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Clearing the Slums of Industry

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FOR a great many years there was a block of tenements on New York City's lower East Side which because of the horrible disease conditions and the tremendously high deathrate from tuberculosis was known as the "lung" block. Now the "lung" block is only a memory and slowly in other parts of New York and in other cities through the cooperation of labor, industry and government, the slum problem is being attacked.

American industry, too, has its "lung" block—the "lung" block of low wages and long hours—and slowly, with intermittent demolition and rebuilding, this slum section is being torn away and replaced. Important among the instruments which have been provided for the replacement of low wage, long hour industry is the Fair Labor Standards Act of 1938, which established the Wage and Hour Division of the Labor Department.

It will perhaps be an elaboration of the obvious to point out some of the effects of low wages and long hours for labor. These effects are felt by business and by society as a whole. But most distressingly and directly the sufferers are the workers themselves. For them inadequate wages mean a constant mental and physical strain; they mean bad housing, malnutrition and disease. They are the direct cause of the stunted bodies and distorted lives of many Americans. It used to be customary to cite poverty as an important incentive to future success and stories of those who have risen from the ranks, from bootblack to company president, provide much of the folklore of our economic history. The truth of the matter is, however, that these men who pulled themselves up out of the slums are interesting because they are so exceptional. For every slum baby who becomes a wealthy man there are thousands more who were crushed by an adverse environment.

I do not wish to offer the Fair Labor Standards Act as a panacea for the problems presented by inadequate incomes and long working hours. In the first place, it provides for a minimum which can hardly be considered a standard of comfort, and second, it applies only to employes engaged in interstate commerce or in the production of goods for interstate commerce. Nevertheless, with the cooperation of a socially-awake public, a progressive labor movement and an intelligent industry, it will be a long step in the right direction.

It is my conviction, based upon experience in private industry as well as in my years in the New York State Labor Department, that the most effective social legislation is that which makes use of the facilities of local organizations. For that reason I was particularly happy when the administration of the Fair Labor Standards Act was placed in the United States Department of Labor. I knew that its location there would make it easy to utilize to an increasing degree the cooperation and support of established state agencies. I knew that the cooperation, support and assistance of these agencies would go a long way toward making the wage and hour law a successful, accepted means of eradicating low wages and long hours of work.

Recently, we of the Wage and Hour Division were afforded a most inspiring view of what can be done by federal-state cooperation in improving the minimum wage and maximum hour standards in industry. The Fifth National Conference on Labor Legislation, presided over by Secretary of Labor Frances Perkins, unanimously adopted a resolution calling for state wage and hour laws to supplement the federal statute.

THE necessity for such supplementary legislation has been admirably summed up in an editorial appearing in the *St. Louis Post-Dispatch*:

> The decision of administrators of state labor departments at their Washington conference, to work for the enactment of state wage-hour laws is excellent. For every worker brought under the federal law through the entry of his product into interstate commerce, there are others who are engaged in work purely intrastate in character, and so are unprotected against starvation wages and long hours. Still other employes work in a borderline area, and there is doubt as to whether they are in interstate commerce or local employment.
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> Neither the discrimination on the one hand nor the doubt on the other is defensible. If federal wage-hour legislation protects the employe in interstate commerce, state wage-hour legislation should protect the worker in intrastate commerce who is employed at the next bench or on the floor above. The enactment of state statutes extending the principle of minimum wages and maximum hours is both logical and necessary.

Many employers who themselves are covered by the

new federal law and who have no objection to the statute find themselves up against competition from intrastate businesses which continue to pay low wages and to work their employes more than the 44-hour maximum without overtime compensation. Typical of these complaints is that from a southern lumberman who employs two hundred or more men and is in competition with smaller mills which, it is claimed, are not engaged in the production of goods for interstate commerce. Through the saving made on labor costs the smaller businesses are able to undersell their competitors who engage in interstate commerce. A solution obviously lies in supplementary state legislation.

Employes are also interested in coverage, and a great many of the complaints made to us of failure to pay the minimum wage of 25 cents an hour or to adhere to the overtime provisions of the law for all hours over 44 in a week come from employes not covered by the act. It is often in the small intrastate business that the worst labor conditions prevail.

The passage of state laws to apply to workers not covered under the federal act is desirable, therefore, as a protection to a large group of low paid employes as well as a protection to industry suffering from local cut-throat competition. I firmly believe that if intrastate business were operated under approximately the same wage and hour standards as interstate business, the enforcement problem would be materially smaller and harmful competition based on inadequate wages and long, deadening work hours could be eliminated.

The more immediate way in which states will be able to cooperate with the federal government in the fair labor standards program is through assistance in enforcement of the federal act. Without seeking to unload my problems on the broad but already burdened shoulders of the state labor agencies, I believe that this is necessarily a joint problem. Already we have had offers of assistance from governors and labor commissioners of the principal industrial states, and it is gratifying to know that they are willing to exert every possible effort to make the law effective.

WE, in the Wage and Hour Division, look forward to the time when each state will be able to take over all investigations and inspections in connection with the administration of the act. We do not want to wait, nor can we afford to wait, until that time comes before we set up a plan of cooperation between the federal and state governments for the administration of the act. The task of advising employers and employes must be undertaken at once and requires the concerted effort of both groups. For that reason, we have asked state labor departments to assist us immediately by: reporting to the Wage and Hour Division on situations that appear to be in violation of the wage or hour provisions, or both; providing the Wage and Hour Division with lists of low paid industries and establishments in their states; distributing to interested parties official rulings and interpretations which are sent out from the Washington office; referring complaints to the Wage and Hour Division, or to local representatives of the division; referring requests for interpretations of the act to the Wage and Hour Division, because during this difficult formative period we think it would be unwise to have interpretations made in the field either by our own staff or by state labor departments.

We expect our field staff to work with state labor departments in such a way that they will support and further the work of such departments. We are depending on them to give our field staff aid and counsel. We realize such plans of cooperation will necessarily differ from state to state.

As I have already stated, the division expects eventually to utilize state departments of labor in making all investigations and inspections under the Fair Labor Standards Act. Provisions for such a plan were made in Section 11 (b) of the act.

There are two reasons why such cooperative arrangements cannot be entered into immediately. The first is a financial reason. Until Congress meets and appropriates funds there is no money to reimburse states for their services. I know from my own experience as a labor commissioner that no state labor department in the United States has sufficient staff to enforce adequately the labor laws coming under its jurisdiction, and that no state would be willing to accept the responsibility of being designated as the agency within the state to make all investigations and inspections under the federal Fair Labor Standards Act unless funds could be made available for meeting this added responsibility. In the meantime, there have been prepared minimum standards for states desiring to be authorized to make investigations and inspections under the Fair Labor Standards Act. We consider it essential to set up such standards in order to insure uniform administration of the law from state to state.

THESE standards have been worked out with the Children's Bureau and will apply also to agencies used to make investigations and inspections in cases of child labor complaints. Their central requirement is that the state agency must submit a plan of cooperation which includes the following:

a. A description of the organization of the state agency, showing the delegation of responsibility and lines of authority to be followed within the agency in the enforcement of the Fair Labor Standards Act and state labor laws.
b. A statement of the personnel to be assigned to this work, the training and experience of such personnel, and other items of expenditure to be reimbursed by federal funds.
c. Rules and regulations establishing a system of personnel administration on a merit basis for all personnel promoting compliance, making inspections, investigations and reports under the Fair Labor Standards Act. Such rules and regulations must provide for:

(1) The establishment and maintenance of a classification plan based upon investigation and analysis of the duties and responsibilities of positions, and of a compensation plan based upon the principle of equal pay for equal work, adjusted to state salary schedules;
(2) State-wide competitive examinations, under independent non-partisan auspices, to give all qualified citizens an equal opportunity to compete for positions:
(3) Appointment of all personnel from lists of eligible persons certified in the order of merit in such examinations, with provision for selection by the appointing authority from among the highest three eligibles for each position;
(4) Probationary period for all new appointees;
(5) Promotion on the basis of qualifications and performance;
(6) Security of tenure for satisfactory employes within limits of need for staff;
(7) Discipline and dismissal of unsatisfactory employes and orderly layoff of surplus personnel;
(8) Prohibition of political activity by employes;
(9) Plan for vacation and sick leave;

(10) Plan for staff development through appropriate training;

(11) Cooperation with other public agencies using a merit system, and joint administration of examinations and joint use of eligible lists when appropriate.

d. Agreement to follow the procedure outlined in the inspector's manual, to use official forms for recording findings, to make reports as required, to conform with regulations regarding fiscal practices, and to carry on the work connected with the administration of the Fair Labor Standards Act in conformity with instructions and policies of the wage and hour division of the Children's Bureau.

Plans must be approved by the administrator of the Wage and Hour Division and the chief of the Children's Bureau as being reasonably appropriate and adequate to carry out their responsibilities under the Fair Labor Standards Act.

The Fair Labor Standards Act, while similar to state child labor, maximum hours and minimum wage laws, differs in a number of important points from existing state legislation. Although we will, of course, be able to utilize methods that have been evolved by state labor law administrators, we will have to work out methods and procedures specifically adapted to the provisions of the act. We are in the process of doing this now.

The immediate responsibilities of the Wage and Hour Division are to set up industry committees; to make definitions and rulings as required by the act; to formulate and establish sound policies; to advise and inform employers and employes of their obligations and rights under the law; to work out standard ways of enforcement; and to enforce and, when necessary, to prosecute swiftly to check sweatshop goods from competing with goods produced in compliance with the federal Fair Labor Standards Act.

While we are doing this, the state departments of labor will have an opportunity to secure enabling legislation, where it is necessary, permitting them to accept federal funds and to use state staff for inspections made in connection with the federal law.

Labor departments will also have an opportunity to make any adjustments which may be necessary to meet the standards set up for state agencies wishing to be authorized to make investigations and inspections under the act and to be reimbursed by the federal government for such services. States which wish assistance in doing this may call on the Wage and Hour Division of the United States Labor Department, or on the Division of Labor Standards of the United States Department of Labor, which has established a fine record as an outstanding service agency for state labor departments.

I have already mentioned the other half of the program of state cooperation, the need for cooperating state laws. Thirty-nine of the state legislatures will meet in 1939. It is my sincere hope that they will enact laws based on the principles which were drafted by a committee of state labor commissioners and endorsed by the same National Conference of Labor Legislation, at which nearly every state labor department was represented. That program is ambitious, I admit, but no ambition is too great when its fulfillment brings a greater security to the wage earners of the nation and to their families.

President Roosevelt's appeal, when he proposed this law to Congress, still rings clear—"To protect the fundamental interests of free labor and a free people."

Case Work in Public Relief

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CASE workers in public family agencies during the past few years have gone through a series of professional adjustments which have been both trying and challenging. The new demands of the job could not have been met entirely with previous training. Supervisors and executives were not able to help greatly because their own training and past experiences had been with professional pressures other than the ones which the field workers had to face. These workers had to find some sort of a working philosophy for themselves, to make their own adjustments, their own errors. For the work had to go on, clients had to be visited and their needs met as they arose. How a client could be served adequately in a brief visit, or in visits made with decreasing frequency; how much of a client's problem could be accepted and handled and how much should be left untouched; how the routines of the day could be managed under excessive pressure—these were and are some of the questions for which public workers still are seeking answers. Under necessity a few answers, but not all, have been found.

The public agency faces the whole gamut of case work problems because it is not limited by a restricted intake policy. The legislatures may have defined relief eligibility but, as social workers know, there is no correlation between relief need and the presence or absence of emotional problems in the applicant and so it is that the case worker faces all manner of situations needing solution. The public agency assumes responsibility for all of its applicants, stretching its funds and its skills as far as they will go.

In attempting to clarify the case work job of the field workers in the public agency, it must not be forgotten that case work is case work, no matter where it is practiced. The function of the agency is a variant which influences case work functioning, but it changes case work practice only in its details; it does not alter the generic base of a working relationship between client and worker or the possibility of the worker being helpful to the client.

The case work job of the public agency might be divided into two approaches: first, the whole of the job which would be done if there were sufficient time and funds with which to do it; second, the actual job which can be done with the time and the funds available.

The complete job of the public agency in theory, and also by professional definition, should cover the whole service for which social work has come to stand. There is nothing in the public agency plan which rules out the possibility of assuming responsibility for the full job, even though a complete performance cannot be given at the