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U.S. Department of Labor  
Wage and Hour Division  
Washington

ADDRESS BY ARTHUR L. FLETCHER, ASSISTANT ADMINISTRATOR  
IN CHARGE OF COOPERATION AND ENFORCEMENT, WAGE AND HOUR  
DIVISION, U.S. DEPARTMENT OF LABOR, ON "ENFORCING THE  
WAGE AND HOUR LAW," SCHEDULED FOR DELIVERY AT 1:30 P. M.,  
FRIDAY, DECEMBER 9, 1938, AT NEW YORK BEFORE THE  
ANNUAL MEETING OF THE NATIONAL CONSUMERS LEAGUE AT  
THE HOTEL ASTOR.

ADDRESS BY ARTHUR L. FLETCHER, ASSISTANT ADMINISTRATOR  
IN CHARGE OF COOPERATION AND ENFORCEMENT

My appearance on this occasion before the National Consumers League is with a sense of accounting for a stewardship, although my task as Assistant Administrator in Charge of Cooperation and Enforcement of the Fair Labor Standards Act of 1938 has only just begun.

For it was the members of your organization in the days of indifference, who struck the spark, nursed the flame and carried the torch. On this side of the Atlantic it was the National Consumers League which shed an early light on industrial conditions—conditions of misery and general unhealthiness affecting the entire Nation—conditions which had developed in the years when educated America had not the slightest idea of how the other half lived.

This present effort to obtain "a floor for wages, a ceiling for hours, and a break for children", is due in some measure to the work of your organization. American families have an admirable tendency toward minding their own business. But when the Consumers League showed the well-to-do American woman the industrial injustice behind the incredibly low department-store bargain, when this applied even to the very dress she was wearing on her back, she was not slow in realizing that these deplorable sweatshop conditions were her business. The resultant awakening and the protest against low wage, long hour and insanitary conditions showed that no one need despair of the American national conscience.

I made preparations yesterday to attend your meeting in my office in the Department of Labor Building in Washington, impressive in size with its many divisions and hundreds of employees, the center of a vast national organization devoted to aiding the welfare and prosperity of the American wage earner. And the thought crossed my mind that your organization, by providing her with early opportunity, had in a sense given the Nation the woman who heads this great Federal department, Secretary of Labor Perkins.

Miss Perkins' career in pushing back the frontiers that had encompassed her sex is one in which every American woman can well take pride. The story is well known to most of you but it is worth retelling for the benefit of any guests you may have here today. It is the story of how the youthful executive secretary of the Consumers League in 1911 hurried from a luncheon in Washington Square to arrive upon the horror of the nearby Triangle Factory fire in which 148 girl shirt-waist makers lost their lives, many of them by leaping from tenth floor windows.

That catastrophe hurt New York's conscience. R. Fulton Cutting gave \$10,000 for an investigation which would prevent a repetition. Other citizens contributed. All agreed that the investigation should be conducted by the young woman secretary of the Consumers League whose revelations of factory conditions in the metropolis had already attracted much attention. Frances Perkins worked five years on that investigation. Legislation ended dangerous factory situations. New York has not had another Triangle fire or anything like it. Her work on that investigation caused her to be appointed Industrial Commissioner of the State of New York. In 1933 President Franklin D. Roosevelt appointed her to the Cabinet.

As Industrial Commissioner she realized she needed the services of an engineer. She employed a young engineer with a record of railroad construction work interrupted only by a war-time period as a commissioned pilot in the Army air force. You have read his name frequently in the papers of late. He is the Administrator of the new wage and hour law officially known as the Fair Labor Standards Act of 1938, Elmer F. Andrews.

Let me tell you about this Act designed to implement your long standing battle against industrial injustice. This Act, as many of you probably know, provides a minimum wage of 25 cents an hour and a maximum of 44 hours a week for those engaged in interstate commerce or the production of goods for interstate commerce. Employees may have to work more than 44 hours a week but the Act provides that they shall be paid time and a half for the excess.

Now 25 cents for 44 hours or \$11 does not sound like much, I know. But it is a start. And, if you could see the mail coming into our offices from manufacturers and others asking if they will have to comply, you would be under the impression that it is a start which is already having an effect on American industry.

The 25 cents is just a start, as I said. The avowed purpose of the Act—I am quoting from it here—is to reach, "as rapidly as is economically feasible without substantially curtailing employment, the objective of a universal minimum wage of 40 cents an hour in each industry engaged in (interstate) commerce."

On the first birthday of the Act, October 24, 1939, the minimum rate will go to 30 cents and the ceiling for hours will be lowered from 44 to 42 hours a week. On the second birthday of the Act, October 24, 1940, there will be no change in the basic minimum wage but the hour ceiling will be lowered again. This time to 40 hours.

However, the law provides a method of raising the minimum wage faster on an industry by industry basis. The law directs that "the Administrator shall as soon as practicable appoint an industry committee for each industry engaged in interstate commerce." It provides that the industry committees shall be equally representative of the public, of the employers, and of labor. These industry committees are to recommend, within the statutory limitations of 25 and 40 cents an hour, the highest possible minimum wage which will not substantially curtail employment.

One of these industry committees has already been appointed and has undertaken its task. It is a committee for the cotton textile industry.

On the seventh birthday of the Act, October 24, 1945, all industries will go on a 40-cent-an-hour minimum, except any industry in which the representative industry committee and the Administrator agree that a 40-cent minimum would still substantially curtail employment.

You probably also have read or heard that this Act threw vast numbers of people out of work when it went into effect. The extent of this has been grossly

exaggerated. Let me give you a few examples of what a few unfriendly employers did in an attempt to discredit the Act.

We heard that 30,000 tobacco stemmers had been barred from work by the Act. On investigating we found that those who lost these woefully low-paid jobs at this arduous task actually amounted to only about 10 percent of that number. Among other things, the tobacco people had arrived at that figure by including all the workers on flue-cured tobacco. But the flue-cured tobacco, grown mostly in North and South Carolina, conveniently ends its season at the end of October. Every year at that time there is no more tobacco to be handled and therefore virtually no more work. This year the situation was blamed on the Fair Labor Standards Act.

The operator of a bagging mill at Charleston, South Carolina, complained that he had to let all his workers go. He manufactures bagging for cotton bales. But the ginning season is over in November. He probably had no demand for bagging.

Scores of lumber mills shut down, or wrote us and wrote their congressmen that they were shutting down. But the editor of the Southern Lumberman, an outspoken opponent of the law, surveyed his field and honestly reported in his publication that all the mills were operating and that the industry was encountering no difficulties in complying with the law.

One of the most important effects of this law, I believe, will be to end that social affliction which began in the first days of the industrial revolution and is still with us—organized industrial home work. The manufacturer will find it more practical to provide the workers with a factory where they will work more efficiently in order to pay them 25 cents an hour. And when they go to a factory the State and Government can regulate working conditions, sanitation and hours in the interest of public health as well as the welfare of the worker.

I know of one instance where a manufacturer gave out 300,000,000 little tobacco bags in which 10 cents worth of tobacco is sold to men who still roll their own cigarettes. The home-work task was to string them. He said he paid \$24,000

for what he estimated was 375,000 hours of work. It figures out to about  $6\frac{1}{4}$  cents an hour. And the truth is worse than that. I know that a reasonably speedy worker has difficulty in making 5 cents an hour. If they persist in giving out home work we are going to see that it is at a rate at which workers can make at least 25 cents an hour.

You probably also have read that many persons are referring to this Act as self-enforcing in that any employee or group of employees paid less than provided under the Act can sue "in any court of competent jurisdiction" and recover not only the amount of their unpaid wages "but an additional equal amount as liquidated damages." In other words twice as much. It further directs the judge to allow successful plaintiffs a reasonable attorney's fee to be paid by the defendant as well as the costs of the action.

It is true that this provision in Section 18 of the Act has been very helpful in bringing about the immediate general compliance with which the Act was inaugurated. And we should also credit the American business man's insistence that his business be operated within the law, just as he sees to it that his automobile is operated within traffic regulations.

But I would not want to leave you today with the impression that we are leaving the enforcement of this law to civil suits and voluntary compliance. We already have our investigators in the field and, under the provisions of the Act, we can utilize the labor departments of the State governments to look for violations and pay the State departments for this work. This cooperation will make a technically trained personnel available to the Wage and Hour Division at the outset of its activities.

We do not intend to make the law a basis for pillorying individuals who may have unwittingly violated its provisions. But, we will not hesitate about instituting court action if our investigation discloses that the violation was wilful,

no matter what the offending employer may do in the way to making amends to his employees, or in promises for the future. To do otherwise would serve to create the impression that it is all right to violate the law, and keep on violating it until you are caught. This law is not without teeth. Penalties are as high as fines of \$10,000 and for repeated offenders, imprisonment for six months.

Trade associations, unions and other civic groups have been of great assistance to us in reporting violations. As for the National Consumers League we hope that you will continue to give our new Wage and Hour Division in the Labor Department the same cooperation you have so long extended to the Children's Bureau, the Women's Bureau and other divisions. I thank you.

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