

Labor

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GOVERNOR'S COMMISSION ON ECONOMIC AND SOCIAL TRENDS IN IOWA

("Committee of One Hundred")

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Final Report of the Sub-Committee on

L A B O R

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I. Manpower -- Problem and Opportunity

In its failure thus far to balance its historically agricultural economy with sufficient industrial growth to sustain its natural population growth, Iowa is being stripped of its most valuable resource -- its youth -- as surely as erosion removes valuable topsoil.

It is not a complete loss when Iowans migrate to better opportunities elsewhere, but the state undoubtedly suffers in income level when it has a surplus of labor and a deficit of jobs. Studies by Professor Ray E. Wakeley of Iowa State College show an outward migration of 25,000 to 30,000 per year, of which 10,000 to 12,000 can be assumed to be members of the labor force.¹ The Iowa College Community Research center similarly estimates an Iowa job deficit of 160,000 between 1950 and 1965. This also indicates that about 11,000 Iowans per year are forced to seek employment out of their home state. By comparison, U.S. census figures show a net increase of only 5,000 to 6,000 workers annually in the Iowa labor force.²

1. At 39% of population, as indicated by table 1 in appendix.

2. See table 1 in appendix.

When twice as many Iowans leave their state each year as the number added to the labor force,³ the problem is obvious. A look at the makeup of that labor force reveals still more alarming statistics. Its growth between 1940 and 1950, the latest decade available for comparison,⁴ was 63,941, somewhat higher than the average 10 year increase since 1920. Yet only 1,337 men were added to the labor force. The other 62,604 were women!

The growth in potential labor force for new industry comes largely from three sources: 1) farmers released to industry by new and larger machinery, almost 45,000 of them in the last full census decade; 2) women seeking industrial jobs; and 3) the new crop of workers on the labor market each year. If our increased labor force continues to grow almost exclusively through the addition of women, obviously the bulk of opportunity for the other components lies outside of Iowa.

Pressure from the other components shows no signs of abating. Farm management specialists at Iowa State College say that 240 crop acres is about the right number if one man is to be kept busy with modern, big machinery. Since the average size of farms is still well under 200 acres -- and that's total acres, not crop acres -- we are still far from adjustment of farm size to farm machinery. A surplus of farm youngsters over what the parental acres can absorb also contributes to the third labor force component.

The new crop of workers on the market each year will probably increase. The birth rate shot up around 1942. These "war babies" are now 12 to 16 years old and heading for the labor market.

Likewise women in industry show no signs of giving up their jobs.

3. Labor force, as defined in U.S. census, includes all gainful workers more than 14 years old, such as farmers, factory workers, white collar workers, executives and professional men. Housewives, students, and the retired are not counted.

4. See table 2 in appendix.

The upward trend of female employment has continued for three decades, although most rapid in the 1940-1950 period.

Industrial growth so far has not been sufficient to check labor migration materially. Professor Clark C. Bloom of the State University of Iowa says manufacturing employment increased 13 per cent in Iowa from 1947 to 1956 compared to a 10.5 per cent increase for the nation. He adds, however, that the rate of employment increase would have to be five times greater than it has been to stop outmigration of workers.

Nevertheless, this is an opportunity as well as a problem. Iowa has abundant manpower resources for new industries. What can the state do to adjust to this situation besides obtaining those industries?

II. Developing Our Manpower Resources.

Perhaps Iowa's greatest resource in her quest for industry is her labor supply, the most literate in the nation and among the most versatile. Her people generally are handy, and willing workers. This is not enough, however, and to get the something more required to market this asset to potential new industry calls for a conscious program of education toward that end.

The ever slackening demand for farm manpower would seem to call for a shift of emphasis from the present preponderance of vocational agriculture courses in rural high schools. This orientation directed toward the origin of the students rather than toward the future opportunities of the majority is rapidly being rendered obsolete.

Surely within the next 20 years there will have to be a rethinking of the entire Smith-Hughes program to determine whether it might be desirable to shift emphasis to the post-graduate level and other educational areas.

Doubtless even greater skill is needed in farm management today, but among ever fewer individuals. Rather than sacrifice too much of a basic education to provide this training at the high school level, it should not be overly visionary to suggest a shift to professional training at the college level, coupled with liberal amount of economics, science, and perhaps even accounting.

However, we feel that the main tasks of schools below the college level should be to give a sound academic education. It has not been sufficiently recognized what basic tools we have in the old "three R's" of reading, writing, and arithmetic. They need these days to be buttressed with some basic knowledge of science, an awareness of our cultural heritage and of what the rest of the world is like, and a background of social studies appropriate for intelligent citizenship in our industrial society. Yet we should not forget that a prospective employer would like some employees who are able to spell correctly, to read a manual of instructions, and to figure a payroll. Likewise there probably is no more vital skill than the sheer ability to think.

As for industrial skills, two educational areas merit greater development. If there is to be vocational training at its best, it should be given to students old enough to appreciate its importance and sure enough of their goal in life to buckle down to its mastery. These are most likely to be found in apprentice training and in post-graduate work related to a local high school or to a junior college level trade school. The latter might be regional for greater efficiency and quality, with the former Ottumwa air base one potential site.

Special groups besides the young might be included in this program. There are those rendered in need of rehabilitation by industria

or other accidents.⁵ There are those displaced from their jobs by plant closings, automation, or mechanization of farms. The older worker or member of a minority race who might otherwise be all but unemployable could well be part of an overall vocational education program.

The ideal apprenticeship arrangement is that of an employer who has a job opportunity, a union of skilled tradesmen with experience in developing craftsmanship, a school system capable of giving "off the job" training in subjects like blueprint reading and trigonometry, and the co-ordinating guidance of the U.S. department of labor. In some trades, such as plumbing and electrical work, commendable programs on a fairly good scale now exist. There is a general shortage, however, of the skills which will be needed in both construction and manufacturing.

Depression and war have thwarted the normal progress which might have been possible in previous decades, but part of our difficulty is psychological. We share in the national inability to face up to the possibility of full employment and abundance or to the accompanying responsibilities and tasks which this possibility entails. Our social thinking has not caught up with our technological progress.

Thus there are some in Iowa to whom the words "union" and "industry" have a sound of doom. There are some who find it difficult to overcome a habit of being niggardly in payment for skill. On the other hand, there have been those in both the skilled trades and the professions who have preferred to restrict the number of highly trained and specialized in a short sighted variety of self-protection. Iowans must rise above such narrowness if the state is to keep a full share of its youth adequately occupied in the home environs.

5. See III, B, 2, d of this report.

A fruitful source of information in this field can be a manpower resources survey of the type originated at Des Moines and given additional development at Dubuque. Each community of any stature industrially would do well to consider finding out what skills its workers have, how much training is required to acquire them and of what kind, what age groupings exist (as a key to replacement needs), how many apprentices or learners are in training, etc. Indication of the distances which workers commute to their jobs may interest a potential employer also.

These manpower resources surveys have been made under the direction of the Iowa employment security commission, whose local office (where one exists) can keep the information reasonably up to date.

A continuing manpower resources committee of community leaders could co-ordinate its activity with high school guidance advisers. This means of informing students of job opportunities and requirements will help gear the educational program to the growth of the community. Similarly, co-ordination with local industrial development bodies will aid not only in making such information available to potential industries but also in channeling information on the manpower needs of new employers to those who are best able to help meet such needs.

III. Specific Immediate Recommendations:

A. Establish a modern department of industry and labor.

1. For the basic idea, we can do no better than to quote the 1950 "little Hoover" report on governmental reorganization:

"At present there are three different divisions of state government that are engaged in matters pertaining to the protection of labor. 1) The Industrial Commissioner under the statute adjudicates disputes between industry and labor in connection with workmen's compensation, and has jurisdiction over the various compensation

statutes. 2) The Commissioner of Labor is responsible for the enforcement of labor laws relating to the health and safety of labor and child labor, and also inspects various industrial installations that might affect the safety of labor. He gives special attention to the inspection of factories, mills, and workshops where labor is employed. He also has charge of private employment agencies. 3) The Department of Mine Inspectors has jurisdiction over the operation of the mines, and the safety of the workers in the mines. The laws provide for safeguards against fire, for proper ventilation, escape exits, and many other safety factors. It is apparent to the commission that these three departments are all engaged in very similar work that is for the protection of the laborer at his task and for the compensation of the laborer when injured or incapacitated in the pursuit of his vocation.

"Therefore, it is proposed that these three divisions be joined under a common department with a single administrative head appointed by the governor, with the consent of the senate, to have charge of the regulations called for by the statute of the industrial commissioner, the commissioner of labor, and the division of mine inspectors. Such a department would be in the interest of labor both from the correlation of the activities of the various departments and efficiency resulting from overall supervision."

2. Add to these functions such newly created activities and services as: 1) minimum wage enforcement; 2) wage collection; 3) prevailing wage enforcement; 4) supervision of state building code in co-ordination with health department and fire marshal; 5) co-ordination with state employment service on statistics and such activities as can be arranged to prevent overlapping and to make maximum use of personnel.

B. Safety and sanitation

1. Measures for protection of life, limb, and health. Iowa's woefully inadequate laws on industrial safety do not even contain such commonplace words as "electrical," "chemical," and "construction." Even Kansas and Nebraska, which are by no means industrial states, have statutory safeguards for construction work which are lacking in Iowa. Meanwhile, more than 10,000 lost time accidents were reported to the state bureau of labor in 1957.

a. Relatively simple modifications and additions to the present code will remedy some of the shortcomings. (See appendix for detail.)

b. The legislature and governor are urged to adopt the American Standard Safety Code for Building Construction and the National Electrical Safety Code. Both of these codes are published by the American Standards association and constitute basic minimum standards. They have the approval of both labor and management.

2. Measures for maintenance of the economy through protection of income -- workmen's compensation.

a. What it signifies. In one year with 60,000,000 Americans producing goods and performing services there will be some 14,200 workers killed on the job, 83,800 permanently impaired, and 1,830,000 suffering temporary disabling injuries. Workmen's compensation laws are an attempt to alleviate in part the financial loss visited upon a family of an individual in conjunction with injuries received while at work.

b. Maximum weekly benefit (Section 85.37). Only six states have a lower maximum weekly benefit for job injury than Iowa's \$32. Amounts range as high as \$150 in Arizona. Several states add for dependents. Amounts in neighbor states are: South Dakota, \$30; Kansas and Nebraska, \$34; Missouri, \$37.50; Illinois and Minnesota,

\$45; and, Wisconsin, \$49 -- all of them due for upward revision because of inflation. Iowa's maximum benefit is grossly inadequate to meet present living costs and should be increased substantially.

c. Medical care (Section 85.27). Greatly increased costs warrant increases from \$500 now allowed for medical and surgical to \$1,000; from \$1,000 to \$2,000 for hospital services and supplies. The \$1,000 additional which the industrial commissioner may allow should be increased to \$1,500.

d. Rehabilitation. Often injuries are of such nature as to require major adjustment to continue one's regular occupation, or a person must start from scratch and learn a new trade entirely. To carry out the intent of workmen's compensation Iowa should do as 21 other states now do and make provision for rehabilitation.

e. Occupational diseases (Section 85A). Iowa law specifies only 16 diseases as "occupational," although 31 states, including all of those bordering Iowa, provide full coverage for occupational diseases. This statute should be re-examined in the light of new diseases, particularly those stemming from new radiation and chemical processes.

C. Unemployment compensation. This program was instituted as much for the benefit of the economy as for the benefit of the unemployed. We have just been in a recession where its existence as one of several "built in" safeguards for our economy was a factor in keeping the downturn from being worse. It follows that any shortcomings in this program impair our ability to maintain Iowa's economic welfare in times of layoff.

1. Maximum benefit amount. In 1938 Iowa's average weekly wage was \$22.49, while maximum weekly unemployment benefits at \$15 came to approximately 65 per cent of average wages. In the first quarter of 1958 the average weekly wage had reached \$76.85, with

maximum unemployment benefits at \$30 representing approximately 39 per cent of average wages. With the original formula of 65 per cent of average weekly wages as a goal, maximum weekly benefits should be increased substantially until they again approximate that proportion.

2. Minimum benefit (Section 96.3-4). The minimum weekly benefit should be increased to at least \$10.

3. Earnings limit (Section 96.3-3). The earnings limit of \$3 per week is obsolete and tends to discourage the jobless from accepting even part time work for fear of jeopardizing their benefits. It would be more realistic to deprive the claimant of benefits for any day in which he earned a fifth of the maximum weekly benefit -- \$6 per day at present rates.

4. Elimination of deductions (Section 96.5). Only about 13 states deduct social security from unemployment benefits. Disability and retirement benefits also should not be deducted from unemployment benefits.

5. Rounding benefits (Section 96.3-4). Many states round weekly benefits to even dollars. Amending the Iowa law to round benefits to the next highest dollar would eliminate errors and bookkeeping problems and save on IBM work. Claimants would benefit from the resulting efficiency.

6. Waiting period (Section 96.4-4). The original two week waiting period has been reduced to one week. Some states have eliminated the waiting period altogether and pay benefits from the first day of unemployment. Doing this in Iowa would spare the jobless from waiting three weeks for their first check. It would thus put this money in circulation that much more rapidly.

7. Voluntary quit disqualification (Section 96.5-1).

a. Facts: The value of unemployment compensation as a mitigant against either depression or deepening recession is marred

in Iowa by excessive disqualifications, more than 70 per cent of which in the last report period of the Iowa Employment Security commission were caused by this provision. An Iowa worker to receive maximum benefits must build up a wage credit in covered employment of approximately \$2,160 or more in the base period of four quarters preceding the quarter of his employment. If he voluntarily quits his job for a cause not attributable to his employer, he not only fails to receive benefits but his entire wage credit from all employers is wiped out and he must start all over on a new job to build up his credits from scratch. Only seven states have wording similar to Iowa's on this disqualification. Periods of disqualification run from three (3) to twelve (12) weeks, or in some cases only eliminate benefits accrued from the job which the employee quit. Iowa has the most severe law on voluntary quits in the entire United States and territories. (Glaring examples of the injustice possible under the present law will be found in the appendix, Item 8).

b. The most vital contribution which can be made to help this program shore up the economy, prevent injustice to the worker, and discourage malingering would be to ameliorate the voluntary quit provision. (For specific suggestions, see appendix, Item 9).

8. Charging provisions (Section 96-7-3a(2)). Amend to charge an employer's account only if his employees are laid off for lack of work. Any benefits allowed in case of voluntary quit (Section 96.5-1) would be charged to the pooled fund.

9. Appeal information. All forms that tell an applicant how many days he has to appeal a decision should have that information printed in heavy black letters. Numerous claimants have failed to file appeals within the proper time and thus inadvertently eliminated themselves from benefit payments.

10. New evidence at commission hearing. The commission's ruling that no new evidence can be submitted when a case is appealed to the commission should be discontinued. Few persons know how to gather and submit all the evidence at the first meeting. When new evidence is disallowed it is not worth while to hold commission hearings in 90 per cent of the cases.

IV. General recommendations for future directions of policy and action regarding subjects on which the committee is not yet able to lay down specific recommendations:

A. Measures to support buying power:

1. Payment of prevailing wages for public work in construction and printing deserves future consideration.

2. Minimum wage protection is needed for those not covered by federal law. Why discriminate entirely against the worker who is not in interstate commerce or the merchant who depends on his buying power? Minimum rates can be set at lower levels than the federal minimum after studies, industry by industry, with a goal of perhaps 75 or 80 percent of the federal minimum. At last report 28 states had minimum wage laws of their own, 16 of them protecting only women workers or women and minors. Rates usually differ from industry to industry and in differing population brackets, being higher in more prosperous industries and in larger cities. Laundries, groceries, beauty parlors, hotels, restaurants, movie theaters, canning factories, telephone exchanges, and hospitals are among industries covered.

3. Wage collection. The underpaid worker who is least able and least likely to hire an attorney to protect his rights is the individual most in need of public protection of his right to be paid. If he does not have a union, he often knows nowhere to go, nothing to do.

4. Full employment at adequate rates of pay should at least

be a governing policy as Iowa becomes an industrial state. Underpaid or unemployed workers are like arid soil; they are not calculated to nourish a growth of prosperity. For the most part Iowa must be part of a healthy national and world economy, but some of the measures in this report are calculated to enrich the soil of buying power upon which all Iowans depend.

B. Child labor. A statute which mentions livery stables is obviously obsolete and in need of replacement by a modern law. Three elements of protection should be retained in any revised law, to safeguard the child's morals, health, and right to an adequate education to develop his abilities for greater future usefulness. Protection of health would include guarding against injury caused by premature or excessive employment, heavy lifting, use of machinery whose dangers he may be too young to understand, or late or excessive hours, particularly during the school year.

C. Fair employment practices. Another commission is making a special study of this problem. We feel there ought to be a workable law which would include provision against discrimination because of age.

D. Attention should be given to auxiliary items to meet the needs of growing populations in industrial areas and to attract the key men of industry to want to make their homes in Iowa:

1. Public housing and urban renewal.
2. Recreation.
3. A state building code and sanitary regulations are desirable to govern the "septic tank slums" which spring up around our growing industrial cities. Authority is often lacking or uncertain on the part of existing city building inspectors, zoning commissions, and health officers. These suburban areas should be safe from health

and fire hazards when the younger families from rural areas, for example, move into them.

V. Recommendations for future lines of study.

A. The relation between inadequate jobless benefits or lack of them altogether and the burden on property taxes caused by relief expenses, the ravages to our manpower because of undernourished children, etc., should merit investigation.

B. Industrial homework, sometimes resorted to as a means of evading standards of wages, safety, sanitation, etc., does not seem to be either a major or an emergency problem in Iowa. Its existence and its potential threat might constitute a field of study for future reference as industry expands in the state.

C. The problem of the older worker is a field in which the committee suffered from an embarrassment of riches, thanks to collaboration between the labor-management bureau and the institute of gerontology at the University of Iowa. Material written by staff members of the former from information supplied in part by the latter ran to twice the maximum length allowed for this entire report. Our committee recommended its publication in its entirety. By this time it may be available in printed form under the title "Employment Problems of Older Workers" to provide food for thought on industrial hiring and retirement policies.

VI. Appendix

Table 1 - U.S. census figures on Iowa population and labor force by 10 year period since 1920:

Year	Iowa Population	10 Year Increase	Labor Force	10 Year Increase	Percentage of Population
1920	2,404,021	179,250	856,731	2/	35.6%
1930	2,470,939	66,918	911,604	54,873	36.9%
1940	2,538,268	68,229	957,869	46,265	37.7%
1950	2,621,073	82,805	1,021,810	63,941	39.0%
1957*	2,700,000		1,052,810		

*Estimates from government and business organizations.
2/No figures available in U.S. census.

Table 2 - Division of Iowa workers from census reports:

Year	Total Workers	Urban Workers	Rural Non-farm	Rural Farm	Male	Female
1930	911,604	397,779	177,967	337,074	749,008	163,824
1940	957,869	437,845	182,676	337,348	770,949	186,920
1950	1,021,810	521,908	207,279	292,417	772,286	249,524

Item 3 - Proposed revised wording of code section 88.2:

88.2 Toilet facilities - separate for each sex. Every manufacturing or industrial plant, store, mercantile establishment, workshop, hotel, restaurant, or place of business in which one or more persons is employed, shall be provided with a sufficient number of water closets, earth closets, or privies for the reasonable use of persons employed therein, which shall be properly screened and ventilated and kept at all times in a clean condition and free from all obscene writing or marking; and such water closets or privies shall be supplied in the proportion of at least one to every twenty employees; and if there are more than five employees in such establishment and more than one sex employed, there shall be separate water closets, earth closets, or privies, and they shall have separate approaches and be separate and apart. (Amended to require where one or more persons are employed and to extend coverage to include any

industrial plant, store, restaurant or place of business.)

Item 4 - Proposed revised wording of code section 88.3:

88.3 Washing facilities. Every manufacturer or industrial plant, store, mercantile establishment, work shop, hotel, restaurant, or place of business shall provide adequate washing facilities for all employees; and when the labor performed by the employees is of such a character as to require or make necessary a change of clothing, wholly or in part by the employees, there shall be provided a dressing room, or rooms, lockers for keeping clothing, and adequate washing facilities separate for each sex, and no person or persons shall be allowed to use the facilities assigned to the opposite sex. A sufficient supply of water suitable for drinking purposes shall be provided. The above mentioned facilities shall be kept in a clean and sanitary condition at all times. (Changed to require of every manufacturer or industrial plant, store, hotel, restaurant, or place of business, and to add "The above mentioned facilities shall be kept in a clean and sanitary condition at all times.")

Item 5 - Proposed revised wording of code section 88.4:

88.4 Seats for female employees. All employers of females in every manufacturing or industrial plant, store, mercantile establishment, work shop, hotel, restaurant, or place of business shall provide and maintain suitable seats, when practicable, for the use of such female employees, at or beside the counter or work bench where employed, and permit the use thereof by such employees to such extent as the work engaged in may reasonably admit. (Changed to add hotels and restaurants to coverage.)

Item 6. Safety appliances (Section 88.6). "It shall be the duty of the owner, agent, superintendent, or other person in charge of any manufacturing or industrial plant, store, mercantile establishment, work shop, hotel, restaurant, or place of business operated

by machinery, either in a fixed location or when portable and moved from place to place therein in carrying on such industry, to install and keep in order guards or housings, for all gearings, cogs, belting, shafting, tumbling rods, universal or knuckle joints, set screws, saws, planes, and other machinery, when so located or used that employees may receive injury thereby.

"All other moving machinery or moving parts shall be guarded so far as practicable that employees may not be injured. There shall be provided proper safeguards for all vats, pans, and structures filled with chemicals, acids, molten metal, or hot liquid so as to prevent accident or injury to persons employed. There shall be adequate heating and lighting facilities. All floors, floor openings, walkways, and stairs shall be so constructed and maintained as to make them safe for the purpose used. Floor openings, walk ways, and stairs shall be provided with adequate hand and midrails. There shall be provided adequate means of egress in case of fire or disaster and free and unobstructed approach to all fire escape exits in all establishments listed in this section." (largely rewritten)

Item 7. Add as Section 104.5: "For the purpose of maintaining standards referred to in Section 104.1, the American Standard Safety Code for Elevators, Dumbwaiters, Escalators, and Man Lifts shall apply.

Item 8. Glaring examples of injustice.

1) A machine operator who had an artificial leg was laid off in Sioux City. The state employment office referred him to a job which paid 80 cents an hour for lifting bricks from a moving belt, loading them in a wheelbarrow, and piling them in a designated spot. After he worked a half day the stump of his leg began to bleed, making it impossible for him to continue on the job. This employer protested his claim for unemployment benefits as a "voluntary quit," and all his credits were cancelled.

2) An 80 per cent disability veteran was referred by the Indianola office to a highway construction project. He worked for four hours leveling earth. In the afternoon he helped roll a steel culvert and then returned to his leveling for the balance of the day. Next day he was unable to return to work. This employer protested his claim as a "voluntary quit" and he lost all his benefits.

Item 9. Alternative recommendations which might be substituted for the voluntary quit provision of Iowa's unemployment compensation law.

1) Delete the words "attributable to employer," making the Iowa law parallel to those of 31 other states and territories.

2) Change the words "attributable to employer" to "connected with the work," making the law similar to those of 13 other states.

3) Make the voluntary quit punishable by disqualification for a set number of weeks rather than an outright unconditional total disqualification.

4) Amend the law to provide that an employee so disqualified loses his wage credits only from the job which he has quit rather than from all prior employment.

5) Add specific disqualification provisions for pregnancy.

6) Provide specific penalty of postponement of benefits for refusal of suitable work rather than outright cancellation of all benefits accrued prior to such refusal. In this day of new synthetics, acids, gases, fumes, chemicals, etc., no one knows how a job will affect his health until he tries it.