

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

NEW YORK, August -- Some 271,000 American wage earners received \$13,360,000 in restitution of back wages improperly withheld by 17,000 employers in violation of the overtime or minimum wage provisions of the Fair Labor Standards Act and the Public Contracts Act in the fiscal year ending June 30, L. Motealfe Walling, Administrator of the Wage and Hour and Public Contracts Divisions, U. S. Department of Labor, revealed today.

More than half -- 52 percent -- of the covered establishments inspected during the year were in violation of the overtime, minimum wage or child labor provisions of the Acts, 26 percent were in substantial violation of the record-keeping provisions, and one in every five of the firms in monetary violation, failed to pay the minimum wage of 40 cents an hour with respect to some of their employees.

Mr. Walling emphasized that inspected firms were selected on the basis of complaints of employees and on the basis of other knowledge which indicated a high percentage of violations in certain industries or areas.

"Even though the Divisions have adopted this policy of selection there is little justification for such a high percentage of violations and especially with regard to the minimum wage provision," Mr. Walling said. "The violation of the minimum wage provision means simply that the guilty employer is failing to pay 40 cents an hour -- \$16 for a 40-hour week, or \$800 for a year of 50 weeks of full employment. In terms of dollar value, the present-day 40-cent minimum is equal to a rate of about 28 cents an hour in 1938, when the Fair Labor Standards Act was passed."

Four hundred thirty establishments paid \$563,470 to the government in liquidated damages for violation of the child labor provisions of the Public Contracts Act involving 3,163 minors illegally employed. Six percent of the covered firms inspected under the Fair Labor Standards Act were in violation of the child labor provisions.