

WAGE-HOUR LAW IN FORCE FIVE YEARS *master*

The Wage-Hour Act, storm center of three sessions of Congress before it passed and of intermittent public controversy since, has been in force five years today.

"Despite bleak predictions from some quarters at the outset that the law would lead to wholesale shutdowns and the ruin of industry, it had gained loyal acceptance by the great majority of American employers as well as labor even before the period of war expansion," according to a five year review issued yesterday by L. Metcalfe Walling, Administrator of the Wage and Hour and Public Contracts Divisions, U. S. Department of Labor, in charge of enforcement. "Protection of employers as well as of labor from wage-slashing competition was aimed at, to judge by the Congressional debates and hearings.

"About 21,000,000 workers in interstate commerce or in the production of goods for interstate commerce in over 573,000 establishments are covered under the Act which provides a minimum wage up to 40 cents an hour and time and one-half overtime pay after 40 hours a week. The Act prohibits "oppressive" child labor in such industries and is a milestone in setting labor standards without discrimination as to sex, nationality or race; its provisions apply equally to women, the foreign born, Negroes and others traditionally discriminated against.

"In the five years, restitution of \$55,000,000 in wages illegally withheld from 1,500,000 workers in about 70,000 establishments has been assessed by the Division, with more than half the cases involving failure to pay the minimum wage of 40 cents an hour or less. Several times this amount has probably been collected in addition over the period through private action by employees under a section of the Act that provides double penalties. Indication of the need of

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continued enforcement to prevent unfair advantage to those who do not voluntarily obey the law is to be seen in the total of \$17,000,000 of restitution last year to 390,000 workers in 19,000 establishments, more than one-third of these cases involving failure to pay the minimum wage of 40 cents an hour or less.

"Congress set October 24, 1945 as the date when a 40 cent minimum would automatically go into effect for all covered workers and provided a machinery of industry committees, equally representative of employers, labor and the public whereby the minimum was to be raised to 40 cents industry by industry as rapidly as possible without causing substantial unemployment or giving competitive advantage to any group. By this procedure the 40 cent minimum has been set in many industries until now it is in force for all but a very small number of the 21,000,000 workers covered. Industry committee recommendations for the 40 cent minimum are pending for these groups. Thus, the industry committee procedure has advanced by nearly two years the statutory deadline for a universal 40 cent minimum.

"Among the accomplishments of the Fair Labor Standards Act in the five years of its existence may be cited:

"1. Realization of a minimum decent living standard for hundreds of thousands of workers in pre-war days, with restoration of prosperity to community after community through increased purchasing power. This was particularly true of communities in the South which benefited from increased cotton consumption in the country-wide rise of sub-marginal incomes.

"2. Effective operation of the overtime provisions in mobilizing needed man power in vital defense industries where overtime is being worked, without the raises in hourly rates which would otherwise have been necessary and which would have created serious post-war dislocations.

"3. Availability of a trained inspection force decentralized through the Nation to war agencies with emergency jobs on their hand. Inspections were made of aluminum inventories for the OPM, tire inventories for the OPA and silk, copper scrap and defense housing for the WPB. Inspections under the Production Requirements Plan uncovered and made available nearly 150,000 tons of vital strategic materials such as tin, copper, aluminum, and steel. The Division has acted as initial contact with the public for the War Labor Board on wage stabilization.

"4. Assurance to both employers and workers in the post-war period of readjustment after victory, of protection from wage-slashing and cut-throat competition."

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