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*Inactive*

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

WAGE-HOUR DIVISION FILES 27 SUITS TO END  
VIOLATIONS IN PEARL BUTTON INDUSTRY

A large-scale legal offensive to bring the benefits of the Fair Labor Standards Act to employees in the fresh-water pearl button industry, characterized by low wages and substandard working conditions, was instituted today by the Wage and Hour Division, U. S. Department of Labor.

Twenty-seven suits for injunctions to restrain violations of the Act were filed simultaneously in the federal courts of Arkansas, Iowa, Illinois, Indiana and Michigan against employers operating finishing plants, cutting plants and "privy" shops in 16 cities.

General Philip B. Fleming, Administrator of the Wage and Hour Division, in whose name the complaints were filed, said practically all the employers engaged in the production of buttons from fresh-water clam shells were named defendants.

The industry is centered in the Muscatine, Iowa, area and 11 of the suits are against employers located in that city. The others are operating in Davenport, Washington and Burlington, Iowa; Parkin, Newport and Brinkley, Arkansas; Dallas City, Meredosia, Warsaw, Andalusia, Oquawka, Moline and Grayville, Illinois; Niles, Michigan; and Loogootee, Indiana.

A survey made by the Department of Labor indicates employees in the industry are among the lowest paid industrial workers in the United States. The employers named in the 27 injunction suits employ more than 2,000 men and women, most of whom will get wage increases when extended the benefits of the Act.

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The Division asks that the defendants, whether engaged in cutting button blanks from clam shells or finishing the blanks, be enjoined under the "hot goods" section of the Act from transporting, shipping, delivering or selling in interstate commerce goods produced in violation of the Act.

The courts are asked also to restrain the employers from paying employees less than 30 cents an hour, from working employees more than 40 hours a week without payment of time and one-half and from violating the record-keeping provisions of the Act.

Fresh-water clam shells are obtained from river beds in the Mississippi, Tennessee and Ohio River Valleys. The shells are cut into blanks, graded and assorted for size and quality and then finished. In many instances homeworkers are employed to card the buttons.

The major companies operate plants engaged in both the cutting and finishing processes. Some employers operate only cutting plants furnishing additional blanks to the finishing plants. The "privy" shops are small cutting plants, usually with one to 12 employees. They get their name from the fact they are located in sheds, out-houses, frame shacks and the basements of dwellings.

For the most part, the "privy" shops lack adequate light, heat and sanitary facilities. The workers are crowded into small spaces and their wages are far below the 30-cent minimum provided by law.

It has been charged by the Division that the large companies encouraged the establishment of the "privy" shops in an attempt to disclaim an employee-employer relationship and evade the provisions of the Fair Labor Standards Act.

In one group of complaints, the Division alleges that the operators of the finishing and the cutting plants are the employers of the employees working in the "privy" shops and are therefore responsible for the sweatshop conditions.

Those named in this type of complaint are;

Davenport Pearl Button Co. and Herman Kock, Davenport, Ia.; Automatic Button Co., William Solonen Blank Cutting Shop, and Fred Thompson, Muscatine, Ia.; C. H. Perkins, doing business as the Fresh Water Pearl Novelty Co., Muscatine; Muscatine Pearl Works, C. Schmarje Button Works and Clifford A. Paul, Muscatine; Pennant Pearl Button Co., Robert A. Schmitt, doing business as Schmitt Button Shop, and William F. Bolat, Muscatine; Homer L. Dean, Muscatine; Louis F. Yarck, Muscatine; and Charles W. Patterson, doing business as Patterson Button Works, Dallas City, Ill.

Others against whom injunctions are asked;

Arthur R. Tutt, doing business as Arthur Tutt Manufacturing Co., Muscatine; Ed. G. L. Hoffman, doing business as Hoffman Button Co., Muscatine; McKee Button Co., Muscatine; Iowa Pearl Button Co., Muscatine; Weber & Sons Button Co., Muscatine; American Pearl Button Co., Washington, Ia.; Mississippi Pearl Button Co., Burlington, Ia.; H. H. Melhorn, doing business as Parkin Button Co., Parkin, Ark.; C. A. Redman and Fred Compton, doing business as Brinkley Pearl Works, Brinkley, Ark.; Newport Shell and Button Co., Newport, Ark.; Sol Heinemann, Newport, Ark.; Wilbur Elson Boyd, doing business as W. E. Boyd & Co., Meredosia, Ill.; Frank E. Bott and Louis A. Schreiber, doing business as Bott-Schreiber Button Co., Warsaw, Ill.; Bert W. Gibbs, Andalusia, Ill.; Harry W. and Vern A. Erikson, Moline, Ill.; John LaFond, doing business as LaFond Button Works, Oquawka, Ill.; Harry J. and William D. Irvine, doing business as H. Irvine & Son, Brayville, Ill.; Harold Riggins, Loogootee, Ind.; and John A. Powers, doing business as J. A. Powers Button Works, Niles, Mich.

The Wage and Hour Division, when it inaugurated inspections in the industry in the early days of the Act, was confronted by the contention of the employers that their employees were engaged in processing a fish by-product and therefore exempt from the minimum wage and overtime provisions under Section 13(a)(5).

A victory against this position was won by the Division in June, 1940, when the Eighth United States Circuit Court of Appeals, Kansas City, reversed the District Court in the Hawkeye Pearl Button Co. case and held that the industry is covered by the Act.

The District Court had dismissed the Division's complaint on a motion. The Appellate Court sent it back to the District Court for trial and it is still pending.

Hawkeye has plants at Muscatine (Ia.), Keokuk (Ia.) and Canton (Mo.).

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