

For Release Wednesday,  
December 11, 1940

R-1197

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

INACTIVE

APPEAL TAKEN IN PUERTO RICO NEEDLEWORK  
WAGE-HOUR CASE

Seeking an injunction broader than one issued by the United States District Court at Puerto Rico against an employer of needleworkers purporting to operate as a cooperative, the Wage and Hour Division will appeal to the United States First Circuit Court of Appeals which sits at Boston, Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, announced today.

The case was instituted by representatives of the Wage and Hour Division against the Caribbean Embroidery Cooperative, Inc., and Santiago R. Palmer and his wife, Magdalena, its manager and assistant manager. It was charged in the complaint that the defendants conspired to violate the minimum wage and maximum hour sections of the act by setting up an alleged cooperative by virtue of which officers of the "cooperative" claimed that the workers were not entitled to benefits of the act because they were members of the "cooperative" and owners of the business rather than employees.

In his decision, Judge Robert Cooper found that a number of workers for the "cooperative" were not members of it, that the act applied to such non-members, and that they had been employed in violation of the act. Accordingly, he granted an injunction restraining further violations of the law as to non-members and interstate shipment of goods worked on by non-members unless they were paid the minimum wages required by the act. However, as to the members of the "cooperative," the court held that no employer-employee relationship existed within the meaning of the act, and that such members, therefore, were not entitled to the act's benefits. It is from this phase of the court's decision that the appeal is being taken.

# # #

(6596)