

U.S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington

FLEMING SEES "GREEN LIGHT" FOR MINIMUM WAGE ORDERS
ABOVE 30¢ AN HOUR IN COURT'S DECISION

Judicial approval of administrative power to issue wage orders gives the green light to the Wage and Hour Division in establishing minimum wage rates, industry by industry, as directed by Congress, Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, United States Department of Labor, said today.

The United States Circuit Court of Appeals for the Fifth Circuit at New Orleans denied the plea of the Opp Cotton Mills, Inc., of Opp, Alabama, and other mills located in Alabama, Mississippi, Georgia, Louisiana and Texas that the 32-1/2 cent textile wage order be set aside. The order increased the hourly wage rate of about 175,000 textile workers on October 24 last.

"This decision," said Colonel Fleming, "enables us to carry out with confidence the directions of the Wage and Hour Law that 'the administrator shall as soon as practicable appoint an industry committee for each industry engaged in (interstate) commerce or in the production of goods for (interstate) commerce.' Fortunately there are many high wage industries already paying wages of 40 cents an hour and more to practically all their workers. We will not have to appoint industry committees for them. But there are likewise many low wage industries.

"This decision complicates the situation which the House Appropriations Committee created when it cut Wage and Hour Appropriations \$1,355,000.

"The Division must be provided with adequate funds to carry out these instructions if American industry is to be raised without shock or dislocations to the 40 cent minimum wage which Congress has ordered in effect at the end of 1945 and thereafter.

"The present statutory minimum wage for industries covered by the Act is 30 cents an hour. Unless low wage industries under the Act increase their minima by the industry committee method, they will be faced with the necessity, on October 24, 1945, of increasing the wage rates of most of their workers 10 cents an hour. This is an increase of \$4.00 a week.

"George A. McNulty, our General Counsel, who so ably argued the defense of the wage order, informs me on the basis of press reports that the court has upheld the constitutionality of the power delegated to the Administrator of the Wage and Hour Division. This is the power to issue wage orders on the recommendation of an industry committee, equally representative of the public, the employers and the employees, which has been appointed and which has functioned as directed by the Act. This question of delegation of powers of Congress upset the N. R. A. The Courts also upheld our administrative procedure in carrying out the directions of Congress.

"In addition to directing the Administrator to appoint industry committees as soon as practicable for each industry, the Act directs him in this wise:

"With a view to carrying out the policy of this Act by reaching, 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 commerce or in the production of goods for commerce, the Administrator shall from time to time convene the industry committee for each such industry, and the industry committee shall from time to time recommend the minimum rate or rates of wages to be paid under section 6 by employers engaged in commerce or in the production of goods for commerce in such industry or classifications therein. . . . The committee shall recommend to the Administrator the highest minimum wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry.'

"Now that the court has given us the green light, the Wage and Hour Division is ready to carry out the orders of Congress to bring American industry 'as rapidly as is economically feasible without substantially curtailing employment, (to) the objective of a universal minimum wage of 40 cents an hour, if funds are provided."

Six wage recommendations, all above 30 cents but not above 40 cents an hour, have been approved for the textile, hosiery, millinery, knitted outerwear and knitted underwear and shoe industries. These recommendations will increase the hourly wage rate of more than 300,000 workers. Four other industry committee recommendations have not yet been disposed of by the Administrator. They are for the apparel, woolen textile, hat and paper industries. If approved, these recommendations will increase the hourly wage rate of an additional 225,000 workers. The statute itself increased the rates of 690,000 workers to 30 cents an hour last October 24.

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