

their needs. Following guidelines established in the national office, the States, in turn, allocate their funds among their central office operations and local offices in the manner deemed to best serve the work force of the State.

3. History

The public employment service, established by the Wagner-Peyser Act in 1933, is responsible for developing and maintaining a national system of employment offices to provide counseling and placement services for men, women, and juniors legally qualified to engage in gainful work, and to carry out related basic functions which are involved in manpower development and utilization.

Established during the Nation's greatest economic depression, the Employment Service was most concerned in its earliest years with finding jobs for as many workers as possible, in public as well as in private employment. The public employment service was responsible for referring unemployed workers to the relief and public works programs established in the 1930's. Passage of the Social Security Act in 1935, with its provision for State unemployment insurance programs, placed upon the Employment Service another responsibility—that of providing "work tests", necessary for determination of worker eligibility for unemployment benefits. Similar responsibility was placed on the Employment Service by subsequent legislation extending unemployment insurance coverage to Federal employees and to returning servicemen after World War II and the Korean Conflict, i.e. registering these workers as a condition of eligibility for benefits and for assisting in their job market adjustment.

From its earliest years, the Employment Service program extended beyond that of a mere labor exchange. Even in the depression years, there were some skills for which there was an unmet demand in some areas, and an inter-area clearance system was developed to help meet this need. An occupational research and a test research program had been developed by 1935. Placements of handicapped workers were first reported as a separate item in 1940.

In the first half of the 1940's, and in the early 1950's, when the Nation was committed to a major defense effort, the Employment Service was responsible for recruiting, screening, and placing workers in defense and essential civilian employment, and for identifying critical occupations. In both periods, the urgency for the most efficient utilization of the work force resulted in the development of new techniques in job analysis and in counseling and testing, and in the improvement of inter-area recruitment activities and job market information programs.

Following passage of the Employment Act of 1946, the Bureau of Employment Security was called upon to furnish the Council of Economic Advisers with regular reports on employment conditions on a labor area basis as one measure of the Nation's economic health. In that same year, the Employment Service pointed out the need for an intensive employment development effort in areas of chronically high unemployment.

In the second half of the 1940's, the public employment service was assigned responsibility for providing extensive counseling, testing, and placement services for veterans and for former defense workers, as it was again after the Korean Conflict. In 1946, the Employment Serv-