

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

Inactive

LUMBER COMMITTEE RECOMMENDS WAGE-HOUR LAW AMENDMENT
TO COVER LOCAL MANUFACTURING

Congress should be asked to amend the Fair Labor Standards Act of 1938 (Federal Wage and Hour Law) to extend its minimum wage standards to intrastate operations affecting interstate commerce, a committee for the lumber industry of the nation unanimously advised General Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor, in a resolution submitted to him today.

A majority of the committee recommended establishment of a 35 cents an hour minimum wage in the industry. This minimum, if approved by the Administrator after a public hearing, will increase the hourly wage rate of 168,000 workers. About 143,000 of these workers, now getting less than 35 cents an hour, are employed in the South. The industry as defined for the committee employs 385,000 workers in the nation.

About 75 percent of the workers whose earnings will be increased are employed in sawmills, shingle mills and wooden box plants.

The Fair Labor Standards Act directs the Administrator of the Wage and Hour Division to report annually to Congress and to submit "recommendations for further legislation in connection with the matters covered by this Act as he may find advisable."

The Act applies to those "engaged in (interstate) commerce or in the production of goods for (interstate) commerce." The recommendation that it be extended to cover operations affecting interstate commerce came from James G. McNary of McNary, Arizona, one of the largest operators of the Southwest. He introduced it as the committee began to vote on a minimum wage after three days of receiving testimony concerning the industry, much of which was devoted to the competition interstate operations were encountering in the Southern States from the many small portable sawmills. Witnesses opposing an increase in the minimum wage pointed out that although

the lumber operator who sold his product into interstate commerce was legally obliged to pay 30 cents an hour, the portable sawmill man, limiting himself to intrastate business, was able to employ labor at the prevailing agricultural rate, frequently 15 cents an hour.

Witnesses also pointed out that successful bidders for the large orders currently being placed by the United States Government for army cantonments in the South were often those operating with no minimum wage requirements within the State where the cantonment was to be built.

The resolution read, "The Committee unanimously recommends to the Administrator that he give prompt consideration to the wisdom of seeking such amendment to the Fair Labor Standards Act as will make any minimum wage fixed under the Act applicable alike to all industry, including intrastate operations affecting interstate commerce."

Studies by Government economists of the wages paid in the industry show that the average wage paid in the West was 72.7 cents an hour, in the North 46.4 cents an hour, and in the South 34.6 cents an hour. The wage study submitted to the committee said: "The South ranked next to the West in lumber output in 1939. In that year, 42 percent of all the lumber cut, 38.6 percent of all the softwood lumber cut, and 61.8 percent of all the hardwood lumber cut, came from the South. The volume of lumber output of the South is remarkable in view of the fact that this region has only 21.9 percent of the total saw-timber stand and 10.5 percent of the total old-growth saw-timber stand in the United States . . .

"The lumber industry in the South is . . . characterized by a preponderance of small operations, due, no doubt, to the character and the scattered nature of the saw-timber stand in that region. Of the 16,935 mills engaged in the production of lumber, lath, and shingles in the United States in 1939, 10,533 or 62.2 percent were in the South . . .

"Though not as pronounced as in the North, some geographic differences in earnings do exist in the South. Kentucky had the highest over-all average hourly earnings of any Southern State. This average, 43.5 cents, is between 5 and 6 cents

above those for Tennessee and Virginia, the States with the next highest averages, and 13.0 cents above that for Georgia, the State with the lowest average. The average for the remaining Southern States were not over 3 cents apart, ranging from 32.2 cents for North Carolina to 35.2 cents for Arkansas and Oklahoma combined."

Members of the Committee were:

For the Public:

William Homer Spencer, Chairman, University of Chicago, Chicago, Ill.
Leslie H. Buckler, University of Virginia, Charlottesville, Virginia
Clyde E. Dankert, Dartmouth College, Hanover, New Hampshire
G. Allan Dash, Jr., University of Pennsylvania, Philadelphia
Royal E. Montgomery, Cornell University, Ithaca, New York
George E. Osborne, Stanford University, Palo Alto, California
Arthur F. Raper, U. S. Department of Agriculture, Greensboro, Ga.
William G. Rice, Jr., University of Wisconsin, Madison, Wis.

For the Employers:

P. A. Bloomer, Louisiana Long Leaf Lumber Co., Fisher, La.
C. Arthur Bruce, E. L. Bruce Co., Memphis, Tenn.
E. J. Curtis, Curtis Co., Inc., Clinton, Iowa
E. C. Stone, Stinson Mill Co., Seattle, Washington
William P. Long, Lisbon Co., Inc., Lisbon, New Hampshire
James G. McNary, Southwest Lumber Mills, Inc., McNary, Ariz.
Lee Robinson, Mobile River Saw Mill Co., Mt. Vernon, Alabama
Jack W. Simmons, Elberta Crate Co., Tallahassee, Fla.

For the Employees:

Frank P. Fenton and H. W. Blumenberg, both of the American Federation of Labor, Washington, D. C.
Frank Chapman, Seattle, Wash.; M. A. Hutcheson, Indianapolis, Ind.; and A. W. Muir, Indianapolis, Ind., all of the United Brotherhood of Carpenters & Joiners of America (A. F. of L.)
James Robb, Congress of Industrial Organizations, Indianapolis, Indiana
Paul R. Christopher, Tennessee State Industrial Council (C.I.O.) Knoxville, Tenn.
Ray Thomason, Virginia State Industrial Union Council (C.I.O.) Richmond, Va.

Chief Justice-designate Stone, in delivering the opinion of the Supreme Court of the United States, upholding the constitutionality of the Fair Labor Standards Act in the Darby Lumber Case on February 3, 1941, said in part:

"The power of Congress over interstate commerce is not confined to the regulation of commerce among the states. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power of Congress over it as to make regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate interstate commerce."