

U. S. DEPARTMENT OF LABOR
Wage and Hour Division
Washington

WHOLESALING BY MANUFACTURERS SOMETIMES EXEMPT FROM APPAREL WAGE ORDER

Wholesale departments operated by manufacturers of apparel are not covered by the apparel wage order when the greater part of the sales are of goods manufactured by others. To be exempt a wholesaling department must be physically segregated. This position in regard to the enforcement of the apparel wage order, which calls for payment of minimums of 32-1/2 to 40 cents an hour for the manufacture of various garments, was announced today by Colonel Philip B. Fleming, Administrator of the Wage and Hour Division. The opinion is contained in Supplement Number One to the Apparel Industry Minimum Wage Rates.

The complete text of the Supplement follows:

The apparel wage orders are intended to apply to all employees in the industry who are engaged in occupations necessary to the production of any of the articles covered by the definition of the industry. Employees engaged in maintenance, clerical, shipping, storing, handling, selling, and similar occupations are generally considered to be subject to the definition of the industry and the terms of the wage order.

It is not intended to apply, however, to employees engaged in the business of wholesaling apparel. Thus employees of independent wholesalers who engage in no manufacturing operations are not subject to the wage order. Some manufacturers also buy and sell apparel articles produced by others. Where the greater part of the sales of such a manufacturer's selling department comprises such goods produced by others, the selling department will be regarded as if it were a wholesaling establishment provided that the selling department is physically segregated from other departments of the manufacturing concern.

Accordingly, the definition of the apparel industry covers all occupations in the industry which are necessary to the production of the articles specified in the definition including clerical, maintenance, shipping, and selling occupations, provided, however, that such clerical, maintenance, shipping, and selling occupations when carried on in a wholesaling or selling department physically segregated from other departments of a manufacturing establishment, the greater part of the sales of which wholesaling or selling department are sales of articles which have been purchased for resale, shall not be deemed to be covered by this definition.

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