

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington, D. C.

RIGHT TO EXAMINE RECORDS UPHELD

Employers may not refuse the Wage and Hour Division access to their records on the ground that they believe they are not engaged in interstate commerce, Federal Judge Michael L. Igoe ruled in ordering the G. & C. Novelty Company, Chicago, Illinois, to obey a subpoena issued by Thomas O'Malley, Regional Director, the Division was advised today.

Judge Igoe sustained the contention of attorneys for the Wage and Hour Division that the Division is not compelled to abide by an employer's determination that he is not engaged in interstate commerce, but has the right to examine the employer's records.

"Otherwise, anybody who might be proceeded against could say they were not engaged in interstate commerce and tell the Division, 'You cannot come in,'" Judge Igoe declared.

When informed that the company employed home workers, the court said:

"The most distressing conditions about labor have to do with home work."

The G. & C. Novelty Company is engaged in the manufacture of embroidery needlework. Counsel for the company argued that the firm did not ship its goods in interstate commerce, but sold them to another firm located in the city of Chicago.

The United States Supreme Court, in the Montgomery Ward case, recently refused to interfere with a Circuit Court of Appeals decision, also in Chicago, that the Wage and Hour Division is entitled to inspect the books of a firm, whether or not a complaint has been made alleging specific violation by the firm.