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

DECISION RELEASES $200,000 TO SOUTHERN GARMENT WORKERS

About $210,000 now held in escrow will be paid to garment workers in the south as a result of a decision by the Court of Appeals for the District of Columbia, General Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor, announced today.

The decision upheld the apparel wage orders put into effect by General Fleming on July 15, 1940. Thirty-one clothing firms, members of the Southern Garment Manufacturers Association, petitioned the Court to set aside the orders which established minimum rates between 32-1/2 and 40 cents an hour for divisions of the apparel industry. The orders increased the wage rate of about 195,000 garment workers in the nation.

The firms joining in the suit posted bonds totalling more than $300,000. Most of them are engaged in making men's cotton garments for which the minimum is 32-1/2 cents an hour. Some of them were affected by a 37-1/2 cents an hour minimum rate for the manufacture of men's single pants of other than 100 percent cotton. Many of the firms participating in the suit increased their wage rates last fall due to the production demanded by the defense program. Some of the firms which brought suit, however, have continued to pay peice work rates yielding less than 32-1/2 cents an hour and have been putting the difference in escrow up to the time of the decision of the Court. There will be a hearing in Washington on July 30 on a recommended minimum wage of 40 cents an hour for the manufacture of men's cotton garments. This rate was unanimously recommended in April by a committee representing the industry.

A group of manufacturers of infants' and children's wear also asked to have the wage order set aside. These manufacturers, however, did not ask for a stay of the wage order as it affected their operations and so were not required to post bonds.

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In an opinion by Associate Justice Fred M. Vinson, concurred in by Chief Justice D. Lawrence Groner and Associate Justice Justin Miller, the Court sustained the validity of the entire procedure by which the apparel wage orders were issued. The Court rejected the contention that the petitioners had not received a fair hearing in certain respects and upheld the power of the Administrator to appoint a presiding officer to receive evidence at the public hearing which the Wage and Hour Act requires before recommendations of an industry committee can be approved by the Administrator.

In issuing the wage orders for the apparel industry, the Administrator had rejected the two recommendations which the Committee had made for the embroideries industry. The Court held that since the Administrator did not change the rates which were recommended by the Committee and did not change the definitions of any of the divisions which have been formulated by the Committee, he had power to reject the recommendations for the embroideries industry. Subsequent to this rejection, the Administrator appointed a new committee for the embroideries industry and put into effect the 37½ cent minimum which it recommended.

The Southern Garment Manufacturers Association also attacked as unlawful the classification of men's wash suits with the rest of the men's clothing industry under a 40 cent rate and the distinction between a 32½ cent rate and a 37½ cent rate for single pants, depending on whether or not they contain any fabric other than cotton. The Court held that since the major issue in any such classification was the factual one, the Administrator's decision, supported by substantial evidence in the record, had to be sustained. In answer to the argument that production could not be carried on as a practical matter under these different classifications, the Court concluded that the practical difficulties were not insurmountable. The Court said: "Congress recognized that in some instances there would be hardships, but it adopted the policy that it is better that way than having many working for indecent wages."

The final point raised in the Southern Garment case was the claim that differentials should have been established for the South with a lower minimum rate.

The Court, in rejecting this argument, pointed out that it was a matter of administrative judgment how much weight should be given to the competitive conditions and other factors bearing upon the propriety of a regional classification. The Court stated that the approval of recommendations carrying no regional classification was not an abuse of the Administrator's discretion.

In the infants' and children's wear case (Andree & Seedman v. Administrator), the two principal contentions were that no member of the committee was engaged in the production of infants' and children's garments and that certain factors provided for in the Wage and Hour Act had not been considered by the committee and by the Administrator. The Court stated, with respect to the first point, that the Act merely required employer members to be representative of the group of industries over which the committee was given jurisdiction and specifically held that where several industries are brought under a single committee for wage order proceedings, it is not necessary that each industry be entitled to a representative. With respect to the second point, the Court held that the standards specified in the law had been considered and that if the petitioners felt that certain specific economic factors relating to their industry should have received particular attention, it was their responsibility to present evidence to the Administrator concerning them. The Administrator was not under a duty, the Court said, to dig up evidence on every possible pertinent matter.

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