

Report to the President on Ten Years' Achievements in Labor  
and Social Improvements - Dec. 31, 1943.

The aspirations of most men have long found their expression in the goals toward which the labor and social policies and programs of the Administration have moved. Expressed in their essence they are (message to Congress June 8, 1934) the desire for decent homes to live in; the opportunity to engage in productive work; and some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

Ref: "Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

"Among our objectives I place the security of men, women and children of the Nation first.

"This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours."

The destructive power of the depression that reached its peak in 1933 gave the labor standards of the country a severe setback. Yet out of that period under intelligent and humane political leadership came reforms that have brought within a decade, more benefits to the average American than in any similar period in our history.

In the period 1933-43 the Government of the United States of America during your Presidency has constantly sought to improve the lot of the working man, his wife and his children, and has related to it public welfare of all the people of the United States. It is the purpose of this report to trace, step by step, the goals in living and working standards that have been reached in the past ten years and to review the activities of the Government developing them. The

whole body of labor legislation and administration within the past decade has served to bring America nearer to the goal of security for the individual.

The record must begin with 1933. Economically the country was on the ragged edge of nothing. Unemployment was in its worst phase. Although this condition is only one of many misfortunes which lead to destitution (Report to The President of the Committee of Economic Security) it was evident that the average unemployment of industrial workers from 1922 to 1929 was eight percent. Even in the most hopeful year within that period the number of jobless averaged somewhat less than a million and a half.

In 1933 wages were falling rapidly. There was a steady increase, throughout the late twenties and early thirties, in the number of people dependent upon private and public charity.

With the coming of depression the average earnings of wage earners dropped from \$1,475 in 1929 to \$1,119 in 1932. With this as the average, it is not difficult to imagine how small became the wages of those below the median in the economic scale. Pay checks of \$2.00 and even less for a 60- hour week were known. There came the dark day of the bank holiday and it was evident that credit along with wages was falling.

The spiral was downward and accelerating. It had to be stopped and reversed. The realization came that we must at once restore employment, through either public or means. Other alarming problems were present. The sweat shop was flourishing, long hours at meagre pay were the rule, oppressive child labor was on the increase. But all these had to be dealt with later. First, men must be put to work.

Since the purpose of the Department of Labor is by law 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," it was clearly the duty of that Department to take the

first step into the breach. On March 31, 1933, The Secretary of Labor called a consultative conference of leaders of organized labor and others in Washington to agree upon some initial steps. (Twenty-First Annual Report of The Secretary of Labor).

The program agreed upon by that conference is an historic one. It recommended the following immediate steps: Some form of unemployment relief provided by the Federal Government and it warned that relief should not be used to supplement sweatshop wages so as to subsidize sweatshops; immediate abolition of child labor; the use of public and semi public buildings as educational and other centers for people out of work; a drastic limitation of hours of labor both then and for the future; better wages and some machinery for fixing minimum wages at a level providing at least a living wage; regional or industrial boards to hear evidence and testimony and make findings regarding these and other matters often in dispute between employer and employee; standards of purchase by the Government to be such as to require fair hours and wages by firms from which purchase is made for purpose of raising the level of working conditions of the people of the United States.

Every proposal agreed upon at this conference in 1933 has since become established national policy. With a year the substance of most of the recommendations were in effect. The Secretary of Labor pointed out that most of the reforms, while in effect on an emergency basis, were of basic importance in the national industrial and economic life and many should be made permanent. It was emphasized that six of the recommendations were particularly important in this respect, namely: Shorter hours throughout industry and trade; higher standards of wages, and particularly, a machinery for regulating the minimum levels of wages; the permanent abolition of child labor; the use of the Government purchasing power for supplies and equipment to maintain high industrial standards; boards for hearing locally and investigating and making findings on all complaints

of industrial practices and in cases of industrial disputes; and the recognition of the desirability of competent wage earners' representation, selected through organization, in all matters affecting industry, labor conditions and civic development.

To implement the recommendation that some form of quick relief through Federal appropriation be provided, the Labor Department made available to the President and to Congress basic figures and information to support a recommendation for a program of straight public works. Provision was also proposed for the finding of special work for those incapable of absorption into a straight public works program.

Meantime, the urgent need for putting men to work immediately was receiving grave consideration. Out of that consideration came one of the first acts of the new Administration, the creation of the Civilian Conservation Corps, now recognized as one of the most effective expedients in the history of social welfare. Upon the authorization of Congress, in April 1933 the President made available to the unemployed youth of the country, many of whom had never had the opportunity to hold a job, a chance for employment and vocational training, at the same time setting in motion a great program of conservation.

The basic information and recommendations for the development of the C.C.C. came from the Department of Labor and it was this Department which was instrumental in restricting the age limits of enrollees and in providing now generally-accepted standards of selection, placement, education and compensation. When the Corps was first considered it had been planned to give all unemployed men of all ages and conditions, an opportunity to work in the woods at a dollar a day. The disadvantages of such a general plan were obvious. It would mean putting into wholly unfamiliar jobs men with no knowledge of the woods nor any

inclination for that kind of work. Further, it would take in men in all gradations of physical health, a large percentage of them unsuited by environment or temperament for the jobs required of them. The Labor Department was designated to select the men to be enrolled. Upon the recommendation of The Secretary of Labor, administration of the C.C.C. was given to the Army. It was pointed out that the Army had the necessary personnel, equipment and the "know how" of camp construction and the protection of its men from injury and disease. Furthermore, the Army had the supplies needed for immediate setting up of the camps, tents, tools and other equipment.

It was agreed that the camps would be operated without military discipline as such, but with a modified form of restraint under which those unable to adjust themselves to camp routine were returned to their homes. The conservation program was mapped out by the Forest Service of the Department of Agriculture and the Army called in many of its reserve officers to set up and administer the camps.

The Labor Department had taken the view that while the Corps was primarily a means of relief, it was, at the same time, a means of morale building and a means of training and education for the enrollees. Upon the Department's recommendation, age limits were eventually set at 17 to 23 years because young men between those ages were manageable, teachable and a group that needed to be salvaged. Most of them were single and all from families on relief. As a basic part of the program it was required that part of the earnings of each young man be sent home, which served to develop in the enrollee a sense of responsibility and at the same time lightened the local relief rolls.

The program was an immediate success. Late in March, 1933, (Public No. 5 Seventy-third Congress, S. 698) Congress had authorized Emergency Conservation work. On April 5th the enactment was given effectiveness by issuance of Executive Order No. 6101. The selection and enrollment of 250,000 unmarried young men was

begun at once by the Employment Service of the Department of Labor. The first man was selected and enrolled for C. C. C. work on April 7. Ten days later the first 200-man camp was established at Luray, Va. Within three months the 25,000 young men, together with an additional 25,000 war veterans and 25,000 experienced woodsmen had been assembled and placed in 1,468 forest and park camps extending to every section of the Country. (Report of the Director of Emergency Conservation Work - Embracing Activities from April 5, 1933, through June 30, 1935) July 1, 1933, Emergency Conservation Work was extended to the Indians and 12,000 Indian workers were employed under the direction of the Office of Indian Affairs on Indian reservations. An additional 45,000 young men and 5,000 war veterans were enrolled from 22 drought-devastated states in the same month.

At the end of two years operation, through June 30, 1935, the C. C. C. had employed 1,242,000 men. Of that number 1,090,000 were young men, war veterans and locally enrolled experienced men. A total of 112,000 men were drawn in as reserve officers, forestry supervisors and other technical personnel and there had been, in the two years, 32,000 Indian and 8,000 Territorial enrollees.

When the C. C. C. had been in operation for a year, it was proposed that a number of veterans be accepted for enrollment. This was done, but it was agreed that these veterans should be maintained in separate camps. On June 28, 1937, the Congress incorporated in the Civilian Conservation Corps act a number of requirements whose value had been established through the operation of the camps.

It was required under the Act that at least 10 hours each week be devoted to educational and vocational training. Enrollees must be largely unmarried men between the ages 17 and 23, citizens of the United States, unemployed and in need of employment, in good physical condition and of good character. Enrollment was limited to 300,000 men at any one time, of whom not more than 30,000 could be war veterans. In addition, there might be enrolled not more than 10,000 Indian enrollees and 5,000 additional territorial and insular-possession enrollees. Veterans, Indians

and enrollees from Territories and possessions could be enrolled without regard to age. The term of enrollment was six months, the total not to exceed two years. Except in emergencies, work schedules were fixed at 8 hours a day and 40 hours a week. The 40-hour week did not apply for maintenance work about the camps, such as the work of cooks and mess attendants. Pay in accordance with schedules approved by the President within limits set up in the Act. Maximum earnings for all enrollees were \$30 a month, except that 6 percent, designated as leaders, could be paid up to \$45 a month and another 10 percent, designated as assistant leaders, could receive up to \$36 a month. Enrollees received \$8 in cash per month and were required to make allotments to their dependents, if any, in amounts prescribed by the Director of the Corps. (\$22 a month was prescribed.) If the enrollee had no dependents, the Government kept that sum for him each month until he left the Corps.

Each enrollee received a complete outfit of clothing and was given food and shelter, medical and dental care, hospitalization and such transportation as the Director deemed necessary, free of charge.

From the viewpoint of workmen's compensation, enrollees injured with a disability serious enough to cause being discharged from the camp were entitled to compensation and medical benefit as provided by the United States Employees' Compensation Act. Dependents of workers killed while in performance of duty were entitled to similar benefits, but in either event these benefits could not exceed \$50 a month or \$4,000 total.

Within the first six months of the life of the Corps, upward of 350,000 men had been enrolled at one time or another in Emergency Conservation Work. In addition there were 15,000 men acting as supervisors of work projects. This total of 365,000 did not include army personnel. In the half-year period of operation a total of \$45,817,000 had been expended or obligated for the operation of the Corps, of which over 80 percent was for cash allowances of the enrolled men. The basic cash allowance per enrollee was \$30.

At the end of the first year's operation, approximately 488,000 enrolled men had received employment and many millions of man-hours of work had been devoted to construction and maintenance of useful or needful public works. Over

1,500 camps were established, in every State, the District of Columbia, Alaska, Hawaii and Puerto Rico. About \$296,127,000 had been expended to afford employment, relief and to obtain an appreciable increase in the value of our national resources. Thousands of families had been eliminated from local relief rolls. Enrollees regained self-respect and self-confidence, benefited physically from their work and mentally through educational activities.

Ref: (First Report and Second Report of the Director of  
Emergency Conservation Work)

In the ten years of its operation the C. C. C. gave employment, training and in about 90 percent of the cases education to about 3,000,000 boys. This figure does not take into account the additional employment of war veterans, the many thousands of experienced woodsmen or the technical and supervisory personnel. (U. S. Congress Senate Committee on Appropriations. Labor - Federal Security Appropriations Bill for 1943. Hearings on H. R. 7181 and Report. Page 329.)

Ref: On July 1, 1939, the C. C. C. was made a part of the Federal Security Agency in accordance with the Reorganization Act of 1939. In July 1942, the Labor-Federal Security Appropriations Act, 1943, provided for the liquidation of the C. C. C. not later than June 30, 1943. On July 1, 1942, the Corps had had 62,000 enrolled in 360 camps. By this time camps were divided into a two-phase military defense program, with 170 camps on and at work on military reservations doing engineering tasks. The remainder were on national resources protection principally in the timber stands, fighting forest fires and doing fire prevention work. All enrollees and overhead personnel were discharged as of April 15, 1943.

It became evident that the effort to reverse the downward spiral was attaining momentum. Action was quickly forthcoming. In June, 1933, the National Industrial Recovery Act was approved. (Summary of Provisions of National Industrial Recovery Act - (3929)). As stated in the statute, the objective of this Emergency Act was to reduce and relieve unemployment. Attainment of that objective was predicated on the co-ordination of all industry in respect to the conditions and pay of labor, plus a federal program of public construction.

Ref: "Title I - Plenary powers are vested in the President to effectuate this purpose. Trade Associations are encouraged to submit to him for approval a mutually agreed code of fair competition. He may impose conditions for the protection of consumers, competitors, and employees, but final approval establishes the code as the standard of fair competition for the industry represented. Whereas this procedure implies an emergency relaxation of the anti-trust laws, it substitutes other safeguards in that violation of the code is punishable by fine and/or imprisonment and, furthermore, federal district attorneys are directed to prosecute such violations. In the event that an industry is not represented by a trade association, or on complaint of abuses in the industry, the President, after a public hearing, may prescribe a code to have the same efficacy as the agreed code above."

"Title II - This part of the Act creates a federal Emergency Administration of Public Works, whose first duty is the preparation of a comprehensive program of public works; not only public highways and parkways, buildings, and other facilities, not only flood control, water power, electric transmission plants, river and harbor improvement, all of which have long been considered as public or semipublic undertakings, but also construction under public regulation of low cost housing and slum elimination projects. Army, Navy and aeronautical equipments are included, as limited by treaty or otherwise.

"In order to get men to work as quickly as possible, the President is empowered to construct or finance any project included in the prepared program, or make grants to State or local governments for the construction or improvement of any such project up to 30 percent of the cost of labor and materials (in

the hope that the project will be self-supporting), and to aid in financing railway maintenance and equipment approved by the I. C. C. (resumption of railway maintenance work will provide a large market for labor)."

One of the clauses for the protection of labor - the forerunner of the National Labor Relations Act - appears in Section 8(a) of the N.I.R.A. It puts forth as national policy for the first time the right of collective bargaining on behalf of employees through representatives of their own choosing. (N.I.R.A. Title I, Section 7(a) ).

Ref: "Every code of fair competition, agreed and by license approved, prescribed, or issued under this title shall contain the following conditions:

- (1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;
- (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and
- (3) that employers shall comply with the maximum hours of work, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."

In its broad concept the National Industrial Recovery Act was created, in the words of the President, "To put people back to work - to let them buy more of the products of farms and factories and start our business at a living rate again." ("The National Recovery Administration" - The Institute of Economics of the Brookings Institute). The effort to carry out these objectives is reflected in the labor provisions of the codes of fair competition. Briefly these provisions were (a) limitation of hours of work so that available work might be shared among

a greater number of workers; (b) setting up of minimum wage rates to provide "living wages" for all and to enlarge the purchasing power of those in the lowest pay brackets; (c) making possible the payments of wage rates above the minimum, with increased purchasing power the objective; (d) guaranteeing the right of collective bargaining; (e) prohibiting child labor by establishing a minimum age of 16 years; (f) arrangements for covering various other situations by "Special clauses"; (g) statistical reporting of labor conditions and other factors in business operations.

The first code approved - that for the cotton textile industry - established patterns which exerted a powerful influence on following codes. Its labor provisions were brief and simple. After modification by Presidential Executive Order and upon the basis of representations by the industry this code was as follows: Hours of work of office employees were limited to 40 per week averaged over six months. Other employees were limited to 40 hours per week. A tolerance of 10 percent was permitted in the hours of repair shop crews, engineers, electricians, and watching crews. The Executive Order had attached to the unlimited hours previously given these classes the condition that time and one-half be paid for overtime.

The minimum wage established in this code was \$13.00 a week, with a differential of \$1.00 for the South. Learners, outside employees, and cleaners were excepted. In the matter of wages above the minimum a provision had the effect of maintaining the former weekly wage and the existing differentials among the wage rates in the higher brackets. Existing differentials between higher paid classes and the minimum were not maintained.

The textile codes included the mandatory provisions of the Act in the matter of collective bargaining. Children under 16 years were not permitted to work in the industry. Special clauses dealt with the stretch-out, plans for employee

ownership of homes in mill villages, a requirement that maximum hours governed every employee even if he worked for more than one employer in the industry, arrangements for further study and report upon the matter of cleaners and outside workers, and a guarantee of the minimum wage whether the employee's compensation was based on a time rate or upon a piece-work performance.

Finally, the textile code provided that reports were to be made every four weeks showing actual hours worked by the various occupational groups of employees and minimum weekly rates of pay. A report was also to be made on emergency time worked.

Although short and simple, the cotton textile code contained the basic elements of wage and hour provisions which secured elaboration in labor codes. Late in July, 1933, another pattern became available in the President's Re-employment Agreement. This "blanket code" had a profound effect upon later codes. Under it a 40-hour week was set for "white collar" workers; a 35-hour week was set for factory or mechanical workers or artisans. ("This was changed to a 40-hour week in manufacturing industry by many substitutions made later.) There were also provisions for certain exemptions from the maximum hours requirements.

Under the Agreement minimum wages for "white collar" workers were established in terms of population differentials and were from \$12.00 to \$15.00 a week. The wage for the artisan group was 40 cents an hour with a time period differential which permitted the rate paid in July, 1929, but in no case less than 30 cents an hour. The effect of this arrangement was to give both a geographic and population differential.

Wages above the minimum were covered in a provision to increase pay by an equitable readjustment of pay schedule. Collective bargaining was incorporated by reference. Permission was given for certain exceptions from the 16-year

limit on child labor. In special clauses the minimum wage of the factory group was made a guaranteed minimum whether the employee was paid on a time rate or piece work basis.

The National Industrial Recovery Act was looked upon as establishing in national policy the rights and privileges of working men and women. Embodied in it were the principles which had come under discussion in the Department of Labor consultation of the preceding March. It required that every code agreement or license be specific on points for which labor had struggled for many years. It assured to workers the right of collective bargaining by and on behalf of employees, it guaranteed freedom of constraint on any worker to join a union or not to join, it required compliance of employers with the maximum hours of labor, rates of minimum pay and other conditions of work determined by the President, and it prohibited the employment of any person under 16 years of age. So was accomplished with celerity a measure of advancement beyond any comparable progress in the past in Federal law.

Among those hardest hit by the great depression were small home owners, most of whom had acquired their houses by dint of hard work and long saving. Jobless and unable to obtain financing through normal channels, the great majority were facing the loss of these homes.

Their benefactor in time of greatest need was the Home Owners' Loan Corporation created under the Home Owners' Loan Act of 1933. The purpose of the H.O.L.C. was to grant long-term mortgage loans, at low interest rates, to distressed home owners unable to procure financing through normal channels and, further, to help stabilize real estate and home-mortgage value. Those values were then almost non-existent.

Loans were made on the security of homes designed for a maximum of four families. The value of such homes must not exceed \$20,000 and they must be

occupied by the owner or held by him as his homestead. Some one million Americans still own their homes today, thanks to the Home Owners Loan Corporation. When that agency terminated its mortgage-lending on June 12, 1936, it had granted loans to 1,017,821 home owners, in the amount of \$3,093,451,321. Since that date it has advanced an additional \$173,000,000, largely to help borrowers meet tax payments.

Some view of the humanitarian service performed by H.O.L.C. is obtained from the record of its operations. Its principal tasks since lending ceased have been to assist borrowers in keeping their homes, liquidating its loans and disposing of the properties which it was forced to acquire. On December 31, 1942, it was collecting on more than 780,000 accounts, of which 642,000 were those of original borrowers, the remainder those of purchasers of foreclosed properties. Of the original loans, 183,492 totaling \$451,916,610 had been paid in full. In all, the Corporation had collected approximately \$1,476,000,000 in principal on its loans and sale of homes. Some 31,600 properties remained on its books unsold or in process of acquisition.

By the end of 1942 total loans, subsequent advances and other investments of the Home Owner Loan Corporation in its loans, sales contracts and properties reached a cumulative total of \$3,481,509,270. On the same date 48.5 percent, or \$1,687,217,237 of that amount, had been liquidated. These figures, however impressive they may be as indicators of good business practice, tell only a small part of the story and do not take into account the human element inherent in the employment and credit situation that prevailed in the depression years out of which H.O.L.C. was born.

No problem which faced the new Administration in 1933 was greater than that of individual loss of income. On every hand was the evidence that something must be done, and done quickly. Employment was obviously the only solution, yet industry was in no position to provide that employment for the millions either wholly without jobs or with incomes inadequate for subsistence. Out of the need came the Administration's program of immediate emergency employment upon public projects, housing and slum clearance, sewers, sewage disposal and waterworks, road construction and improvement, construction and repair of bridges, schools, hospitals, forestry improvement and the like. It accomplished two imperative objectives. It relieved the distress of millions of Americans and it paved the way for permanent public improvements, new and better roads and highways, parks, playgrounds, schools, forests and agricultural lands. It provided insurance for the years ahead and was of lasting benefit to communities all over the nation.

Some conception of the weight which the Federal Government put behind the effort to relieve unemployment and to provide relief for the jobless is indicated in the amounts expended on emergency public works construction. Up to June, 1943, a total of \$17,784,402,000 had been expended for that purpose. Of that total, \$13,297,027,000 was contributed by the Federal Government and the balance, \$4,487,375,000 by project sponsors.

Agencies of the Government through which those funds were disbursed were the Federal Emergency Relief Administration, the Civil Works Administration, the Public Works Administration and the Work Projects Administration. Total amounts by agencies and participation by the Federal Government and by sponsors was as follows:

Federal Emergency Relief Administration

Federal expenditure	\$	725,171,000
Sponsor	"	<u>236,279,000</u>
Total		961,450,000

Civil Works Administration

Federal expenditure	\$	796,261,000
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Public Works Administration - (May, 1933 to June, 1943)

Federal expenditure	\$	4,156,387,000
Sponsor	"	<u>1,910,894,000</u>
Total	\$	6,067,281,000

Works Projects Administration - (Through March, 1943)

Federal expenditure	\$	7,619,208,000
Sponsor	"	<u>2,340,202,000</u>
Total	\$	9,959,410,000

Ref: (Federal Works Agency)

Meantime, under the leadership of the Labor Department and with the active support of labor and civic organizations, further legislation designed to provide for the security of labor was considered and enacted. In the Spring of 1933 Congress passed the Wagner-Peyser Act, which provided for the establishment of a United States Employment Service and for co-operation with the States in the promotion of such a system.

The program was now assuming a more definite shape. The setting up of the new national employment service accomplished three immediate results. It fulfilled a need which had long been felt by the most disadvantaged group; it offered a welcome alternative to the system of privately operated employment agencies, many of which were notorious for their unscrupulous practices; and it took advantage of and improved upon the earlier federal employment service.

The enactment of the Wagner-Peyser bill opened the way for genuine integration into one organized system of all the various public employment offices throughout the Country.

Federal funds to match state funds were granted to those states whose employment systems complied with prescribed standards. This unification of standards was an all-important point, for it was necessary to the clearance of demands for labor among the several states. One of the most pressing demands for the service was that in connection with the Public Works Program. Establishment of these public employment offices is one more illustration of the way in which the Federal Government has used the knowledge and experience gained through temporary emergency measures to set up and maintain permanent agencies which work for the common good. Lessons learned in administration of the earlier employment services were used to excellent advantage in establishing and maintaining a governmental service whose value is now everywhere recognized.

In the beginning, Congress had appropriated \$1,500,000 for the first year's operation of the Service and had authorized the appropriation of a maximum of \$4,000,000 in each of the four succeeding years. At the time of enactment 23 States maintained employment services, with a total of 192 offices in 120 cities, although some of these provided only nominal service. Within the first year 16 State employment services affiliated with USES; by the end of the second year there were 25 affiliated State services (with 24 in actual operation). At the end of three years, on June 30, 1936, 34 State offices were cooperating with the Federal service and after four years there were 42 affiliated State services, with 40 in actual operation. At the beginning of 1938 cooperating State employment services were in operation in all but one of the 48 States.

Hardly had the United States Employment Service come into existence before it was called upon to recruit labor for the public works program set up under the National Industrial Recovery Act. In June, 1933, the Special Board of Public Works provided that all labor on Public Works Administration projects be referred by agencies designated by the USES. Because of the lack of State Employment offices at that time it became necessary to set up machinery at once to make up for the deficiencies of the existing State systems. The National Reemployment Service was created as a special division of the USES.

With the country adopted as the local unit, a total of 1,968 offices had been set up by the end of October, 1933. Of that number, 1,825 were offices of the National Reemployment Service. By December 31st of the same year there was an office in practically every county in the United States, with an overall total of 3,428, of which 3,270 were Reemployment offices. Total paid personnel at this time was 18,538. The demobilization, in the spring of 1934, of the Civil Works Administration made necessary a rapid curtailment of employment services. The National Reemployment Service abandoned the county as the local operating unit

and changed to a district basis. It operated for the balance of 1934 with about 550 district offices in the principal cities and approximately 1,200 branch offices. By these changes the organization became much more manageable and better suited to normal needs.

Ref: ("Public Employment Service in the United States" -  
Atkinson, Odencrantz and Deming)

Before the close of the year 1933 it was apparent that the downward economic spiral had been arrested and that, moreover, a determined effort was being made to start the spiral in the other direction. It was imperative, the Administration held, that action be taken to make permanent the improvements in labor conditions that had so far been secured. Late in '33 a 10-point program to improve the conditions of wage earners was announced by the Roosevelt Administration. (Speech by Secretary of Labor before Railway Labor Executives Association - December 21, 1933) That program advocated the permanent limitation of hours of work, prohibition of child labor, fixing of standards of minimum wages, requirement of safe and healthy working conditions, provision of aged workers, a plan for unemployment reserves or insurance, adequate workmen's compensation laws, free public employment exchanges, improved and strengthened administration of labor laws, and action to make improved labor conditions permanent.

Ref: "Such a program would pay dividends in production and in health and in satisfaction to the individual worker. The vast internal market being created through increased purchasing power under the recovery program promises a more even prosperity for the next decade.

"Great gains have been made in putting men and women back to work since last March, the low point in the depression. By shortening hours millions have been put to work on the present scale of production. By setting as a minimum the living wage the bottom has been put in the suicidal fall of prices. By a combination of these two a 2-billion dollar wage earners' market has been built up in the United States in six months. By putting men at public works on a \$3,300,000,000 program industry is being stimulated along many lines with work widely spread. By adequate provisions for relief those in need are being taken care of by the ingenuity of CWA and men and women are being taken off the relief rolls and are again working for wages. By housing construction the plans are being laid to revive the building trades.

"Lowered wages have meant a decided lowering in family living standards, loss of home, dropped insurance and other sacrifices which in many instances have amounted to real hardship and suffering. Food and clothing have been cut to the barest minimum, even below that

essential for health, and medical care has been neglected because of lack of funds.

"I want to affirm my belief that the voluntary organization of labor for mutual help, strength and experience will prove under able leadership to be a blessing, giving, coherence, purpose, standards and principles to the fulfilling of those new demands of labor."

Programs of relief and public works were well under way by the end of 1933. Increasing evidence was developing that improved standards of labor, spreading employment by short hours and a due regard for the standards of living of workers were putting the country back on its feet economically. The Administration set in motion programs to make permanent the gains secured. June, 1934, brought passage of the Copeland Act. Known as the "Anti-kick-back Act", this legislation was designed to protect the worker from the wage-cutting employer who, in order to avoid paying the rate required on work financed in whole or in part by Federal funds, required the return of "kick-back" of a portion of the wages paid.

The Anti-Kick-Back Law was preceded some three years by the Davis-Bacon Act, or the Prevailing Wage Law. Under the latter, payment of prevailing wage rates on public buildings or public works undertaken for the Government of the United States or for the District of Columbia and - after July 15, 1940 - for the Territories of Hawaii and Alaska, is required. Although this Act does not regulate hours or provide for overtime pay, every contractor or subcontractor is required to make payment in full of wages based on the rates as inserted in his contract, at least once each week, without deduction or rebate, regardless of any waiver agreed to by an employee. The Act also requires the scale of wages to be posted at the site of the work.

A basic requirement of the Davis-Bacon Act is that the prevailing wage be paid.

The history of the Davis-Bacon Act shows that following its effective date there were many instances where contractors who had obtained Government contracts took advantage of a period of unemployment to exploit labor and to deprive workmen of the wages to which they were entitled. ("Anti-Kick-Back' legislation -- Monthly Labor Review, May 1939") Therefore the need for the "Anti-Kick-Back Act".

American labor and industry secured their greatest opportunity for sharing in world social and economic development when, by joint resolution of the Congress in 1934, the United States accepted membership in the International Labor Organization. ILO had its beginnings in the decade preceding World War I in the International Conference on Labor Legislation. Although the creation of the International Labor Organization after the war was regarded as the world's answer to the demands of wage earners that the treaty of peace assure greater social justice to the average working man and woman, the United States did not participate for many years. Yet the creation of ILO was due in great measure to a great American leader, Samuel Gompers.

The adherence of the United States to ILO has been of tremendous importance both to that organization and this country. Our collaboration has made it possible for the ILO to follow the trend of labor and public interest in labor legislation as well as strictly trade union actions. Our adherence has helped to make the ILO more truly international in character by broadening the area of leadership beyond the European field. It has assisted in the extension of ILO's autonomy and thus opened the way for direct participation by the people-- industrialists and labor--in international economic discussions.

Ref: (Address of the Secretary at ILO Conference April 15, 1943) First, then a word in reference to the sphere of activity of the International Labor Organization: Between 1919, when the International Labor Organization was born, and 1934 when the United States joined the International Labor Organization, the character

of the basic problems of concern to wage earners changed considerably. In the earlier period it was widely held that government action was required chiefly with reference to the development of certain minimum standards that might be enacted into legislation. It was held that the expanding welfare of the workers was likely to be achieved through trade union action rather than through government action.

It became apparent in the 1930's, however, that the welfare of workers depends first of all upon their ability to have jobs and wages and that labor may be concerned that there be public responsibility for the maintenance of stable economic conditions. While it was possible for the International Labor Organization to draw up conventions relating to child labor, social insurance and accident prevention despite the nonparticipation of the United States, it would not have been possible for the International Labor Organization to consider methods of influencing world economic conditions without the participation of the United States.

The sphere of influence of the International Labor Organization has shown a trend in that direction. This was most clearly seen in connection with the work of the International Textile Conference held in Washington in 1937. It was represented also in the increasing consideration of the problems of agriculture and agricultural labor. It actually lay in the background of most of the discussions of conventions for a 40-hour week that dominated the conferences from 1935 to 1938. This trend which was strongly marked during the first three years of the participation of the United States in the work of the Organization was only interrupted by the imminence of war.

The International Labor Organization can have a useful and practical role in the development of economic policy in the postwar world.

The Adherence of the United States also influenced the orientation of the International Labor Organization with regard to the Western Hemisphere. The South American field -- Canada and the U. S. A. became a new world factor in the discussions.

The adherence of a country as large as the United States necessarily influenced the outlook of the Organization. It was especially important in extending the interest and influence of the Organization in Latin America. There have been a number

of regional conferences, but the first to be held in the Western Hemisphere was held at Havana in 1939 under the directorship of a citizen of my country, John Winant, now Ambassador to Great Britain.

It would be impossible for me to appraise what this has meant to our Latin American neighbors, except as I may guess it from our own experience at the time that we were establishing our Social Security system. The International Labor Organization has a wealth of experience which it can bring to bear upon the administrative problems of a country inaugurating new labor laws. We profited immeasurably when the Office placed its facilities at our disposal at the time that we were establishing old age insurance and unemployment compensation. Those of us who are familiar with the tremendously rapid expansion of social legislation in Latin American countries can appreciate the administrative problems which they have encountered and can understand why these countries so ardently support the work of the Office.

Finally, the adherence of the United States to the International Labor Organization helped to assert the independence of the International Labor Organization from the League of Nations. This emphasis made it possible for the International Labor Organization to gain prestige. Perhaps more important, it made it possible for the International Labor Organization to assert its interest in broad economic problems and to bring such problems up for consideration in a body in which the people themselves through labor members and employer members had a direct voice. What importance this development may ultimately have remains to be seen in the history of the next decade.

If the adherence of the United States favorably affected the international Labor Office, it is equally true that our membership has been beneficial to us. It hardly needs to be said that the annual Conference would have had significant influence if only by virtue of the fact that it brought people with common interest together from many countries and because of the fact that employer, workers and government representatives from each country lived in close contact with one another for a period of several weeks each year. These meetings went far to establish bonds of common understanding."

The International Labor Organization has helped to make possible practical and effective understanding among the countries of the Americas. Meetings of the ILO have aided the development of trade union thinking in the United States,

specifically in supporting the growth of the movement for wage earner vacations with pay and in convincing the American labor movement of the value of tri-partite participation on the domestic as well as the international scene. It is unquestioned that the meetings of the International Labor Organization, involving living and thinking with delegates from other countries broadened the delegates' outlook.

The technical aid furnished by the Organization has been of great benefit to America, particularly the outstanding contribution to the development of social security legislation and administration in this country. The information which the International Labor Office provides as to labor conditions in all countries of the world is of invaluable assistance at a time when it is necessary for us to be aware of conditions in many parts of the world. The Office has assisted us with a study of wages and working conditions in the Merchant Marine of various countries and has also been of service in arranging tri-partite conferences between representatives of Canada and the United States. These benefits are in addition to those which accrue from the principal work of the Organization, the development of international conventions to improve labor conditions.

It is undeniable that the International Labor Organization will take an important part in the discussions of the peace. Its influence will be far greater than that of the trade union groups upon the treaty conference which followed the last war. It has already demonstrated that it is a powerful instrument for social progress.

REF:(Ibid.) "It has been built consciously over many years. I am proud to have shared in the work in recent years. I hope that American labor and American employers will accept this trust and throw their full and united strength into the upbuilding of the only immediately available instrument for international government -- an instrument through which labor and employers have a direct and continuing voice in shaping world social economic development."

Although the United States did not become a member of the I.L.O. until 1934, it had always been a potent force in the growth and influence of the Organization. John G. Winant, now Ambassador to the Court of St. James served as Director of the International Labor Office. Carter Goodrich, Professor of Economics at Columbia University, serves as Chairman of the Governing Body.

Records of the I.L.O. Conferences give indication that the Secretary of Labor in your Administration has contributed considerably to the furtherance of the ideas of the I.L.O. At the Special Conference of the I.L.O. in New York in 1941, the Secretary was unanimously elected President. The nomination was proposed by Ralph Assheton, M.P., delegate representing the Government of the British Empire, and was seconded by Chu Hsueh-Fan, President of the Chinese Association of Labor and Chinese workers' delegate, and William Charles Colter, member of the National Labor Supply Council and employers' delegate, from Canada. In proposing the nomination for Presidency of the American Secretary of Labor in your Administration, Mr. Assheton pointed to the record of service in the improvement of the conditions of labor. Referring to the period in which the nominee had served in your Administration as Secretary for over eight years, the British delegate said, ". . . during her strenuous period of office she has played a most prominent part in the passing and administration of Federal laws relating to unemployment insurance, old-age pensions, minimum standards in Government contracts and the National Labor Relations Act. In this Conference, however, I would refer particularly to the sympathetic and powerful support which Miss Perkins has always given to the International Labor Organization. She is well known at Geneva, where her visits have been evidence of her interest in the well-being of workers, not only in the United States but throughout the whole world." These comments are included as descriptive of the accomplishments of your Administration in this field by a distinguished citizen of another country.

Ref: "Nomination of the President of the Conference by Mr. Assheton- Record of Proceedings, Conference of the

International Labor Organization - 1941 - New York and Washington, D. C.

I have the great honor and pleasure to propose as the President of this Conference, Miss Frances Perkins.

No Conference held under the auspices of the International Labor Organization has had a greater significance to the world than the gathering which has just been opened by the Chairman of the Governing Body in an address which expressed so ably the sentiments of free peoples; and we have listened, too, with great interest to the addresses from those who have welcomed us here today. We are grateful to them for sparing us their time and for giving us their welcome, and it was especially good of Mayor La Guardia, who, I observe from the newspapers, is particularly busy, to have spared the time to come here.

I cannot refrain from interjecting a word of thanks to the Chairman for the kindly reference he made to George Barnes - George Barnes, a citizen of my country, of whom we were all very proud.

It is very fitting that the President of this Conference should be the distinguished Minister of the greatest industrial country in the world, a country which has given powerful support to the Organization and also to the principles for which the Organization stands.

When Miss Perkins became Secretary of Labor, she already had a record of distinguished service extending over many years, service in the improvement of the conditions of labor. For six years Miss Perkins was Commissioner of Labor of the State of New York, and among many other items in her record, I would particularly mention the Factory Acts which had so profound an effect on the health, the welfare, and the safety of industrial workers, and also I would particularly mention the high standard of administration of labor laws in New York State.

For over eight years Miss Perkins has been Secretary of Labor, a period of time far longer than that occupied by any Minister of Labor in my country, and during her strenuous period of office she has played a most prominent part in the passing and administration of Federal laws relating to unemployment insurance, old-age pensions, minimum standards in Government contracts, and the National Labor Relations Act.

Those who, like myself, hold ministerial office in a Department of Labor, know the strain of the work, and we know also that criticism is inevitably far more plentiful than praise.

In this Conference, however, I would refer particularly to the sympathetic and powerful support which Miss Perkins has always given to the International Labor Organization. She is well-known at Geneva, where her visits have been evidence of her interest in the well-being of workers, not only in the United States but throughout the whole world.

At the present time, it gives me particular pleasure as a representative of the British Empire to propose a woman for the Presidency of the Conference. We in Great Britain are very conscious of what we owe to our women, to their work, and, in these times above all, to their courage. We recognize, also, with gratitude, the kindness and the help that we have received from the women of America. This Organization exists to promote those conditions which make for a happy family life, and we shall be fortunate to have as our President one who has not only a long record as a great administrator, but is in herself a shining example of those qualities which all the world looks for in a good woman."

Since 1919, the International Labor Office Conferences have passed sixty-seven conventions, in the form of special international treaties having to do with unemployment, hours of work, paid vacations, the protection of women and children, prevention and compensation of industrial accidents, colonial labor problems, conditions of seamen and Social Security. The United States has ratified six of these conventions relating to maritime matters, such as officers competency certificates, holidays with pay, ship-owners liability and sick and injured seamen, sickness insurance, hours of work and manning, and minimum wage requirements.

While the first International Convention was held in Washington in 1919, all the remaining annual meetings had been held through 1939 in Geneva. The special meeting in 1941 took place in New York and Washington and the Convention of 1942 was held in London.

The opening of the year 1935 gave promise of still further advances in standards of labor and social legislation. Two tremendously important pieces of labor legislation were to see enactment in the course of the year, the passage of the National Labor Relations Act and the Social Security Act. Before their enactment, however, came the momentous decision of the Supreme Court in which certain provisions of the National Industrial Recovery Act were declared unconstitutional. At that time the contemplated code program under the N. R. A. was over 90% completed, covering most of the major and smaller industries of the country.

It appears at first sight that the program of improving labor standards had been struck a mortal blow. Yet out of this emergency legislation came new and stronger safeguards for the workingman. Out of the experience gained through administration of the Recovery Act came new legislation in more effective form. One avenue which had served a temporary need was closed; another making the gains permanent was to open. Still further public benefit was to come out of the N. I. R. A. The labor protectives contained in Section 7 (a) of the Act were to be improved and become permanent national policy.

The National Labor Relations Act was passed on July 5, 1935. Earlier, the labor sections of the emergency National Industrial Recovery Act had been formulated by the Administration upon the basis of Labor Department experience. Now the Labor Relations Act established as the permanent policy of the United States the recognition of collective bargaining as a practical and wise method of arriving at labor agreements

between employer and workers to guarantee the right of employees to organize and to designate representatives of their own choosing for their mutual aid or protection.

It had been the report of the Department of Labor that the denial of these rights led to many strikes which burdened and obstructed interstate commerce.

Incorporation into the N.L.R. A. of labor provisions which had just been written into the National Industrial Recovery Act resulted in a very interesting way. Upon occasion, after the latter Act became effective, employers protested that their employees did not want or need representation. Usually these employers objected to meeting or negotiating with labor representatives. To deal with such situations, a board of mediation was set up within the NRA. Senator Robert F. Wagner was Chairman of that Board, which also included several other outstanding Americans.

On one occasion a stubborn employer persistently refused to recognize his workers' representative, or even to admit that they wanted such a representative. An employer member of the Board of Mediation suggested by way of persuasion that the way to settle the matter was to take vote. This became the first of many such elections, all indicating with conclusiveness the desire of employees to be represented, and designating those representatives.

His administrative experience as Chairman of the Mediation Board and his long-time interest in similar labor problems led Senator Wagner to authorship of the National Labor Relations Act.

Under the new Act representatives designated by the majority of employees are their exclusive bargaining representatives. It does not prevent individual employees or groups of employees from presenting their grievance to their employer. To assure the objectives Congress had in mind, the N. L. R. A.

clearly classified as unfair labor practices any of the following acts on the part of an employer:

- (a) interfering with employees in the independent exercise of their guaranteed rights;
- (b) dominating or financially supporting any labor organization;
- (c) discriminating in employment for or against an employee because he has filed charges or testified under the Act; or
- (d) refusing to bargain collectively with representatives of a majority of his employees in an appropriate bargaining unit.

The law does not deny the right to strike and permits closed shop agreements with bona fide labor organizations.

Ref: (National Labor Relations Act - Labor Job No. 5073)

"The enforcement of the Act is reposed in the National Labor Relations Board, a Board of three members, with regional offices and a staff of examiners, lawyers, investigators and other agents. The Board facilitates the mechanism of collective bargaining by determining the appropriate unit for collective bargaining and by certifying the names of the representatives designated by workers. For this, it holds hearings, conducts investigations, and if necessary takes a ballot of the

employees. The Board takes action against unfair labor practices through administrative hearing with a power to review in itself and by issuing cease and desist orders or by directing the reinstatement of employees with or without back pay. Interference with the functioning of the Board or its agents is made a crime punishable by fine or imprisonment, or both. From the decisions of the Board, however, there lies an appeal to the courts of the United States.

One of the most serious phases of the unemployment problem resulting from the depression was that affecting the youth of America. Theirs was a spiritual as well as a physical problem, their needs greater and more far-reaching than the immediate needs of food, clothing and shelter. They were, in the words of the President, "confronted with the problem of an education, a beginning in a trade or a career, and, above all, the prevention of the natural effects of long idleness and continued frustration."

The unhappy lot of these young people was indicated by a survey of depression-youth by the Works Progress Administration in the spring of 1935. It was found that 3,000,000 people between the ages of 16 and 25 were on relief, and average of one in seven. Of those on relief in cities, less than 40 percent had gone beyond the eighth grade and less than 3 percent had entered college. Most distressing of all was the discovery of large numbers of young people who in final desperation had become virtual hoboes. The transient service of the W. P. A. in a single day in May, 1935, counted 54,000 young people registered at its camps and shelters. There was no way of recording the large numbers of unregistered who had literally become tramps on the highways and on freight trains.

On June 26, 1935, the President issued Executive Order No. 7086. This established the National Youth Administration within the Works Progress Administration under authority of the Emergency Relief Appropriation. Its purpose

was to provide work training for unemployed youth and part-time employment for needy students.

Three major programs were utilized to provide educational opportunities, work experience, and training and placement services. These objectives were accomplished through a student work program under which financial assistance was provided through part-time employment for needy youth between 16 and 24 in regular attendance at schools, colleges and universities; a work program which provided work experience and training on public projects for out-of-school unemployed youth between 18 and 24; and a guidance and placement program to assist young people in securing jobs in private industry, to promote counseling and placement service for youth and to encourage constructive leisure activities.

Beneficiaries of the N. Y. A. program were required to qualify on a basis of need. Standards for their employment were set up, including provision for maximum hours, rates of pay, safety and compensation. For high school students hours of work were limited to a maximum of four a day on school days and seven on non-school days; for college and graduate students hours of work were limited to eight a day. In the matter of wages, except where exemptions were granted by the Administrator or his authorized representative, monthly earnings of student-work employees were established within the following limits: In the school-work program, from a minimum of \$3.00 to a maximum of \$6.00; for college work, \$10.00 to \$20.00; and for graduate-work, \$10.00 to \$30.00. Hourly rates of pay were required to be the same as those prevailing in the institution or locality for the same type of work.

Under the work program, on public projects hours were limited to eight a day, 40 a week and - except for supervisory or administrative employees - 100

hours a month. The minimum was required to be 40 hours a month. Monthly earnings under the Work Program ranged from \$14.00 to \$24.00, according to the wage class of the region.

The National Youth Administration also set up standards for accident prevention and provided for workmen's compensation.

Ref: ("The Public Papers and Addresses of Franklin D. Roosevelt" - Volume 4)

The year 1935 saw the passage of legislation which set in motion the first long-term, comprehensive program of economic security. Into it were incorporated the practical experience and accumulated knowledge of the Department of Labor. In a mid-1934 message to the Congress, the President had expressed the need in cogent words. He said, "Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature. Among our objectives I place the security of the men, women and children of the Nation first. This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours."

Following the message, the President created by Executive Order a Committee on Economic Security for the purpose of making recommendations for safeguards against what he had called "misfortunes which cannot be wholly eliminated." The Secretary of Labor was chairman of that committee. Others were the Secretaries of the Treasury and Agriculture, the Attorney General and the Administrator of Federal Emergency Relief.

Ref: (Report to the President of the committee on Economic Security)" ..we have sought to analyze the hazards against which special measures of security are necessary, and have tried to bring to bear upon them the world experience with measures designed as safeguards against these hazards. We have analyzed all proposed safeguards of this kind which have received serious consideration in this country. On the basis of all these considerations, we have tried to formulate a program which will represent at least a substantial beginning toward the realization of the objective you presented.

"We have had in our employ a small staff, which included some of the outstanding experts in this field. This staff has prepared many valuable studies giving the factual background, summarizing American and foreign experience, presenting actuarial calculations, and making detailed suggestions for legislation and administration.

"We have also had the assistance of the Technical Board on Economic Security, provided for in your Executive Order, and composed of 20 people in the Government service, who have special interest and knowledge in some or all aspects of the problem you directed us to study. The Technical Board, functioning as a group, through subcommittees, and as individuals, has aided the staff and the committee during the entire investigation. Many of the members have devoted much time to this work and have made very important contributions, indeed. Plus these, many other people in the Government service have unstintingly aided the committee with special problems on which their advice and assistance has been sought.

"The Advisory Council on Economic Security, appointed by you and constituted of citizens outside the Government service, representing employers, employees and the general public, has assisted the committee in weighing the proposals developed by the staff and the Technical Board, and in arriving at a judgment as to their practicability. All members of the Council were people who have important private responsibilities, and many of them also have other public duties, but they took time to come to Washington on four separate occasions for meetings extending over several days.

"In addition to the Council, this committee found it advisable to create seven other advisory groups: A committee of actuarial consultants, a medical advisory board, a dental advisory committee, a hospital advisory committee, a public-health advisory

committee, a child welfare committee, and an advisory committee on employment and relief. All of these committees have contributed suggestions which have been incorporated in this report. The medical advisory board, the dental advisory committee, and the hospital advisory committee are still continuing their consideration of health insurance, but joined with the public health advisory committee in endorsement of the program for extended public health services which we recommend.

"Finally, many hundreds of citizens and organizations in all parts of the country have contributed ideas and suggestions. Three hundred interested citizens, representing practically every State, at their own expense, attended the National Conference on Economic Security, held in Washington on November 14, which was productive of many very good suggestions.

"The responsibility for the recommendations we offer is our own. As was inevitable in view of the wide differences of opinion which prevail regarding the best methods of providing protection against the hazards leading to destitution and dependency, we could not accept all of the advice and suggestions offered, but it was distinctly helpful to have all points of view presented and considered.

"To all who assisted us or offered suggestions, we are deeply grateful.

"In this report we briefly sketch the need for additional safeguards against 'the major hazards and vicissitudes of life'. We also present recommendations for making a beginning in the development of safeguards against these hazards, and with this report submit drafts of bills to give effect to these recommendations. We realize that some of the measures we recommend are experimental and, like nearly all pioneering legislation, will, in course of time, have to be extended and modified. They represent, however, our best judgment as to the steps which ought to be taken immediately toward the realization of what you termed in your recent message to the Congress 'the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life'."

These were the major recommendations of the Committee on Economic Security:

(1) Maximum employment as the first objective of economic security:

This to be obtained through a program of employment assurance, the stimulation of private employment and the provision of public employment for able-bodied workers whom industry cannot employ at a given time.

Ref: "Public-work programs are most necessary in periods of severe depression, but may be needed in normal times, as well, to help meet the problems of stranded communities and overmanned or declining industries. To avoid the evils of hastily planned emergency work, public employment should be planned in advance and co-ordinated with the construction and development policies of the Government and with the State and local public-works projects. We regard work as preferable to other forms of relief where possible. While we favor unemployment compensation in cash, we believe that it should be provided for limited periods on a contractual basis and without governmental subsidies. Public funds should be devoted to providing work rather than to introduce a relief element into what should be strictly an insurance system."

(2) Unemployment compensation - as a front line of defense - especially valuable for those who are ordinarily steadily employed, but very beneficial also in maintaining purchasing power. While it will not directly benefit those now unemployed until they are reabsorbed in industry, it should be instituted at the earliest possible date to increase the security of all who are employed.

It was the considered opinion of the Committee that unemployment compensation should be administered by the States, assisted and guided by the Federal Government. A uniform pay-roll tax was recommended, with credits allowed to industries in States having unemployment compensation laws. Such a uniform pay-roll tax, it was pointed out, would prevent an unfair competitive advantage to employers operating in States failing to adopt a compensation system over employers operating in States which provide such protection to their wage earners.

The Committee further recommended that the Federal government assume responsibility for safeguarding, investing, and liquidating all reserve funds, in order that those reserves might be utilized to promote economic stability and to avoid

dangers inherent to their uncontrolled investment and liquidation. High administrative standards were urged, but with wide latitude left to the States in other respects so that experience in actual administration might indicate what types of unemployment compensation are most practicable in this country.

(3) To meet the problem of security for the aged, the committee recommended noncontributory old-age pensions, compulsory contributory annuities, and voluntary contributory annuities, all to be applicable on retirement at age 65 or over. It was pointed out that only noncontributory old-age pensions will meet the situation of those already very old and with no means of support. Laws for the payment of old-age pensions on a needs basis were in force in more than half the States and the Committee recommended their enactment everywhere. Because most of the dependent aged were then on relief lists, deriving their support principally from the Federal Government, and because many of the States could not assume the financial burdens of pensions unaided, the Committee recommended that the Federal government pay one-half the cost of old-age pensions but not more than \$15 per month for any individual. For the protection in old age of those then young it was pointed out that a contributory system of old-age annuities was the most satisfactory method. This would enable younger workers, with matching contributions from their employers, to build up a more adequate old-age protection than it is possible to achieve with noncontributory pensions based upon a means test.

(4) In advising a program of security for children, consideration was given to the fact that a large group of the children then maintained on relief would not be aided by employment or unemployment compensation. To meet the problem of the fatherless and the other "young" families without a breadwinner, no less than 45 States had enacted children's aid laws, usually called "Mothers' pension laws". However, due to the current financial difficulty in which many States found themselves at the time, many more of such children were on the relief lists than were receiving children's aid benefits. The Committee was strongly of the opinion that

these families should be differentiated from the permanent dependents and unemployables and that the children's aid plan offered the best means of caring for their needs. The specific recommendation was for Federal grants-in-aid, based on one-half the State and local expenditure for the purpose, or one-third the entire cost. It was further advised that the Federal Government give assistance to the States in providing local services for the protection and care of homeless, neglected and delinquent children and for child and maternal health services especially in rural areas. Special aid toward meeting a part of the expenditures for transportation, hospitalization, and convalescent care of crippled and handicapped children was recommended so that the benefits might be extended to a large group of children whose only handicaps were physical.

(5) A Nation-wide preventive public health program.

Ref: "As a first measure for meeting the very serious problem of sickness in families with low income. It should be largely financed by State and local governments and administered by State and local health departments, the Federal Government to contribute financial and technical aid. The program contemplates

- (1) grants in aid to be allocated through State departments of health to local areas unable to finance public health programs from State and local resources,
- (2) direct aid to States in the development of State health services and the training of personnel for State and local health work, and
- (3) additional personnel in the United States Public Health Service to investigate health problems of interstate or national concern.

The second major step we believe to be the application of the principles of insurance to this problem. We are not prepared at this time to make recommendations for a system of health insurance. We have enlisted the co-operation of advisory groups representing the medical and dental professions and hospital management in the development of a plan for health insurance which will be beneficial alike to the public and the professions concerned. Elsewhere in our report we state principles on which our study of health insurance is proceeding, which indicate clearly that we contemplate no action that will not be quite as much in the interest of the members of the professions concerned as of the families with low incomes."

(6) Residual relief.

Ref: "The measures we suggest all seek to segregate clearly distinguishable large groups among those now on relief or on the verge of relief and to apply such differentiated treatment to each group as will give it the greatest practical degree of economic security. We believe that if these measures are adopted, the residual relief problem will have diminished to a point where it will be possible to return primary responsibility for the care of people who cannot work to the State and local governments. To prevent such a step from resulting in less humane and more intelligent treatment of unfortunate fellow citizens, we strongly recommend that the States substitute for their ancient, out-moded poor

laws modernized public assistance laws, and replace their traditional poor-law administrations by unified and efficient State and local public welfare departments, such as exist in some States and for which there is a nucleus in all States in the Federal emergency relief organizations.

The American program of economic security became a reality when the Social Security Act was approved on August 14, 1935, almost six months to a day from the submission of the Committee's report to the President. The Act embodied the recommendations that had been made. It provided a system of contributory old-age insurance and in addition for grants to States for old-age assistance to those not eligible for insurance benefits; it authorized grants to the States for unemployment compensation, for aid to dependent children. Grants to the States were provided for maternal and child welfare, services for crippled children, protection and care for homeless, dependent and neglected children and for vocational rehabilitation. It set up a comprehensive program of public health work under State and local public health services, authorized grants to the States for aid to the blind, and set up an administering Social Security Board, with provisions for taxes and deductions from payrolls and wages with which to finance portions of the program. The year 1935 was indeed a momentous one in the social progress of the American people. This one act of legislation represented the attainment of a humane and democratic program which has done more than any other Act in a century to improve the life of the people of the United States of America.

The leadership of this program and the development of the knowledge and information on which it was based came from the Labor Department in your Administration.

The State-Federal relationship had long been a complicating constitutional factor in retarding Federal laws for good labor standards. It had long been felt that the Federal Government might accelerate the movement toward better minimum working conditions by controlling the conditions under which materials and supplies were produced for Government order. The feeling was crystallized at a

meeting of consultation between the Federal Department of Labor, State labor department officials and labor representatives. The result was a recommendation by the Administration that standards of work hours and rates of pay be made a part of all government contracts. From those recommendations came the Walsh-Healey Public Contracts Act of 1936, providing that in United States Government contracts for materials, supplies, articles or equipment amounting to more than \$10,000 certain minimum standards of labor must be maintained.

The Act provided that the minimum wage for the industry concerned must not be less than the prevailing minimum as determined by the Secretary of Labor. It further stipulated that no person may be employed, while producing for Government contract, for more than eight hours in any single day or 40 hours in any workweek unless he is paid one and one-half times the minimum wages as determined by The Secretary of Labor. Child labor was prohibited in the basic act and it also prohibited the use of convict labor.

In addition to setting up minimum rates of pay and providing for premium rates of pay for overtime hours, the Public Contracts Act also set up standards of safety and health in factories filling Government contracts.

The Public Contracts Act embodied many of the standards long desired in Federal legislation. Some States had had laws more advanced than Federal statutes. The Public Contracts Act included a number of objectives which had been included separately in preceding legislation, some emergent, some permanent. It set standards for private employment. Its prohibition of the use of child labor kept immature workers out of the labor market and thus made available more jobs for those in middle life.

So obvious were the benefits of enforcement of the Public Contracts Act that it was to be followed in two years by the Fair Labor Standards Act, which applied

some of its principles to all commerce among the States and which made applicable to all interstate commerce or the production of goods for interstate commerce labor conditions which marked a new point in national labor relations policy.

Familiarity with legislation both temporary and permanent in the five years following the National Industrial Recovery Act had made it obvious that some Federal provision for wage and hour standards in industry was necessary but no way had been found. The Act, as passed on June 25, 1938, sprang directly from recommendations of the Department of Labor and other officials of this Administration and had the support and advice of the conference of State labor department officials, of civic and social organizations and of organized labor.

In formulating a wage and hour law first consideration was given to constitutional problems which had been unforeseen in connection with the N.I.R.A. Wage rates established under the Recovery Act were set up by code authorities and put into effect without the Federal Government exercising final control. Without this Governmental approval it was considered that some employers might be discriminated against through the imposition of rates entirely feasible for the big employer but impossible to meet by the small employer. Out of this consideration came the industry committee procedure which was made a part of the new Federal Wage and Hour Law. Although here again economic conditions within the industry were examined by representatives of employers and employees in that industry, as well as the public, the rate of pay recommended was not put into effect until approved by the Administrator of the Wage and Hour Division. It was also within his power to reject a wage recommendation and if necessary discharge the committee and appoint another in its place. Thus the Government maintained control over the establishment of rates of pay under the law and thus it was impossible for any segment of the industry involved to be discriminated against.

It was designed to prevent labor conditions detrimental to the health, efficiency and well being of workers and to prevent unfair methods of competition based on such labor conditions. The Act was applicable to all workers engaged in interstate commerce or the production of goods for interstate commerce.

No such worker may be paid at a rate less than 30 cents an hour (40 cents an hour beginning October 25, 1945.) Rates higher than 30 cents an hour, but not higher than 40 cents an hour, could be set upon an industry-wide basis through the recommendation of industry committees equally representative of the employers and employees in the applicable industry, and the public.

The Act did not limit actual hours of work but, like the Public Contracts Act which preceded it encouraged the short workweek by requiring that each covered worker receive time and one-half his regular rate of pay for hours in excess of 40 in any week.

The Wage and Hour Law also included a child labor prohibition by barring from interstate commerce goods produced in establishments in or about which "oppressive child labor" has been employed. Each employer covered by the Fair Labor Standards Act is required to maintain specified records. The law provides for a fine up to \$10,000 or, in the case of a second conviction, imprisonment up to six months, or both. Under the law, a worker is permitted to collect in court double the back wages due him plus attorney's fee and court costs.

(In connection with administration of the Fair Labor Standards Act it should be pointed out that through industry committee actions practically all employees in covered industries have now (November, 1943) been raised to the 40-cent minimum, thus bringing the effect of the statutory requirement almost two years in advance.)

The Division of Labor Standards was created in the Department of Labor in July, 1934. Its primary function was to assist the States in securing greater uniformity in labor legislation and to assist in developing adequate standards for the health, safety and employment of industrial workers. The Division is frequently called upon by the States to supply varied services, including the publication and distribution of detailed information on accident and disease prevention; analysis and digests of currently proposed labor legislation; the supply of drafts and suggestions on labor-law services for the purpose of state legislation programs; and to supply informative comparisons and appraisals of administrative systems and methods.

The Labor Standards Division keeps constant contact with the administrators of state labor laws; with legislative committees charged with promoting uniformity of state laws and with interstate compact commissions. One of the most important current functions of the Division is the direction of the National Committee for the Conservation of Manpower in War Industries. It makes available to interested organizations and offices the resources of the Department of Labor and supplies appropriate material from public and private sources.

In a program of practical co-operation with the States for improving labor standards and working conditions The Secretary of Labor has each year invited the Governors of the States to send representatives to a national conference to appraise various types of laws, to exchange experiences in administration and to plan improvements in labor legislation. It is apparent that much of the far-sighted and economically beneficial labor and social legislation which has been enacted within the several States <sup>has</sup> ~~have~~ come directly from these annual conferences. Usually the Governor has designated the State's labor commissioner and one or two representatives of organized labor. Delegates have attended each year from 40 or more states.

Since it is the States which have the major responsibility for labor legislation, this movement to promote sound and more nearly uniform State labor legislation has had most beneficial results. It is the States which set up systems of workmen's compensation. The States are responsible for the protection of workers from accident and disease on the job. They must see to it that workers get their pay regularly and that the wages earned are not held back from the worker. Systems of unemployment compensation, the actual operation of the public employment service and the regulation of private employment offices are all State responsibilities. They have the broad responsibility for wages, hours and child labor in intra-State industries.

Until 1933 State labor laws had accumulated in haphazard fashion, each State experimenting without seeking the experiences of other States. There was little co-operation or exchange of information between states and this led to the development of a multitude of different laws and administrative methods, varying in effectiveness and confusion to both workers and employers. Yet the progress of labor legislation within the States and the effectiveness with which State laws are administered are of vital importance to American wage earners.

The National Conference on Labor Legislation has been called by the Department of Labor each year beginning in 1934. All aspects of labor legislation have been considered, including the needs for specific laws, the terms in which those laws should be drafted and the administrative machinery to enforce the law. Labor representatives at the conferences report to administrators on how the laws are working out and the administrators, on the other hand, have outlined their problems. Both groups exchange ideas on how to co-operate more closely in securing better enforcement of labor laws.

The Conference has been the medium from which have come specific recommendations for such now universally accepted national statutes as the Public Contracts Act and the Federal Wage and Hour Law. But in addition it has repeatedly urged every State to provide these minimum basic labor laws and services: The prevention of child labor, one day's rest in seven for all workers, maximum hours and minimum wage regulation, control and eventual elimination of industrial home work, promotion of cash payment of wages, provision for collection of wage claims by the State Department of Labor, prevention of industrial accidents and occupational diseases, workmen's compensation for all employees for all injuries and for all occupational diseases, regulation of private employment agencies, promotion of voluntary apprenticeship and voluntary State mediation and arbitration available in industrial disputes.

In the field of State minimum wage legislation within the decade 1933-43 there was an increase exceeding one hundred percent. Ten years ago 12 states and the District of Columbia and Puerto Rico had minimum wage laws in operation. Administration was hampered, however, by an adverse decision of the Supreme Court and some of the State statutes were wholly inoperative. In 1937 the Court reversed itself and, by 1943, laws controlling minimum rates of pay were operative in 26 States, the District of Columbia, Puerto Rico, Alaska and Hawaii. In most instances these laws apply to women and minors but in the case of Connecticut, Puerto Rico and Hawaii men are also covered.

Ref: (Women's Bureau) Under these State minimum wage laws for women and minors, twenty States fix rates of pay through wage procedure. (An exception is Kansas, where the Commission sets rates without a wage board recommendation.) In the instance of one State, the minimum wage law covers only one industry. In three States, Alaska, Hawaii and Puerto Rico the rates of pay are fixed in the law. Twenty-two States make no provision for minimum wages for women and minors.

The increase in State laws limiting hours of work was even more significant than the spread of minimum wage laws in the ten-year period. From a total of nine states, the District of Columbia and Puerto Rico, which limited women's hours, at least in some occupations, in 1933, the number had risen, in 1943, to 23 States, Puerto Rico and the District of Columbia. Except in a few occupations with very definite health hazards, State laws limiting hours of work apply only to women.

Ref: (Women's Bureau) Maximum weekly hours set by State Laws for women in industry were as follows (in 1941):

a	40 hours	.....	No States	
	44 "	.....	2 "	
	48 "	.....	18 "	, Dist. of Columbia, Puerto Rico
	49½ "	.....	1 "	
	50 "	.....	2 "	
	54 "	.....	10 "	
b	55 "	.....	2 "	
	56 "	.....	2 "	
	57 "	.....	1 "	
c	60 "	.....	4 "	
	63 "	.....	1 "	
	No Limitation	.....	5 "	

a. In South Carolina, the 40-hour law which applies to certain textile industries has been inoperative since 1938, due to Court injunction.

b. South Carolina law also applies to men.

c. Georgia law also applies to men.

In addition to statutes affecting the weekly hours of work of women in industry, 42 States, the District of Columbia and Puerto Rico also have laws controlling the maximum daily hours of those workers. While six states set up no limitation on daily hours of work, the remaining States administer laws whose range of limitation is from eight hours a day to 10½ hours daily.

Ref: (Women's Bureau)

*8-hour day	.....	15 States, Dist. of Columbia and Puerto Rico
8½ "	.....	1 "
9 "	.....	16 "
10 "	.....	9 "
10½ "	.....	1 "
No limitation	.....	6 "

\* In South Carolina the 8-hour law which applies to

I certain textile industries has been inoperative since 1938, due to court injunction.

In the control of child labor, the growth of remedial State legislation has been even more noteworthy than the spread of wage and hour statutes. In 1934 every State and Territory and the District of Columbia had in operation some form of child labor law. The basic 16-year age minimum established in Federal statutes is now set in 17 States, territorial or district laws. In 1933 only two States had such a standard.

Recognition of the evils of industrial homework has also prompted an increase in State laws controlling that kind of labor. Up to 1933 legislation prohibiting or regulating homework had been made effective in only one State. Today 11 States and Puerto Rico have industrial homework statutes.

The Conference on Labor Legislation has given much of its time to consideration of methods of securing wages earned but withheld. Between 1933 and 1943, as a result of that consideration, there has been an increase from six States to 16 States and one Territory where labor departments have been given the authority to help wage claimants to collect back wages.

Again, the Conference has been instrumental in fostering the enactment and improvement of workmen's compensation laws. Forty-seven States, the District of Columbia and Hawaii, Alaska and Puerto Rico now have such acts. Basically, the drive for workmen's compensation laws has added three States since 1933. More important perhaps are the amendments which have strengthened administration, liberalized benefits and extended coverage of those statutes. Occupational disease compensation has been made generally available in 15 States, the District of Columbia and Hawaii, while more limited coverage is provided in 12 other States and Puerto Rico.

Since the first Conference a decade ago a number of new State labor departments have been established. Already existing State labor agencies have

been strengthened and enlarged, notably in Arkansas, Louisiana, Florida, Alabama, Georgia, South Carolina, North Carolina, Kentucky, Illinois, Indiana, West Virginia, Pennsylvania, Connecticut, Rhode Island, Vermont and in Alaska, Hawaii and Puerto Rico.

In 1937, Congress authorized and directed the Secretary of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to encourage the inclusion of such standards in contracts of apprenticeship, to bring together employers and labor for the formulation of apprenticeship programs and to co-operate with State agencies and others engaged in formulating and promoting such programs. The Division of Labor Standards was given the responsibility for carrying out that program. In addition to this and its other work the Division engaged in the promotion of industrial safety and health, co-operating with State labor departments in the training of factory inspectors, assisted in the drafting of safety codes and helped Federal agencies in improving safety records. Through the National Committee for the Conservation of Manpower in War Industries, the safety program has been extended to all private plants having Government orders for war production.

The ten-year record of labor legislation in the States and by the Federal Government is a demonstration of the fact that labor has had within the decade an opportunity to secure a high standard of living within the general public welfare. Public interest has always been a controlling factor in labor advances. The Federal administration has continually tried to strengthen State labor laws through consultation, advice and technical help. The conference principle, so successful since 1933 in formulating wise State labor legislation, was begun well before that year when President Roosevelt was Governor of New York.

One of the most important progressions of the 1933-43 decade was the increasing participation taken by labor and its representatives in programs designed

for the economic and social betterment of the Country. Labor was an active participant in the conferences which preceded the creation of some of the most forward-looking legislation the Nation has ever enacted. It was represented in the code authorities of the N. R. A. It took active part in the work of the National Advisory Board under the National Youth Administration and its representatives worked with state and community leaders on the local advisory boards.

Workers' representatives have always had strong participation in the annual Conference on Labor Legislation, called by the Secretary of Labor, and responsible for most of the constantly improving State legislation in the fields of labor standards and social security. The successful enforcement of the Walsh-Healey Public Contracts Act has been due in a measure to the support given by labor, particularly through the advisory panel of representatives of labor and management and especially in the establishment of minimum wage standards under the Act. Labor played an important part in the operation of the Maritime Labor Board, operated under the Merchant Marine Act of 1936.

An outstanding example of labor's support in the operation of tripartite panels is contained in the industry committee method of establishing minimum wages provided for in the Fair Labor Standards Act. This principle of tripartite co-operation has been given increasing use. It occurs again in the organization of the National War Labor Board and in the format of the 12 Regional War Labor Boards where, as under the Federal Wage and Hour Law, labor's representatives participate equally with representatives of industry and the public.

With the coming of the defense program and then war, the Administration opened more and more opportunity for consultation of labor in all matters of labor, industrial policy, and operation. There has been active participation by labor in labor-management committees, in war production and war manpower in the program of wage stabilization administered by the National War Labor Board and in many other fields where the plan of representation of employees, employers

and the public has become a familiar pattern for securing wide and democratic consultation on important Government actions.

The effect of enforcement of the Fair Labor Standards Act upon the program of production for defense and then for war produced benefits which could not have been foreseen when the Congress had that legislation under consideration.

While the Act permits unlimited hours of work, it did provide for the payment of overtime after 40 hours in any week. There were a number of determined efforts to amend that provision on the ground that it hampered the production effort. Its actual effect upon the production program is a very interesting part of the Nation's wartime labor utilization.

Ref: (Thirtieth Annual Report of The Secretary)

".... we have become more than ever convinced from the experience of this war compared with our experience in the last war that in order to maintain maximum production the general requirements of the best State and Federal labor legislation must be observed. The prevention of accidents by machine guarding, by fire exits, etc., proper ventilation, proper heating, proper lighting facilities, proper sanitation, and other good physical conditions in the workplaces are important. Reasonably short hours of work (with meal periods) are essential to maintain the production for a continued war effort.

"State legislation and union contracts often prohibit work beyond 48 hours except on penalty overtime rates which tend to discourage it. The Fair Labor Standards Act, while permitting unlimited hours of work, tends to discourage long hours by providing for overtime after 40 hours. The effect of this Act upon our production program has been most interesting. First, when large demands were made upon industry for war production employers took on new people rather than going to the longer workweek. This had the effect of bringing millions of people into the factories and giving them training and experience which made rapid expansion and addition of new departments possible when the Government began to increase its demands on these industries. As war orders began to be greater employers moved to using overtime, paying time and one-half for it. This had the effect of attracting from the non-war industries into the war industries exactly the extra personnel required. It also had the effect of...

a satisfactory income which undoubtedly retarded and delayed the movement of wages upward, which was so important a part of our efforts to mitigate inflationary trends. Although extremely long hours are worked in many war industries, there is a growing understanding of the desirability of maintaining a steady flow of production with reasonably short working hours.

Profiting from the experience gained through National and State legislation in the 1933-42 period and with the determination to secure maximum production from the country's labor force, the Department brought together representatives of labor, management and Government to discuss a program of wartime labor standards. This committee, composed of the War, Navy, Commerce and Labor Departments and the Maritime Commission, Public Health Service, War Manpower Commission and the War Production Board, made a series of recommendations for a program of minimum labor standards to meet production goals and still maintain worker efficiency. Basically, these recommendations were for one day of rest in every seven for both production workers and supervisors; a meal period in the middle of each shift lasting at least 30 minutes; not more than an 8-hour day and a 48-hour on most operations; and a brief vacation period.

Ref: (Secretary's Thirtieth Annual Report)

"Disregard of these standards as shown by experience both in this war and the last, here and abroad, leads to increase in accidents, sickness and absenteeism. Spoilage and rejections increase, output falls off. If, in the process of speeding up, machines have been ruined and workers' health impaired, the output curve does not rise again as quickly as it fell. The policy to which these eight Federal agencies have agreed does not set up any rigid formula for determining the schedule of hours at which every war plant should operate. Neither does it represent a departure from the principles of the basic 40-hour week of the Fair Labor Standards Act. Time and a half will still be paid for hours in excess of 40 a week, and the 40-hour week is still recognized as a good standard for peacetime operation. Some plants have, however, increased their scheduled hours for individual workers to 60 and 70 a week and over. The 10-hour day and 7-day week are not infrequent. The statement of policy issued by eight Government agencies makes it clear that such schedules do not promote but rather hinder a high level of

production, and in the interests of sustained production should be reduced, as quickly as more men and more supervisors for additional shifts can be trained. The way to utilize plants and tools to capacity is to work multiple shifts, not to keep the same crew on the job for such long hours or so steadily as to undermine health, morale and efficiency. Lessons about the cumulative fatigue from overwork were learned in World War I. The experience has been repeated, not only in England after Dunkerque but to some extent in this country. There have been determined attacks on both State and Federal labor legislation on the grounds of alleged interference with war production. Actually, the hours standard set by Federal laws are flexible, merely requiring the payment of overtime rates after a certain basic number of hours. These laws have not prevented work schedules in some plants being extended to such a point as acutally to interfere with production because of the fatigue factor, and the compensating absenteeism induced by long hours. The practice must be replaced by the standards of limited hours proposed by the joint statement. War industries have generally worked 48 hours and many have been working over 50 hours. The machine-tool industry has at times averaged as high as 55 hours a week, which means that some workers have been working above 70 hours a week."

Your Administration has brought practical social security and decent working and living standards to the United States. A system of co-operative social protection for the benefit of all is developing. It is unquestionable that there will be difficulties to face in the period of demobilization and readjustment to peacetime living. But, in contrast to the postwar period beginning in 1918, we can face readjustment without fear because we have already under your Administration developed various and useful forms of social protection for all the people, and have a body of experienced civil service administrators who have thrashed out previously the different new problems of large scale preventative social measures. The Government of the United States now knows how to operate this system to prevent personal disaster in the period of transition.

In the period of conversion from war to peacetime industry our workers will be able in the transition to afford to take a few weeks off. They will be protected by unemployment compensation; they will have the protection of

minimum wage laws when seeking new work, (USES in reverse); the aged can retire from the labor market with an old-age insurance benefit; the dependent young are provided for. We have the Fair Labor Standards Act which will give maximum distribution of work as we shorten hours of work to 40 a week immediately at the close of the war. We will have new public and private housing, which is now in the planning process. It will be effective because the Roosevelt Administration has planned and legislated and administered so carefully over the past 10 years.

*Charles E. Wilson*