

U. S. DEPARTMENT OF LABOR
Wage and Hour and Public Contracts Divisions
165 West 46th Street
New York 19, New York

About 12,500,000 covered workers are employed in industries for which a minimum wage of 40 cents an hour was established during the past year or for which industry committee recommendations for such a minimum are pending under the provisions of the Fair Labor Standards Act, L. Metcalfe Walling, Administrator, Wage and Hour and Public Contracts Divisions, U. S. Department of Labor, announced today. In these industries some 650,000 workers were being paid less than 40 cents an hour according to the economic studies presented to the industry committees.

"In the nearly four years that the Act had previously been in force, the 40-cent minimum had been set in industries employing 5,000,000 covered workers of whom 850,000 had been getting less than the minimum," Mr. Walling said. "Industry committees meeting before October 24 will have an opportunity to recommend the 40-cent minimum in the remaining industries under the Fair Labor Standards Act in all the 48 states, Alaska and Hawaii. These industries employ about 3,000,000 covered workers, of whom about 150,000 are receiving less than 40 cents an hour. Thus, the industry committee procedure provided in the Act will have advanced by nearly two years the statutory goal of a 40-cent minimum which automatically would have gone into effect October 24, 1945 for all covered workers. Total coverage under the Act includes about 21,000,000 workers.

"Although covered workers thus will have the guarantee of a 40-cent minimum wage, there will still be many workers in other fields being paid less. Domestic service, agriculture, fisheries and the service industries are among those generally exempt, as well as all those producing goods for consumption within the state. Despite a public impression that all war time wages are high, the War Labor Board under the wage stabilization program found it necessary to issue its General Order No. 30 allowing employers without specific permission from the WLB, to raise rates to 40 cents an hour. This was done because the Board was flooded with requests from employers and employees who had previously not been paying or receiving this much.

"On two of our large industry committees recently, appointed in accordance with the requirements of the Fair Labor Standards Act to make a recommendation for a minimum wage not higher than 40 cents an hour, their sole basis of decision being whether this would cause substantial unemployment or give competitive advantage to any group, 6 out of 7 in one case and 7 out of 8 in the other of the employers on the committee voted against a rate as high as 40 cents, which would indicate that lower rates were still being paid and that labor could still be obtained for less than 40 cents an hour.

"The minimum wage provisions of the Act as well as its requirement for over-time pay after 40 hours a week stand as a bulwark for both employers and workers against competitive wage slashing in the period of readjustment after the war when our soldiers come home.

"Extension of the 40-cent minimum wage in the past year to industries employing so many people at traditionally low wages poses a difficult problem of enforcement at this time when war economy has cut our inspection staff by between one-fourth and one-fifth," Mr. Walling added.

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