

The History of California Labor Legislation, 1910-1930.

Chapter XIThe California State Free Employment BureausEvents Leading to the Passage of the State
Employment Bureaus Act of 1915.

During the Nineties of the last century there was ^{waged} a campaign against the private employment agencies which culminated in agitation for state employment bureaus in California. Labor organizations of the state asked that the Bureau of Labor Statistics be turned into a free employment exchange so that it might be of some practical value to the working man. ^{after} Governor J.H. Budd became converted to the belief that free agencies were necessary, ^{he} ~~and~~ appointed in 1895 as Commissioner of Labor a man committed to the idea of establishing such bureaus. Mr. Fitzgerald, the new Commissioner, at once set up a free employment agency in connection with his San Francisco office, using only his regular appropriation and about a thousand dollars collected from business men interested in the undertaking. Governor Budd ^{in 1897} ~~praised~~ the attempt of Commissioner Fitzgerald by saying in ~~1897~~, "Entering office under the most inauspicious circumstances, with a strong prejud-

dice against the bureau itself, Mr. Fitzgerald has organized and conducted his department as to do great good; not the least of his work being to find positions and secure employment, during the recent depression, for upwards of eight thousand skilled and unskilled persons".*

*Budd, Gov. J.H., First Biennial Message to the Legislature, 1897, p.70.

The "quasi-state" agency under the supervision of the Bureau of Labor Statistics lasted not quite two years. When a new Labor Commissioner came into office in 1897 he was not sympathetic with the plan and consequently discontinued the agency.

Labor Commissioner Meyers in 1900 reported that popular opinion was against the establishment of state employment bureaus. His arguments were as follows: (1) Free employment agencies could not make work in the aggregate more plentiful, nor wages better. (2) Being "free", such agencies would, as "free" things usually do, attract in most part the shiftless and unreliable, rather than the thrifty and reliable. (3) Being "free", the agency would in time of industrial depression attract indigent labor from elsewhere, to compete with the workers of the state for what little there might be in the way of employment. (4) The managers would

lack zeal in conducting the agencies because their incomes would not depend upon the success of the bureaus.

(5) Because wage-earners cannot ordinarily travel long distances in order to seek assistance from employment agencies, the few the state might set up would not serve all the citizens alike.*

*Report of the Bureau of Labor Statistics, 1900, pp. 78-79.

One reason for reproducing these early arguments is that they summarize very well the same arguments which were used just prior to the passage of the act of 1915.

Writing in 1918, Lucile Eaves was of the opinion that "to establish offices in a number of the cities of the state would require a large expenditure of the public money, and the past history of the Labor Bureau justifies a doubt as to whether it would discharge these extended duties with sufficient ability to insure a fair return for the money expended."*

*Eaves, Lucile, History of California Labor Legislation, p. 346.

The same year Labor Commissioner Mackenzie advised against the establishment of state employment bureaus

unless they could be given a monopoly of the business. He suggested that an amendment to the constitution might be enacted to prohibit private employment agencies from dealing with unskilled and semi-skilled labor, and that if this were done, the state might be successful^{ly} supplying this kind of labor to the employers of the state. He felt, however, that the service should not be free but that "the successful applicant for work should pay a fair, nominal fee to cover the cost of operation" of the bureaus."

*Report of the Bureau of Labor Statistics, 1910, pp. 39-41.

Since early days seasonal unemployment has always been a problem in California. Many of the occupations of the state demand more workers at certain seasons than at other times of the year. Aggravating the situation, thousands of unemployed men from other states "winter" in California, the very season when most of the industries use the least number of workers. Unemployment was especially a problem in the latter part of 1913 and during the year 1914. This was a time of general business depression throughout the United States, and California was particularly hard hit by adverse

conditions. Requests poured into the governor's office, asking that something be done to remedy the situation. Thus a movement was initiated, which, two years later, bore ~~fruition~~^{fruitage} in the establishment of state free employment bureaus.

There had been some desire for state employment offices during the years immediately preceding the depression of 1914. Organized labor sponsored a bill ^{in 1911} providing for the establishment of free labor bureaus in San Francisco and Los Angeles. The bill passed in the legislature but was pocket vetoed by Governor Johnson.*

*Final Calendar of the Legislature, 1911, p.528.

During the special session of the legislature ^{later} in 1911 the State Federation of Labor requested the Governor to support a state employment agency bill but he was not yet in favor of such a measure.* He had not yet made up his

The San Francisco Daily News, November 16, 1911.

mind regarding its feasibility by 1913, for in that year he vetoed another state agency bill providing for the establishment of offices in nine of the larger cities of the state.* In his message to the legislature the same

*Final Calendar of the Legislature, 1913, p.630.

The Governor believed that the offices would require large appropriations for their upkeep and that they could not alter the unemployment evil.

year the Governor suggested that, "Some agitation has been indulged in in relation to a state employment bureau. If you should establish such a bureau, it should be, in my opinion, under the jurisdiction of the Labor Commissioner."*

*Johnson, Gov. Hiram, First Biennial Message to the Joint-Assembly, 1913, p. 18.

By the Autumn of 1913, the unemployment conditions of the state had become acute. Those who were unemployed began to organize and soon the matter was brought into the limelight of public attention. Governor Johnson publicly solicited contributions from those who had thought upon the subject of unemployment, and privately he asked the commissions of the state dealing with social questions to devote themselves to the problem, and its remedy. He received many communications, all of which were finally placed in the hands of the Commission of Immigration and Housing, and this Commission was formally requested to make an intensive study of the whole matter.*

Johnson
*Ibid., Second Message, 1915, p. 30.

Commissioner McLaughlin, of the Bureau of Labor

Statistics, in 1914 described the condition of unemployment of the state and very strongly recommended the establishment of state free employment offices as being the most definite and concrete work that the state could do in helping to solve the problem. It was admitted that the employment offices would not be able to create jobs, but it was urged that they would bring the man and the job closer together. Also, McLaughlin argued that with a proper system of employment bureaus less time and money would be spent by labor in seeking employment. He felt that a large part of the \$500,000 then paid yearly in fees to private agencies could be saved to labor.*

*Report of the Bureau of Labor Statistics, 1914, p.19.

Mr. McLaughlin recommended that the state establish free employment bureaus in at least the following cities: San Francisco, Los Angeles, Oakland, Sacramento, San Diego and Fresno, and that the legislature should appropriate an amount sufficient to insure the proper conduct of these offices. He believed that in order to make the employment bureaus a real success they should eventually be given the state monopoly right of placing laborers.*

*Ibid., p.20

By the latter part of 1914 the Commission of Immigration and Housing was ready to report to the Governor its findings and recommendations. Perhaps this special report on unemployment was the greatest single factor contributing to the establishment of a state system of employment offices in California. The report was published in December 1914 and because of its important influence upon the Governor and Legislature it is worthy of careful analysis.* Most of the report was concerned with surveying

*The title of the report was "Report on Unemployment, Supplement to the First Annual Report", by the Commission of Immigration and Housing, December 1914.

the field of labor in California and in building up a case for the principal recommendation: the creation of a state system of labor exchanges.

The Commission of Immigration and Housing had extended its investigation into three fields:

(1) Consideration of thirty letters from various sources containing suggestions and recommendations as to unemployment.

(2) Consultation and study regarding the best available material on the subject. Experiences in both Europe and the United States were studied. The Commission's bib-

liography contained books written upon the subject by such well-known authors as Hobson, Pigou, the Webbs, Leiserson, Rowntree and Beveridge.

(3) An intensive investigation was conducted within the state of California under the following headings:

(a) Study of special localities to show methods of obtaining labor;

(b) Study of several hundred life histories of migratory and casual workers to learn causes of unemployment and methods of obtaining jobs;

(c) Study of available material in United States census, report of United States Immigration Commission, report of State Commissioner of Labor Statistics, ^{findings} ~~report~~ of labor unions in California;

(d) Investigation of eighty-one private employment agencies within the state to determine their real status and value.

In its report the Commission described the seriousness of the problem of unemployment in California and explained methods used by the unemployed men and women in attempting to obtain jobs. ^{It was explained that} they did one or more of three things when hunting for work. They might (a) answer advertisements in some newspaper; (b) wander from place to place seeking employment; or (c) apply to a private em-

ployment agent for a job. The Commission explained why all three methods were inefficient and ineffective and stated that California needed a "clearing-house" for labor.

It was recommended that the ^LLegislature should "create a state bureau of labor exchanges, under a representative board or commission, with an annual appropriation of not less than \$75,000; this bureau to have branch offices in the centers of population to gather and disseminate labor intelligence, to be a clearing house --- bringing the man to the job, and the job to the man; the value of the bureau to be judged by both the extent and the thoroughness of its accomplishments. The bureau should cooperate with the Railway Commission to provide special low transportation rates to those for whom it finds positions; this bureau should have the authority to regulate private and philanthropic employment agencies, to issue licenses to them and to revoke same at pleasure."* The Commission urged

*Ibid., p. 6.

that the necessary act be passed as an emergency measure as early as possible during the first session of the ^LLegislature.

These recommendations converted Governor Johnson to the belief that the establishment of free employment offices was of practical importance to the state. He advised the Legislature of 1915 to act in accordance with the recommendations of the Commission of Immigration and Housing and of Labor Statistics.*

*Johnson, Governor Hiram W., Second Biennial Message to the Legislature, 1915, p. 31.

The State Employment Bureaus Act of 1915.

On January 14, 1915, a bill (A.B.251) was introduced in the Legislature ^{by Assemblyman Ferguson} which provided for the establishment of state employment offices in certain cities of the state. Other bills having similar provisions were also presented at about the same time. Organized labor favored the Ferguson bill because it provided that the employment system would be under the jurisdiction of the State Labor Commission.* This measure was passed by the Legislature

*Coast Seamen's Journal, January 20, 1915, p. 7.

and approved by the Governor on the 18th of May.* The law

*Final Calendar of the Legislature, 1915, p. 594.

is still upon the statute books (1930), with no amendments attached; it is composed of three short sections and delegates ~~unrestricted~~/*authority* to the hands of the Commissioner of the Bureau of Labor Statistics unrestricted authority to carry out the provisions of the act.

The statute reads as follows:

SECTION 1. The Commissioner of the Bureau of Labor Statistics, hereinafter called "Commissioner", shall establish free employment bureaus in the cities of San Francisco, Los Angeles, Oakland and Sacramento, and thereafter, whenever he deems it necessary, in other cities and towns.

SECTION 2. The Commissioner shall procure, by lease or otherwise, suitable offices; incur the necessary expenses in the conduct thereof; appoint the necessary officers, assistants and clerks, and fix the compensation therefor; and promulgate rules and regulations for the conduct of free employment bureaus in order to carry out the purposes of this act.

SECTION 3. There is hereby appropriated out of the money of the state treasury, not otherwise appropriated, the sum of fifty thousand dollars, to be used by the Commissioner in carrying out the provisions of this act, and the controller is hereby directed from time to time to draw his warrants on ^{the} general fund in favor of the Commission-

er, for the amounts expended under his direction, and the treasurer is hereby authorized and directed to pay the same.*

*Cal. Stats. 1915, Ch. 302.

Appropriations have been increased by the legislature from time to time, in order to meet the increased expenditures of new permanent and seasonal employment offices.

The Administration of the State Employment Bureaus.

Immediately after the passage of the state employment agency act, Commissioner McLaughlin began the work of organization. First of all, he chose as superintendent of the bureaus Mr. C. B. Sexton*, and next, he opened in

*Mr. Sexton had been employed by the Federal Government during the construction of the Panama Canal. He had also had two years experience checking up private employment agencies in the Labor Commissioner's office of California.

February, 1916, the four permanent offices prescribed by the statute. At first the employers of labor were skeptical of the new bureaus. Many of them believed that only

incompetent workers could be furnished inasmuch^{ed} the service was entirely free. Then, too, there was the fear among some employers that an abundance of red tape would prevent prompt and efficient service. Many of these fears, however, were quickly dispelled, as is shown by the increasing business of the bureaus.*

*See page _____.

A good history of the early activities of the bureaus is found in The Labor Clarion, September 1, 1916, pp. 8-10, under the title, "Successful Employment Bureaus".

From 1915 to 1928 the state free employment system was operated under the jurisdiction of the Commissioner of the Bureau of Labor Statistics. In 1927 the Legislature created a separate Division of State Employment Agencies within the new Department of Industrial Relations, and on January 7, 1928, the Governor appointed Seth R. Brown as Chief of the Division. The employment bureaus are, therefore, now responsible directly to the Division of State Employment Agencies.

From time to time, new permanent offices have been opened by the state authorities; the accompanying table shows the increase in number of such offices, by years, from 1916 to 1930.

Table showing the increase in number of Permanent State Employment Offices in California, by years, from 1916 to 1930.

Table VI

Year	No. of Permanent Offices
1916 -----	4
1917 -----	4
1918 -----	6
1919 -----	8
1920 -----	9
1921 -----	9
1922 -----	7
1923 -----	8
1924 -----	8
1925 -----	8
1926 -----	10
1927 -----	10
1928 -----	10
1929 -----	10
1930 -----	11

Source: Biennial Reports, Bureau of Labor Statistics, 1915 to 1928; Reports to the Governor's Council, 1929-1930.

The eleven permanent offices, at the present writing (1930), are as follows: Los Angeles, San Francisco, Oakland, San Diego, San Jose, Fresno, Stockton, Sacramento, Bakersfield, San Bernardino and Berkeley. The Los Angeles, San Francisco and Oakland bureaus each have two offices, one for male and the other for female placements. In these three cities the offices are equipped with special facilities to take care of the applicants for commercial and professional positions. On March 1, 1930, a branch of

the Los Angeles Bureau was established in the Negro quarter of the city. A colored man was placed in charge. The special purpose of the branch is to serve the Negro people and other races other than the whites.*

*"Report to the Governor's Council", Department of Industrial Relations, March 25-26, 1930, p.3.

Making placements is the actual business and purpose of the bureaus ^{and} anything else they do is only incidental. The state employment offices are competitors of the private agencies; it is, therefore, interesting to know just how the competition is carried on in behalf of the state, that is, how jobs and positions are filled.*

^{writer} *The ~~author~~ spent considerable time during the Spring of 1930 visiting the bureaus of San Francisco, Oakland and Berkeley in order to find out just how the offices were conducted. At all times he found the managers and assistants courteous, obliging and even anxious to help him in every way possible.

Individuals coming for the first time to a state employment office for work are registered by one of the clerks. Cards are filled out and filed away according to the positions desired by the applicants. Upon the industrial, domestic and unskilled workers' cards are places for the following questions to be answered: name, address, nearest telephone, birthplace, age, alien or citizen,

single or married, number of dependents, color or race, language spoken, cause of unemployment, time unemployed, work desired, wages desired, willing to work out of town or not and experience. There are also places for the clerk to describe the personality and physical characteristics of the applicants. If a prospective worker desires a commercial position, a different registration card is used. In addition to the above questions, the commercial applicants are asked about their schooling, last five employers, references and other detailed information regarding experience.

The applicant's registry card is kept by the employment agent even after a position is obtained for him. On the back of each card is a place for an enumeration of all positions obtained through the bureau, and ~~many~~ individuals are placed several times a year and the same registration card may be used each time.

When employers desire help through the state employment agencies they almost invariably place their order by telephone. Upon a standard card is written the kind of work needed, the number of employees desired, the probable duration of the jobs, the wages offered and other information necessary for the placement clerk. When applicants are referred to the prospective employer their

names, together with the outcome of the interview, are written on the back of the employer's registration card which is kept on file.

Assuming the office has received a request from an employer for help, and that it has registered a number of men seeking jobs, it is then face to face with a problem. The placement clerk must decide which applicant is best fitted for the position and then in the quickest possible time get in touch with this applicant and refer him to the job. In case the first man sent out is not hired, others must be referred until the job is filled. The placement clerk soon learns to know personally many of the applicants and he favors the ones whom he has found from past experience ~~to~~ gave satisfactory service to their employers.

Much of the employment agent's time is spent in preparing and sending reports. This seems to be an indispensable part of his work, however, as the State Department wishes to know at all times what the actual labor conditions are in the state. If there is a surplus of labor in one ~~part~~ ^{locality} and a scarcity of laborers in another, then the central office advises the local agents just what to do in order to take care of the needs of the employers and keep the maximum number of men employed.

A daily and a monthly report is sent to the Division of State Employment Agencies of California and a monthly report is sent to the United States Department of Labor, in return for which the postal franking privilege is given to all the bureaus.

Seasonal offices operate during part of each year in a number of the agricultural sections of the state. The first seasonal offices were established in 1918, and largely because of requests from the Federal Government. Many of these war-time offices had numerous branches in order to facilitate the supplying of seasonal labor to the farmers for harvesting crops.

A special appropriation of \$15,000 was made by the Legislature to maintain these seasonal bureaus and during the war an additional \$15,000 was furnished by the United States Employment Service. After the emergency times were over, the state continued to operate a number of the offices in various parts of the state. These seasonal offices have proven to be very successful.

During the summer of 1928 there were temporary employment offices in the following towns: Brawley, Chico, Hollister, Lodi, Marysville, Modesto and Newcastle. In 1929, however, they were needed in but four towns, namely: Lodi, Hollister, Gilroy and Watsonville.*

*Reports of the Division of State Employment Agencies,
1928, p.15; 1930, p.1

The Accomplishments of the State Employment
Bureaus.

At the time of the establishment of the state bureaus many people had Utopian ideas regarding them. It was ^{even} believed by some that the bureaus would ^{remove} ~~raise~~ most of the evils of our industrial society. These people were of course doomed to disappointment. In the beginning, even Governor Johnson was over-optimistic, for he stated to the ^{Legis-}lature in 1917 ^{that} ~~that~~, "The state, although it has but four offices, is now doing about one-fourth of the business done by all the private agencies in the commonwealth. The vicious practices formerly perpetrated by private agencies have been eliminated."* We shall try to analyze the four-

*Johnson, Gov. Hiram W., Biennial Message to the Legislature, 1917, pp.33-34.

teen years of operation of the state employment offices in order to demonstrate just what they have accomplished for the people of California.

Are the State Employment Offices driving the Private

Agencies out of Business? It was generally expected that only the ~~were~~ ^{ly} efficient and ~~better~~ ethically conducted agencies would be able to compete with the new state bureaus. The ^{table} on page ___ shows the number of private agencies operating in California each year from 1910 to 1930. An examination of this table shows several fairly definite things. (1) Between 1910 and 1914 there was not much change in the number of licensed private agencies. (2) In 1915, when the state employment bureaus act was passed, there was a sudden decrease in the number of private agencies. (3) The number of agencies continued to decrease until 1919. (4) Since 1919 there has been a gradual increase in the number of private agencies.

We may conclude that the state bureaus have tended to check the normal increase in ^{the} numbers of private agencies, and at first, for a few years even caused a decrease. After fourteen years of operation, however, the state bureaus have far from a monopoly of the employment agency business. From outward appearances the private agencies are competing quite successfully.

There ^{are} ~~is~~ no data available which shows the trend of placements made by all private employment agencies of California. We have figures, however, for a few years and after making allowances for the fact that not always the

same agencies were reporting, we may conclude that the private offices are at least holding their own against the state bureaus. In 1917 the state bureaus were doing twenty-five per cent of the employment business in California and by 1927 (the last year for which figures are available) they were doing forty per cent of the business. This shows an increase of fifteen per cent for a ten year period. However, if the year 1918 is compared with that of 1927, the figures actually show a decrease of about five per cent for the latter year.*

*Reports of the Bureau of Labor Statistics, 1918 and 1928.

The record of the State Employment Bureaus regarding Placements. The accompanying table shows the total placements made by all bureaus for each year since 1916. *Insert table* It may be noted that a rather violent fluctuation in placements has been experienced by the bureaus. This is partly because of the business cycle and changing industrial conditions since the inception of the first offices in 1916. The business done by employment agencies is a very good barometer of general business conditions throughout the area in which they operate.

Table Showing Total Placements made by the Calif-
ornia State Employment Bureaus, by years,

1916 to 1929.

Table XII

Year ending June 30	Positions filled	Percentage of increase or decrease, <i>based on preceding year.</i>
1916*	16,093	
1917	63,666	295.6
1918	124,819	96.0
1919	243,546	95.1
1920	243,866	0.1
1921	180,331	-26.0
1922	165,079	-8.4
1923	279,029	69.0
1924	195,662	-29.3
1925	151,542	-22.5
1926	190,041	25.4
1927	186,432	-1.8
1928	144,516	-22.4
1929	153,474	6.2
1930	141,911	-7.5

*Five months period.

Source: Reports of the Bureau of Labor Statistics, 1916-1928; figures for ~~1929~~ ¹⁹²⁹ were received directly from the office of the Bureau of Labor Statistics.

the following
The chart on page 281 shows graphically the number of placements made by the bureaus.

← It is difficult to determine whether or not there has been an upward trend in the number of placements. Perhaps if allowance is made for the abnormal war and post-war period, we may conclude that the trend has been slightly upward.

The rank of the ten permanent offices, regarding the number of placements, for the two fiscal years covered by

Last two years

the report of 1927-1928 is given in the following table:

Table XIII

Rank of offices	No. of jobs filled, 1927 and 1928	Per cent of total
1. Los Angeles -----	115,988 -----	36.6
2. San Francisco ----	63,169 -----	19.9
3. Oakland -----	48,210 -----	15.2
4. San Diego -----	26,590 -----	8.4
5. San Jose -----	18,138 -----	5.7
6. Fresno -----	17,685 -----	5.6
7. Stockton -----	11,963 -----	3.8
8. Sacramento -----	10,102 -----	3.2
9. Bakersfield -----	3,259 -----	1.0
10. San Bernardino ---	1,945 -----	0.6
Totals -----		317,020 -----100.0

Source: Report of the Division of State Employment Agencies, 1927-1928, p. 14.

Industries served by the State Employment Bureaus.

The building and construction industry receives more than one-fifth of the male workers placed in positions by the state bureaus, and this industry together with ^{sale} whole and retail trades, hotels, restaurants, ^{hospitals and like} institutions, and agriculture receives more than one-half of all such workers. On the other hand, clerical and professional labor comprises only .3 per cent of the male labor placed by the bureaus of the state.

The accompanying table shows the percentages of male

workers placed in each industry by the the California state employment offices during the fiscal years, 1927 and 1928.

Table XIV

Male Workers placed in Positions

Industries	Per cent of total
Building and Construction -----	22.5
Wholesale and Retail trades*-----	13.6
Hotels, Restaurants and Institutions -----	10.3
Agriculture ----- <i>Hospital like</i>	9.7
Private homes -----	9.4
Metal and Machinery -----	8.0
Transportation and Public Utilities -----	7.3
Miscellaneous -----	5.4
Recreation and Amusements -----	3.9
Factories* -----	3.7
Lumber and Timber Products -----	2.7
Foods, Beverages and Tobacco -----	1.8
Office Buildings -----	.7
Mining, Oil, Smelting, Dredging & Quarrying -----	.4
Clerical and Professional -----	.3
Street and Highway Work -----	.3
<hr/>	
All Industries -----	100.0

*Not elsewhere specified.

Source: Report of Division of State Employment Agencies, 1927-1928

A following table shows the same thing for female workers, *for the same period.* It may be noted that almost one-half of all female workers placed in positions by the state offices go into private homes for domestic labor.

Table XV

Female Workers placed in Positions

Industries	Per cent of total
Private homes -----	46.9
Hotels, Clubs and Restaurants -----	22.5
Clerical and Professional -----	9.3
Foods, Beverages and Tobacco -----	6.6
Factories* -----	5.7
Recreation and Amusements -----	2.9
Agriculture -----	2.3
Wholesale and Retail* -----	1.9
Miscellaneous -----	1.9
<hr/>	
All Industries -----	100.0

*Not elsewhere specified.

Source: Report of the Division of State Employment Agencies, 1927-28, p.15.

The Cost of the State Employment Bureaus. The anticipated cost of the bureaus was carefully considered before the act of 1915 was passed. Some of the legislators had thought that the cost would be prohibitive and were very loath to see the bill become a law. An examination of the following table indicates that the cost of the offices has ~~not been~~ ^{been} never more than \$190,000 for a two year period, while the average cost per job filled has been approximately forty-five cents.

A table showing total appropriations for State Employment Bureaus, by Biennial periods; also the average cost per job filled for each period follows:

Table XVI

Biennial Period	Appropriations	Cost per Job
1917-1918	\$ 73,023	\$0.38
1919-1920*	-----	----
1921-1922	190,000	0.54
1923-1924	171,341	0.36
1925-1926	157,596	0.46
1927-1928	178,712	0.54
1929-1930	169,453	0.61

*Figures for 1919-1920 were not available.

Source: Biennial Reports of the Bureau of Labor Statistics, 1918 to 1926, Reports of the Division of State Employment Agencies, 1928 to 1930.

What the Bureaus have saved the Workers. In order to determine the value of the free service of the bureaus to the workers of the state it is necessary to determine what they would have had to pay to private agencies for the same service. This estimate has been made by the Labor Commissioners for each biennial period. The way in which the Commissioners arrived at their estimates is as follows: first, they determined the average fee charged by private agencies, second, they estimated the number of jobs filled by the free bureaus which had lasted for eight days or longer*, and

*The reason for counting only the jobs lasting eight

days or longer was ^{that} because the private agencies could not charge their fee unless the job lasted this long. It has been estimated that approximately 54 per cent of the jobs filled by the state bureaus have lasted eight days or longer. _{been for}

third, they multiplied the above two figures together. The following table shows all of the Commissioners' estimates in a composite form:

~~Table Showing the estimated Savings to the Workers of California, because of the free State Employment Bureaus.~~
Table XVII

Biennial Period	Estimated Savings to Workers
1917-1918	\$256,968
1919-1920	686,600
1921-1922	439,880
1923-1924	489,000
1925-1926	418,713
1927-1928	355,637
1929-1930	<u>317,727</u>

Total for fourteen years ----- 2,964,525
of the Bureau of Labor Statistics

Source: Reports 1918 to 1930.

The total estimated savings to the workers for the fourteen years from 1917 to 1930 is \$2,964,525 which compares favorably with the total estimated expense of \$1,060,000 for the corresponding period.

Conclusions. There were several important events leading to the passage of the state employment agency act of 1915. Perhaps the two most important events were the period