The History of Veterans Employment Services
The history of the Veteran’s Employment Service (VES) closely parallels that of our free public employment system in the United States. The birth of our national Employment Service officially occurred with the passage of the Wagner-Peyser Act of 1933, which also established provisions to include a Veteran’s Employment service. Preference relating to veterans, however, can be traced much further back in our history of the United States.

As the United States grew from the colonial days to our present system, many armed conflicts and declarations of wars increased our commitment to service veterans who have unselfishly sacrificed their time and energy to serving our great nation. As early as 163, the Pilgrims in Massachusetts adopted a law declaring that any man who should be sent forth as a soldier, and returned maimed, should be maintained competently by the colony during life. On August 26, 1776, the United States enacted its first national law promising half for life where a man’s war service causes loss of limb or other disability severe enough to interfere with his making a living. The basic intent of that law was to encourage enlistments in the Revolutionary Army while deterring desertions and resignations. But the Continental Congress was without funds, so the law actually amounted to little more than a recommendation to the states. In 1789, the first United States Congress passed a law, which provided that "the military benefits which have been granted and paid by the states respectfully---shall continue and be paid by the United States---". By the end of World War I on November 11, 1918, the then existing Federal Employment agencies had the enormous task of finding work for the returning veterans. As a result, several hundred veteran employment bureaus were set up to expedite job placement for returning servicemen.

During the postwar retrenchment, period efforts were made to set up a Federal-State system of public employment offices. During the month of April, 1919, officials from 28 states, labor unions, various federal employment agencies, and the United States Chamber of Commerce met in Washington to review the possibilities of establishing a permanent nationwide, free employment service. From this meeting emerged the Kenyon-Nolan Bill, which was introduced in Congress in May 1919. This bill provided for the establishment of a coordinated network of public employment offices. The bill had strong opposition, and was never passed; however, essentially the same bill, known as the Wagner-Peyser Act, was passed on June 6, 1933.

The 1920’s proved to be a new disaster for veterans. The number of employment offices dropped from about 1,000 to 60. During this period, the local offices were primarily operated through the efforts of the local welfare and civic agencies. In 1928, Congress then established veteran employment offices in the larger metropolitan areas to aid veterans seeking work. By October 1929, the United States experienced the stock market crash and business began to fail. Unemployment rose drastically. Pressures began to mount to have the public employment service aid the millions of unemployed people.
The Veteran's organizations were particular keen in exerting great pressure for the masses of unemployment veterans. It was during this time frame that Senator Robert F. Wagner of New York introduced Senate Bill 4157, which was essentially the same as the Kenyon-Nolan Bill. Although both the House and the Senate passed Bill 4757, it was pocket-vetoed by the President who favored a straight Federal system. Public interest in employment offices led to the establishment of a service of five demonstration offices. These offices were well staffed and operated. Their success was recognized and considered a stepping-stone for future legislation.

The early 1930's saw our nation at an economic standstill. The time was ripe for employment bills. Senator Wagner reintroduced his old bill, now labeled S. 510 (March 20, 1933), and on April 3, 1933, a freshman Congressman from New York, Theodore A. Peyser, introduced as identical bill in the House. On June 6, 1933, President Roosevelt signed the Wagner-Peyser into law.

The Veterans Employment bureau, as previously established, was reorganized as a result of the passage of the Wagner-Peyser Act. This Act established a national system of public employment offices and created, in the Department of Labor, a bureau known as the United States Employment Service. Section 3 (a) of the Act states: "It shall be the province and duty of the bureau to promote and develop a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations, to maintain a veteran's service to be devoted to securing employment for veterans..."

In the late '30's, the President's Reorganization Plan Number 1 (1939) approved the transfer of the United States Employment Service, including the Veterans Employment Service from the Department of Labor to the Federal Security Agency. World War II began in Europe in 1939, which necessitated a large national defense program. By 1941, by Presidential Order, the state employment offices were brought under Federal control. After Pearl Harbor, the nation moved from defense to a full-scale war production. By 1942, a special agency was created to deal with all manpower problems. It was named the War Manpower Commission, and the United States Employment Service was made a part of it. The War Manpower Commission was abolished in September 1945, and the Employment Service was returned to the U.S. Department of Labor. In November 1946, the federalized nationwide system was returned to the control of the states.

After World War II ended, the Employment Service was once more faced with unemployment problems. A sharp redirection of workers in defense and war industries along with the flood of returning demobilized servicemen were the biggest factors. The Employment Service at this time drew up a six-point program to deal with unemployment. This program enabled the Employment Service to better function in rapidly changing postwar society. This phase of the Employment Service continued into the 1950's. It also included the period of our participation in the Korean War and the demobilization of Korean Veterans. Two of the six points specifically mentioned veterans. Point one states that there must be an effective placement service to aid our
returning servicemen and women and disabled veterans. Point number three stated that there must be special services to veterans, including employment counseling and preferential job placement service, with top priority of referral for disabled veterans to any job for which they are qualified.

On June 22, 1944, the Employment Service was called upon to cooperate in carrying out the Serviceman's Readjustment Act (Public Law 346, 78th Congress). This act is popularly called the G.I. Bill of Rights. It reinforced the structure of the Veterans Employment Service. Title IV of this Act provided for the creation of the Veterans Placement Service board for the purpose of cooperating with and assisting the United States Employment Service to the end that "...Policies shall be promulgated and administered so as to provide for them (veterans) a maximum of job opportunity in the field of gainful employment..." The G.I. Bill involved the Employment Service by: (1) allowing a $20.00 weekly unemployment allowance, (2) reestablishing the Veterans Employment Service in the USES, (3) counseling and selective placement services, especially for veterans, were revamped, and (4) educational and OJT programs for veterans were widened. During the five years from September 1944, to August 1949, nearly 10 million veterans were served in local employment office. Between eight and ten million demobilized veterans had returned to the labor market.

The Veterans Employment Service, as part of the USES, was again transferred to the Federal Security Agency in 1948. The Federal Security Agency is now known as the Department of Health, Education, and Welfare. Approximately on year later, the President received Congressional approval for his Reorganization Plan Number 2. Under this plan, the veterans Employment Service, along with certain activities of the Uses was again transferred back to the Department of Labor. Public Law 346 (G.I. bill, 1944) under Title IV, created a Veterans Placement Service.

The 1950 era was that of a transition period for the USES and the Veterans Employment Service. The end of the Korean War on January 31, 1955, did not create a massive unemployment problem for all veterans, but a large number of disabled veterans from World War II and Korea needed employment assistance.

On July 16, 1952, the 82nd Congress enacted Public Law 550, Known as the Veterans Readjustment and Assistance Act. This act gave the same basic benefits to the Korean Veterans that were afforded to the World War II Veterans. Title VI of the Act granted Korean Veterans, who served between June 26, 1950 and February 1, 1955, preference in job counseling and placement.

The 92nd Congress, on October 24, 1972, passed the Vietnam Era Veterans' Readjustment Act (Public Law 92-540) to aid veterans of the Vietnam Era (August 5, 1964, to May 7, 1975). This Act became effective on January 24, 1973. The Act extended priority for employment counseling, job training and placement services to Vietnam Era veterans, and also added positions to the VES Field staff. Many amendments have occurred since the Act was passed in 1972. The Vietnam era Veterans' Readjustment Assistance Act of December 3, 1974, (Public Law 93-508) extended veterans' priority to
spouses and widows of totally disabled veterans, prisoners of war, and servicemen missing in action; it also required the Secretary of Labor to implement stringent administrative controls to ensure delivery of preferential service to veterans.

Also passed the same month was P.L. 93-567, the Emergency Jobs and Unemployment Assistance Act of 1974. Section 104(b) of the Act required that the Department of Labor, in cooperation with the Department of Health, Education, and Welfare, and the Veterans Administration, implement an outreach and public information program designed to inform and involve all eligible veterans in employment, job training, and educational opportunities funded under the Comprehensive Employment and Training Act (CETA).

The next piece of legislation that significantly affected the basis and organization of the VES is the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502) passed by the 94th Congress. Title IV of the Act established the position of the Deputy Assistant Secretary for Veterans' Employment (DASVE), who shall be the principle advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to the extent that they affect veterans. In conjunction with the creation of this office, the VES was removed from under the USES hierarchy and made an autonomous agency of the Employment and Training Administration.

Effective October 1, 1980, Congress established a new Department of Labor, state operated DVOP modeled after the expiring Comprehensive Employment and Training Act (CETA) funded program of the same name. The authorizing legislation, codified 38 U.S.C., Section 2003A, set forth minimum staffing requirements based on the population of veterans of the Vietnam Era and disabled veterans residing in each state. Since 1980, Title 38, U.S.C has undergone several revisions, each increasing the responsibilities of both the DVOP and the LVER positions.

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