro child-welfare problems and assume responsibility for them.

The Advisory Committee on Community Child Welfare Services met in October 1939 and authorized the appointment of a subcommittee to review the child-welfare-services program and to make recommendations for its further development to the General Advisory Committee on Maternal and Child Welfare Services. This subcommittee met in Washington on March 4, 1940, and reviewed the progress that has been made during the past 4 years.

The subcommittee stated its belief that social services for children should be available to every locality and gave consideration to the part that the child-welfare-services program under title V, part 3, of the Social Security Act should take in making these services a reality. It reviewed the need for expansion of the present program and considered whether an extension of Federal participation should follow the present method of providing funds or should introduce the principle of matching of a portion of the funds.

The subcommittee submitted to the General Advisory Committee on Maternal and Child Welfare Services the following statement, which the committee approved:

The progress which has been made in the child-welfare-services program is evidence that the Federal Government has responsibility for continuing and extending, through the Children's Bureau, participation with the States in the development and maintenance of child-welfare services in order to make such services available in all localities. The Children's Bureau should be equipped at as early a date as possible with additional resources.

The subcommittee's further recommendation that it be empowered, in cooperation with a committee of the Council of State Public Assistance and Welfare Administrators, to explore further the ways by which the program may be strengthened and extended was unanimously adopted by the General Advisory Committee.

A second subcommittee appointed at the October meeting was authorized to assist in the development of desirable standards to be recommended to the States as a basis for classification of child-welfare personnel. A memorandum on Standards for Child-Welfare Positions in Relation to a Merit System of Personnel Administration having the approval of the committee was issued in April 1940.

The Advisory Committee on Training and Personnel for Child Welfare Services (Children's Bureau) and for Public Assistance (Social Security Board) met in Washington on October 21, 1939, and again on January 25, 1940. The October meeting was given over largely to a discussion of the problems involved in the initiation of State merit systems. At the January meeting a subcommittee appointed to review Children's Bureau policies relating to the use by State agencies of child-welfare-services funds for educational leave made its report, and a member of the staff of the Child Welfare Division reported on training programs of State agencies responsible for child-welfare work. Educational leave for professional study, staff supervision, field training units, and institutes are the principal methods employed. Marked progress has been made in the development of staff supervision by competent case-work supervisors. More careful selection of staff workers for educational leave and longer periods of time for training, followed by staff supervision, are reported.

The Advisory Committee on Training and Personnel recommended that effort be made to increase the amount of the monthly stipend for educational leave in States in which it is markedly inadequate and far below the maximum of \$110 suggested by the Children's Bureau. It reported that two quarters, or one semester, is too short a period of training for students without previous professional preparation. It suggested that the Children's Bureau urge the States to plan more carefully and earlier for prospective students and to make a selection based on the personal capacity for growth in social work and on the

preparation for graduate study offered by candidates. Development of policies for educational leave for a 5-year period was suggested, an evaluation to be made at the end of that period. Other recommendations related to field training units.

On July 4, 1939, the Advisory Committee on Community Child Welfare Services and the Child Welfare Division sustained a great loss in the death of Dr. C. C. Carstens. As the executive director of the Child Welfare League of America for 18 years, he had provided an incomparably valuable leadership to the children's institutions and agencies of the United States and had brought to the advisory committee the wealth of his experience and a balanced judgment in all matters pertaining to sound programs of services to children.

Financial review, reports, and audits.

Review of State plans and budgets of the three services, maternal and child health, crippled children, and child welfare, was completed as follows:

Original plans and budgets.....		155
Revised, supplemental, and amended plans and budgets.....		880

Quarterly estimates of expenditure under annual plans were reviewed and approved. Quarterly reports of expenditures were received and reviewed as follows:

Service	Number of reports received		Number of reports reviewed and accepted pending field audit
	Original	Revised	
Total.....	611	38	552
Maternal and child health.....	205	21	188
Crippled children.....	204	10	196
Child welfare.....	202	7	168

State plans and budgets approved for the fiscal year 1940 represented a total of \$18,460,647.60 budgeted for expenditures, including \$7,101,878.25 of matching State and local funds. The total amount of Federal funds certified for payment was \$9,699,266.27, an increase of 18 percent over the fiscal year 1939. The Federal funds appropriated for grants to States for the fiscal year 1941 for the three programs total \$11,200,000. At the present rate of spending the programs of services within a year or two will be restricted so far as Federal funds are concerned to the total amounts authorized on an annual basis, because unexpended funds carried over from previous years are smaller each year.

Several changes were made in the financial-report forms prepared for use in the fiscal year 1941. The most important of these was the inclusion in the affidavit attached to the financial report of a statement to the effect that the balance of Federal funds as shown in the report has been reconciled with related balances on the books of the State Comptroller, the State Treasurer, or other authorized custodian of Federal funds.

During the fiscal year 1940 audits were completed in 31 States, covering in most instances expenditures for the fiscal years 1938 and 1939.

Special visits were made to 3 States. Alaska was visited by a field auditor for the first time since the beginning of the program and the audit for all three services in Alaska covered the fiscal years 1936 to 1939.

By the end of the fiscal year 1940 audits in all States for the fiscal years 1936 and 1937 had been completed. Audits for approximately two-thirds of the States through the fiscal year 1938 and for about one-half of the States through the fiscal year 1939 also were completed.

A fifth field auditor was appointed during the year, making it possible to assign field auditors on a regional basis. The services of 6 temporary audit clerks were made available during the last 10 weeks of the year, to assist auditors in the field. This service greatly expedited the audit work.

Reports of activities and services.

All States and Territories submitted quarterly reports for maternal and child-health and crippled children's services. Continued emphasis on correction of errors in reports and greater familiarity with the programs in the States have resulted in data for 1939 that are more accurate than for previous years. State-by-State tabulations of maternal and child-health activities and crippled children's activities were issued for the first time, covering the calendar year 1939. Reporting of child-welfare activities by workers paid in whole or in part from Federal child-welfare funds was started in January 1940; by June 1940, 44 States and 2 Territories were cooperating in this reporting plan.

Field consultants on the staff of the Division of Statistical Research gave consultation service, in response to specific requests, to 15 States—13 for maternal and child-health services, and 2 for crippled children's services. Many requests for such services have had to be refused.

Merit-system administration.

Amendments to the Social Security Act, approved on August 10, 1939, required that every State plan for maternal and child-health services and services for crippled children must include, after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis. On November 1, 1939, the Secretary of Labor issued amended regulations for the administration of child-welfare services to bring the methods of administration of child-welfare services into conformity with the amendments to the Social Security Act.

In undertaking to put into effect these amendments to the Social Security Act the Children's Bureau has attempted to stimulate the development of plans for merit-system administration that would assure the impartial selection of well-qualified personnel. In the interests of simplicity and economy of administration in the States, the Children's Bureau, in cooperation with other agencies, has encouraged the development of State civil-service or joint merit systems.

The participation of persons engaged in the administration of maternal and child-health services, services for crippled children, and child-welfare services has been sought in developing standards to be used in establishing State merit systems for personnel administration.

At a special conference of the State and Territorial health officers on October 23, 1939, the Children's Bureau presented a draft of Recommended Standards for the Establishment and Maintenance of a Merit System of Personnel Administration and for Qualifications of Certain Classes of Professional Employees in State and Local Agencies Administering Maternal and Child Health Services, Services for Crippled Children, or Child Welfare Services Under the Social Security Act, Title V, Parts 1, 2, and 3, as Amended. After suggestions of the conference were incorporated these recommended standards were issued to the States on November 1, 1939. Amendments to the recommended standards were discussed with a conference of the same group on May 10, 1940, and issued to the States on May 15, 1940.

Through cooperation with the subcommittee on personnel appointed by the Advisory Committee on Community Child Welfare Services, recommended Standards for Child Welfare Positions in Relation to a Merit System of Personnel Administration were adopted by the Children's Bureau and issued in April 1940.

By July 1, 1940, of 52 jurisdictions administering maternal and child-health services, 50 had submitted rules and regulations for merit-system administration and those of 15 had been found to be substantially in conformity with the recommended standards. Of 51 jurisdictions administering services for crippled children, 49 had submitted rules and regulations for merit-system administration and 16 had been accepted. Of 52 jurisdictions administering child-welfare services, 47 had submitted rules and regulations and 18 had been accepted by the Children's Bureau.

In 19 jurisdictions the merit systems were developed under the auspices of State civil service, 8 of these jurisdictions having enacted civil-service legislation since the passage of the Social Security Act in 1935. A substantial number of the State plans have provided for the development of joint merit systems with other State agencies.

ADMINISTRATION OF CHILD-LABOR PROVISIONS OF THE FAIR LABOR STANDARDS ACT

Foundations laid prior to 1940.

As soon as the Fair Labor Standards Act was approved, June 25, 1938, preparations for its enforcement were begun, so that by the effective date, October 24, 1938, general policies had been formulated and skeleton machinery for administration had been set up. During the next 8 months—that is, up to the beginning of the fiscal year 1940—administrative procedures were developed as rapidly as the limited appropriations and staff permitted. In this period, aside from the 4 regional consultants who were responsible for the coordination of certification and inspection work in their respective regions, the number of persons available for field service in all phases of the administration of the act varied from 3 to 17.

In spite of these limitations, by the beginning of the fiscal year 1940 the Children's Bureau had laid a solid foundation for the three most important phases of administration—the prevention of violations through a program for making available certificates of age, the discovery of violations through inspection of establishments; and the

protection of young workers from industrial hazards through the authority given to the Bureau to determine occupations hazardous or injurious to the health or well-being of minors 16 and 17 years of age. Cooperative relationships for making available age certificates as proof of age under the act had been set up in 42 States and the District of Columbia and Federal certificates of age were being issued in 2 States;⁸ a temporary regulation had been issued providing that outside these 44 States and the District of Columbia employers might protect themselves from unintentional violation by obtaining for their minor employees birth or baptismal certificates; a regulation had been issued limiting and controlling types of work permitted for children between 14 and 16 years of age; inspections had been made in 19 States, covering a total of 112 establishments employing more than 35,000 workers; procedures had been established for the determination of hazardous occupations, an order had been issued determining occupations in the manufacture of explosives to be hazardous for minors under 18 years of age, and study had begun on the hazards of employment of minors on motor vehicles. A program to inform employers and the public regarding the child-labor provisions of the act had been undertaken.

Progress in the fiscal year 1940.

Enlargement of both the certification and the inspection program has been made possible by a gradual increase in staff. Closer relationships with State and local education and labor officials have been developed, and a wider scope of inspection work has been undertaken.

In order to coordinate better the Bureau's program of administration in the States an additional region has been established, making five regions in all with a regional consultant in charge of each. Headquarters for these regions are in Washington except for the western area, which has headquarters in San Francisco.

Certificates of age.

The basic policy underlying the Children's Bureau administration of the child-labor provisions of the Fair Labor Standards Act is that the Federal legislation should not result in the setting up of a new and independent system which might conflict with the administration of State child-labor laws, but that its enforcement should be worked out so as to stimulate and strengthen State child-labor standards and administration. The fact that the act provides for the acceptance of certificates of age as proof of age made it possible to develop administrative policies in harmony with this principle. Certificate systems have long been recognized as essential in the enforcement of most State child-labor laws, and the Federal plans could thus be fitted into State systems already existing.

An employment certificate is not an end in itself. Employment-certificate systems have been developed primarily as a preventive measure to keep children below the legal age from entering employment. Because employers cannot know from the child's or parent's statement the actual age of the child, and are not in a position to

⁸ There were still four States—Iowa, Louisiana, North Dakota, and Texas—as well as Alaska, Hawaii, and Puerto Rico, where no provision for certificates of age under the Federal act had been worked out.

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sift evidence nor to develop standards for reliability of evidence, the most effective method the law-enforcing official has of securing compliance is to furnish a means whereby an employer may assure himself that he is obeying the law. A well-administered certificate system does this; a poorly administered system fails to do so.

The standards set up for the issuance of certificates and the plan for the designation of a State official, usually the head of the State labor department or State education department, who agrees to make certificates of age available, were described in last year's annual report.

At the beginning of the fiscal year 1940 Federal certificates of age were being issued in two States—Idaho and Mississippi—with the cooperation of State and local officials. In July 1939 a system for the issuance of Federal certificates was set up in South Carolina at the request of the State department of labor. This was 1 of the 42 States previously designated as a State in which State certificates would be accepted, and the change was in effect only a formal one, as the official of the State Department of Labor who had previously cooperated in issuing State certificates was commissioned by the Children's Bureau to issue Federal certificates.⁹ During this same month an additional State—North Dakota—agreed to make certificates of age available and was designated for this purpose, and in the following month similar cooperative arrangements were made with the State of Iowa, bringing the total of designated jurisdictions to 43 States and the District of Columbia. All these designations expired November 1, 1939. In October these jurisdictions were requested to accept redesignation for the remainder of the fiscal year. All agreed except Nevada and Maine,¹⁰ where the State officials were unwilling at that time to continue to accept the responsibility. Maine, however, consented to redesignation in February 1940. Early in 1940 a plan for age certificates was developed in Hawaii, so that at the close of the fiscal year 1940, 42 States, the District of Columbia, and Hawaii had been designated. These jurisdictions have accepted redesignation for the period ending June 30, 1941. Federal certificates are now being issued in 4 States—Idaho, Mississippi, South Carolina, and Texas—with the assistance and close cooperation of State and local officials, and in the 2 remaining States—Louisiana and Nevada—negotiations for cooperation are under way. A staff member has been assigned to Puerto Rico to work out a system of certification for the island, and the regional consultant for the western region is to survey the situation in Alaska early in the new fiscal year.

In the four States where Federal certificates of age are being issued plans have been worked out for each State with State and local agencies cooperating. The number of Federal age certificates issued is shown in table 7.

The emphasis placed upon obtaining the best possible evidence of age is reflected in the large proportion of certificates issued on the basis of birth certificates. In Mississippi 79 percent and in South Carolina

⁹This change was made necessary because the South Carolina law made no provision for such certificates, and the continuation of issuance of State certificates under such circumstances was considered inadvisable by both the State and the Federal agency.

¹⁰As a matter of practice, certificates of age issued by the local school authorities who issue employment certificates under the State law were available in Maine during the entire period.

91 percent of all the certificates for minors 16 and 17 years of age were issued on the basis of birth certificates. In Idaho all but 3 of the 23 were issued on this evidence. Owing to special difficulties in securing birth-registration records in Texas, only 19 percent of the age certificates in that State were issued on the basis of birth certificates.

TABLE 7.—*Federal age certificates issued in four States during the fiscal year ended June 30, 1940*

State	Certificates issued for—	
	Minors 16 and 17 years of age	Minors 18 years of age or over
Idaho (fiscal year).....	23	16
Mississippi (fiscal year).....	620	430
South Carolina (fiscal year).....	1,183	357
Texas (2½ months).....	158	96

In all States where Federal certificates of age are issued much time and effort has been given to a thorough program of education, since employers have not been accustomed to the use of certificates. Information has been disseminated widely regarding the child-labor standards of the act, the use of age certificates, and the way in which such certificates may be obtained. Information has been given out through local papers and trade journals and the schools have served as an effective medium for giving information to young persons leaving school for work.

To inform State and local officials, employers, parents, and young workers themselves of the terms of the law, the need for certificates, and the method of obtaining them, and to explain and assist in developing good technique in issuance, has required repeated personal contacts by representatives of the Children's Bureau. Nearly 1,200 visits to cooperating State and local officials were made during the year, about 175 to State officials and about 1,000 to local officials.¹¹ (See p. 188.)

Some measure of the success of the Bureau's program may be shown by the advances that have been made in the development of better techniques on the part of State agencies responsible for the administration of State child-labor laws. Improvement in methods of certificate issuance has been brought about to a large extent through instituting State supervisory systems where none had existed in the past or strengthening State supervisory systems already in existence. In about one-fourth of the States supervisory systems have been set up by a State agency, and in these States practically none existed before the Federal law went into effect. In at least 10 additional States methods of supervision have been materially improved. New forms have been issued in more than half the States, usually accompanied by instructions that would remind local issuing officials of important points to be taken into consideration in issuing certificates and would guide their procedures. In some States a promise of

¹¹ Included in this total are the visits made in connection with the program for making certificates of age available for sugar-beet and sugar-cane producers carried on in cooperation with the Sugar Division of the Department of Agriculture under the Sugar Act of 1937.

employment is now required where certificates were formerly issued without any proof that a child actually had a bona fide offer of a job.

Special emphasis has been placed on the value of birth certificates as evidence of age. In interviews with issuing officers, employers, and minors, information on how and where to obtain birth verifications has been stressed. A simplified form for verification of date of birth by vital-statistics offices has been drafted by the Bureau; it requires much less time to fill out this form than to make a transcript of the birth certificate. Through the use of this form verifications are now being made free of charge in some States where there was previously a charge for the information. To an increasing extent State vital-statistics offices are making such verifications of age available to issuing officers in other States. Frequently difficulties experienced locally by minors and issuing officers in obtaining quick verifications of date of birth have been corrected through conferences with the proper officials. In some localities arrangements have been made with local registrars for making verifications to avoid delay in the State office.

To assist State officials in the additional work required as a result of this program for making certificates of age available, the Bureau has placed assistants paid by Federal funds in the offices of a few cooperating State agencies. These appointees are taken from the Federal civil-service rolls and come from the State in which the work is done. In Delaware, Maryland, Missouri, and New Jersey a clerical assistant has been placed in the State Department of Labor. In Louisiana a part-time clerk was furnished for a few months to the Bureau of Vital Statistics, to make verifications requested in connection with child-labor inspections and with the program for certificates of age for cane-sugar workers. In California an assistant has been appointed to work in the State Department of Education to check duplicates of certificates issued throughout the State, to assist on the reports to the Children's Bureau, and to work with local issuing officers on the strengthening of procedures in the issuance of certificates of age.

Plans for making inspections of establishments subject to the act have been coordinated with the certification program, so that in localities where it was found that employers had difficulty in obtaining certificates, visits could be made to local issuing officials and their cooperation obtained. Visits to explain the child-labor program under the Fair Labor Standards Act have also been made to local issuing offices in some States in connection with a survey of certificate-issuing offices throughout the State made with the cooperation of the responsible State office.

Before the beginning of the canning season, educational campaigns were carried on in States where the canning industry is important, to acquaint issuing officers and employers with the need for certificates of age. A special effort to bring about compliance in this industry was particularly necessary because in the past canneries have been traditionally exempt from child-labor regulation, and they are in many instances outside the scope of the wage and hour provisions of the Fair Labor Standards Act.

Increased cooperation between State departments of labor and of education, both dealing with the child's transition from school to work, has been encouraged by pointing out how the services of one

agency might implement the other or how the work of the two State agencies could be dovetailed into the Federal program. Forms have been worked out and instructions to issuing officers have been prepared and issued jointly by the two departments.

Advantage has been taken of every possible method of disseminating information concerning the program, through special letters distributed to school officials, welfare groups, social agencies, and employers; circulation of instructions to minors concerning the way to obtain certificates; circulation of simple summaries of the provisions of the act; press releases on designation of States and methods of obtaining age certificates; addresses before child-welfare and labor groups; articles for journals of State departments of education or welfare; conferences with local issuing officers at State or regional conferences called by State officials supervising employment-certificate issuance.

Much still remains to be done. It is especially difficult to develop adequate issuance procedure in States where distances are great and where officials responsible for State supervision are overburdened with many other important duties. But there is no doubt that in a large majority of the States there has been real progress in securing to employed boys and girls the protection to which they are entitled under the Fair Labor Standards Act of 1938, at the same time giving them the benefit of more effective enforcement of the child-labor laws of the States in which they live and work.

Investigations and inspections.

Number of investigations and inspections.—With additions to the staff available for child-labor administration it was possible to extend the program of inspections. As compared with 167 inspections or investigations¹² of establishments in the first 8 months the act was in operation, a total of 2,264 were made in the fiscal year, 1940, distributed as follows:

First investigations	2,041
Of establishments exclusive of those manufacturing explosives	1,940
In establishments manufacturing explosives	101
Reinvestigations ¹³	223

¹² That is, reinvestigations during the fiscal year of establishments previously investigated in either the current or the preceding fiscal year. There were no reinvestigations in the explosives industry.

Establishments investigated were located in 34 States¹⁴ and the District of Columbia.

Basis for inspections.—Although no report of the total number of children employed in the United States has been issued since the 1930 census, the Bureau had a substantial amount of information to serve as a practical guide to the localities and the industries where inspections for violation of the act were of greatest importance. The 1930 census figures showing the number of employed children of different

¹³ These included 112 first inspections, 49 visits to establishments found not in operation, and 6 reinvestigations.

¹⁴ Alabama, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, Washington, and Wisconsin.

age groups, by States and cities and by broad industrial or occupational classifications, served as a preliminary guide.¹⁴

During the period between 1930 and 1938 there had been significant developments which had to be taken into consideration in planning the inspection program. The industrial depression, which had already begun in 1930, resulting in marked reduction of employment opportunity, had affected children as well as older persons. Between 1933 and 1935 the basic 16-year minimum age of the National Recovery Administration codes had effectively reduced the number of children under 16 in both industry and trade. On the other hand, when the codes were overthrown by the decision of the United States Supreme Court in the Schechter case in 1935,¹⁵ there had been an immediate increase in the employment of children under 16. However, in the period 1930-38, 8 States—Connecticut, New York, Pennsylvania, North Carolina, Rhode Island, South Carolina, Utah, and Wisconsin—had established a basic 16-year minimum-age standard in their State child-labor laws, and in 1939, 2 additional States—Massachusetts and West Virginia—adopted this standard.¹⁶

Through child-labor studies made over a period of many years the Children's Bureau has accumulated valuable information as to the kinds of work and the industries in which children are likely to be employed. Moreover, it has received for a number of years, from such States and cities as have been in a position to cooperate in this respect, current reports of the number of employment certificates issued for children leaving school for their first jobs (see p. 146). Although these figures do not give the actual number of children employed at any one time, they have given a rough indication of the trend in child labor from year to year and have furnished background information as to the sections of the country and the general types of work in which children are most likely to be employed.

Briefly, the decisions as to industries and localities in which inspections have been made were based on information such as—

(1) States and localities where the largest number of children under 16 were employed¹⁷ in 1930 in occupations subject to the Federal act, with consideration of the effect of the 16-year minimum-age standards of State laws enacted since 1930, the extent of exemptions from State child-labor laws, and the strength or weakness of State administrative systems.

(2) Information regarding industries in which, on the basis of studies made by the Children's Bureau and other agencies, there was reason to believe children were likely to be employed.

(3) Information, where available, regarding employment certificates issued for children going to work.

(4) Complaints of violations received by the Bureau from individuals and reports of violations sent to the Bureau by the Wage and Hour Division and by State labor departments.

In addition to using these guides for planning inspection procedure, the division coordinated its certification and inspection pro-

¹⁴ These figures showed 197,621 children between 10 and 16 years of age gainfully employed in nonagricultural pursuits in 1930, of whom 69,450 had been engaged in manufacturing and mechanical occupations and in the extraction of minerals, the occupation groups most likely to be affected by the 16-year minimum-age standard of the act, and 58,332, in trade and transportation, of whom some at least are subject to that standard. They also showed 621,083 minors 16 and 17 years of age engaged in these pursuits—the group of young workers for whom the Children's Bureau has responsibility for protection from hazardous employment.

¹⁵ *Schechter v. United States*, 55 Sup. Ct. 837.

¹⁶ In 1940 New Jersey also adopted a basic 16-year minimum age for employment (effective Sept. 1, 1940). As Montana and Ohio had adopted a basic 16-year minimum age before 1930, there are now 13 States with this standard.

grams by making inspections in areas where there was reason to believe the certificate-issuing system was weak, to check on the availability of certificates of age. If it was found that employers were having difficulty in obtaining such certificates, the local issuing officers were visited and active efforts were made to enlist their interest and cooperation.

Comprehensive inspections, aimed to cover as many establishments as possible in certain areas, were made in the fruit and vegetable and fish-canning industries, traditionally large employers of children. The deciding factors here were that canneries are exempted from the provisions of some State child-labor laws, and to some extent from the wage and hour provisions of the Fair Labor Standards Act, circumstances which might well increase the likelihood of child-labor violations.

Another comprehensive series of inspections was made in plants manufacturing explosives, to check on compliance with Order No. 1 relating to hazardous occupations (see p. 196), which established an 18-year minimum age in establishments manufacturing explosives or articles containing explosives components.

According to the 1930 census the 35 States (including the District of Columbia as a State) in which the Children's Bureau made inspections during the year had 95 percent of the children under 16 employed in manufacturing, mechanical, and mining occupations, the industries most likely to be covered by the child-labor provisions of the Fair Labor Standards Act.

Cooperation with the Wage and Hour Division.—Cooperation with the Wage and Hour Division, begun when the act went into effect so as to avoid duplication of inspection, has been continued and further developed. Inspections are made by the Children's Bureau in establishments subject to both the wage and hour and the child-labor provisions only after clearance with the Wage and Hour Division. When an inspection is made by either agency for violations under its jurisdiction a check is made for matters coming under the jurisdiction of the other. Reciprocal reports of noncompliance are made by each agency. During the past fiscal year 236 establishments were reported to the Wage and Hour Division by the Children's Bureau as having wage or hour violations, and 213 reports of child-labor inspections were made to the Children's Bureau by the Wage and Hour Division. (See p. 194.)

With the decentralization through regional offices of the program of the Wage and Hour Division in the spring of 1940, plans for transmittal of child-labor complaints and inspection reports were worked out with each of the 15 Wage and Hour Division regional offices in continental United States.

Under the general procedure followed at the present time, modified in detail to adjust to conditions in the different regional offices, all complaints received in the regional offices involving child-labor violations, whether or not they involve wage and hour violations, are sent immediately to the Children's Bureau, except for a slight delay when supplementary information must be obtained for clarification. Inspection reports of wage and hour inspectors, which are sent by inspectors direct to the regional offices, are examined, and if they show oppressive child labor or the employment of 16-year-old and 17-year-old minors

without certificates, the Wage and Hour Division regional office immediately notifies the Children's Bureau. In San Francisco, Calif., and in Austin, Tex., where Children's Bureau offices are located, the complaints and inspection reports are sent to Washington through these offices.

On the other hand, the Children's Bureau inspectors, in checking for child-labor compliance, check also the establishment pay roll for the 4 weeks preceding the inspection. If there is any indication of a wage and hour violation, the pertinent excerpts from the inspection report are sent immediately to the regional office by the Children's Bureau. The Children's Bureau sends complaints involving wage and hour violations directly to the regional director and if the complaint also involves a child-labor violation, clearance is made regarding a joint inspection.

At the end of each month the Children's Bureau reports to the Wage and Hour Division certain information for each establishment inspected which showed no wage or hour violation, and each Wage and Hour Division regional office sends a similar monthly report regarding its inspections to the Children's Bureau.

The Bureau has cooperated with the Wage and Hour Division by preparing instructions regarding child-labor provisions and their administration to be used in training new wage and hour inspectors, assisting in the preparation of the section of the inspector's manual relating to child-labor inspections, participating in training schools for new inspectors and in the training class held by the North Carolina Department of Labor for its inspectors who are undertaking investigations under the Fair Labor Standards Act, and preparing for wage and hour inspectors information on the different regions useful in connection with the child-labor aspects of the act. The Bureau has shared in the preparation of informational material on the general Fair Labor Standards program; in formulating the joint regulation for the utilization of State agencies in making investigations and inspections, pursuant to section 11 (b) of the act, and in drafting suggested State legislation authorizing cooperation by State agencies with the Children's Bureau and the Wage and Hour Division in the enforcement of the act.

Wage and Hour Division inspectors have cooperated by informing employers of the child-labor provisions of the act, emphasizing the desirability of obtaining certificates of age and indicating how they can be obtained, and by distributing releases and publications of the Children's Bureau regarding the child-labor provisions.

Cooperation with the Division of Public Contracts.—Cooperative arrangements have been made also with the Division of Public Contracts, which enforces the Walsh-Healey Act,¹⁷ with a view to avoiding duplicate inspections and giving each enforcement agency the benefit of the other's work. Children's Bureau inspectors make a check of the pay rolls of establishments doing work on Government contracts in connection with their inspections for child labor, and reports of the results are sent to the Division of Public Contracts. Wage determinations for industries in which the Children's Bureau

¹⁷ The Walsh-Healey Act, applying to employers of workers engaged in the production of goods under Government contracts amounting to more than \$10,000, establishes a minimum age of 16 for boys and 18 for girls, fixes a maximum 8-hour day and 40-hour week with time and one-half for overtime, and requires the payment of such prevailing minimum wages as may be determined by the Secretary of Labor.

is to make inspections are furnished by the Division of Public Contracts to aid in these examinations of pay rolls. In addition, as the minimum age for girls in establishments subject to the Walsh-Healey Act is 18 years, 2 years higher than that under the Fair Labor Standards Act, the Bureau inspectors notify the Public Contracts Division whenever girls of 16 and 17 years are found working in establishments holding Government contracts.

The Division of Public Contracts furnishes the Children's Bureau current lists of its inspection assignments, and the practice of the Bureau is to defer visits to these establishments for 2 or 3 months, allowing opportunity for a report of child-labor findings from that division. If unusual circumstances make it desirable for the Bureau to inspect any such establishments immediately, clearance is made with the Division of Public Contracts.

Findings of investigations and inspections made by the Children's Bureau and the Wage and Hour Division.—In the course of the 2,264 visits made by the Children's Bureau for inspection purposes 1,483 plants found to be in full operation and to be shipping goods in interstate commerce were inspected. These 1,483 inspections were:

First inspections in establishments other than those manufacturing explosives-----	1,298
First inspections of establishments manufacturing explosives (covered by hazardous-occupations order)-----	76
Reinspections-----	109

The establishments in the first group had approximately 235,000 employees. In 188 establishments (14 percent) minors under 16 years of age were found employed. Of these 188, 137 were engaged in canning or packing fruits, vegetables, or seafood, or in pecan and walnut shelling. Most of the others were engaged in miscellaneous manufacturing industries. Nine hundred and eleven children under 16¹⁸ were found employed, their ages being as follows:

Under 12 years-----	129
12-13 years-----	187
14-15 years-----	595

¹ One additional child 14 years of age was found employed in accordance with Child Labor Regulation No. 3, working in a factory office. This child worked 1 hour after school on school days and 2 or 3 hours on Saturday.

The majority (548) of these 911 children were employed in seafood or fruit and vegetable canning and packing plants. Ninety-two were working for pecan- and walnut-shelling establishments, nearly half (42) engaged in shelling and picking walnuts in their homes. One hundred and forty-eight of them were engaged in industrial home work in connection with the manufacture of artificial flowers, shade pulls, bobby pins, snaps, and paper boxes. Fifty-seven were found working in miscellaneous industries, including the manufacture of hosiery and knit goods, wearing apparel, shoes, paper boxes, and furniture and wood products. Thus a total of 845 children were found working for establishments subject to the child-labor provisions of the act at all times. In agriculture, however, where the remaining 66 children were employed on six farms, the application of these pro-

¹⁸ Exclusive of the 7 children under 16, who, as is noted later, were found employed either in these establishments as helpers on motor vehicles or in establishments manufacturing explosives; that is, in employments for which orders of the Chief of the Children's Bureau had in effect established a minimum age of 18 (see p. 196).

visions is limited. In respect to this employment the basic 16-year minimum age of the act applies to employment of children only while they are legally required to attend school. Though school was in session when these 66 children were found employed and all were sent back to school as a result of the inspections, there was some question as to how many of them were actually legally required to attend school under the State school law.

About two-thirds (595) of the 911 children under 16 were 14 or 15 years of age. Children of 12 or 13 years, however, some even as young as 9 or 10, worked along with the older children at heading and picking shrimp, peeling tomatoes, handling or labeling cans, or picking, cleaning, or shelling walnuts and pecans. A few children 7 years of age or younger were found working at walnut and pecan shelling. Many of the younger children were also found doing industrial home work or were among those engaged in farm work—pulling radishes, loading and peeling cabbages, pulling and tying carrots and parsley.

Of the 1,298 establishments inspected for the first time, 589 employed minors between the ages of 16 and 18 years. Only 101 had certificates¹⁰ on file for all these young workers.

Reinspections of 109 establishments by the Children's Bureau agents also showed violations of the 16-year minimum-age standard numbering 85 in 25 establishments.

In addition to inspection for compliance with the basic 16-year minimum-age standard of the act, inspections were made for compliance with the 18-year minimum age set by hazardous-occupations orders. Compliance with the order establishing a minimum age of 18 years in the occupation of driver or helper on motor vehicles was found in most instances, although 24 minors under 18 were found to be working in violation of this standard, of whom 5 were under 16 years of age. Inspections of establishments manufacturing explosives showed 7 establishments of the 76 given complete inspections, that were employing minors under the age of 18 years; 11 children, 2 under 16, were involved.

Inspections by the Wage and Hour Division resulted in reports of 207 first inspections and 6 reinspections in which information indicating problems relating to child labor was given. As a result of these inspections, 101 children under the age of 16 were found illegally employed. Of these, 55 were found in establishments given further investigation by the Children's Bureau, after the initial report of the Wage and Hour Division, in accordance with procedures agreed to by that Division and the Bureau. These are included in the Children's Bureau totals previously given. Five minors under 18 (2 who were 16 years of age and 3 who were 17) were found employed in violation of the order establishing a minimum age of 18 for employment as driver or helper on motor vehicles. Three of these minors were drivers.

The total number of children found employed in violation of the 16-year minimum-age provision of the act was 1,049, including 7 employed in violation of hazardous-occupations orders—1,003 found in the course of Children's Bureau inspections and 46 resulting from Wage and Hour Division inspections as to which no further inspec-

¹⁰ Employers in States operating under a temporary regulation (see p. 185) are considered as having certificates if they have on file the acceptable evidence.

tions were made by the Children's Bureau. Forty minors under 18, including the 7 under 16 listed above and the 5 reported by the Wage and Hour Division, were found employed in violation of the two hazardous-occupations orders in effect during all or part of the year.

Child-labor inspections made by cooperating State agencies.—The only State that entered into an agreement with the Wage and Hour Division and the Children's Bureau to enforce the provisions of the act, effective during the last fiscal year, was North Carolina.²⁰

Under these agreements State inspectors make investigations for violation of the Fair Labor Standards Act and are reimbursed by both the Wage and Hour Division and the Children's Bureau. These agreements are made with the State under the authority given by the act to reimburse State agencies for assistance in enforcement. Plans for the inspection work are submitted by State agencies and must be found reasonably appropriate and adequate to carry out the functions assigned by the act to the Wage and Hour Division and the Children's Bureau. In order to be designated, States must comply with standards set up jointly by the Children's Bureau and the Wage and Hour Division.

The agreement with North Carolina went into effect November 1, 1939, and reports have been received of only 17 establishments inspected where minors under 19 years of age were found.²¹ Four of these establishments employed minors 16 and 17 years of age, and certificates were found on file for all except one of these minors. No children under 16 were found employed.

Complaints of violations.—The Children's Bureau receives comparatively few complaints of child-labor violations, only 105 having come in from all sources during the year. In 16 cases the information given in the complaint or subsequently obtained by correspondence indicated that no children under 16 were employed or that the establishment was not covered by the act, as no interstate commerce was involved.

Sixty-eight of the remaining 89 cases were investigated; 15 of the plants were not in operation or were not engaged in interstate commerce. Of the 53 found to be operating, 36 employed a total of 116 children under 16. Thirty-four of the 53 establishments employed minors of 16 and 17; only 4 of these had certificates on file for all their minor workers, 4 had certificates on file for some of them, and 26 had no certificates on file for any of their 16- and 17-year-old employees.

Court review and enforcement.

Of the two methods provided by the act for dealing with violations of the child-labor provisions, injunction proceedings in civil cases and criminal prosecutions, the Bureau has used chiefly the former. Civil proceedings are initiated by the Chief of the Children's Bureau, subject to the direction and control of the Attorney General. The work

²⁰ Cooperative agreements with Connecticut and Minnesota went into effect July 1, 1940, for the period ending June 30, 1941.

²¹ In order to assure proof of age, employers are advised by the Children's Bureau that it is desirable to have certificates of age for all employees under the age of 19 years.

is done under the supervision of the Solicitor of the Department of Labor. Criminal action is brought by the Department of Justice. It is limited by law to willful violations, and in most cases where illegal employment has been found on first inspection it is the policy of the Children's Bureau and the Department of Justice to give the employer an opportunity for voluntary compliance.

Two criminal proceedings and 14 civil suits for flagrant child-labor violations have been brought to a close during the fiscal year. Both the criminal suits and 6 of the civil suits were prosecuted jointly with the Wage and Hour Division. The remaining 8 cases, to 5 of which the wage and hour provisions of the act did not apply, were concerned with child-labor violations only.

In the 2 criminal cases, 1 against an establishment manufacturing lottery tickets and the other against an establishment manufacturing artificial flowers, the oppressive child labor was found in industrial home work. The defendants in both cases pleaded guilty, a fine of \$1,500 in each case being imposed. Of the 14 civil cases initiated during the fiscal year, 7 involved canneries (2 seafood canneries and 5 vegetable canneries) and 5 involved employment of children under 16 in industrial home work—2 establishments manufacturing hairpins and bobby pins, 2 establishments manufacturing shade pulls, and 1 establishment manufacturing paper cups. In 1 civil suit a manufacturer of boots and shoes and in 1 a manufacturer of crates, cups, and boxes, were the defendants. All these 14 cases were closed by consent decrees enjoining future violations. In none of these 16 cases did the employer contest the case.

No court cases were pending at the end of the fiscal year. Ten cases, however, had been recommended for court action, 6 for criminal action and 4 for injunction proceedings. Six of the cases involved seafood or vegetable canneries, 2 cases involved the manufacture of crates and boxes, and 2 cases involved interlocking logging and lumber concerns.²²

Determination of hazardous occupations.

In addition to the responsibility for upholding a basic 16-year minimum age for employment in establishments subject to the child-labor provisions of the Fair Labor Standards Act, the Children's Bureau under the act has the duty of protecting minors between 16 and 18 years of age from hazardous employment. The Chief of the Bureau is given authority to determine what occupations are particularly hazardous or detrimental to the health or well-being of minors between 16 and 18 years of age. After such determination has been made and an order issued, an 18-year minimum age is in effect for work in the particular occupations covered by it. In carrying out this program the Bureau has far-reaching responsibility and opportunity, for such a method of protection of young workers has been demonstrated by State experience to be the most workable means of keeping pace with changing industrial conditions in safeguarding young workers from hazardous employment.

Prior to the fiscal year 1940, general procedure for finding and declaring occupations hazardous had been worked out; an order, effec-

²² The partners of the logging and lumber concerns pleaded guilty and fines totaling \$5,000 were imposed on July 10, 1940. The children under 16 employed by these concerns were engaged in peeling logs for pulpwood and lumber.

tive July 1, 1939, had been issued declaring hazardous for minors 16 and 17 years of age all occupations in establishments manufacturing explosives or articles containing explosive components; and an investigation of the hazards of drivers and helpers on motor vehicles had been begun.

The Industrial Division has proceeded very carefully in making these determinations in order to make certain that minors are not deprived of reasonable opportunities for employment and that employers are not deprived of the use of young workers without sound cause. Thorough study is made of all available factual data that pertain to the hazards of work and the policies regarding employment of minors in a specific occupational field, and experts in industrial safety, employers, employees, and other interested persons are consulted before a proposed order is drafted and a public hearing held. The Advisory Committee on Occupations Hazardous for Minors, which was appointed last year, has been of great assistance in developing a sound and constructive program.²³ The committee includes in its membership leaders in the fields of industrial safety and industrial health, child-labor and child-welfare fields, representatives of labor and employers, and Government advisers from bureaus interested in the field. Two meetings of the committee were held during the year.

Technical advisory committees have also been set up for assistance in developing orders in specialized fields. Such advisory groups, composed of representatives of labor and employers as well as technicians and safety experts, have given valuable assistance in connection with the special studies that have been carried on. Every attempt has been made to confer fully with representatives of all the interests involved in a particular order, and the widest possible publicity has been given to proposed orders, to allow opportunity for comment or objection.

At its first meeting, October 13, 1939, the Advisory Committee on Occupations Hazardous for Minors set up certain principles which the Industrial Division has followed in the development of its program. These principles included the following:

It is understood—

That determinations will be based upon careful review of such factual material as is available or can be assembled, practical experience, and expert opinion.

That occupations particularly hazardous or detrimental to the health or well-being of workers in general are also particularly hazardous or detrimental to the health or well-being of minors under 18 and should be given consideration as rapidly as possible.

That other occupations not particularly hazardous or detrimental to the health or well-being of adult and experienced workers may have particular hazards for minors under 18, or be detrimental to their health or well-being. Among such occupations are those requiring a degree of muscular coordination,

²³ The members of this committee are: Cyril Ainsworth, assistant secretary of the American Standards Association, chairman; Courtenay Dinwiddie, National Child Labor Committee; D. D. Fennell, past president, National Safety Council; Dr. Leonard Greenburg, New York Department of Labor; Dr. Alice Hamilton, Hadlyme, Conn.; R. McA. Keown, Industrial Commission of Wisconsin; Dr. S. Z. Levine, The Society of the New York Hospital; C. E. Pettibone, American Mutual Liability Insurance Co.; Lee Pressman, Congress of Industrial Organizations; Albert S. Regula, Industrial Relations Counselors, Inc.; Robert J. Watt, American Federation of Labor; Albert W. Whitney, National Conservation Bureau. Dr. R. R. Sayers, United States Public Health Service, and Max D. Kossoris and Verne A. Zimmer, United States Department of Labor, are Government advisors to the committee.

stability, maturity of judgment, or resourcefulness in meeting emergencies not usually characteristic of young workers, and those occupations which are inhibitory or injurious to growth or development. The Children's Bureau should proceed to a study of the pertinent facts and determine these occupations as rapidly as possible.

Motor-vehicle employment.—The employment of minors as drivers and helpers on motor vehicles was selected for study because of the increasing seriousness of accidents in connection with motor vehicles throughout the country.

To determine the special hazards for minors 16 and 17 years of age in these occupations, which are found in nearly all industries throughout the country, published and unpublished material relating to the hazards of such employment was compiled and studied, and conferences were held with many persons with expert knowledge of motor-vehicle hazards and of the automotive transportation industries, and with others competent in the field, including representatives of employers and organized labor. A preliminary public hearing was held in Washington on August 18, 1939, to obtain information and opinion concerning these types of employment and the hazards of such work from agencies and individuals that were concerned but could not be reached readily in informal consultations.

The study indicated the desirability of excluding minors under 18 from the occupations of driver of motor vehicles and helper on such vehicles. It was shown that work on motor vehicles involves a high degree of accident risk for persons of all ages; that motor-vehicle drivers between 16 and 18 years of age have been found to be involved in a larger number of fatal accidents in proportion to miles driven than drivers in any older age group; that legislation in many States, reflecting public recognition of the special hazards incident to the driving of motor vehicles by young persons, has established higher standards for drivers of motor vehicles than for general employment; and that a minimum age of 18 years or higher for the employment of motor-vehicle drivers and helpers has been adopted voluntarily as a general policy by many employers and by the branch of organized labor especially concerned with employment in this field.

On the basis of this investigation and preliminary hearing, a proposed finding and order was drawn up declaring the occupations of motor-vehicle driver and helper to be particularly hazardous for the employment of minors between 16 and 18 years of age, and a second public hearing was held in Washington on October 27, 1939, to give interested parties an opportunity to appear and be heard with respect to it. Little objection to the proposed order, which was given considerable publicity, was received and at this second hearing only one witness appeared, a representative of the Florida Citrus Commission, who supported the order. The final order, identical with the proposed order, was issued on November 27, 1939, to become effective January 1, 1940.

The effect of the order is to apply an 18-year minimum-age standard to all employment as driver of motor vehicles or helper on such vehicles in or about establishments subject to the child-labor provisions of the Fair Labor Standards Act. It specifies that if any Federal or State law or municipal ordinance establishes a higher standard, the higher standard shall prevail.

Employment in coal mines.—The coal-mining industry was selected next for study because it is known as one of the most hazardous indus-

tries in the country and because at the time of the last census, in 1930, it employed a considerable number of boys under 18 years of age. The recurrent coal-mine disasters which take many lives at one time have dramatized the hazards of the industry, but a much larger number of workers are killed or injured annually in the many accidents involving only one or a few coal-mine employees than are killed or injured in the more spectacular and publicized disasters.

As in the case of the motor-vehicle order, information was obtained through analysis of published and unpublished data, conferences with many persons having expert knowledge of the industry and its hazards, and compilation and analysis of available accident statistics. Visits were also made to a number of anthracite and bituminous mines in several States.

The findings which were developed and which appeared to justify the exclusion of minors of 16 and 17 from coal-mine employment, were briefly: That work in or about coal mines, both anthracite and bituminous, involves an exceptionally high degree of accident risk in comparison not only with manufacturing as a whole but also with most other industries for which adequate injury statistics are available; that the accident risk in coal-mine work is probably particularly high for young persons, who are characteristically lacking in the experience and caution needed for work in or about coal mines; and that State legislation, which reflects public recognition of the particular hazards of coal-mine work for young people, has established higher minimum-age standards for work in or about coal mines than for general employment in the majority of the coal-producing States.

On the basis of the findings of the investigation a proposed order was drawn up declaring hazardous for minors of 16 and 17 all occupations in or about coal mines, exempting only certain specified surface occupations, and a public hearing was held June 28, 1940. No persons appeared in opposition, and the proposed order met with general support from both labor and operator groups. There was some discussion of the exact scope of the surface occupations to be permitted, as a result of which a slight modification of the order was made by the Bureau. The order, effective September 1, 1940, establishes a minimum age of 18 for employment in all occupations in or about coal mines except the occupations of slate or other refuse picking at picking tables or picking chutes in tipplers or breakers or occupations requiring the performance of duties solely in offices or repair or maintenance shops located in the surface part of coal-mining plants. The order includes carefully developed definitions of "coal" and of the term "all occupations in or about any coal mine." As was the case with the motor-vehicle order, if a higher standard is set by State or Federal laws or municipal ordinances, the higher standard is controlling.

Logging and woodworking operations.—An investigation into the hazards of logging and of woodworking occupations is now in progress and it is hoped that hearings on proposed orders with respect to these types of employment may be held in the fall. It is anticipated that insofar as the logging and sawmill operations are concerned, the order will be worked out on an industry basis, but that consideration of other woodworking fields will be on the basis of the hazards of particular machines and occupations.

Relation of hazardous-occupations program to the defense program.—When the hazardous-occupations program was initiated an attempt was made to map out the work so that the various fields of inquiry, when combined at the end of several years, would have covered as wide a range as possible. By June 1940, however, it became evident that in determining priority of investigation industries in which greatly expanded employment would result from the defense program should be considered. Moreover, it became clear that the procedure should be expedited as much as possible without impairing the factual basis on which orders are developed or the consultation work which is necessary to insure fair consideration of all points of view. These matters were considered by the Advisory Committee on Occupations Hazardous for Minors at a meeting on June 27, and the program for 1941 is being shaped in accordance with its recommendations. Immediate investigations are planned in the shipbuilding industry and the operation of metal-working machines such as are used in manufacturing airplanes and other defense materials.

Industrial health hazards.—The work of the Industrial Division on industrial hazards for minors under the Fair Labor Standards Act has been limited to the determination of occupations subject chiefly to accident hazards. This has been due in part to limitations of staff, in part to the fact that it was felt desirable to develop methods of investigation and procedure in fields in which specific knowledge of hazards is greater than in that of industrial health. It is highly important, however, that a beginning be made in dealing with health hazards as soon as possible and plans are under way for the appointment of needed technical staff for work in this field.

Relation of hazardous-occupations orders to age-certification and inspection programs.—The direct effect of an order declaring an occupation particularly hazardous for minors 16 and 17 years of age is to establish for that occupation a minimum age of 18. Provision has been made therefore for extending the certification program in the States to include making available on request certificates of age for minors 18 and 19 years of age employed in any occupation declared hazardous.

Inspection work increases as new orders are issued. As continued enforcement of the general minimum-age standards of the law tends to eliminate children under 16 years of age, the amount of work necessary to carry out the hazardous-occupations part of the program will become heavier through increasing numbers of orders to be enforced.

Comprehensive inspections of establishments producing explosives were made during the past fiscal year to check up on compliance with Order No. 1. Inspections with respect to drivers and helpers on motor vehicles are made in connection with investigations of practically all industries subject to the act. Visits to coal-mining areas have been deferred for the most part until the issuance of the order for that industry. A considerable amount of inspection work will be required. The enforcement of these orders, especially where they are on an occupational and not an industry basis, requires much additional inspection work in checking on the occupations of 16- and 17-year-old employees.

Industrial-injury statistics.—In its work of making studies and formulating orders as to hazardous occupations, the division has been in close touch with Federal and State departments and private agencies dealing with industrial-injury statistics. It is hoped to extend

these contacts and to develop a program for obtaining more information as to accidents to minors reported to State labor or workmen's compensation departments or other agencies collecting accident reports, throughout the country. As a beginning it is planned to collect detailed information regarding accidents occurring to workers under 18 years of age in those coal-mine occupations that are exempt from the order of the Chief of the Children's Bureau with respect to occupations hazardous for minors. Thus it will be possible to ascertain to what extent minors between 16 and 18 years of age are being injured in occupations which have not been prohibited and to provide a basis of fact for possible modification of the order as a result of experience. Increased cooperation with the States in developing their accident statistics in a form that will indicate hazards according to occupation is planned with a view to having available current statistics for use in connection with the investigations of the hazards of particular occupations.

Staff engaged in child-labor administration.

By June 30, 1940, the professional staff of the Industrial Division engaged in the administration of the child-labor provisions of the Fair Labor Standards Act included 36 persons, in addition to the director, who is responsible also for the general research activities of the division (see p. 138). An assistant director in charge of administration has immediate responsibility for the age-certification and inspection parts of the child-labor program. She is aided in the development of general policies and the supervision of field work by a specialist and an assistant in employment certification and a specialist and an assistant in inspection. Five regional child-labor consultants are responsible for the general development of birth-certification and inspection activities in the regions to which they are assigned, including cooperation with State departments of labor and education and with the regional staff of the Wage and Hour Division. Nineteen field workers carrying on inspection and certification work, 2 attorneys, a research assistant, and 4 specialists in hazardous-occupations research complete the staff.

While this staff has been able to work effectively with State departments of education and labor on certification problems, it has been entirely inadequate in size to cover the local issuing offices in many of the States, and in most States there is no State staff available for such local supervision. Great need exists for additional staff for inspection work also, in order to develop closer relationships with the regional offices of the Wage and Hour Division, to inspect canneries in the various States during the peak seasons, to make routine inspection drives following the promulgation of each hazardous-occupations order, and to inspect for child labor in agriculture when school is in session. Because of the small staff available for inspection work there were still 12 States and Alaska, Hawaii, and Puerto Rico in which no inspections had been made by the Children's Bureau at the end of the fiscal year.

RECOMMENDATIONS

From this review of the work of the Children's Bureau and the cooperating State agencies during the past fiscal year, certain con-

clusions emerge with reference to the ways in which the activities now being carried on will need to be strengthened and expanded if they are more fully to serve the children of the United States in a period of unprecedented tension and strain. The past 7 years have witnessed notable advances in public provision for mothers and children with Federal, State, and local participation. These gains must be preserved in the fiscal year upon which we have now entered and in the years to come. Their chief value, however, is not in the services that now can be provided, valuable as these are, but in the hitherto unrecognized needs brought to light and in the development of skills, methods, and relationships which afford a basis for further advance. Moreover, reaching far beyond the work of the Children's Bureau, are underlying considerations with regard to the ways in which our democracy must be strengthened so that children and young people may develop those steadfast and enduring qualities of body, mind, and character which are the bulwark of a free people.

1. Strengthening existing services.

a. The resources of the Children's Bureau for basic research, for evaluation of methods of administration of services carried on in cooperation with the States, and for advisory service to officials and groups concerned with improving State and local provision for mothers and children should be expanded. No material increase in the Bureau's appropriations for service of this kind has been made for more than a decade. Knowledge of the facts surrounding children and widespread dissemination of these facts are the foundation for effective action.

b. Additional funds should be provided for increasing regional consultation service made available to the State agencies administering maternal and child-health services, services for crippled children, and child-welfare services under the Social Security Act, and for the employment of specialists in the Washington office and in the field to supplement the services of the regional consultants. Some of the subjects as to which specialized service is greatly needed are the promotion of dental health of mothers and children, nutrition service, physical-therapy services for crippled children, foster care of children, and mental hygiene.

c. The administrative and research staff of the Industrial Division should be expanded so as to enable the Children's Bureau to give further assistance where needed to State agencies responsible for issuing employment certificates, to cooperate more closely with the regional offices of the Wage and Hour Division, to carry on inspections as needed to make sure that the child-labor provisions of the Fair Labor Standards Act are generally complied with in all industries covered by the act in all parts of the country, and to proceed more rapidly in determinations under the hazardous-occupations provisions of the act.

2. Expanding basic services for mothers and children.

a. Authorizations of appropriations for maternal and child-health services under the Social Security Act should be increased so as to make it possible to extend throughout the States the complete maternity services now provided in a few demonstration areas, and to provide medical, nursing, and hospital care for all children who otherwise would be deprived of the services necessary to restore them to or maintain them in full health.

b. Authorizations of appropriations for child-welfare services under the Social Security Act should be increased so as further to strengthen State services and extend local services for children and young people in need of social protection.

c. Nutrition services carried on by various agencies of the Federal Government and the States should be coordinated and expanded so as to make the fullest possible provision for adequate diets for all expectant mothers and for all children from infancy through adolescence.

3. Planning for emergency needs of children and young people.

a. As part of the obligation of the Nation to prepare to extend full protection to all citizens, and especially to children, in the event of any aggression or disaster, resources should be made available for advance planning as to ways in which the basic health and welfare services, whose strengthening and extension are essential to full preparedness, may be supplemented when necessary by specially equipped, mobile units for health and social services.

b. Adequate provision for health and social services, education, and recreation, should be made through the joint planning and action of the Federal, State, and local governments in all communities adjacent to military training camps and in all communities whose population is being greatly increased by employment in defense industries.

c. Financial provision and health, educational, and social services as needed should be made available, through public agencies, for all families of men in the armed forces and families of men leaving home for employment in defense industries.

4. Advancing toward the goals for childhood.

The agencies of Government—Federal, State, and local—organizations of citizens, and individuals concerned with the welfare of children and the survival and enrichment of our democracy should study and take action to advance the means by which children everywhere may be assured of care in a good home, with income sufficient to meet essential needs, a dwelling adequate for shelter and comfort, and access to health protection, medical care, good schools, instructive recreational activities, opportunities for worship and religious training, and opportunity for responsible participation in community life.

5. Increasing cooperation in Pan American child-welfare work.

The Pan American agencies through which the health and well-being of children may be advanced, and the national agencies in a position to cooperate in Pan American work, should be afforded resources for continuing interchange of ideas and experience, through publications, motion pictures, opportunities for advanced study, field consultation and field studies, and conferences. The total defense of a hemisphere, like the total defense of the Nation, involves not only arrangements for military and economic cooperation but also the strengthening of the bonds of mutual interest in the ways by which the daily lives of the people of all the Americas may be made more secure and more conducive to the development of those qualities which are essential to strong and free citizenship.

KATHARINE F. LENROOT,
Chief.

WOMEN'S BUREAU

MARY ANDERSON, *Director*

To the SECRETARY OF LABOR:

As long as 10 years ago women comprised two in every nine gainful workers in the United States, and the large numbers who had to enter employment in the depressed years probably will have raised somewhat the proportion of women in the total employed group. This is one of the questions the answers to which, from the findings of the census of 1940, are so eagerly awaited by the Women's Bureau.

Obviously, in the present and future defense activities, a group so large as to comprise 22 percent or more of all gainfully occupied persons constitutes a practically unlimited reserve of labor, some of it needed at once in the pressure on production and much of it certain to be called upon if the men of the country enter active service. Many of these women already are in possession of a considerable degree of skill; thousands had registered for technical jobs in a great variety when the latest tabulation by sex—that of April 1940—was made by Social Security authorities. Large numbers of others are more or less skilled and could be absorbed into industry after little training, and the number available after adequate periods of general and specialized training is almost unlimited. From various indications it is estimated that not far from 2 million women are available immediately for employment in defense industries; probably half a million others have only part-time jobs; and another large group are in jobs less skilled than those they have filled in the past.

The first move on the part of the Women's Bureau to aid in the most effective employment of these women was the appointment of a Labor Advisory Committee on Standards for the Employment of Women in the Defense Program, representing the international unions that have active women members in industries directly connected with that program. In consultation with this committee, the Bureau immediately compiled and published information showing the proved experience as to the most effective employment of women. This bulletin, entitled "Effective Industrial Use of Women in the Defense Program," is being followed by initial investigations to discover where women are being and can be effectively used in occupations new to them or new to industry, the conditions of work surrounding such occupations, the availability of women for jobs needing them, and the adequacy or inadequacy of training facilities.

Closely related to the defense program is the continuing work of the Bureau in compiling existing data that show to what extent women are affected by industrial injuries and occupational diseases. For the most recent of these reports, now in progress, 9 States furnished significant data on occupational diseases of women and 20 States have furnished accident data by sex.

Minimum-wage activities.

The ninth of the annual minimum-wage conferences sponsored by the Women's Bureau was held in November 1939. It was attended by representatives from 12 States, the District of Columbia, and Puerto Rico, by representatives of national organizations, and by women who serve on the advisory committee to the Women's Bureau.

In February the First Regional Conference of Minimum-Wage Inspectors was called by the Bureau and held in New York City. More than 40 inspectors, representing the minimum-wage divisions of 6 eastern States and the District of Columbia, met for 2 days and discussed their enforcement problems and methods. It is hoped that by such means the techniques found successful in one State may be communicated to others and general enforcement procedure be improved.

When the first wage order of Pennsylvania became effective, a representative of the Bureau was invited to meet with the State inspectors for the purpose of advising them on inspection and enforcement procedure.

Visits were made during the year to several States in which legislatures were in session and labor and women's organizations were interested in securing minimum-wage legislation. Information was given as to the most effective type of law and the benefits to be secured from such legislation.

At the request of the League of Women Voters in Maine, and of the labor department and women's organizations of West Virginia, similar visits were made to those States and various groups were addressed concerning the need for minimum-wage legislation.

The strength and weaknesses of proposed amendments to the Kentucky and Louisiana minimum-wage laws were analyzed for the labor and women's organizations in those States.

At the request of the Women's Trade Union League of the District of Columbia, a bill to govern the wages and hours of domestic workers in the District of Columbia was drafted by the Women's Bureau. The language of this bill was approved by the Solicitor of the Department.

To be of the maximum assistance to new State administrators in the matter of procedures and most successful practices, an intensive study was made of administrative techniques of a number of States that have operated a long time under minimum-wage laws. Further to aid the States in following administrative procedure that will meet with court approval, a bulletin entitled "Suggested Standards of Procedure for Wage Boards Under State Minimum-Wage Laws" was prepared and distributed in mimeographed form to State administrators; and advice was given to the labor departments of two States concerning the proper procedure to be followed in holding public hearings on proposed minimum-wage orders.

As another aid to the States, model minimum-wage orders for several industries were drafted in which were incorporated those provisions that experience has proved are most effective.

Compilations of existing wage orders for various industries were made for the help of State administrators.

Outlines were prepared showing the differences between State minimum-wage orders and Federal wage and hour regulations in the provisions pertaining to learners. As the higher standards control, these outlines in each case indicate whether the Federal or the State

provision prevails. A brief discussion of the relation between State and Federal orders was sent to all minimum-wage States.

The Women's Bureau is trying to help the States to realize the extent to which properly drafted minimum-wage orders can be used to correct unwholesome working conditions as well as to raise wages.

Certain women's groups in the Philippine Islands requested assistance in securing a women's bureau for the Islands. A bill for the creation of such an organization was drafted by the Women's Bureau with the cooperation of the Solicitor's office.

On request of the Labor Commission of Louisiana, the Bureau prepared an outline of the functions of a women's and children's bureau and of the qualifications and duties of the staff of such a bureau.

Material to be used in factual briefs prepared for court cases was furnished to States in which minimum-wage orders were involved.

An estimate of the cost of living of women office workers was prepared for the minimum-wage authorities of Washington, and evaluation of a cost-of-living study made by the Consumers' League of Connecticut was prepared at the request of the minimum-wage division of Connecticut. These cost-of-living data were to be used by wage boards in connection with minimum-wage orders.

Completed studies.

Standards for women's employment.

A pamphlet entitled "Effective Industrial Use of Women in the Defense Program" was prepared in cooperation with an advisory committee representing the international unions that have active women members in industries directly connected with such program. It was issued at the close of the year.

The basic principles laid down, supported in each case by a weight of experience, are as follows:

- I. Physical characteristics of the job must be suited to woman's physique.
- II. Safety assures continuous production.
 - 1. Machinery should be carefully guarded.
 - 2. Speed is a powerful factor in causing fatigue and accidents.
 - 3. Muscular strain should be avoided if women workers are to produce at their maximum.
 - 4. Minors must not be employed on hazardous processes.
- III. Women require special protection where industrial poisons are used.
- IV. The fine work many women perform calls for special lighting.
- V. Seats are vitally important for women workers.
- VI. General plant sanitation and safety is essential (service facilities; plant housekeeping; medical departments; employees' safety committees).
- VII. Practical work clothing for women prevents injury.
- VIII. Moderate hours of work result in quality and quantity production (daily and weekly hours; days of rest; time for meals; rest periods; avoidance of overtime).
- IX. Minimum-wage standards and prevailing-wage standards should be maintained.
- X. Training and employment policies should be adjusted to women's needs (training methods; avoidance of dislocation; personnel management; collective bargaining).
- XI. Industrial home work should be prohibited on Government contracts.

This pamphlet is to be followed by a series giving more specific and detailed information.

Fruit and vegetable canning and preserving.

A report that contains a vast amount of information interesting to American consumers is based on the Bureau's survey of the fruit and vegetable canning and preserving industries. Undertaken to supply data desired by several Federal agencies, this survey—the most thorough ever made of this difficult field—is full of the sort of thing that American housewives, on whose tables and in whose budgets canned foods play so important a part, must often have asked themselves: Who are the women who now do in factories what one's grandmother did in her own kitchen? what types of work are done by women? what are their hours? how much are they paid? and for how many weeks have they employment?

The extremely seasonal occupations in these industries, on the basis of which canners have sought, and generally have obtained, exemption from State hour laws, are included under State minimum-wage orders in 5 States, certain provisions of the Social Security Act of 1935, the requirements of the Public Contracts Act of 1936, and the Fair Labor Standards Act of 1938. It was to secure data for the guidance of administrators of these laws in their application to the canning and packing industries that the survey was made.

The Social Security Administration must know, for example, how many weeks of employment the industry offers, and to how many people; the administrators of the Public Contracts Act, under which are regulated the rates of pay and hours of work on Government contracts, and the Fair Labor Standards Act, which regulates wages and hours in industries engaged in interstate commerce, must know the hours worked and the hourly earnings in this industry that does such a large interstate business, that sells such quantities of products to the Government, and that operates under such uncontrollable conditions as weather and crop-maturing.

With the cooperation of the National Canners Association and the various firms and individuals, records in the survey as a whole were obtained for 693 plants, in 19 States, that together produced 40 percent or more of the output of Continental United States. In addition, figures for 4 Hawaiian pineapple canneries were included.

The data secured in the earlier months of the survey were made available in mimeographed form to the Federal agencies concerned. They comprise location, product, numbers employed, length of season, peak load, hours worked, hourly earnings, year's earnings, and labor costs. The study, inaugurated in 1938, before the Fair Labor Standards Act was in operation, was supplemented by a follow-up survey in 1939 to secure facts necessary to the interpretation of that act. Cold-packed and frosted products and the canning of citrus fruits and juices were added to the coverage in the 1939 survey.

In the study of vegetable and deciduous-fruit canning, 75 percent of the employers reporting data applicable to the matter of State unemployment compensation laws employed the specified number of workers the specified period of time established by State legislation as bringing the employer within the law. In six States the employer coverage was 100 percent.

Of 501 plants, half did all their canning within a period of 3 months, almost one-third in less than 10 weeks. This includes some

plants in every branch of the industry but olives and the group jams, jellies, preserves, and fruit juices, none of whose 31 plants canned in less than 14 weeks. It includes practically all the plants canning solely 1 or 2 seasonal vegetables.

Records for 1937 show that peak operations lasted not more than 4 weeks in the majority of plants. On most products the peak weeks were only 2 or 3, but the canning of more than one product by the same plant extended the busy period somewhat. Almost two-thirds of the employees with weeks worked reported were employed less than 8 weeks in 1937.

Owing to the short period of peak employment in the canning of seasonal products, fluctuation in numbers was great. In 63 tomato canneries, for example, the average number of workers was 2 in the week of minimum employment and 170 in that of maximum employment. In one State, with 29 plants reporting, the weeks of minimum and maximum employment averaged respectively 3 persons and 230 persons.

Long weekly hours were found to vary by product and by State. On corn, for example, in all States combined, 16 percent of the women reported for a busy week in 1938 worked 60 hours and more, a couple of hundred even working 80 or more, though the largest single group (41 percent) worked less than 40 hours. In one corn-canning State all women and in another more than four-fifths worked less than 40 hours, but in a third State 38 percent and in another 34 percent worked 60 hours and more. In green beans, on the other hand, also reported for most of the States surveyed, only 6 percent of the women worked as long as 60 hours.

On account of perishability of many fruits and vegetables, certain exemptions from the Federal Wage and Hour law are allowed in the act itself, and the Administrator has made further exemptions in the case of canneries with 10 or fewer employees and obtaining all their produce from farms in the immediate vicinity.

Average hourly earnings of the more than 123,000 employees with such data reported for a week in 1938 ranged by product from 33.6 cents to 52.5 cents for men, from 24.2 cents to 45 cents for women. Of the more than 11,000 women in tomato canneries, more than one-sixth of the total, 44 percent had average hourly earnings of 25 cents or less. Twelve percent of all the women in tomatoes whose hours were reported worked 60 or more hours in the week.

For certain fruits and vegetables the hourly earnings of women in 1938, all States combined, were as follows: 24.2 cents in green beans; 25 and under 30 cents in peas and corn; 30 and under 40 cents in sauerkraut, tomatoes, pork and beans, pickles, jams, jellies, preserves, and fruit juices, and olives; and from 40 to 45 cents in small fruits, asparagus, spinach, and large fruits.

For 18,000 women in tomato canneries (a larger number than just cited because of the inclusion of women with hours worked not reported) the average week's earnings were \$9.85. Men's average was almost twice this, \$18.55.

Woman-employing industries in Hawaii.

On learning that the Bureau of Labor Statistics was planning one of its periodic surveys of Hawaii, certain organizations in the Islands requested that an investigator from the Women's Bureau

gather the information for the industries in which women are most largely employed. The survey was made in the late spring and the summer of 1939. The report was in press at the close of the year.

Seven-tenths of the 8,600 women scheduled were in pineapple canneries, one of the most important industries on the Islands and visited at the height of the 1939 season. The other industrial groups were garment and miscellaneous manufacturing, stores, laundries, barber and beauty shops, hotels and restaurants, and certain white-collar workers. Data for men as well as women are reported for all but the group last named.

Forty-four percent of the women were Japanese; 17 percent were Caucasian and 17 percent Chinese; 18 percent were Hawaiian; and other races were represented by small proportions.

Earnings in canneries were well above those in other manufacturing, the average being 31.6 cents an hour and \$13.40 a week. Only 15 percent of the women had earnings below 30 cents an hour in the week recorded. Only 10 percent had week's earnings below \$10.

In the two canneries that reported for the year 1938, more than 6,000 persons were employed in 12 weeks, more than 9,000 in 8 of these weeks, and 11,600 in the peak week. Women's average week's earnings for the year were \$8.50, but in the peak week their average was \$13.90. Owing to the shortness of the busy season—8 to 10 weeks—women's average earnings were above \$10 in only 6 weeks of the year. Short hours account partly for this.

Almost half (47 percent) of the women with 1938 records reported were employed less than 12 weeks; those who worked 8 and under 12 weeks averaged \$93 for the season, but the comparatively small number—one-tenth of all—who worked throughout the year had an average of \$370. The seasonal labor in women's occupations is recruited from housewives, household employees, and high-school and college girls.

In the garment shops scheduled, hourly earnings of women averaged only 25 cents, with almost two-fifths of them below even that. Less than one-eighth of the women earned as much as 30 cents an hour.

More than half the women in Honolulu stores were Caucasian. These had average week's earnings of \$17.05, in contrast to \$14.70 for all women. In the small shops, which are very numerous, hours were 60 or more in many cases. In stores in places other than Honolulu more than two-thirds of the women were Japanese and only one-fifth were Caucasian. The average earnings of all combined were \$9.35.

Among women laundry employees, 44 percent were Caucasian. The average week's earnings in power laundries were \$9.60, with marked concentration at \$8 and under \$10. Of about 200 women with records for 40 or more weeks in 1938, the average year's earnings were \$495; only 13 percent earned less than \$400, and 9 percent earned \$800 and more.

Not much over 10 percent of the employees in Hawaii hotels are women, most of the work being done by Japanese and Filipino boys, but women comprised half the workers in the restaurants scheduled—more than half in those selling alcoholic drinks, less than half in the nonalcoholic restaurants. Women's earnings averaged \$8.70 a week

in the former, \$9.25 in the latter. Hourly earnings were respectively 14.7 cents and 19.5 cents.

Barber service in Hawaii is largely a woman's trade, women owning and operating a large proportion of the shops. Of 50 barber girls with earnings reported, 15 earned \$30 a month, 19 earned from \$40 to \$55 or \$60. The average for all combined was \$35. Quite commonly the wage was supplemented by board and lodging. Sixteen apprentices, only 4 paid a wage or commission, worked in the shops visited.

Apprentices were found in the beauty shops also, 26 of them among the 90 women scheduled; 13 of the apprentices were paid for their services, but only 3 were paid \$10 or more. The regular workers averaged \$16.15, and more than one-third earned above \$20.

In general, the wage level of office workers in Hawaii seems to be higher than that in many mainland cities. For 252 women reported, the average month's earnings were \$110, being \$125 for Caucasian women and \$76.80 for those of other races. Thirty-one percent of the Caucasians had earnings of \$150 and more. For more than 200 telephone operators, monthly earnings averaged \$78, but 22 percent earned at least \$100.

In addition to the industrial survey, some employment and social agencies were questioned as to conditions in household employment. The Honolulu Territorial Employment Office supplied recent figures on placements and wages. Of employees whose duties included cooking, just over one-third were placed at \$7.50 and under \$10, and not far from one-fourth at \$10 and over; but of those not required to do any cooking, one-half were placed at \$5 a week and one-sixth at less than \$5. Wage levels elsewhere were even lower than in Honolulu, and girls receiving \$20 or more a month were expected to be able to cook and to serve as all-around houseworkers.

Women in Maine industries.

A survey of stores and service industries in Maine, requested by State officials and the League of Women Voters, was made by the Women's Bureau in the first 2 months of 1940. A preliminary report, for legislative purposes, was sent to the State in April, and the complete report is in press.

The 433 establishments scheduled had about 6,700 employees, 70 percent of whom were women. Well over half the women were in stores.

Pay-roll records for a recent and representative week, in most cases in October, 1939, were copied, as were the number of weeks worked and the total amounts earned by all workers employed in these establishments in 1939.

With the exception of hotels and restaurants, where meals or full maintenance may form part of the compensation, the average week's earnings of women in October varied from \$11.65 in limited-price stores and \$11.75 in laundry and dry-cleaning plants, to \$15.50 in apparel stores. Highest of all was the \$17.15 average for beauty shops in Portland. Only 4 percent of the women in department and dry-goods and in apparel stores, but 10 to 15 percent of those in limited-price stores and beauty parlors and 32 percent of those in laundries and cleaning plants, had week's earnings of less than \$10. Many of these workers were employed for only a part of the week.

Women in hotels and restaurants who were given meals and lodging or meals only had average cash wages of \$6.45 to \$7.25, and those who had only cash earnings averaged \$9.95 to \$12.10.

Office workers were tabulated separately from other employees. Three-fourths of them were women, and their week's earnings ranged from less than \$5 to more than \$30. Women office workers in stores averaged \$15.65, those in laundries and dry-cleaning plants \$15.20, and those in hotels and restaurants who received wage supplements had average cash earnings of \$12.45.

Men's averages in hotels and restaurants ranged from \$12.80 to \$15.50. In the various kinds of stores and in laundry and dry-cleaning plants their averages were from \$20.15 to \$21.65, but as many as 17 or 18 percent of those in stores and 12 percent in laundries earned less than \$15.

In several industries in Maine large proportions of women worked over 48 hours in the pay-roll week taken: In department and dry-goods stores 26 percent, in limited-price stores 11 percent, in apparel stores 16 percent, in laundry and dry-cleaning plants 13 percent. Scheduled hours were over 48 for 26 percent in hotels, 53 percent in independent restaurants, and 12 percent in store restaurants.

For each employee with earnings and hours worked reported, the earnings were divided by the number of hours to arrive at the hourly earnings. The average for women was highest in apparel stores, 34 cents, followed by department and dry-goods stores with 31.3 cents, laundry and dry-cleaning plants with 28.4 cents, and limited-price stores with 25.2 cents. In hotels and in independent restaurants, where many workers have wage supplements, the cash earnings of women who received such supplements averaged from 13.5 to 14.3 cents an hour, and those who did not receive supplements had average cash earnings of 20.7 cents, 27.3 cents, and 28.1 cents, according to type of restaurant.

Women in office work in stores had average hourly earnings of 33.1 cents and those in laundry offices averaged 33.5 cents; 21 percent of the former and 27 percent of the latter averaged 40 cents and more.

As in other resort States, employment in Maine fluctuates greatly over the year. Records for the whole of 1939 in the establishments scheduled showed that 8,950 women had been employed at some time in the stores, laundries, beauty shops, and hotels and restaurants reporting. This is not far from twice the number on the books in October. Less than one-fourth of the group worked in all 12 months. The average of the year's earnings of those who did work in 12 months (though perhaps only part time) varied from only \$583 in limited-price stores and \$661 in laundry and dry-cleaning plants, to \$763 in department and dry-goods stores, \$794 in apparel stores, \$850 in beauty shops, and \$705 (cash earnings only) in hotels; that is, half the women, in spite of having an all-year job, earned less than the various amounts just quoted.

Large proportions of the women reported had been employed for only part of the year: In the various types of store from two-fifths to more than one-half had worked 9 weeks or less; in beauty shops, just over one-fourth had worked 2 months or less, and in laundries and dry-cleaning plants a similar proportion were employed not more than 3 months; in hotels, though seasonal houses were not scheduled,

47 percent of the women had been employed not more than half the year, as had from 60 percent to 70 percent of the women in restaurants—in fact, in hotels and restaurants as a whole, 36 percent of the women had worked 9 weeks or less.

Data were secured for 470 women office workers in the establishments covered, three-fifths of them doing clerical work in stores. Average week's earnings in stores were \$15.65, in laundries \$15.20; in hotels and restaurants the women receiving wage supplements averaged only \$12.45, but more than half of those not given their meals earned at least \$15, one-sixth earning \$25 and more. Clerical work was steadier than other work. More than half the women in office employment had work for all the year, though more than one-fifth of the total were employed 9 weeks or less.

Earnings and hours in Nebraska.

The complete report for the survey of Nebraska industries will shortly come from the press. For the almost 8,000 women included, the week's earnings averaged \$14.90 in manufacturing; \$13.85 to \$14.90 in stores, according to type of store and excluding part-time workers; \$10.65 in laundries and dry-cleaning plants; from \$6.25 (plus meals) in hotel dining rooms to \$9.60 in their lodging departments; \$9.35 in dining rooms and \$12.60 in kitchens of store restaurants; \$7.45 in dining rooms and \$12.35 in kitchens of independent restaurants, where meals for employees were customary; and \$15.45 in beauty shops. Total earnings for women on the firms' records at any time in the year were reported for 7,200 women, the averages ranging from below \$50 in the case of part-time and short-term employees in hotels to \$747 in the meat-packing industry and \$792 in office employment in all work places combined. Only in beauty shops, meat packing, and offices did 10 percent or more of the women earn as much as \$1,000; here the proportions with such earnings were respectively 14 percent, 22 percent, and 29 percent.

Primer of problems in the millinery industry.

Because the report on the millinery industry prepared in 1938 for the Millinery Stabilization Commission was somewhat too technical for the average worker or woman consumer, whose interest in the findings as to employment and earnings is so vital to the solution of the industry's problems, a popular bulletin has been prepared in question and answer form designed to attract women readers. This was in press at the close of the year.

Occupational diseases among women, 1935-38.

Continuing a series on this subject, the Bureau's third bulletin on occupational diseases of women, reporting at this time the period of 1935 to 1938, will shortly go to press. The States covering this class of injuries under workmen's compensation laws have doubled in number since 1934, and now comprise 24 States and the District of Columbia, besides the provision for two groups of Federal employees. The States with figures reported by sex, and so available for the Bureau's studies, have increased in number only from 5 to 9, which is somewhat discouraging in view of the fact that only by such breakdown can measures of prevention be adequately and efficiently developed. Further, in the latest years, 1937 or 1938, only 7 States reported the women's industries, 7 the diseases they contracted, 7

their ages, and 5 the extent of their disability. Unfortunately the figures cannot be compared State by State nor year by year, owing to the variety of coverage and extent of reporting.

The report treats of the incidence and effects of the various diseases affecting women, of which the most general are dermatoses; the findings of State and industry studies of the extent to which women are exposed to toxic substances and conditions; and the progress made in recent years in hygiene and other preventive measures.

Information for Latin-American countries.

A pamphlet entitled "The Woman Worker in the United States," setting forth in the Spanish and Portuguese languages certain facts as to the employment of women in the United States, was published this year in response to repeated demands for such information for the use of women in Latin-American countries. The Bureau has cooperated with the Inter-American Commission of Women, and also prepared information on women for the use of delegates to the regular Conference of the American States Members of the International Labor Organization, held at Habana in the autumn of 1939.

Studies in progress.

Family responsibilities of women.

The report of several thousand employed women in Cleveland, Ohio, constituting the major part of a study designed to show women's importance in the family economy, is in preparation for printing. As working women in Cleveland earn some 96 million dollars a year, their importance in the city's producing and buying power is beyond question. A large proportion of the 4,500 women scheduled were interviewed in home visits; the others in places of employment and group meetings, where numbers could be interviewed in a short time. About 3,200 of the women were working, almost 500 were seeking work, and 850 had worked but were not seeking employment at the time of the survey.

Of the almost 3,700 women at work or seeking work, about 550 were living alone or with friends and more than 3,100 were members of families that ranged in size from 2 to 15 persons.

Of these families of 2 or more persons, which averaged 3.8 to the family, nearly one-fifth had ill or dependent adults; one-fourth were giving financial aid to persons outside the household; one-third had children under 16; more than two-fifths were composite or broken families where doubling-up had taken place or one of the parents was absent. In these families, comprising more than 9,000 persons, women constituted 57 percent of the breadwinners; in 27 percent of the families they were the only breadwinners.

In more than half of the families women contributed 50 percent or more of the family support; in one-third of the families they were the sole contributors.

As is usually the case, daughters assumed greater responsibilities for the family than sons did. In 302 families that had both unmarried daughters and unmarried sons at work, the month's earnings of the daughters averaged \$74.80 and their contributions averaged \$40.35, while the sons' earnings averaged \$86.10 and their contributions averaged \$37.20.

A similar report on women in the State of Utah is being written.

Women in the Federal service.

A report is in progress showing the employment of women in the Federal service. This not only gives the numbers so employed, but shows how many are in professional and how many in clerical grades, the ranges of salaries, samples of the types of work for which examinations are given, the numbers of women taking and passing examinations, and the extent to which women receive appointments. Information of this kind has not been available since the Women's Bureau made a report based on data for 1925.

Women in household employment.

A major occupation of women, paid employment in households, still constitutes an area of extremely low wages, long hours, and unsatisfactory working conditions. Progress has been made in some localities in organizing the workers, in developing projects to give them better training facilities or, in a very few cases, in obtaining coverage for them under laws applying to other labor. To be in a position to help agencies seeking to improve the situation of household employees, the Bureau has investigated the results in certain outstanding cases in which a constructive policy has been developed in respect to these workers. A number of pamphlets on the general subject, including a supplement to the Bureau's bibliography, are in preparation.

Legal status of women.

After the issuance of separate pamphlets for each State and the District of Columbia, in this intensive study of women's status under the law, the most important of the legal distinctions between the sexes were summarized by State and issued in mimeographed form. The final report on all phases of the study, for all States and the Federal Government, is in preparation for printing.

Popular report on apparel.

A popular version of the findings in the survey of the women's and children's apparel industries, on the order of that now in press on the millinery report, is in preparation.

Field studies.

Field studies in progress at the close of the year comprise the following:

Employment in office occupations: The demand for various types of service; adequacy of educational facilities; hours; rates and earnings; relation of earnings to education and experience.

Wages and hours of men and women in Maryland stores and certain service industries.

Fish canning on the Pacific coast.

Marketing of canned food products.

A survey of Delaware migratory workers will begin in September.

Research on current problems.

One of the most important activities of the Women's Bureau is keeping abreast of current situations and trends in women's employment, their wages, hours, and conditions of work, their economic status and family responsibilities—everything, in fact, concerning them—information that is greatly in demand and is constantly being prepared by the Bureau. Requests for such material came in the past year from

officials and other persons in 43 States and 12 foreign countries, the latter comprising Argentina, Brazil, Chile, Venezuela, Canada, Great Britain, South Africa, Belgium, France, Switzerland, China, and Japan. They came from Federal and State governments, from members of Congress and their correspondents, from national and local organizations, from trade-unions, business associations, educational institutions, and many other groups covering a wide variety of interests. In the long list of representatives of organized labor applying for information were garment and hosiery workers; hotel and restaurant, laundry, and building-service employees; automobile, rubber, electrical, and sheet-metal workers; textile workers, packing-house employees, teachers.

A rough classification of some 1,700 inquiries shows that, though concerned most generally with laws and women's legal status (27 percent of the total), the inquiries ran also to married women's employment (19 percent), women's work in specific industries (18 percent), and occupational information and trends (15 percent). The remainder included a great variety of subjects.

Trends in women's employment and wages.

Employment for women has increased this year in certain of the industries important in defense, according to the latest—those for March 1940—of the figures compiled periodically by the Women's Bureau to show trends in women's employment and wages. For example, in the men's clothing industry, electrical manufacturing, the making of auto tires, and certain metal industries, reports for identical plants show that considerably more women were employed in March 1940 than in the preceding year. The influence of the 30-cent minimum that the Wage-Hour Act has required since last October is plainly evident in the higher average hourly earnings of women in almost all the 22 manufacturing industries reported. The demand for this information as to trends in women's employment and wages is increasing, the Bureau's figures constituting the only source of a type of data that assumes a growing importance with the advances of women in industrial employment.

The Woman Worker.

The bimonthly periodical "The Woman Worker" has been issued regularly, making available to State officers and to officials of trade unions, women's groups, and other organizations current material not assembled elsewhere. Its regular departments report new laws, minimum-wage orders and activities, court decisions, and union agreements that affect women. It also gives the findings of special studies of their employment and earnings, and a variety of other information concerning women.

Laws affecting working women.

The Bureau follows closely the progress of labor legislation for women in the various States, and of other types of laws that affect the general status of women. Within the year the bulletin summarizing the State laws for women was brought up to date and it is in preparation for printing. Supplements were issued to two special legal bulletins—"Analysis of Hour Laws for Women Workers."

and "State Minimum-Wage Laws and Orders." Work was begun on a separate pamphlet for each State that will set forth the labor laws applying to women in that particular State.

This year, the legislatures of 15 States have been in regular or special session; 9 met in regular session (2 of these in special session also) and 6 others held special sessions. Of the legislation adopted, that directly affecting working women includes minor amendments to the industrial home-work laws in New Jersey and New York, and an amendment in New York exempting women employees of florists at Easter and Christmas from the law providing a 6-day week and prohibiting night work. A Kentucky act provides a 6-day week unless employees are paid time and a half for the seventh day.

In Louisiana, a measure passed at a special legislative session to restrict the employment of married persons by the State was repealed by the later regular session of the legislature. In New Jersey, where the legislature recessed to reconvene late in the year, a bill providing against discrimination in State employment because of sex or marital status passed the assembly and was reported favorably in the Senate.

Minimum-wage and maximum-hour legislation was introduced in a number of States; bills to regulate hours and wages of household employees were introduced in New York. Virginia refused to weaken its hour law for women and Kentucky to repeal its minimum-wage law or to weaken it by amendment. A bill to repeal the New Jersey night-work law failed to pass. State wage and hour bills introduced in four States failed to become law.

Fourteen minimum-wage orders were issued during the year in 10 States. Five orders in five States were made mandatory.

Public information.

The increasing interest which people throughout the country are taking in the problems of labor is reflected in a mounting demand for simple direct statements of fact about women workers. The Women's Bureau meets this demand through bulletins, technical and popular; leaflets, charts, posters, maps; radio talks and cooperation with programs; and motion pictures.

Labor unions with a large woman membership are turning increasingly to the Bureau for help in analyzing their work problems and for assistance in workers' education programs. Besides responding to a large number of calls and letters from union officials and members, speakers were furnished to several groups and in some cases special exhibits were planned.

A large increase was noted throughout the year in requests for assistance in the field of household employment; for speakers, for bulletins, pamphlets, exhibits, and mimeographed material. Members of the staff participated as speaker, discussion leader, or consultant on the following occasions: Wilmington (Del.) Conference on Household Employment; New York City Symposium on Household Employment; convention of the International Association of Public Employment Services in Kansas City, Mo.; Young Women's Christian Association National Biennial Convention, Atlantic City, N. J., and its Regional Industrial Conference at Sawyer, Mich.; Pittsburgh Sym-

posium, on Household Employment; and District of Columbia Women's Trade Union League.

In addition, the Bureau made an independent appraisal of the work of the Philadelphia Institute of Household Occupations at the request of a Philadelphia sponsoring group. The report of this is in process of preparation.

Exhibits.

Women's Bureau exhibits of one type or another were sent on request to all 48 States, to Mexico, Canada, China, Chile, the Philippine Islands, and Sweden. Nearly 400 sets and about 100 single copies of maps on labor laws were distributed, as were 235 printed charts and almost 700 posters. Handmade charts and posters covering facts of particular importance to special groups were prepared for a wide number of organizations, including unions of workers in meat packing, shoes, automobiles, and rubber, the National Industrial Assembly of the Young Women's Christian Association, the New York Symposium on Household Employment, the Southern Conference for Human Welfare, and the District of Columbia chapters of the American Association of University Women, of the Women's Trade Union League, and the National Business and Professional Women's Clubs. Nearly 600 sets of films were lent, the majority for temporary use but a large number for circulation by extension services of State universities, boards of education in large cities, and film-distributing companies. Forty-two bulletin displays were sent out on request, each selected with relation to the interests of the group concerned.

Three important new exhibits were prepared: The so-called "Standards Exhibit," a table model showing what good employment means to women workers, their families, and the Nation; an exhibit on the progress of Negroes for the American Negro Exposition in Chicago; and a table exhibit portraying basic problems in the field of household employment and some of the solutions.

Conferences.

Besides the conferences under the auspices of the Department or the Bureau, the Women's Bureau attended and participated in conferences or conventions of the following national or international organizations: American Federation of Labor; International Association of Governmental Labor Officials; International Association of Industrial Accident Boards and Commissions; International Association of Public Employment Services; International Labor Organization (American States members) at Habana; League of Women Voters; National Consumers' League; National Safety Council; National Youth Administration; Pan American Scientific Congress; Rural-Urban Home-makers; White House Conference on Children in a Democracy; Young Women's Christian Association; and a number of others.

In addition to participation in formal conferences, the Bureau has maintained close cooperation with groups and organizations whose major activities have to do with working women, notably Mrs. Florence Kerr's projects for women under the Work Projects Administration and the defense, Latin-American, and workers' education groups referred to elsewhere in this report.

Publications.

Ten bulletins came from the press during the year and four are in press at its close. The titles follow:

- No. 157. The Legal Status of Women in the United States of America, January 1, 1938. (Six States completed this year; all States and the District of Columbia now in print. Summary for United States is in preparation.)
- No. 161. Women at Work: A Century of Industrial Change. Revision of Bulletin 115.
- No. 163. Hours and Earnings in Certain Men's-Wear Industries, Part 5: Rain-coats; Sport Jackets. Part 6: Caps and Cloth Hats; Neckwear; Work and Knit Gloves; Handkerchiefs.
- No. 167. State Minimum-Wage Laws and Orders: 1939. Supplement to Bulletin 167 as of end of December 1939.
- No. 171. Wages and Hours in Drugs and Medicines and in Certain Toilet Preparations.
- No. 172. The Woman Wage Earner: Her Situation Today.
- No. 173. Standards for Employment of Women in Industry (Recommended by the Women's Bureau).
- No. 174. Job Histories of Women Workers at the Summer Schools, 1931-34 and 1938.
- No. 175. Earnings in the Women's and Children's Apparel Industry in the Spring of 1939.
- No. 176. Application of Labor Legislation to the Fruit and Vegetable Canning and Preserving Industries. (Complete report in press; summary, Salient Facts, issued in May.)
- No. 177. Earnings and Hours in Hawaii Woman-Employing Industries. (In press.)
- No. 178. Women's Wages and Hours in Nebraska. (In press.)
- No. 179. Primer of Problems in the Millinery Industry. (In press.)
- Special Bul. No. 1. Effective Industrial Use of Women in the Defense Program. Standards recommended by the Women's Bureau and a Labor Advisory Committee of representatives from several international unions.

Leaflets:

Summary of 1938, 1939, and 1940 State Hour Laws for Women. Supplement to Bulletin 156-II. (In press.)

The High Cost of Low Wages and How to Prevent It. Revision, August 1939. The Woman Worker in the United States (pamphlet in Spanish and Portuguese for distribution in Latin-American countries).

Short Hours Pay. Revision, February 1940.

Important mimeographed material includes the following:

State minimum-wage orders for retail and wholesale trade occupations. July 1939.

State minimum-wage orders for beauty-culture occupations. August 1939.

Minimum Wages. Report to annual meeting of International Association of Governmental Labor Officials, September 1939.

Women in Industry. Report to annual meeting of International Association of Governmental Labor Officials, September 1939. Includes summary of laws passed in year.

Experience as to standards for women's work in periods of rapid increase in production. October 1939.

The Women's Bureau looks at young women and their jobs. (Address by Mary Anderson.) November 1939.

Changes in employment, earnings, and hours of wage earners in identical establishments in 12 large industrial States. (Figures for (1) March 1939; (2) September 1939.)

Regional Conference of State Minimum-Wage Inspectors (Connecticut, District of Columbia, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island), New York City, February 1940.

Suggested standards of procedure for wage boards under minimum-wage laws. (By Herman Marx.) March 1940.

Digest of suggested standards of procedure under State minimum-wage laws. March 1940.

Major legal distinctions between sexes, by State. Condensed from survey on the legal status of women in the United States, January 1938. April 1940.
Domestic workers and legislation. Revision, April 1940.
Official action as to employment of married women. April 1940.
Gainful employment of married women. April 1940.
Employment conditions in citrus-fruit packing, 1939. (1940)
Discriminations against women. (Address by Mary Anderson.) May 1940.
A new program for household workers. May 1940.
State minimum-wage orders for laundry and dry-cleaning occupations. June 1940.

Recommendations.

As has been true so often in the past, my chief recommendation at the close of 1940 is for a substantial increase in the amounts made available to the Women's Bureau for its investigations and research and the reporting of its findings and conclusions to the American public, the latter involving the inadequacy of funds for printing and other means of public information.

It is apparent that in direct connection with the Administration's vital program of National defense the Women's Bureau must follow several specialized lines. The most obvious of these, in each of which no other agency has the authority nor is so well informed as the Women's Bureau, are the following:

1. Study from primary and secondary sources of the available supply of woman labor, its capacity, location, and effective use.
2. Critical analysis of all new occupations or types of work suggested as suitable for women.
3. Close cooperation with all groups concerned in the training of women for employment in defense occupations.
4. Further development of the consultation with women workers themselves, begun through the Labor Advisory Committee on Standards for the Employment of Women in Defense Industries, on all matters concerning women in the defense program.
5. Wider dissemination of existing knowledge as to the conditions necessary for maximum production where women are employed. Consultative services along these lines for employing agencies.
6. Continued study of the conditions required to safeguard women's health and consequently to produce their best work. This includes study of hazards, injuries and occupational diseases, hours of work and rest, living conditions, and other important matters.

At the same time, the normal functions of the Women's Bureau cannot be allowed to lapse. Demands made on the Bureau show pressing need for the further development of the following:

The Bureau's advisory services for State minimum-wage officials, called for because of new State laws and the increasing coverage of industries by minimum-wage orders.

The Bureau's advisory services on State labor laws for women and general legal status of women, in continually increasing demands.

Consultative services on a wide range of subjects to aid trade unionists, officials, and organizations of many types.

Data on trends in women's occupations, employment, and wages. In the coming months this will involve a close analysis of the findings of the 1940 Census of Occupations and of Manufactures, as well as the continuation and further development of the Bureau's data show-

ing trends in employment and pay rolls in the major woman-employing industries in the more important industrial States.

Further cooperation with the Inter-American Commission of Women in order to assist women in countries with developing industries in knowing the conditions proved to be effective and healthful for the employment of women.

The importance of women's paid work in agriculture has received too little attention, and occurrences in recent months have sharply outlined the need for the Bureau to obtain information on women's occupations about which there is little knowledge.

Too little is known also of the condition of women in building service occupations, with their great numbers of inadequately paid employees.

Respectfully submitted.

MARY ANDERSON,
Director.

WAGE AND HOUR DIVISION

PHILIP B. FLEMING, *Administrator*

To the SECRETARY OF LABOR:

During the fiscal year 1940 the Wage and Hour Division strengthened its organization, improved its techniques, and moved forward for the first time to large-scale enforcement activity.

The Division is charged with administration and enforcement of the Fair Labor Standards Act, which outlaws oppressive child labor¹ and puts a floor under wages and a ceiling over hours for employees engaged in interstate commerce or in the production of goods for interstate commerce, except for such as are specifically exempt by statute.

The magnitude of the task may be appreciated when it is realized that not less than 12,500,000 workers² are so employed by more than 250,000 employers and entitled to the benefits of the minimum wages and the maximum hours of work expressed in the statute, and that they are to be found in all the States of the Union, as well as in the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, to which the legislation also applies.

The act is based upon a recognition that the existence of low living standards and oppressively long hours of work in any part of the United States tends to the spreading of equally low standards and equally oppressive hours of work in every other part of the country as an incident to competition in interstate commerce, and it was further recognized that low labor standards constitute an unfair method of competition and lead to labor disputes which obstruct the free flow of goods in commerce.

The act does not attempt to establish wage minima that will yield an "American" standard of living. Its modest objectives are a wage of not less than 40 cents an hour and a workweek of not more than 40 hours, unless time and a half is paid for overtime, for employees covered by the act, these objectives to be reached by October 24, 1945.

The objectives are to be achieved gradually. Since it was reasonable to suppose that certain traditionally low-wage industries would require a period of years in which to adjust their operations to the 40-cents and 40-hours requirements, it was provided that for the first year after the effective date of the act the minimum wage should be 25 cents an hour and the maximum workweek 44 hours. For the next 6 years the minimum wage was to be 30 cents an hour. For the second year the maximum workweek was set at 42 hours, and for the third year and thereafter 40 hours. The fiscal year 1940 covers the

¹ The child-labor provisions are administered and enforced by the Children's Bureau.

² Estimate based on survey by the Bureau of Labor Statistics as of April 1939: 12,652,700 employees covered by the provisions of the act.

greater part of the second year of the act's effectiveness, during which the minimum wage was 30 cents and the maximum workweek was 42 hours.

Congress recognized, however, that certain industries would be able to pay higher wage minima than 30 cents without requiring 6 years for making necessary adjustments, and it provided a mechanism whereby minima could be increased, industry by industry, by means of wage orders. Such wage orders can be issued only upon the recommendation of industry committees, one to be appointed for each industry as soon as practicable, and the recommendations to be predicated upon a study of each industry with special reference to its ability to pay higher minima without substantially curtailing employment. The industry committees are to be appointed by the Administrator and must comprise representatives of the public, and of employers and employees in equal numbers, and in their appointment the Administrator must give due regard to the geographical regions in which each industry is carried on.

Employees in certain industries, or in certain specified occupational categories, were excluded from the benefits of the act by statute. Certain others, such as learners, apprentices, messengers, and handicapped workers, may be excluded from the minimum wage by the exercise of administrative discretion. Others, such as bona fide executives, professional workers, and outside salesmen, may be excluded by administrative definition. Some are excluded by administrative action in defining the term "area of production" for agricultural and horticultural commodities, and still others are rendered partially exempt from the maximum hours provisions if employed in industries which the Administrator finds to be of a seasonal nature.

The functions and duties of the Administrator are closely prescribed in the Act. They may be summarized as follows: (1) To enforce the statutory wage and hour requirements. (2) To appoint industry committees, to furnish such committees legal, technical, and stenographic assistance, to hold public hearings and to issue wage orders upon the recommendations of such committees. (3) To define certain terms used in the act and to issue appropriate regulations to implement such definitions. (4) To issue certificates, in accordance with the provisions of the act and regulations drafted thereunder, for the employment of learners, apprentices, messengers, and handicapped workers at wages less than the applicable minimum. (5) To appoint such employees as he deems necessary, subject to the civil-service laws, to carry out his functions and duties under the act, and to fix their compensation in accordance with the Classification Act of 1923, as amended.³ (6) To prescribe by regulations records to be kept by employers.

ORGANIZATION

The organization of the Division is such as is deemed appropriate to carry out these functions. A logical division of labor is provided for in branches of the Division concerned, respectively with administration, industry committees, certifications and hearings, research and statistics, and public information. During the year the Legal

³ By Executive order this function has been assigned to the Secretary of Labor.

Branch was abolished and its functions assigned to the Solicitor of the Department of Labor. The Cooperation and Inspection Branch also was eliminated. The latter had proved exceedingly useful in the early days of the Division's experience when all inspection activities were cleared through the Washington office. As procedures became more formalized and standardized, the branch was found to be operating as an unnecessary bottleneck that frequently delayed the settlement of cases.

Need for the Cooperation and Inspection Branch was further eliminated by a program of decentralization carried out during the year, whereby authority was conferred upon the field force to initiate investigations and to close all but the most exceptional cases without first consulting the headquarters offices.

In 1938 the country was divided into a number of enforcement areas for administrative convenience. Later boundary lines were established for 16 enforcement regions, which eventually were increased to 17, and then decreased in the 1940 fiscal year to 15. As of June 30, 1940, regional offices, each under the supervision of a director or an acting director, had been established in Boston, New York, Newark, Philadelphia, Richmond, Charlotte, Nashville, Atlanta, Birmingham, Dallas, San Francisco, Minneapolis, Kansas City, Chicago, and Cleveland.

Branch offices had been established at Buffalo, Pittsburgh, Cincinnati, Detroit, Indianapolis, Jacksonville, New Orleans, San Antonio, Denver, Seattle, St. Louis, Baltimore, Raleigh, Los Angeles, and San Juan, Puerto Rico.

It is estimated that a majority of all covered establishments are within an hour's travel distance from a regional or branch office.

A still further refinement of the division of labor in the field was attempted with some success during the fiscal year through the establishment of small inspection districts, each consisting of one or more counties. An inspector was assigned to each and made responsible for enforcement in the district. Usually he maintained his home in the district and was provided with office space in a county seat post office. He was furnished with stenographic assistance to answer telephone calls, carry on routine correspondence, assist in the preparation of reports, supply printed information about the act upon request, and make appointments for the inspector at the request of employers and employees. The inspector was required to spend 5 days a week in inspection activity and 1 day only in office detail.

Experience with this type of field organization indicates that it is highly successful in certain parts of the country, especially in the South and West, but that it may prove somewhat less effective in regions of high industrial concentration. Further extension or contraction of this plan will be governed by experience.

INTERPRETATIONS OF THE ACT

With the advice and assistance of the legal staff, the Administrator had issued 13 basic interpretations before July 1, 1939. In the 1940 fiscal year a fourteenth interpretative bulletin, on the exemption of agriculture and the exemptions for processing agricultural commodities, was issued and previous bulletins were revised and elaborated.

Thousands of inquiries have been answered by mail, both by the legal staff in Washington and by the offices of regional attorneys in the field. It is the intention of the Administrator to provide every employer with the Division's best thought as to what is expected of him, so far as possible, although the caution is given that only the courts can make binding interpretations of the statute, and that employers are perfectly free to reject the Administrator's interpretations, if they choose, and incur such risks as may be involved should the courts later hold the Administrator's interpretations to have been correct.

The weight attached to administrative interpretations is made manifest by the following statement by the United States Supreme Court in the case of *United States v. American Trucking Associations*; in which the Division was intervenor: "In any case such interpretations are entitled to great weight. This is particularly true here where the interpretations involve 'contemporaneous construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new.'

The purpose of the Administrator in issuing interpretations has not been to impose additional burdens, but to make available information as to the applicability of the law and thus protect employers from penalties that might result from unwitting violations. Such penalties may be extremely severe, for in addition to those that may be imposed by the courts, employers are subject to double liability for legally earned but unpaid wages by section 16 (b) of the act empowering employees to sue. Thorough understanding of the scope and applicability of the act is an essential protection to the employer.

ENFORCEMENT

The Division has employed various techniques in its enforcement program. Primarily it is far more concerned in obtaining maximum compliance with the act than in penalizing violations after they occur. To this end it has availed itself of every opportunity and every medium to disseminate information about the act and its provisions.

More than 4,000,000 copies of an explanatory pamphlet entitled "A Ceiling for Hours, a Floor for Wages and a Break for Children" have been distributed. Half a million copies of an Employer's Digest of the act have been handed or mailed to employers. Two million copies of a pamphlet for the information of employees have been circulated. Copies of the act and of the interpretative bulletins and regulations have been widely distributed. Scores of expository addresses have been broadcast. Hundreds of addresses have been made by representatives of the Division before interested groups of employers and employees. News releases have been issued to newspapers and press associations. Special releases have been prepared for trade association journals and labor papers. Thousands of names have been placed on mailing lists at the request of employers and employees to receive all information emanating from the Division. Separate mailing lists have been compiled by industrial categories so that each employer may receive promptly copies of all orders, findings and determinations applicable to his particular industry. Posters, setting forth salient features of the law or of wage orders, have been prepared, printed, and distributed for display on factory walls.

Yet the fundamental requisite to successful enforcement is inspection, which requires the Division representative to visit the establishment, interview the employer, examine his pay roll and time records, and talk to a representative number of the employees.

Where records indicate violations or falsification (falsification of records is equally punishable with failure to pay at least the applicable minimum wage and time and a half for overtime) they must be transcribed in whole or in part. During the year photographic reproduction of records was tried experimentally with satisfactory results, especially in cases being prepared for litigation.

In proceeding against violators, the Division has been governed to a considerable extent by the degree of guilt revealed. If the violation appears to be willful and flagrant, and especially if it involves destruction or falsification of records, it is referred to the legal staff for appropriate action. Legal action may take the form of a suit for an injunction to restrain the commission of further offenses under the act. Especially aggravated cases are referred to the Department of Justice for criminal prosecution. In every case, however, an effort is made to obtain the restitution to employees of wages legally earned but unpaid.

If violation has been merely technical, or if it rests only upon a misunderstanding of the law or the regulations, the offending employer is required to pay restitution. He is then instructed in the provisions of the act, shown how to keep his records in conformity with the regulations, and given explanatory literature for his further guidance. The inspector then returns in a few weeks for another investigation to make sure that the act is being complied with.

From the first the Administrator recognized the necessity of instituting inspections on a systematic basis, so that the establishment of every covered employer would be investigated at periodic intervals. During the fiscal year 1939, when at no time more than 109 inspectors were in the field, systematic inspection was impossible. Instead, inspections were made only after complaints alleging violations had been received.

As of June 30, 1939, a total of 18,201 complaints had been filed, of which 12,364 were presumed to be valid. Over 8,000 establishments required inspection. Yet only 1,459 inspection reports had been submitted from the field and only 298 cases had been closed or dropped.

By December 15, 31,087 complaints had been classified, of which 20,710 indicated violations. Yet only 2,138 inspection reports had been received in Washington and only 896 cases had been closed.

On the average, each inspector had been able to make no more than two or three investigations a month. It was evident, of course, that more inspectors would be needed, and also that the time required for an inspection would have to be materially shortened.

The inspection staff.

The first inspectors had been sent into the field before a civil-service register had been established. Some of them were borrowed from other Government agencies. Others, who were believed to possess the necessary qualifications, were given temporary appointments with the consent of the Civil Service Commission pending examination. During the fiscal year 1940 a register was established, and when the year ended 624 candidates for inspectorships, who had

been certified by the commission, had been appointed and assigned to the field. Even with a growing staff production declined somewhat for a time due to the decentralization program and procedural difficulties.

Training procedures were revised. Instead of bringing new appointees into Washington for a period of intensive instruction, as had been the practice at first, they were immediately assigned to the field to work alongside seasoned inspectors until they had gained skill and experience. From time to time a corps of instructors was sent out from Washington to hold training schools in the region, at a considerable saving in time and travel expense. Before the end of the year the average time required for an inspection had been reduced from 8 days to 2 or 3, and many of the inspectors were able to make satisfactory inspections at the rate of one a day.

Compliance drives.

The Administrator is convinced that the vast majority of employers are complying with the act. But the complying employer often suffers a disadvantage in competition as compared to competitors whose lower prices are made possible by subminimum wage rates. For that reason the Division considers it essential that the complying employer shall be protected against illegal wage competition. The Administrator's attitude has been expressed in the implied promise to the individual employer, "If you will comply, we will see that your competitor also complies." To effectuate this policy, compliance "drives" were inaugurated, the first such Nation-wide effort concentrating on the lumber industry.

TABLE 1.—*Summary of complaint work pending completion as of June 30, 1940*

Item	Number	Percent
Establishments complained against.....	42,476
Complaint inspections required.....	32,280
<i>Complaint inspections pending completion</i>	26,069	100.0
Inspections in process.....	7,301	28.0
Inspections pending.....	18,768	72.0
<i>Completed case inspections pending final action</i>	1,770	100.0
Under review by field staff or Central Office.....	855	48.3
In process of further investigation.....	771	43.6
Under review by legal staff.....	80	4.5
In process of legal action.....	64	3.6

More than 100 inspectors were detached from other duties and sent into lumber establishments in all parts of the country, including remote logging camps and city concentration yards. The "drive" was extending into the new fiscal year and calculations as of July 10 indicated that 5,348 lumber inspections had been completed, that 1,442 establishments were found to be in compliance, 2,589 in violation, and 1,167 not covered by the act. The amount found to be due in restitution was \$615,410.98 to 20,780 employees. Ninety-one consent decrees had been entered and 336 were pending. Three criminal complaints had been filed.

Several lumber trade associations and many individual employers expressed approval of the "drive" on the ground that if all establishments were brought into compliance, the wage and hour requirements of the act would be a stabilizing influence in the industry.

TABLE 2.—Summary of inspections completed, cases closed, and restitution obtained as of June 30, 1940

Item	In June	Cumulative total	
		Number or amount	Percent
Total inspections completed.....	1,380	6,443	100.0
Complaint inspections.....	1,240	6,211	97.9
Routine inspections ¹	120	232	2.1
Cases closed.....	1,214	4,673	100.0
By settlement.....	807	3,381	72.3
No violations found.....	209	734	15.7
No covered employees.....	198	558	12.0
Restitution in cases closed by settlement.....	\$363,141	\$2,161,707	-----
Employees receiving back payments.....	11,178	91,350	-----
Average amount paid per employee.....		\$23.77	-----

¹ Not including industry drive inspections.

The "drive" technique has proved so successful that it was intended to extend it to other traditionally low-wage industries, including wearing apparel and furniture manufacturing.

Litigation.

During fiscal year 1940 long strides were taken in instituting court proceedings designed to bring into line the fringe of violating employers.

TABLE 3.—Summary of court action taken, prior to Jan. 1, 1940, and as of June 30, 1940

Item	Entire period, Oct. 24, 1938, to Jan. 1, 1940	Cumulative total as of June 30, 1940	
Cases in which legal action has been taken.....		146	514
Civil actions instituted.....		83	402
Criminal actions instituted.....		63	112

Two and one-half times as many court actions were begun in the last half of the fiscal year as in the entire previous period of operation under the act.

Of the 402 suits for civil injunctions handled prior to July 1, 1940, 367 decrees were granted, 2 were denied and 32 were pending. One case was withdrawn. In criminal proceedings, \$202,675 in fines were paid in the 78 cases in which court action had been completed and \$142,350 in fines were suspended.

No case reached the United States Supreme Court during the year, although the Division appeared as intervenor in *United States v. American Trucking Associations, Inc., et al.* In the decision handed down May 27 its contention that the exemption provided in section 13 (b) of the act from the maximum hours provisions was limited to those employees of common and contract carriers whose activities affected the safety of operation of motor vehicles was upheld. The decision was notable in its reference to the weight to be placed on administrative interpretations.

The Division was successful in its four cases in the United States Circuit Court of Appeals.

The most important decision was rendered by the United States Circuit Court of Appeals for the Fifth Circuit in the case of *Opp Cotton Mills, et al.* (111 Fed. (2d) 23 (1940)) where suit was brought to enjoin the application of the 32½-cent minimum-wage order for the textile industry. The decision upheld both the wage order and the procedure set up by the Administrator for industry committees. It also sustained the constitutionality of the Act as brought into question by the cotton mills.

The same court passed upon another issue of importance to the Division in *Lake Wales Citrus Growers et al. v. Janes, et al.*, holding that the district courts have no jurisdiction in suits instituted against subordinate officials to enjoin the application of the "area of production" regulations; and further, that the district courts have no power in such cases to render declaratory judgments concerning the validity of the challenged regulations. This type of injunction proceeding had been a common device used in the past, particularly under the N. R. A. and the National Labor Relation Act, to tie up the enforcement of new legislation.

In the *Hawkeye Pearl Button case*, the Circuit Court of Appeals for the Eighth Circuit, in deciding whether the cutting of button blanks from clam shells was within the coverage of the act or exempt as the "processing" of shell fish or a byproduct thereof, declared, in effect, that the coverage of the act should be liberally construed, and that the exceptions should be strictly construed.

The Court of Appeals for the Seventh Circuit affirmed the right of the Administrator to inspect the records of business establishments, even in the absence of a complaint alleging violation.

In only three cases have the Division's contentions in the district courts been denied where there has not already been subsequent reversal by the appellate courts. In two cases appeal is pending—one of these was a decision holding the act unconstitutional as applied to a lumber company, and the other that the issue was moot in a case involving the application of the act to parcel porters (or red caps)

TABLE 4.—*Summary of criminal actions, July 1, 1939, to July 1, 1940*

Pending at beginning of fiscal year	8
Instituted	91
Closed	68
Pending at end of fiscal year	33
Fines imposed	\$21,525
Fines paid	169,675
Fines suspended	51,850

employed by the Cincinnati Union Terminal Co. The third decision was based on the finding of facts that the employees of a lumber company had not been discharged in violation of section 15 (a) (3) of the act.

Other district court decisions have sustained the Division's contention that watchmen are covered by the act as employees necessary to the production of goods for commerce; sustained the regulations of the Administrator defining the reasonable cost of facilities furnished employees; upheld the Division's position on the coverage of employees engaged in Puerto Rican sugar mills; sustained the right of the

Administrator to examine and subpoena necessary records of employees, and (in another case) to make routine inspections even in the absence of complaints; and, in a Puerto Rican employees' suit, that employees might not waive their right to collect wages due under the act.

Other decisions have authenticated the machinery for enforcing the legal proceedings provided in the act with respect to contempt proceedings, indictments for perjury against witnesses who testify falsely before grand juries investigating wage-and-hour violations, and the obtaining of temporary restraining orders to prevent the shipment of "hot" goods outside a State. In two cases motions for bills of particulars were overruled on the ground that the requested information was peculiarly within the knowledge of the defendants.

Injunctions entered without contest have covered numerous significant aspects of the act. Among questions so determined were: Home workers are employees subject to the provisions of the act; home workers are covered by the act despite attempts to make them independent contractors by various purchase-and-sale agreements; wholesalers, selling goods in the stream of commerce, are subject to the act even though sales are made wholly within the State; manufacturers of crates sold locally for packing produce to be sold outside the State are engaged in the production of goods for interstate commerce; companies selling watchman and patrol services to employers engaged in interstate industry are engaged in the production of goods for commerce. Various types of rate manipulations to avoid the payment of overtime have been restrained. Kick-back devices have been enjoined. Workers discharged for filing complaints have been reinstated in their jobs with back pay.

Numerous employee suits have been filed in both State and Federal courts. While the Government ordinarily does not participate in these suits brought to enforce the employees' independent right conferred by section 16 (b) for double damages, the Division and the Department of Justice have intervened, or appeared as amicus curiae in 30 cases. The Division's participation has been confined largely to the jurisdiction of the court to entertain such suits and in connection with constitutional questions. Contentions chiefly have been advanced in the Federal courts by employers that there was no jurisdiction, and in the State courts that State courts are without jurisdiction. In every such case but one in which the Division has participated, the courts have sustained the Division's contentions that both State and Federal courts are courts of competent jurisdiction within the meaning of the statute.

Cooperative agreements.

Section 11 (b) of the act provides that, "With the consent and cooperation of State agencies charged with the administration of State labor laws, the Administrator and the Chief of the Children's Bureau may, for the purpose of carrying out their respective functions and duties under this act, utilize the services of State and local agencies and their employees and, notwithstanding any other provisions of law, may reimburse such State and local agencies and their employees for services rendered for such purposes."

Under the authority of this provision the Administrator and the Chief of the Childrens Bureau entered into a cooperative agreement with the State of North Carolina November 1, 1939, and with Connecticut June 28, 1940. The North Carolina agreement was extended on July 1, 1940. As the fiscal year ended negotiations were under way looking toward similar agreements with Minnesota and the District of Columbia.

All such agreements must conform to a pattern suggested by the Division of Labor Standards after consultation with the heads of State departments charged with the enforcement of State labor laws. The agreements insure uniformity in inspection methods and require conformance to policies and standards set up by the Division and the Children's Bureau.

After the agreement was entered into with North Carolina, the State labor commissioner augmented his inspection force by the addition of eight new inspectors. Both the new and old inspectors were trained in their duties under the act by the Division. The State inspectors devote three-fifths of their time to the enforcement of State labor laws and two-fifths to inspection work for the Division and the Children's Bureau, and the State is reimbursed for their services in that ratio.

INDUSTRY COMMITTEES

In the fiscal year 1939 industry committees were appointed for textiles (except wool), woolen textiles, apparel, hosiery, hats, millinery, and shoes. In the fiscal year 1940 seven additional committees were appointed for knitted outerwear, knitted underwear, leather, luggage and leather goods, carpets and rugs, railroad carriers, and pulp and primary paper.

To complete the coverage of the textile and apparel fields, it was expected that the first committee to be appointed in the 1941 fiscal year would be for the embroideries industry. A committee for the converted paper products industry was contemplated to complete the coverage of the paper classification.

No wage orders were issued in the 1939 fiscal year. In the period covered by this report, nine wage orders were issued covering an estimated 2,001,000 workers, of whom 500,300 were directly affected by the minimum rates established.

Four other committees during this period voted wage recommendations covering an estimated 1,291,200 workers, of whom 82,200 would be directly affected if the recommendations were put into effect by wage orders.

Of the nine wage orders issued during the year, six had become effective before July 1, two became effective as of that date, while the ninth, for the apparel industry, was to become effective July 15. The apparel industry employs 655,000 workers, of whom it was estimated 166,000 would be directly affected by the wage order. Seven additional minimum-wage recommendations had been reported by five industry committees before the end of the fiscal year, although no further action had been taken within the period covered by this report.

TABLE 5.—*Estimated number of wage earners covered and estimated number of wage earners directly affected by minimum-wage orders approved prior to July 1, 1940*

	Minimum hourly wage rate	Estimated number of wage earners covered	Estimated number of wage earners directly affected
Hosiery:			
Seamless.....	32½	150,000	47,400
Full-Fashioned.....			
Textiles.....	32½	668,000	179,700
Millinery.....	40	22,000	3,600
Shoes.....	35	234,000	60,100
Knitted underwear and commercial knitting.....	33½	62,000	17,000
Woolen textiles.....	36	159,000	12,500
Hats:			
Straw and harvest.....	35	25,000	5,500
Straws and harvest in Puerto Rico.....	30		
Knitted outerwear.....	35	62,000	26,000
Apparel.....	32½ to 40	655,000	¹ 166,000
Total.....		2,001,000	500,300

¹ Does not include 10 branches of apparel industry, employing approximately 56,000 workers, for which these data were not available.

Minimum-wage rates recommended by industry committees, but upon which administrative action had not been completed within the fiscal year, cover four industries as illustrated in table 6.

TABLE 6.—*Estimated number of wage earners covered and estimated number of wage earners directly affected by minimum-wage orders recommended to the Administrator by industry committees prior to July 1, 1940, but not yet approved on that date*

	Minimum hourly wage rate	Estimated number of wage earners covered	Estimated number of wage earners directly affected
Leather.....	40	50,000	3,000
Railroad carriers:			
Class I railroads.....	36		
Other carriers.....	33	1,094,200	65,800
Luggage and leather goods.....	35	18,000	4,900
Pulp and primary paper.....	40	129,000	8,500
Total.....		1,291,200	82,200

The industry committee process.

While the act provides that the Administrator shall appoint a committee for each industry as soon as practicable, practicability has been conditioned by the ability of the Division to finance the work and to provide the legal, technical, clerical, and stenographic services which the Administrator is required to furnish.

Obviously it was impossible to appoint committees for all industries at one time. Therefore, to effectuate the purposes of the act as rapidly as possible, the Administrator has proceeded first in those industries in which the existing wage structures indicated that wage minima for large numbers of workers could be increased. He has not acted toward those industries in which prevailing wages were so low, however,

that it was reasonable to suppose that considerable adjustments would be required to meet even the statutory minimum of the act; nor has he acted toward those in which average wage rates were generally 40 cents or above and in which relatively few workers would have been affected by permissible wage orders.

Before an industry committee can be appointed, the industry must be defined. Because many industries tend to shade off at the edges into still other industries, definition is not always easy. Practices in the industry must be studied, as well as production methods. Existing records on the experience of an industry under N. R. A. or the classifications established by the Bureau of the Census or the Bureau of Labor Statistics and current practices in the industry are examined. Before arriving at a final definition, the Division makes it a point to send its own investigators into plants and to discuss the problems with representatives of trade associations and unions in the industry. Almost always strong sentiment is encountered for the segregation and treatment of certain industry groups separate from their allied and overlapping groups. This arises from the fact that competition is frequent among branches of industry and each group naturally prefers to deal with its own problems.

N. R. A. experience, while helpful, does not provide a wholly satisfactory pattern. There codes were established largely along trade-practice lines, with many small trade groups insisting upon separate codes. For example, there were 32 separate N. R. A. codes for the apparel industries yet the Division found it advisable and not impracticable to cover the entire field with one committee.

After the industry has been defined, the Administrator appoints the committee. He must choose a number of members to represent the public, a like number to represent the employers in the industry, and a like number to represent the employees in the industry. A public representative must be designated as chairman. Relatively small committees of 12 to 18 members have been found preferable from several standpoints to large committees.

The committee is required to study conditions within the industry for which it is appointed and to recommend the highest minimum wage (but not more than 40 cents an hour) which in its opinion will not substantially curtail employment in the industry. The committee is empowered to subpoena witnesses and records. Data gathered by the Research and Statistics Branch of the Division are placed before it. Relevant data in the possession of other governmental agencies, especially the Bureau of Labor Statistics and the Women's Bureau, are presented.

When the recommendations are reported to the Administrator, he must hold public hearings upon due notice at which those who oppose and those who approve the recommendation may alike be heard. If he then finds that the recommendations are made in accordance with the law, are supported by the evidence adduced at the hearing and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of the act, he issues a wage order putting the recommendations into effect. If he rejects the recommendations, he may refer the matter back to the committee for further study, or he may appoint a new

committee to restudy the problem. Appeal to the courts may be taken, but only upon questions of law.

So far but one recommendation has been rejected. It had been made by the apparel committee for the embroidery industries, but the Administrator found that the facts did not support it.

Puerto Rico and the Virgin Islands.

Of a number of proposed amendments to the act introduced in the Seventy-sixth Congress, only one was adopted. It provides for the establishment of a special industry committee for Puerto Rico and the Virgin Islands to recommend minimum-wage rates for covered employees in those islands. It is provided, however, that no recommendations shall be made which will give a competitive advantage to any industry in Puerto Rico or the Virgin Islands over any industry in continental United States. Until such time as wage recommendations are made and given effect by wage order, the statutory minimum wage shall apply to all industry in the islands.

The Research and Statistics Branch had prepared reports covering industries and commerce of interstate character in the islands in order that the Division may be in a position to supply necessary economic data to any industry committee appointed under the authority of the amendment.⁴

A democratic process.

The industry committee procedure as devised by Congress has been found by nearly 2 years of experience to be a democratic and flexible means of establishing minimum-wage rates above the present statutory minimum rate. It has been of benefit to workers covered by the wage orders without disrupting competition or creating hardships on employers. There has been no perceptible rise in consumer prices because of the increased wage bill.

The value of the mutual understanding of the three represented interests—employers, employees, and the public—arrived at by collaboration in the tasks of the committee, should be as great over a period of years in the United States as it has been found to be in Great Britain, where similar collaboration has been going on for more than 30 years. The Fair Labor Standards Act combines the flexibility and advantages of industrial agreement characteristic of the British Wage Board system with immediate action embodied in the general minimum principle. A general minimum is prompt in achieving results and does not involve waiting for recommendations acceptable to the three groups at interest. It lacks, however, the realistic consideration of the economic situation and the operating circumstances of given industries or industrial groups. The Fair Labor Standards Act takes an effective compromise position between the British plan and a rigid minimum wage, since within the range of 30 to 40 cents an hour the industry committee procedure serves to correct the disadvantages sometimes attributed to the general minimum principle.

⁴ The industry committee for Puerto Rico and the Virgin Islands was appointed August 1 and held its first meeting at San Juan September 23. It was expected that its first task would be to recommend a minimum wage for the needlework industries.

Experience so far gained in administering the program has placed the Division in a position of readiness to meet the future needs of shifting economic developments. The part played in any wage determination by the tripartite committee is a safeguard tending to assure economically defensible wage orders under new industrial developments as they arise.

ADMINISTRATIVE EXEMPTIONS AND REGULATIONS

Section 14 of the act provides for employment, at wage rates lower than the applicable minimum, of learners, apprentices, messengers, and handicapped workers upon certification by the Administrator.

With respect to the first three groups, certificates are subject to such limitations as to time, number, proportion, and length of service as the Administrator shall prescribe.

No certificates for the employment of messengers at less than the minimum rate have been issued.

Every apprentice application that was accompanied by an approved apprenticeship agreement in accordance with the regulations was granted. Only 87 certificates were issued, however. That there were not more may be attributed to the fact that beginning rates in the apprenticeable trades usually are higher than the present statutory minimum of 30 cents an hour. In 1945, when the statutory minimum advances to 40 cents, it is expected that many more apprentice applications will be requested.

Handicapped workers.

As of July 1, 1940, 3,846 certificates for the employment of handicapped workers at less than the minimum rate had been issued and 2,558 denied.

Both the employee and the employer must sign the application for a handicap certificate. General descriptions of mental or physical handicaps, such as "nervous condition," "physically incapacitated," and "poor eyesight," are not accepted. The handicap must be specifically described. Certificates are not issued when the handicap arises from readily remediable physical defects. A medical certificate is required in all cases where the handicap is not clearly obvious.

Most of the applications are filed by establishments maintaining piece rates. Experience indicates that handicapped workers on piece rates generally are benefited by a rate slightly lower than their average hourly earnings because of their constant fear of losing their jobs from failure to make the minimum rate at piece-rate earnings. It has been found, particularly among women workers in garment factories, that the nervous strain involved in trying to make the minimum wage actually has decreased the production of the handicapped.

Learners.

Prior to October 24, 1939, when the statutory minimum wage was 25 cents an hour, few learner certificates were issued. When the statutory minimum rose to 30 cents and when pending wage orders gave promise of raising the minimum in certain industries above 30 cents, and in some instances to as high as 40, the employment of

learners at less than the applicable minimum was recognized as especially necessary in order to prevent curtailment of opportunities for employment.

During the 1940 fiscal year, 1,690 applications for learner certificates were filed and 1,392 approved in the following industry classifications:

TABLE 7.—*Number of applications filed for learner certificates and number approved by industry, in the fiscal year 1940*

Industry	Applications filed	Certificates issued
Apparel	671	476
Knitwear	75	51
Textiles	201	176
Hosiery	656	628
Gloves	42	34
Millinery	17	0
Telephone	28	27
Total	1,690	¹ 1,392

¹ In addition, 31 certificates were granted in miscellaneous industries not otherwise classified.

Regulations as to the certification of learners require the applicant to show an actual shortage of experienced workers in the community from which he customarily recruits his employees, and that curtailment of employment opportunities will result if the application is denied.

It must be shown that the occupations for which learners are sought actually require a learning period, and the length of time required to learn the occupations. Certificates, when issued, specify the length of the learning period—usually from 8 to 12 weeks—the proportion of learners to the total number of employees who may be employed at less than the minimum rate (usually from 3 to 5 percent of the total work force)⁵ and the wage rate that must be paid (usually 75 percent of the applicable minimum for experienced workers). If compensation is paid on a piece-rate basis, it is customary to require that the learner shall be paid his maximum earnings under the piece rate if above the certificated rate.

To establish the facts as to the need for a learning period, the length of the learning period, and the satisfactory ratio of learners to total employees, hearings have been held by industries. In the case of miscellaneous establishments not readily classifiable under any recognized industry description, it has not been practical to hold hearings.

Under revised learner regulations special certificates are issued authorizing employment of learners (a) to replace labor turnover, (b) to meet the need of expanding plants, (c) to provide working forces for new plants, and (d) to meet the requirements of plants operating on government contracts under the national defense program.

During the year learner certificates issued to 11 establishments were revoked because of violations of the learner requirements.

⁵ Provision has been made for exceeding established ratios when larger numbers of learners are required for new plants or for the expansion of existing plants.

Area of production.

The mere act of defining the "area of production," which the Administrator is required to do, automatically excludes from the benefits of the wage or hour provisions, or from both, some employees of establishments engaged in handling or processing agricultural commodities.

The last revision in the area of production regulations was made June 15, 1939, when two alternate definitions were formulated. One provided that an individual must work on materials, all of which come from farms in the general vicinity of the establishment where he is employed, and the establishment must not have more than seven employees engaged in the operations specified in sections 7 (c) and 13 (a) (10). The term "general vicinity" is not defined precisely, but has been rather broadly construed by the Division. The alternate definition provides that an individual must work on materials, all of which come from farms in the immediate locality of the establishment where he is employed, and that the establishment must be located in the open country or in a rural community. "Rural communities" are defined as towns having less than 2,500 population, and "immediate locality" is defined to mean a distance of not more than 10 miles.

These alternate definitions were found to result in certain discriminations in these industries, and in the spring of 1940 the Administrator reopened the question. Regional directors were instructed to gather relevant data on the problem, and the Administrator held hearings in Washington. He expressed his intention to redefine "area of production" to correct possible injustices, provided it could be done without depriving workers whom he believed Congress had intended to protect of the benefits of the act. No new definition had been made, however, at the end of the fiscal year.

Executives, professionals, outside salesmen.

Section 13 (a) of the act reads, in part:

The provisions of sections 6 and 7 (the wage and hour provisions), shall not apply with respect to (1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator). * * *

Here again the power to define is the power to exclude. And here again the definitions drafted and the regulations (part 541) issued before the act became effective did not in certain cases operate satisfactorily.

Acting upon petitions for a hearing filed by employers in the wholesale distributive trades—later joined by employers in publishing, communications, and banking—the Administrator held two public hearings in June and two in July 1940. No determination had been issued within the period covered by this report.

Seasonal industries.

Employees of industries found by the Administrator to be of a seasonal nature, must operate during an annually recurring season or a period of 14 weeks in any calendar year, provided they are paid time and a half for overtime beyond 12 hours in any one workday, or 56 hours in any one workweek, as the case may be.

Under the regulations an industry, in general, to be considered of a seasonal nature, must operate during an annually recurring season or seasons of the year and cease for part of the year because materials on which it operates are unavailable due to climatic or other natural conditions. Such determination is denied industries which may experience production peaks because of consumer demand. In addition, it is possible for the Administrator to determine an industry to be seasonal which engages in the packing or storing of agricultural commodities in their raw or natural state and receives for packing or storing 50 percent or more of the annual volume in a period or periods aggregating not more than 14 workweeks.

During the year prima facie determinations of seasonality were published and became final for the spring freshet driving of lumber, processing of hybrid seed corn, processing of sugar cane and the handling of bagasse in Louisiana, cleaning and processing of redtop seed; cleaning, bagging, and handling of sugar-beet seed; cleaning and processing of garden seed and seed corn at country cleaning plants, open-cut mining of placer gold in Colorado, and handling of type 32 Maryland leaf tobacco.

Prima facie findings were made but had not become final by July 1 in landscape contracting, in the cleaning and processing of specified grass and forage seed crops, and in the placer mining of tin in Alaska.

Hearings were held, and during the 1940 fiscal year determinations were made exempting the raw fur receiving industry, the open-cut mining of placer gold in Alaska, and the more northerly and higher altitude States, the northern branch of the sand and gravel industry, the manufacture of bricks in northern New England, the harvesting, handling, processing, and shipping or distributing of decorative evergreens, and the curing of Virginia-Smithfield type cured meats. During this same period, as a result of hearings, exemption was denied the open-cut mining of bentonite, open-cut mining of dimension stone, and the western pine industry.

At the end of the fiscal year, determinations were still pending on the industrial sand industry, the concrete products industry, and timber operations involving lodgepole pine and Engleman spruce.

Hearings were held after objections were raised to prima facie determination for the receiving, grading, and packing of English walnuts and filberts and the cold storage of apples in the Appalachian area. The finding of seasonality was denied in the first case. In the second case final determination will be made as a result of a hearing held July 1, 1940, to consider the packing, canning, storing, or first processing of all fresh fruits and vegetables.

During the year final action was taken on applications for seasonal exemption by 18 separate industries. Of these, 15 were held to be seasonal. It is estimated that approximately 28,000 workers are employed in the industries, or branches of industries, defined as seasonal. Several hundred informal requests and applications were handled by correspondence or conference. All of these came from industries that clearly could not qualify for exemption under the act and the regulations.

WORKING HOURS AND NATIONAL DEFENSE

In connection with the national defense program the contention has been advanced by some commentators that the maximum workweek should be relaxed. It has been argued that the 40-hour workweek in France drastically curtailed the production of military equipment and therefore contributed directly to the military conquest of that nation in June 1940.

It should be stressed that the French 40-hour workweek, enacted by the Blum Popular Front Government in June 1936, differed materially from the Fair Labor Standards Act. As the French law operated, it frequently imposed a limit on the plant as well as upon the employee. The Fair Labor Standards Act imposes no hard and fast limitation, since the statutory maximum can be exceeded so long as the excess hours are paid for at the rate of time and a half.

In any event, the French 40-hour law was repeatedly modified after 1938, until French labor, for much of the pre-war period, actually was working longer hours than German labor.

Experience of both the United States and Great Britain in the World War argues against the long workweek. Both England and Germany lengthened working hours in the present war, and both once more reduced them because it was found that fatigue of the workers contributed to time lost because of sickness, the spoilage of goods, and slackened production.

As a soldier of many years' experience in the military establishment, the Administrator is sensitive to the need for defense preparation, but an examination of the evidence has convinced him that the relatively short workweek, and not the long workweek, is the standard of industrial efficiency and maximum production. Certainly he is convinced that there should be no relaxation of the overtime provisions until many millions of workers now unemployed have been absorbed into private industry.

Finally, it should be observed that the Fair Labor Standards Act offers adequate encouragement to industry to train new workers through the exemptions from the minimum-wage requirements that may be granted for apprentices and beginners.

As of July 1 but three complaints had been received by the Division from key defense industries—all small establishments—that the payment of time and a half for overtime was making difficult their operation.

Respectfully submitted,

PHILIP B. FLEMING,
Administrator.