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U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
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EFFECT OF PUERTO RICO AMENDMENT TO WAGE-HOUR LAW EXPLAINED BY FLEMING

The amendment to the Fair Labor Standards Act providing for special industry committees for Puerto Rico and the Virgin Islands should insure the islands against any economic disturbance because of the Act that might result in unemployment, while protecting the industries of the mainland, Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor, said today. The amendment was contained in the relief appropriation bill signed by the President today.

The procedure contained in the amendment will affect only wage rates and does not modify the requirement that overtime at a rate of not less than time and one-half be paid for all time worked in excess of 42 hours per week or the banning of oppressive child labor.

No change in the minimum wage rate of 30 cents an hour will take place until the effective date of special wage rates which will be contained in wage orders issued by the Administrator and based upon the recommendations of the industry committees to be appointed to study this problem.

"These industry committees will act to resolve the conflicting economic interests of the islands and the United States," Colonel Fleming said. "From their work there should result wage orders which will insure a fair wage in the islands while protecting the industries of the mainland."

The amendment was sponsored by the Wage and Hour Division, and it received the hearty support of Governor William D. Leahy and his predecessor, Governor Blanton Winship, during the time it was under consideration by Congress. Senor Bolivar Pagan, Resident Commissioner for Puerto Rico, spoke in favor of the amendment.

The Administrator explained the nature of the change made by the amendment in the following statement:

"The amendment provides for the appointment of a special industry committee or committees to recommend minimum wage rates for employees in Puerto Rico and in the Virgin Islands who are engaged in interstate commerce or in producing goods for interstate commerce, such industry committee or committees to be composed of residents of Puerto Rico, the Virgin Islands and continental United States and to include representatives of the public, employers, and employees.

"The minimum wage rate to be fixed, if economic factors demand it, may be less than the 30-cent statutory minimum. The Administrator and the special committees, when fixing wage rates for industries of the islands, are still subject to the standards of Section 8 which guide the Administrator and the industry committees when fixing wage rates for industries of the United States. Further, to fully protect the competitive position of industries of the continental United States, the amendment provides that such special committees shall not recommend, nor shall the Administrator approve, a minimum wage which will give the islands a competitive advantage over industries of the continental United States.

"When a wage order is issued by the Administrator on the recommendation of such special industry committees it will have the effect of superseding the rates fixed in the statute so long as and insofar as the rates fixed in the wage order are valid and effective. All wage orders issued pursuant to the recommendations of such special committees are subject to review in the United States Court of Appeals by any aggrieved person for the purpose of determining whether the rates fixed by the wage orders are in accordance with law and are supported by substantial evidence.

"It has been said that the application to the islands of the minimum wage rates prescribed by the Fair Labor Standards Act for the mainland of the United States has threatened to cause serious dislocation in some island industries and

great curtailment of employment. The amendment signed today will permit separate study of this problem and the fixing of wage rates for these islands which are high enough to protect industries on the mainland from unfair competition but which are low enough to encourage industrial development and to provide employment opportunities in the islands."

While the bill was pending, another amendment was added designed to facilitate efficient enforcement of the law in the islands. It permits the Administrator to establish minimum rates on a piece work basis for homeworkers covered by the Act in the islands. The piece rate, if one is used, shall be commensurate with the applicable hourly minimum rate.

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