

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
165 W. 46th St.
New York, N. Y.

WAGE-HOUR ADMINISTRATOR WALLING DISCUSSES
SUPREME COURT DECISIONS

The significance of the opinions of the Supreme Court in two recent decisions was pointed out today in a statement issued by L. Metcalfe Walling, Administrator of the Wage and Hour and Public Contracts Divisions of the United States Department of Labor in response to inquiries.

"In Overnight Motor Transportation Company v. Missel the Supreme Court made it abundantly clear that the overtime benefits of the Fair Labor Standards Act are limited neither to that marginal group of workers who are paid wages at or near the minimum rates prescribed in the Act, nor to employees who happen to be compensated on an hourly basis. The Court held that salaried workers who are employed in interstate commerce or in the production of goods for interstate commerce must be compensated for weekly hours in excess of 40 at not less than one and one-half times their regular rate of pay, and that the regular rate for this purpose is to be computed through dividing the weekly wage by the number of hours worked in the particular week, where the employment contract is for a fluctuating workweek. This is the method of computation which has heretofore been approved by the Wage and Hour Division.

"However, in Walling v. A. H. Belo Corporation, the Supreme Court ruled by a 5 to 4 decision that the 'regular rate' on which overtime must be paid could be fixed by a contract between the Dallas Morning News and its employees.

"It is expected that a considerable amount of litigation will be necessary before the contours of the Belo decision are fixed, since the Court stated that it could not 'provide a rigid definition of regular rate when Congress has failed to provide one.'

"I believe it only fair to warn that the Court in the Belo decision was passing on the particular state of facts before it and that generally the Division will continue to be guided by the broader interpretation contained in Overnight Motor Transportation Company v. Missel."

The Solicitor of Labor and his staff have begun a legal analysis of the decisions with a view to guiding the Division in its formulation of an appropriate administrative policy insofar as this may involve a deviation from the advice heretofore given by the Administrator through interpretative bulletins.

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