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VALUE OF WAGE-HOUR LAW NOW BEING REALIZED, MCGOMB SAYS IN ANNUAL REPORT

Although in effect since 1938, the Fair Labor Standards Act--the Wage and Hour Law--now is undergoing its first extended period of peacetime operations.

This is pointed out in the 1947 annual report submitted to the Congress today by Wm. R. McComb, Administrator of the Wage and Hour and Public Contracts Divisions, U. S. Department of Labor. Presented to a Congress before which he appeared little more than a month ago to discuss Wage and Hour Law administrative problems and to urge changes in its provisions, the report contains the Administrator's operational analysis, and outlines his recommendations "to further the basic objective of the act."

"Fundamentally a peacetime statute," the Wage and Hour Law's importance to our national social and economic well-being is "now beginning to be fully realized," the report emphasizes. However, the Administrator says, despite the peacetime regulatory intent of both the Wage and Hour Law and the Public Contracts Act, the basic labor standards they establish "contributed in many ways to the prosecution of the war."

Included in the report are McComb's recommendations for improvement of the Wage and Hour Law, as made by him before a subcommittee of the House Committee on Education and Labor. These call for increasing the minimum wage from its present 40-cents-an-hour level to 75 cents, a general overhauling of several of the exemptions from the overtime pay requirements of the law, and stress the need for revision of the provision intended to encourage the use of annual employment agreements.

The report shows that the Divisions made more than 40,000 inspections under the Wage and Hour Law and the Public Contracts Act during the year ended last June 30, and found that more than \$18,000,000 in illegally withheld wages was due to 311,000 of the 1,705,000 employees at the inspected establishments. Violations of the overtime provisions of the two laws were most frequent, according to the report, although it also was revealed that some 37,000 employees had been paid less than the Wage and Hour Law minimum wage of 40 cents an hour at some time during the period covered by the inspections.

Inspections now being made, the Administrator says, are showing the effect of provisions of the Portal-to-Portal Act of 1947 on the Wage and Hour Law. Because the two-year statute of limitations provision of the new Act is confining inspection activities to the post-war period, he predicts that the results will present a more current picture of the Wage and Hour Law's meaning to the approximately 550,000 establishments and more than 21,000,000 workers it covers.

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