

U. S. DEPARTMENT OF LABOR  
WAGE AND HOUR DIVISION  
165 West 46th Street  
New York 19, N. Y.

Well over \$2,000,000,000 was paid American workers last year in overtime premium pay due under the Fair Labor Standards Act of 1938, L. Metcalfe Walling, Administrator, announced today on the occasion of the Act's sixth anniversary.

"In addition to the increase of billions in basic wages over the years, direct and indirect along the line, as the universal 40 cent an hour minimum under the Act was reached, overtime premium pay last year alone put well over \$2,000,000,000 into the pay envelopes of American workers," Mr. Walling said.

"Some part of this would have been paid anyway in the absence of the Act under union contracts or by enlightened employers, but by making time and one-half nearly universal after 40 hours in interstate industry, the Act made it mandatory for both the organized and the unorganized plants and removed the pressure of cut-throat competition from non-complying plants. At the same time it served the nation by attracting additional labor to war industries where labor was vitally needed, where overtime was being worked -- and long hours were rewarded at a higher rate. It also served as a brake on absenteeism, since absences at any time in the week caused a loss of time-and-one-half rather than straight time pay.

"Even in this last year when the total of wages paid out was the greatest in our history, workers under the Act made an average of less than \$40 a week, even including overtime premium pay.

Violations of 40% Minimum Wage

"Considerably over 4,000,000 workers still are paid less than 40 cents an hour, less than \$16 for a 40 hour week. Considerably more than 1,000,000 of these are in agriculture and domestic service; 3,000,000 are in industry and retail and service trades outside the protection of the Act. Violations of the 40 cent legal minimum wage under the Act also continue to a surprising degree. Last year \$18,620,369 in restitution of illegally withheld wages was agreed to or ordered paid by the Wage and Hour Division, U. S. Department of Labor to 534,422 workers in 20,622 establishments. Failure to pay the minimum wage of 30 to 40 cents an hour was involved in 28 per cent of these cases and restitution of such minimum wages was found due more than 100,000 workers, about one-fifth of all illegally underpaid.

"Another 3,000,000 workers not in agriculture or domestic service make between 40 and 50 cents an hour, \$16 - \$20 a week, and a further 3,500,000 get from 50 to 60 cents an hour, from \$20 to \$24 for a 40 hour week.

One-Third Make Less than \$24 a Week

"Thus one-third of all workers outside agriculture and domestic service, including those under the Act and those outside its protection, got \$24 or less for a 40 hour week last year despite supposedly universal high wages.

"Except for the Fair Labor Standards Act of 1938 and its minimum wage provisions protecting 21,000,000 workers, the number would have been immensely greater."