

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

ANNUAL REPORT CITES CONTINUING ENFORCEMENT NEED

Despite the high war-time production period and its accompanying generally high wages, more than one out of every four cases of monetary violations under the Fair Labor Standards Act revealed by Wage and Hour Division inspectors during the fiscal year ending June 30, 1945, involved failure on the part of employers to pay some of their workers the 40 cents per hour minimum wage required by the Act.

This is shown in the Annual Report to Congress of the Wage and Hour and Public Contracts Divisions, U. S. Department of Labor, made public today by L. Metcalfe Walling, Administrator of the Divisions.

Some 77,000 workers were affected by the minimum wage violations under the Fair Labor Standards and the Public Contracts Acts, Mr. Walling reported. All told, 440,000 workers in 19,000 establishments received restitution in back wages as a result of failure by their employers to pay them either the minimum wage or overtime at their regular rate of pay. The total amount of restitution paid through the Wage and Hour and Public Contracts Divisions was \$15,800,000 for the year, as compared with \$18,620,000 during the previous fiscal year, the highest year's total to date.

In the six years and nine months the Fair Labor Standards Act had been in effect up to June 30, 1945, the Report shows, a total of nearly \$85,000,000 in restitution of back wages was agreed to by employers. This does not take into consideration the amounts recovered by employees in individual suits against employers for back wages, under which the courts allow double the amount of withheld wages, as liquidated damages, plus reasonable attorneys' fees and costs.

The fiscal year 1945 also saw a marked increase in the number of child labor violations revealed in the course of Wage and Hour and Public Contracts Divisions' inspections, according to the Report. With nearly 3,000,000, or more than three times as many minors in the labor force as there were before the war, over 13,000 minors were found employed in "oppressive" child labor in approximately 3,500 establishments, Mr. Walling said. This represented an increase over the fiscal year 1944 of nearly 20 percent in the number of establishments in violation and an increase of 58 percent in the number of minors illegally employed, he added.

Lowered war-time budgetary provision for the regular enforcement work of the Divisions, Mr. Walling pointed out, made possible the complete inspection of less than 45,000 establishments during the year reported, as compared with more than 54,000 in the previous year. The amount of restitution found due per inspected establishment was slightly higher, however, than that in the previous year.

Mr. Walling cited the inspection and restitution figures as indications of the continuing need for enforcement of the two Acts, "both to assure the workers of the wages legally due them, and to protect the great majority of employers who maintain fair standards against undercutting competition from the relatively small proportion who flout the law."

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The Report also reiterates Mr. Walling's recommendations of his last Annual Report to the Congress for amendments to both Acts. Many of these recommendations are being considered at the present time by the Senate Committee on Labor and Education. Among these recommendations are: a reasonable statute of limitations; a raising of the minimum wage standard; the elimination of certain exemptions, particularly in the agricultural and food processing field; the rule-making power for the Administrator, with the power to protect employers who follow the Administrator's interpretations in good faith; the distinction between wilful and non-wilful violators, with less severe penalties for the latter; and the granting to the Administrator power to sue for underpaid employees, which will not only give them greater protection but will also tend indirectly to make more consistent interpretation of the Act by the avoidance of numerous employee suits resulting in differing interpretations by the courts.

"Seven years of experience, four of them during the abnormal stress of wartime, have abundantly proved the soundness and feasibility of putting a floor under wages and a ceiling over hours and outlawing child labor. The period of experimentation is over; now we can confidently go forward to an improvement of these basic standards for American industry and American wage earners, knowing that they rest on the broad base of acceptance by the American people," Mr. Walling said.

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