

the Maryland Unemployment Compensation Board, and their work has become progressively more and more integrated. The personnel of the two divisions is interchangeable and, consequently, the operating cost of each division is inclined to fluctuate, depending upon the type of work which is predominant in Unemployment Compensation activities. For example, when claims for unemployment compensation benefits are low it has been found that there is a heavy placement load on the Employment Service, and Unemployment Compensation personnel is transferred to the Employment Service to assist in that work.

The cost of administering the Maryland Unemployment Compensation Law for the fiscal year ended September 30, 1939, was \$1,046,500 and for the year ended September 30, 1940, \$915,700, a reduction of approximately 10 per cent. This saving represents primarily an increased efficiency of the personnel of the agencies, as it has been possible through training and improved procedures to reduce the staff from a total of 545 on September 30, 1939, to 476 as of September 30, 1940.

Another notable decrease in cost has been effected in the category of rents of premises, which were reduced from \$72,250 for the year ended September 30, 1939, to \$62,675 for the year ended September 30, 1940.

With the assistance of legislative enactments the Unemployment Compensation Division has been able to simplify the procedure under which the claimant may obtain his unemployment compensation benefits. An excellent example of the improvement here is the distribution of benefit checks to claimants through the local offices. Under this procedure the claimant receives his check for benefits at the time of filing his next claim, there is no delay, and the chances of misdirected checks, forgeries and fraud are materially reduced. The cooperation of employers has been secured in a most gratifying manner, and has greatly lessened the opportunity for fraudulent claims.

During the 1939 fiscal year 1,207,500 claims were received and 717,459 benefit checks issued, totaling \$6,478,800. During 1940 the figures were 1,130,300 claims received, 768,500 checks issued, in the total amount of \$6,619,300.

The Employment Service has played an increasingly important part in the economic life of the State. In the fiscal year ended September 30, 1939, 41,800 placements were made, an increase of 48 per cent over 1938. Of these placements, 28,200 were made in private industry, which represented an increase of 50 per cent. During the year 1940, 45,000 placements were made, representing a further increase of 8 per cent. Of these, 39,300 were placed in private industry, this being an increase of 39 per cent over the previous year.

For the future, it is hoped that with the help of the Legislature the Unemployment Law will be further modified so that the public may be more effectively served. It is felt that it will be possible to simplify the reporting and incident bookkeeping burdens which are now required of employers and further to simplify the benefit requirements from the claimant's standpoint.

The Employment Service is now playing an important part in the National Defense Program and will continue to serve in this capacity so long as the present emergency exists. The Service is cooperating with the Department of Education in the training of workers for defense industry, and is cooperating with the employment services of other states in selecting and placing workers in defense industries where no local workers are available. Along with this