

U. S. DEPARTMENT OF LABOR
Wage and Hour and Public Contracts Divisions
Washington 25, D. C.

MCCOMB DISCUSSES WAGE-HOUR LAW CHANGES BEFORE SENATE SUBCOMMITTEE

Proposals now before the Senate to amend the Fair Labor Standards Act were analyzed in a statement made today before a subcommittee of the Senate Committee on Labor and Public Welfare by Wm. R. McComb, Administrator of the Wage and Hour and Public Contracts Divisions, U. S. Department of Labor.

Appearing in response to the subcommittee's invitation to outline his recommendations for amendment of the Act and to express his views on measures introduced for this purpose, McComb enumerated "the principal amendments which it seems to me, as Administrator, most urgently require legislative action." He then analyzed two Senate bills, principally with respect to the objectives of his recommendations, seeing in both some provisions which he said could be the basis for amendments to effect the changes he urges.

One of the bills analyzed was introduced by Senator Elbert Thomas of Utah, and others, in January; the other by Senator Joseph Ball of Minnesota, in March.

"First, and most important," among McComb's recommendations was his request that the Congress "revise and bring up-to-date the outmoded minimum wage requirements of the Fair Labor Standards Act," which now set a statutory minimum of 40 cents an hour. The Administrator expressed the conviction "that a 75-cent statutory minimum is now both feasible and necessary to carry out the basic objectives of this legislation."

McComb stated his preference for the minimum wage proposal in the Thomas bill, which would establish an immediate minimum of 75 cents an hour, with increases to \$1.00 an hour through industry-committee action. The Ball bill provides a 60-cent minimum and also calls for industry-committee action, to

(MORE)

(06415)

increase the minimum to 70 cents or to reduce it to 50 cents. McComb expressed the opinion that these rates not only are "inadequate under present-day conditions" but that the bill's restrictions on industry-committee action would make the upper limit of 70 cents "extremely difficult if not impossible to attain under present-day conditions."

The Administrator also compared the coverage and exemption provisions of both bills, pointing out that the Ball bill proposes that the Act's coverage be reduced and its exemptions be increased, while the Thomas bill would make the Act applicable to more employees by increasing coverage and reducing exemptions.

McComb favored the Ball bill provision for granting the Administrator additional rule-making power and direct authority to regulate industrial home work, which he had recommended in his annual report to the Congress last January. This provision, he said, "would aid enormously in facilitating the administration of the Fair Labor Standards Act."

The Administrator's other recommendations would --

Extend the child-labor provisions of the Act to activities in interstate commerce, as well as apply, as at present, to the production of goods for interstate commerce, and that there be a direct prohibition of oppressive child labor in the production of goods for commerce.

Eliminate the "area of production" exemption now in the Act by providing for application of the Act's present seasonal overtime type of exemption to the agricultural and fish processing activities affected, but retaining the present complete exemption for off-shore fishing operations.

Extend the Act's minimum wage provisions to seamen, who now are exempt from both the minimum wage and overtime provisions.

Modify the Act's overtime exemption for motor carrier employees to cover all such employees either under the Act or under the hours and service regulations of the Interstate Commerce Commission under the Motor Carrier Act.

Clarify the definition of "regular rate of pay" in the Act.

Clarify the Act's exemption provision for retail and service establishments.

Revise the Act's provisions for employment on an annual basis to permit more flexibility, thus to encourage wider use by management and labor.

In his conclusion, McComb told the subcommittee:

"I feel confident that a set of amendments along the lines of my recommendations would immeasurably improve the Fair Labor Standards Act in meeting the needs of the wage and salaried workers of the nation, as well as in making it practicable of administration. Above all, I urge that the statutory minimum wage be raised immediately to 75 cents an hour, which I believe to be the minimum amount now required to assist the families of about two million workers who are desparately struggling to make ends meet under a highly inflationary price level."