
CHAPTER IX

SPECIAL MEASURES FOR THE EMPLOYABLE POPULATION

Unemployment creates peculiar problems both for the individual and society as a whole which are not solved by the mere grant of minimum aid based on physical need. The psychological concomitants of unemployment—disappointment, loss of self-respect, and demoralization—together with the physical hardships attributable to curtailed income frequently transform the man who was a useful member of a family and of a working community into an entirely different person. Through prolonged unemployment a worker may approach permanent unemployability, despite the fact that he may once have possessed valuable skills. Indeed the unemployables of the future spring in large part from the unemployed of today.

While such a downgrading in economic status is a bitter personal tragedy for the individual, unemployment presents a serious problem to society as a whole, for the Nation's labor supply is its most important economic resource. Moreover, it is a highly perishable resource, not only because working time lost by unemployment may never be regained, but also because the productive capacity of the labor force declines with disuse. Inasmuch as the deterioration in the skill of the labor supply is a national loss, it is not surprising that the concept of conservation has in recent years come to be applied to human as well as to natural resources. The view that our mineral, land, and energy resources should be protected from waste has gained general acceptance even among those most strongly opposed to the extension of governmental

activity. That there is wide agreement concerning the desirability of planning to conserve these resources is evident from the extension of national and State planning activity in recent years. But it has taken the prolonged depression of the thirties to enforce a recognition of the importance of conserving labor power.

It was pointed out in Chapter III that one of the most significant developments of public-aid policy since 1933 has been the attempt to provide work opportunity for the unemployed and other members of the working population, such as farmers. In this chapter the programs in which these policies are embodied will be evaluated in terms of the extent to which they meet the needs experienced by the involuntarily idle members of the labor force for something other than maintenance.

Four groups of measures call for special attention. First, through the employment service the country endeavors to assist workers to secure what is after all the primary need of the unemployed man—namely, employment. Second, through the WPA and its predecessors and locally operated work programs, government has attempted to meet the needs of the unemployed for work by the provision of employment on publicly conducted work projects. Third, through the CCC and the NYA special provision is made for the peculiar needs of unemployed youth. Finally, the Farm Security Administration through its loan program and related measures assists farmers to remain in productive employment.

THE PUBLIC EMPLOYMENT SERVICE

The employment service is not, it is true, a public-aid program *per se* in the sense of providing for the maintenance of those with inadequate incomes or no incomes at all. But it does make a direct contribution to meeting the other-than-maintenance needs of those whose loss of income is attributable to unemployment. Furthermore, administratively it is closely identified with many of the programs whose public-aid character is undeniable.

Character of the Services Performed

The average unemployed worker is likely to judge the effectiveness of the employment service by the extent to which it facilitates his placement in private employment. While this is indeed the primary objective

of the public employment service, an evaluation of its performance by reference to this criterion alone would fail to take account of the full contribution which it can render to the working population, especially in periods of depression. For the employment service cannot create jobs—it can merely bridge the gap between work-seekers and available jobs, and reduce to a minimum the extent of unfilled demand. But, while it is thus inevitable that in periods of general business depression the record of placements may be low, the service can contribute materially to the speedy absorption of workers as and when demand revives by accumulating data as to the character of the available supply and the probable future demand, and by guiding workers to places and occupations which appear

to show the greatest prospects of expansion. The real test of the effectiveness of the service thus comes during business revival, but the contribution that it can make will be determined by the groundwork which has previously been laid.

It is also important to note that since 1933 the employment service has continually been assigned new responsibilities, not all of which have been of a character likely to foster its placement and guidance functions. Already in 1933 the employment service, although principally designed for private placement functions, was found to be and was used as a convenient mechanism for the registration and referral of millions of unemployed to the Civil Works Administration and other work-relief programs.¹ A similar increase in the activities of the employment service took place with the inauguration of the WPA program.² Quite apart from the effect of this association with relief programs upon the attitude of employers to the service, the new responsibility involved a large amount of additional paper work³ and absorbed energies which might have been devoted to private placement work and promotional activities.

After 1937 a new duty was laid upon the employment service: responsibility for benefit payment under unemployment compensation laws.⁴ It is true that in this case additional funds were made available for the

new work. But the vast expansion of the service which was required in order to handle millions of claims⁵ almost inevitably led to a preoccupation with this task, and the close organizational and functional relationship between the placement section and the claims-taking and benefit-paying section produced a drain upon the placement staff in the interest of the expanding program. A parallel development of the placement activities was, in the circumstances, scarcely to be expected.

On the other hand, the close association with unemployment compensation administration was advantageous for the long-run development of placement work in that it placed the service in contact with a group of workers more representative of the labor market as a whole. Thus, not only was the service in touch with a much larger segment of the unemployed population, but also its standing in the eyes of employers was enhanced, for a much larger proportion of registered job-seekers now consisted of nonrelief workers and persons who had only recently severed their employment connections.⁶

On the whole, however, the circumstances of the years 1933-40 were not favorable to an active development of the placement and guidance functions of the employment service, and this fact must be borne in mind in the following analysis of its work.

Placement Functions of the Employment Service

Between July 1933 and June 1940, the employment service received over 93 million applications for jobs, made by about 46 million individual job-seekers. During the same period close to 10 million visits to employers were made. Almost 30 million placements were made during these 7 years, of which almost 13 million were private placements, representing about 43 percent of total placements during the period. During these same 7 years the active file never fell to below 4 million per month (indeed it was never less than 5 million per month except in the last months of

¹ For example, during the 4 months prior to the inauguration of the CWA program (July-October 1933) new applications for jobs totaled almost 2 million and placements about 400,000. During the 4 months in which the CWA program was in full swing (November 1933-February 1934) total new applications were almost 9.4 million, and placements during these 4 months amounted to over 4.5 million, of which almost 3.7 million were in CWA projects. (Compiled from United States Employment Service, *Twelve and One-half Million Registered for Work, 1934*, Washington, 1935, pp. 49, 57-61.)

² During the second quarter of 1935, prior to WPA, the monthly number of new applications to employment offices varied from about 322,000 to 662,000, the number of placements from about 271,000 to 290,000. Between July and December of the same year, after WPA had been inaugurated, the monthly number of new applications increased to between 500,000 and 880,000, and placements reached almost 800,000 in December 1935, of which almost 650,000 were on WPA projects. (Compiled from Atkinson, Raymond C., Odencrantz, Louise C., and Deming, Ben, *Public Employment Service in the United States*, Chicago, Public Administration Service, 1938, p. 442, table 16.)

³ For a summary of these burdensome procedures, see *ibid.*, pp. 442-47.

⁴ Grants for State employment service administration to meet the requirements of the unemployment compensation program (in addition to the regular appropriations under the Wagner-Peyser Act of somewhat over \$3 million annually) were first made in the fiscal year 1938. In that year about \$14.4 million was appropriated for that purpose and \$20.2 million in 1939. Some \$27.9 million and \$38.5 million were appropriated for unemployment compensation administration in the 2 years respectively, bringing the total Federal appropriations for the combined employment service and unemployment compensation administrative cost to \$42.3 million and \$58.9 million respectively. The corresponding total appropriated for the fiscal year 1940 was \$58.3 million; no detailed figures on the breakdown as between unemployment compensation and employment service are available for this year. (*Fourth Annual Report of the Social Security Board, Fiscal Year Ended June 30, 1939*, Washington, 1940, p. 198; and *Fifth Annual Report of the Social Security Board, 1940*, Washington, 1941, pp. 161 and 164.)

⁵ In the country as a whole, the number of registrations rose from slightly less than 900,000 in December 1937 to a little over 1.5 million in January 1938. (From data made available by the Research and Statistics Division, Bureau of Employment Security, Social Security Board.) The commencement of unemployment benefit payments at a time when unemployment was reaching its recession peak added greatly to what would have been a heavy load in any case. New applications in the benefit-paying States increased from 623,000 in the last quarter of 1937 to 1,823,000 in the first quarter of 1938, while in the nonbenefit-paying States the increase was from 419,000 to 672,000. Simultaneously, visits to employers and private placements decreased. (U. S. Employment Service, *Survey of Employment Service Information, May 1939*, Washington, 1939, p. VI.)

⁶ For a detailed discussion of the effect of unemployment compensation upon the effectiveness of the public employment service as an agency concerned with labor mobility, see ch. XII, where the wider economic functions of the service, rather than its contributions to the welfare of the individual unemployed worker, are the focus of interest.

1937), and exceeded 9 million during the winter of 1935-36.⁷

The total volume of private placements in relation to all placements by the service is shown in Table 47.

TABLE 47.—Total and private placements by the employment service, fiscal years 1933-40

Fiscal year ended June 30—	Total placements	Private placements	
		Number	Percent of total placements
1934.....	7,032,488	1,305,873	18.6
1935.....	3,174,651	1,089,964	34.3
1936.....	5,779,499	1,160,244	20.1
1937.....	4,231,805	2,100,606	49.6
1938.....	2,900,056	1,962,765	67.7
1939.....	3,134,011	2,225,114	71.0
1940.....	3,536,908	2,995,517	84.7

Source: Compiled from data made available by the Research and Statistics Division, Bureau of Employment Security, Social Security Board.

A close examination of the record of the 7-year period shows that a substantial proportion of all private placements have been in jobs of very short duration. The record of the employment service has, however, been uneven in terms of the occupational and industrial characteristics of the jobs filled. There are also important variations by age and sex of workers placed. After the evidence is sifted, the conclusion is inescapable that the service has been most successful in its efforts for a few specific groups of the labor force.

While there was a consistent increase in the proportion of private placements among all placements made, it is noteworthy that only a relatively small proportion of registrants were placed in regular jobs, *i. e.*, those lasting for longer than 1 month. About half of the private placements were classified as temporary jobs, meaning that they were expected to last less than 1 month.⁸

The occupational distribution of private placements reinforces the conclusion that short-time and relatively unskilled jobs are predominantly represented among all private placements. A percentage distribution for the month of April in the 3 years 1937, 1938, and 1939 shows the following picture:⁹

⁷ Compiled from data made available by the Research and Statistics Division, Bureau of Employment Security, Social Security Board.

⁸ The proportion of such jobs among private placements has been consistently above 50 percent, varying from a low of 51.4 percent for the fiscal year 1940 to a high of 57.5 percent in 1938 (not taking into account the first year of operation during which the proportion of temporary placements was only 40.3 percent). (Percentages for 1933-39 computed from information made available by the Bureau of Employment Security, Social Security Board; 1939-40 percentages computed from *Employment Service News*, VI (July-December 1939) and *Employment Service Review*, VII (January-August 1940), tables entitled "Activities of Public Employment Services for All Registrants by States.") It has been stated that a large proportion of the temporary jobs probably involved only a day's employment. Cf. Atkinson and associates, *op. cit.*, p. 33.

⁹ Information supplied by the Bureau of Employment Security, Social Security Board.

Occupational group	April 1937	April 1938	April 1939
Professional.....	1.0	1.3	1.1
Salespersons.....	4.5	7.2	9.2
Clerical workers.....	4.4	3.7	4.9
Service workers.....	37.6	41.9	43.4
Craftsmen (skilled).....	9.4	7.7	8.1
Production workers (semiskilled).....	12.2	12.6	13.2
Physical labor (unskilled).....	30.9	25.6	20.1

The relative importance of the various occupational groups placed in private employment varies greatly, as is to be expected, with the sex and race of the persons placed. The proportion of white men classified as unskilled in relation to all white men placed varied from 31.2 to 35 percent in these months; the corresponding proportion of colored workers varied from 43.6 to 72.9 percent. Among women, domestic and personal service placements were the most numerous, representing between 60 and 67.6 percent in the case of all white women placed, and between 78.3 and 86.2 percent in the case of colored women. As shown, there has been a very high, though declining, proportion of unskilled occupations among all private placements.¹⁰

Detailed information regarding the industrial classification of private placements is available only for the 4 years 1933-37. Domestic and personal service accounted for from one-fourth to over one-third of all private placements during the years 1934-37. Manufacturing and agriculture ranked next in importance, the former absorbing a slightly increasing proportion of all private placements. Building and construction decreased considerably after 1934. The four most important industrial categories—domestic and personal service, agriculture, manufacturing, and building and construction—accounted for almost four-fifths of all private placements, as can be seen from Table 48.

An analysis of the trend in industrial classification of all placements (private, public, and relief) over the period April 1937 to April 1939 shows clearly the vast importance of placements in the building and construction industries. Together with placements in domestic and personal service, they account for about three-fifths of all placements. WPA and CCC placements have become less important in recent years. While they accounted for 6.8 percent of all placements in

¹⁰ Prior to April 1937, no distinction in the tabulation of placements by occupations was made between private, public, and relief placements. (U. S. Employment Service, *Survey of Employment Service Information, February, 1938*, Washington, 1938, p. 56.) The occupational distribution of all private, public, and relief placements shows an even higher proportion of placements of unskilled workers ("physical labor"), varying from 36.6 percent in the first 6 months of the calendar year 1938 to 58.7 percent of the tabulated total during the fiscal year 1936. The corresponding figures for domestic and personal service are 29.3 and 13.0 percent. (Data from U. S. Employment Service, *Survey of Employment Service Information, May, 1939*, p. 100, table 12, and computed from U. S. Employment Service, *Filling Nine Million Jobs*, Washington, 1937, p. 149, Table 29.)

TABLE 48.—Major industrial classifications of private placements, 1933-37; percentage distribution

Industrial classification	Year ended June 30—			
	1934	1935	1936	1937
Domestic and personal service.....	26.2	35.5	40.3	35.3
Agriculture, forestry, and fishing.....	17.3	16.5	16.7	17.1
Manufacturing.....	15.2	17.8	16.4	17.8
Building and construction.....	19.7	8.4	7.0	8.3
Total.....	78.4	78.2	80.4	78.5

Source: Adapted from Atkinson, Raymond C., Odencrantz, Louise, and Deming, Ben, *Public Employment Service in the United States*, Chicago, Public Administration Service, 1938, p. 35.

April 1937, they had fallen to less than 2 percent in April 1939.¹¹

The growing preponderance of domestic and personal service placements helps also to account for the fact that over the 5-year period 1934-39, the proportion of women increased from 37 to almost 46 percent of all private placements, while that of men decreased from 63 to 54 percent. It also accounts in part for the increasing proportion of Negro placements.¹²

A measure of the relative importance of private placements effected by the employment service in manufacturing jobs may be obtained by comparing the number of its manufacturing placements with the known accessions in that industry month by month.¹³ Over the whole period January 1935-April 1939, the private placements in manufacturing effected by the employment service did not reach 10 percent of all accessions in manufacturing establishments at any time prior to April 1937, when they accounted for 10.2 percent. Even in 1939 they did not exceed 15.3 percent.¹⁴

The varying degree of success of the employment

¹¹ There are considerable variations with regard to the relative importance of the various industrial classifications among sex and color groups. Of all white men placed in private, public, and relief employment, April 1937-April 1939, almost one-half received assignments to building and construction jobs, while for colored men the proportion was nearer one-third. Relatively more white men were placed in manufacturing, and more colored men in agriculture. The proportion of colored men placed in service industries among all colored men placed was higher than the corresponding proportion of white men.

The largest proportion of both all white and all colored women was placed in domestic and personal service jobs, but while the proportion among colored women of those placed in service was about four-fifths, the corresponding proportion among white women was about three-fifths. As in the case of men, proportionately more white women were placed in manufacturing and more colored women in agriculture. (Data in this and the following paragraph and notes based on information made available by the Bureau of Employment Security, Social Security Board.)

¹² Colored women received seven percent of all private placements in 1934-35; the proportion had increased to 10 percent by 1939. Placements of colored men increased only slightly, from 10.1 to 11.6 percent of all private placements. The highest proportion of colored placements was reached in 1937-38, when colored men accounted for 14.9 percent and colored women for 10.3 percent of all private placements.

¹³ The Bureau of Labor Statistics publishes accession rates and estimates of total employment in manufacturing establishments for every month.

¹⁴ Placement data in this and the following paragraph were computed from information furnished by the Bureau of Employment Security, Social Security Board.

service in placing persons in different age groups is indicated by the fact that jobseekers under 25 years of age received relatively more placements than any other age group in relation to their proportionate share in the active file.¹⁵

Guidance in Preparation for Available Work

Even though work opportunity may not be immediately in prospect, the unemployed worker who desires to equip himself for reemployment by training, retraining, or relocation in an area of expanding opportunity may reasonably expect technical advice and guidance from the employment service. This type of service is especially needed by young entrants to the labor market. In fact, however, this aspect of the work of the employment service has until recently been relatively undeveloped.

Special service for juniors was available in August 1940 at 522 employment offices in 480 cities, slightly over a third of the full-time offices in the country. Of these, 162 were equipped to administer psychological tests, the number and range depending on the extent to which the employment office was equipped with counselors trained in these techniques.¹⁶ This development has taken place since the National Youth Administration took the leadership in 1935 in promoting the expansion of guidance and placement services for juniors in the employment offices. Up to that time there were only a very few places in the largest cities where young people could obtain vocational guidance. *Great progress has still to be made before adequate counseling service is universally available to young people, particularly in rural areas.*¹⁷ A more rapid ex-

¹⁵ White women in this age group received a relatively larger share of placements than either white or colored men, while colored women were underrepresented. Whereas this age group as a whole represented 32.7, 32.3, and 33.9 percent of all private placements in April 1937, 1938, and 1939, respectively, colored women under 25 years accounted for only 28.4, 28.9, and 27.5 percent of all colored women placed. White women under 25 represented 39.3, 39.1, and 41.7 percent of all white women placed.

Important variations with sex and race are also found in the other age groups. Colored men and women were overrepresented in the age group 25-44, while white women were underrepresented. In the group 45-64, white men received relatively more placements. While this age group as a whole represented 18.6, 17.9, and 17.1 percent of all placements in April 1937, 1938, and 1939, respectively, white men between 45 and 64 accounted for 21.1, 21.3, and 19.9 percent of all white men placed. On the other hand, colored women in this age group received only 12.9, 12.5, and 12.3 percent of all placements of colored women.

In the group 65 and over white men and colored men were overrepresented and white men more so than colored men, while women of both races were underrepresented.

For the proportion of jobseekers over 25 among all registrants in the active file, see ch. XII.

¹⁶ Information from the Bureau of Employment Security, Social Security Board.

¹⁷ For an account of available junior placement services on February 1, 1940, and proposed extension of such services, see Bell, Howard M., *Matching Youth and Jobs*, American Council on Education, Washington, 1940, pp. 70-71.

pansion of this service has been inhibited both by inadequate appropriations and by the lack of trained and experienced counselors.¹⁸

Even for experienced workers the employment service has, in the past, made a smaller contribution toward planned adjustment of the labor supply to the probable demands of emergent revival than might have been hoped, and this for several reasons. Informed guidance of this type presupposes the availability of adequate data relative to trends in the supply of and demand for labor. Since 1934 increased attention has indeed been paid to study and analysis of the characteristics of workers and jobs through the occupational research program of the employment service. But study and analysis of occupational and employment trends based on observation of industrial activity had not been acknowledged as an important task until 1939, when the Occupational Outlook Service was established, not, however, in the Employment Service but in the Bureau of Labor Statistics of the Labor Department.

The occupational research program of the employment service has among its major objectives facilitation of the transfer of workers from occupations in which there are few employment opportunities to other occupations, and the most effective utilization of the aptitudes and potentialities of new entrants into the labor market. It provides the employment service personnel with information about job requirements and with techniques to assist in determining applicants' aptitudes and other characteristics. Only with this knowledge can placements be satisfactory in terms of occupational adjustment.

Two facts about the economic life of the worker—his industrial attachment and his occupational status—are of major importance to the employment service. A worker's primary occupation often remains the same over long periods of time, while his industrial attachment may change quite frequently and usually does change in certain occupations. The occupational research of the Employment Service in its Division of Standards and Research thus aims to supply factual information about occupations.¹⁹

¹⁸ (Palmer, Jane H., *Junior Placement*, U. S. Children's Bureau, Publication No. 256, Washington, 1940, p. 60.) Only a third of the counselors visited in the 12 offices covered by this survey were college or university graduates with training in guidance techniques.

¹⁹ For the systematic study of workers and occupations, field research centers staffed by trained analysts prepared job schedules with occupational information secured from observing jobs in actual operation. As of May 1, 1939, over 54,000 job analysis schedules had been prepared. A considerable number of volumes of job descriptions covering nine major industries have been published, and several other volumes covering additional industries are in various stages of completion. (*Annual Report of the Secretary of Labor for the Fiscal Year Ended June 30, 1939*, Washington, 1939, p. 26.)

A dictionary of occupational titles has been compiled, containing definitions of about 17,500 separate occupations involving nearly 30,000

The occupational research program of the employment service can satisfactorily meet the demand for occupational classifications of applicants and of certain types of jobs. In addition, however, there is need for study and analysis of broad trends of occupational opportunity. This type of information is particularly needed by those concerned with placing young people in jobs, but it is necessary in a general way for any long-range program aiming to foster the adjustment of workers to changing demands for different types of labor.

The month-to-month changes in the numbers of applicants registered from various occupations and industries can supply significant indications of labor shortages and surpluses. Likewise, the records of placements indicate the occupations and industries in which employment opportunities are contracting or opening up, and with what frequency. Forecasting employment trends is, of course, facilitated by a comprehensive program of visits to employers by the employment service staffs. Also, the local manager is generally familiar with occupational and industrial trends in his locality. In a few States employment trends have been studied on a State-wide scale, such as the Indiana study of seasonal trends.²⁰ Seasonal trends have also been studied in other States, frequently in connection with unemployment compensation problems. The Farm Placement Service has also analyzed labor demand for almost every county in the United States for crop and harvest seasons. However, no general over-all and long-range study has been made. While, under the stimulus of the defense program, States began to report regularly on labor-market conditions,²¹ no such coordinated program was in existence during the past decade, and the recent emphasis on defense and war needs does not meet the

main and alternate titles. (United States Employment Service, *Dictionary of Occupational Titles*, Washington, 1939, 3 vols.) The dictionary furnishes the basis for a more thorough and realistic occupational classification code than previously existed. Furthermore, standardized oral trade questions have been developed for a considerable number of occupations in various skilled trades. (Stead, William H., Shartle, Carroll F., and associates, *Occupational Counseling Techniques*, New York, American Book Company, 1940, pp. 5 and 30.)

²⁰ Indiana State Employment Service, Statistical Department, *Seasonal Variations in Employment, State of Indiana*, September 1936.

The introduction to this study states: "The advantages to public employment offices of an effective method for using an analysis of seasonal variations in employment are apparent. It is essential in saving time and effort on employer contacts and in planning for greater demands on the staff. Some effort has been expended in the past by the interviewers of this service to contact specific industries prior to and during the period of seasonal expansion of their employment. These efforts have been for the most part sporadic and, due to a lack of accurate information, often ill-advised and haphazard."

²¹ These reports cover a broad field and many details; they are summarized, in the monthly *Employment Security Review*. Among the main topics are adequacy of labor supply, changes in supply and demand, recent and prospective changes in demand for and supply of workers, present and prospective labor shortages, and trends in hiring practices.

requirements of a less-specialized and continuing analysis and forecasting service.

The paucity of information concerning long-run trends in the supply of and demand for labor led the Advisory Committee on Education to recommend to the President in February 1938 that an occupational outlook service be established for this purpose.²² Under authorization by Congress, the Occupational Outlook Service was established in the Bureau of Labor Statistics of the Department of Labor in 1939. The Service aims to serve two major purposes. On the one hand, it attempts to meet the need for accurate forecasts of industrial activity such as have been developed in the field of agriculture for the last 30 years by the Department of Agriculture. Analyses and forecasts of inventories, employment, and production are necessary for this purpose. On the other hand, the determination of broad trends of occupational opportunity, essential in vocational training, guidance, and placement of young people, enables the Occupational Outlook Service to indicate general lines of development, so that plans for individuals may be more intelligently formulated. The service is concerned with recording and interpreting data relating to technological changes and other changes in techniques of production, and with studying the broad trends in demand for labor.²³

Availability of Employment Service Facilities

The facilities of the public employment service are not equally available to all workers in different parts of the country. In June 1940, the 3,100 counties of the United States were served by almost 1,500 full-time local employment offices with a staff of about 20,000 persons and in addition by over 3,100 itinerant offices.²⁴ These latter offices provided itinerant service to a given point once or twice a week or once every 2 weeks.²⁵

²² The Advisory Committee on Education, *Report of the Committee*, Washington, 1938, pp. 104-107, 129-130.

²³ *Annual Report of the Secretary of Labor, for the Fiscal Year Ended June 30, 1940*, Washington, 1940, pp. 80-83; Hinrichs, A. F., "Research Through the Occupational Outlook Service," *Occupations*, XVIII (April 1940), 483-487.

²⁴ Of the total of 1,492 full-time local offices, 148 were limited to either white or colored registrants, or to specific occupations, such as teachers, commercial workers, industrial workers, or were designed for limited functions only, such as taking registration. (*Fifth Annual Report of the Social Security Board, 1940*, p. 186, and Social Security Board, Bureau of Employment Security, *Directory of Public Employment Offices Affiliated with Social Security Board*, Washington, 1941.)

²⁵ The so-called full-time itinerant offices in Michigan were in effect permanent suboffices with limited functions, staffed every day by one individual. See Weigert, Oscar, "Redistricting Areas of Service," *Employment Service News*, VI, (December 1939), p. 7. The role of itinerant points in the national network of employment offices is closely connected with the unemployment compensation functions of the employment service. Itinerant service can satisfy the needs of unemployment compensation administration, but it has been pointed out that frequently the only advantage to the employment service consists in a

By December 1933, after the expansion of both the State employment services and the National Reemployment Service necessitated by the creation of the Civil Works Administration, the combined services had offices in almost every county in the United States, with a personnel of over 18,000.²⁶ Table 49 shows the development of the public employment offices since the passage of the Wagner-Peyser Act in 1933.

TABLE 49.—Number of employment offices, itinerant points, and employment service personnel, at selected dates, 1933-40

Date	Offices	Itinerant points	Personnel
Oct. 31, 1933.....	1,968	(1)	1,959
Apr. 30, 1934.....	2,825	(1)	8,736
June 30, 1935.....	2,085	(1)	4,731
June 30, 1936.....	1,690	(1)	9,563
June 30, 1937.....	1,349	(1)	11,225
June 30, 1938.....	1,606	1,766	12,336
May 30, 1939.....	1,665	2,750	15,555
June 30, 1940.....	1,492	3,115	18,634

¹ Not available.

² As of May 31, 1938.

Sources: Atkinson, and associates, *op. cit.*, p. 29; *Annual Report of the Secretary of Labor, Fiscal Year Ended June 30, 1939*, Washington, 1939, p. 25; *Fifth Annual Report of the Social Security Board, 1940*, Washington, 1941, p. 186; and data supplied by the Bureau of Employment Security, Social Security Board.

Reorganization of the areas of local offices was necessitated by the absorption of National Reemployment Service offices by the State employment services and by the advent of unemployment compensation. Prior to the reorganization, the local offices of State employment services were normally located in larger cities and served one county, while the NRS offices were located in smaller cities and usually had jurisdiction over several counties. By the end of 1937, when the transfer from the NRS to State employment services was virtually completed, county lines were as a rule followed in defining the geographical jurisdiction except in those cases where more than one office was needed for a single county.²⁷ Frequently the use of the county unit has inconvenienced applicants for work and has also interfered with the most effective development of the service, especially in the field of interstate clearance.²⁸

A State-by-State distribution of local offices and itinerant offices in relation to the geographical area cov-

considerable increase of its active file without, however, subsequent placements. (*Ibid.*, p. 5.)

²⁶ On December 31, 1933, the National Reemployment Service had 3,270 offices with 17,834 personnel, and the State Employment Services had another 158 offices with a personnel of 704, representing a total of 3,428 offices and 18,538 personnel. (Atkinson and associates, *op. cit.*, p. 29.)

²⁷ While some large cities are served by more than 1 local employment office (*e. g.*, 13 out of the 56 employment offices in Illinois in January 1941 were located in Chicago), some offices serve considerably more than 1 county (*e. g.*, up to 8 counties in Arkansas, and up to 12 in Georgia). (Social Security Board, Bureau of Employment Security, *Directory of Public Employment Offices Affiliated with the Social Security Board.*)

²⁸ Cf. Atkinson and associates, *op. cit.*, p. 117. For discussion of interstate clearance, see ch. XII.

ered and the number of gainful workers served is given in Table 50.

TABLE 50.—Local employment offices and itinerant points in relation to geographical area and labor force, June 1940

Region and State	Number of full-time employment offices	Number of itinerant points	Square miles—		Gainful workers—	
			Per local office	Per local office plus itinerant point	Per local office	Per local office plus itinerant point
Continental United States	1,483	3,115	2,005	647	35,631	11,492
Northeast:						
Connecticut	18	11	268	166	43,093	26,748
Delaware	3	5	655	246	36,688	14,508
District of Columbia	3	0	21	21	113,851	113,851
Maine	13	39	2,300	575	25,249	6,312
Maryland	14	20	710	292	55,065	22,674
Massachusetts	35	52	230	92	52,675	21,191
New Hampshire	10	36	903	196	20,662	4,492
New Jersey	35	19	215	139	53,059	34,390
New York	92	45	518	348	64,996	43,647
Pennsylvania	90	189	498	164	44,308	14,293
Rhode Island	12	5	89	63	26,791	18,911
Vermont	8	74	1,140	111	17,313	1,689
West Virginia	29	43	823	334	21,665	8,727
Middle States:						
Illinois	56	107	1,001	344	60,045	20,629
Indiana	26	83	1,386	331	51,052	12,177
Iowa	32	68	1,737	556	29,699	9,494
Michigan	51	90	1,127	408	41,731	15,094
Minnesota	39	88	2,073	637	28,521	8,758
Missouri	31	97	2,217	537	48,921	18,493
Ohio	61	56	668	348	45,245	23,589
Wisconsin	32	172	1,727	271	38,288	6,006
Northwest:						
Colorado	35	28	2,962	1,645	12,102	6,723
Idaho	23	65	3,624	947	8,364	2,186
Kansas	28	77	2,920	779	24,082	6,422
Montana	31	0	4,714	4,714	7,258	7,258
Nebraska	20	93	3,840	680	24,975	4,420
North Dakota	11	48	6,380	1,189	21,642	4,035
South Dakota	13	0	5,913	5,913	18,175	18,175
Utah	7	3	11,740	8,218	25,647	17,953
Wyoming	12	18	8,129	3,251	8,249	3,299
Southeast:						
Alabama	26	60	1,972	647	35,631	11,492
Arkansas	19	65	2,764	625	35,973	8,137
Florida	25	101	2,194	435	31,612	6,272
Georgia	34	146	1,727	326	36,365	6,869
Kentucky	23	115	1,747	291	43,195	7,199
Louisiana	23	89	1,974	405	38,311	7,867
Mississippi	25	75	1,854	464	32,804	8,201
North Carolina	56	150	870	237	23,966	6,515
South Carolina	19	27	1,605	663	38,464	15,887
Tennessee	33	135	1,263	248	32,340	6,352
Virginia	35	127	1,160	248	29,583	6,391
Southwest:						
Arizona	12	43	9,484	2,069	14,989	3,270
New Mexico	19	15	6,447	3,603	9,354	5,227
Oklahoma	30	67	2,314	716	26,865	8,309
Texas	105	150	2,499	1,029	23,485	9,670
Far West:						
California	79	25	1,970	1,497	37,383	28,397
Nevada	9	6	12,202	7,321	5,227	3,136
Oregon	21	43	4,553	1,494	21,691	7,117
Washington	20	45	3,342	1,028	35,727	10,993

Sources: Number of full-time employment offices and itinerant points from *Fifth Annual Report of the Social Security Board, 1940*, p. 186; land area of States from *Fifteenth Census of the United States, 1930, Population, I*, Washington, 1931; data on labor force from *Sixteenth Census of the United States, 1940, Preliminary Series P-4*, No. 2 (Jan. 23, 1941), p. 4.

The two most outstanding facts arising from a region-by-region comparison are the relatively heavy reliance by the Southeastern States upon itinerant offices and the particularly large number of full-time offices in comparison to itinerant points in the Far West. The relatively lesser importance of itinerant points in the Northeast States is also a significant fact.²⁹

²⁹ Information on number of offices in this and following paragraph and notes from *Fifth Annual Report of the Social Security Board, 1940*, p. 186; areas from *Fifteenth Census of the United States, 1930, Population, I*, Washington, 1931; labor force from *Sixteenth Census of the*

It is important to note that the geographical area covered on the average by full-time offices or full-time and itinerant offices combined is abnormally large in some States, notably in the large, sparsely populated States in the Northwest, Southwest, and Far West. There are 12 States in which the average geographical area covered by a full-time employment office is over 3,000 square miles.³⁰ All these States together account for only about 3,244,000 gainful workers, or about 6.1 percent of the Nation's total labor force, but for almost two-fifths of the total land area of the United States. Even if itinerant offices are taken into account in addition to full-time local offices, there are 13 States in which the area covered by a local unit exceeds 1,000 square miles.³¹

That there are indeed great variations as between the States in regard to the geographical areas covered by employment offices and the number of workers served by each was evident from an intensive study of 8 States in the summer of 1939. The territory served by a local office in these States varied from an average of about 276 square miles in Connecticut to 3,248 square miles in Colorado. If itinerant points also are taken into account, the ratio was 160 square miles in Connecticut and 2,079 in Colorado. Simi-

United States, 1940, Preliminary Series P-4, No. 2 (January 23, 1941), p. 4.

A percentage distribution, by socio-economic region, of the number of full-time employment offices, itinerant points, and area and labor force covered, which may be a rough indication of the relative intensity of the use of the local-office or itinerant-office devices, shows the following picture:

Region	Full-time local offices	Itinerant offices	Area covered	Labor force
Percent of United States total				
Northeast	24.4	17.3	6.7	32.7
Middle States	22.1	24.4	15.1	27.2
Northwest	12.1	10.7	27.5	5.2
Southeast	21.5	35.0	17.2	20.1
Southwest	11.2	8.8	19.1	6.9
Far West	8.7	3.8	14.4	7.9

³⁰ Utah and Nevada with about 12,000 square miles; Arizona with over 9,000; Wyoming with over 8,000; North Dakota, South Dakota, and New Mexico with about 6,000; and the following with 3,000 or more—Montana, Oregon, Nebraska, Idaho, and Washington.

³¹ A comparison with the employment service in Great Britain which has been functioning since 1909 may not be inappropriate at this point. Great Britain (England, Wales, Scotland) has an area of some 89,000 square miles, and according to the 1931 census had about 21 million gainful workers. On December 31, 1938, the British employment service had 1,620 local units, of which 502 were employment exchanges and 263 so-called employment offices. Both types are full-time offices and are therefore roughly comparable to the 1,483 full-time local offices in the United States. (It should be noted, however, that the British employment offices are under the supervision of a parent employment exchange.) The branch employment offices in Great Britain, numbering 457 in 1938, and the 398 local agencies are not full-time offices and may be roughly comparable to the American itinerant points. There were 117 square miles to every full-time office in Great Britain in 1938, and 55 square miles per full-time and part-time offices combined. There were about 27,500 gainful workers for every full-time local office and about 12,900 per full-time and part-time offices combined. (Data on number of local offices from *Ministry of Labour Report for the Year 1938*, Cmd. 6015 (1939), p. 93.)

larly, there were wide variations in the number of gainful workers served by the local offices, ranging from less than 6,000 (when itinerant points are included) in North Carolina, to almost 22,000 in Connecticut.³²

All these factors serve to emphasize the difficulties that are encountered by the employment service in achieving complete territorial coverage. They indicate the importance of an intelligent and efficient allocation of operating territory to local offices. Upon their number, size, and location, depends to a large degree the efficiency of the employment service.³³ There seems little doubt that the areas and locations of local employment offices which have been the result of a compromise between the interests of the employment service (placement, study of occupational trends, and the labor market in general) and the needs of unemployment compensation (registration and reporting) have not as yet assured fully efficient and even operation. Unemployment compensation, which excludes most agricultural pursuits and, in many States, small firms in any industry, tends to center around larger industrial cities, to the neglect of rural areas.

For unemployment compensation purposes, the employment service network of local offices, reinforced by itinerant service, may have been satisfactory in most instances. In general, it appears that unemployment compensation claimants have been able to register and to claim benefits without too much inconvenience.³⁴ Filing claims by mail has helped in some States. When, however, the broader functions of the employment service as a public placement agency are considered, *the number, location, and size of employment offices have not been sufficient to provide the intense coverage which is necessary to perform a good all-round job.* There is evidence that some of the more recently established public employment offices, particularly in large territories with rural areas, have concentrated their placement activities in a limited number of urban areas. Beyond these urban centers "their work frequently serves only seasonal demands or has a purely formal character."³⁵ Itinerant service, which received its most potent stimulus through

unemployment compensation, is the most important (and practically the only) device for serving rural areas and small urban communities. However, itinerant service does not satisfy the requirements of the public employment service as an agency for job-finding and labor-market analysis, nor is it a helpful instrument for transference of labor or for control of undirected migration. Itinerant service has been of little assistance in vocational guidance and training.

But even many of the full-time employment offices are ill-equipped to do a thorough and comprehensive job in all the employment service functions. In the eight States surveyed in 1939, it was found that the average size of employment offices was exceedingly small.³⁶ It is doubtful whether small offices can be expected to perform the same range of employment service functions as large and therefore specialized centers in metropolitan areas.

A high proportion of small offices results not only from physical or geographical requirements such as the long distances, the vast territory, and the relatively low population density in a State like Texas or the mountainous character of States like Colorado and Utah. Social and economic reasons have played an important role. Frequently, it appears, urban communities are isolated from their hinterland and from other nearby cities. Local pride, as well as financial considerations, is an important factor in this situation.

For these and similar reasons it has been held that small local offices cannot be expected to operate effectively and economically. It has been stated that "many of the smallest offices are not needed as far as the placement function is concerned."³⁷ Yet, although a local employment office may not be needed for actual placement functions within any given small community, there are many other functions for which the employment service is needed, such as transfer of skilled workers when not locally available or when desiring transfer to other areas, the recruiting of non-local labor to meet extraordinary demands for workers,³⁸ or counseling for young entrants into the labor market.³⁹ It is doubtful whether these needs can ade-

³² Only Connecticut with 18 local offices in August 1939 had no office with less than 6 employees. Of the 359 offices in the other 7 States, 200 had no more than 5 employees in 1939. Colorado had only 1 office with more than 10 employees, and in Texas 90 of 114 local offices had less than 6 employees. (*Ibid.*, pp. 5-6.)

³³ *Ibid.*, p. 6. "This situation is particularly true in small urban communities with few employers, stable employment, and a sufficient number of resident workers. Things look different in places with seasonal industries or with industries that have newly moved in."

³⁴ Interstate and intrastate clearance arrangements, although not directly intensifying the territorial coverage of the employment service, extend the radius of effectiveness of the individual local office. Clearance procedures and placements are discussed in ch. XII.

³⁵ Itinerant junior counseling has been recommended for this purpose, and has been tried in a few States. (Atkinson and associates, *op. cit.*, p. 128.)

³² Weigert, *op. cit.*, p. 5. The number of workers covered by unemployment compensation and served by a local or itinerant office varied in the 8 States as follows: About 3,300 each in Iowa, North Carolina, and Texas; about 4,000 each in Alabama and Colorado; about 7,200 in Indiana; about 9,000 in Michigan; and about 16,000 in Connecticut. (Computed from *ibid.*)

³³ It has been stated that in determining the location of offices for unemployment compensation purposes, "old as well as new areas were mostly defined by actual needs, by guesses of the imminent development, and by figures showing the number of covered workers in the area." (*Ibid.*, p. 4.)

³⁴ *Ibid.*, p. 5.

³⁵ *Ibid.*