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Mr. Andrews has asked me to express to you his regret at his not being able to speak to you this afternoon. As you know, the Wage and Hour Division is just getting under way, and it was impossible for Mr. Andrews to leave Washington today.

In his place, I shall attempt to describe to you the chief provisions of the Fair Labor Standards Act and map for you the plans that we have for administering the Act. Those plans are necessarily incomplete; on some points I shall be able to give you little information today; but if there is any phase of this program in which you have a special interest, I shall be glad to receive your inquiries. If I find that, because of our stage of organization, I cannot answer them here, I shall take them back to Washington and you will be given answers as soon as we know what they are.

The Fair Labor Standards Act, or the Wage and Hour Law, as it is identified by most persons, is Congress' effort to place a floor under wages and a ceiling over hours. The Act is based on our experience with State legislation of this kind since the 1920's, and the experience of other countries, such as England and the Scandinavian nations.

To begin with, it does not include all working people. It is a Federal act and applies only to workers whose employers are engaged in interstate commerce or in making goods for interstate commerce. Employees of local industries, such as stores doing a local retail business or local service industries, are not covered. Domestic service is another type of employment which is not affected. Laborers or farmers in agricultural work of any type, laborers processing or handling food products within the area of production are specifically excluded from the law. Fishermen, seamen, employees on some weekly or semiweekly newspapers, administrative and professional workers, outside salesmen, and certain other types of laborers employed in interstate commerce are also exempted.

Obviously, these exemption provisions will require further definition. Administrative rulings in this regard will be issued soon, which will reflect an earnest effort to make a reasonable application of the law.

It is possible to think of October 24th, 1938, the date when the Act becomes effective, as the beginning of a new chapter in American industrial history. On that day, wherever they may be, workers in industries covered by the Act are assured of wages of not less than twenty-five cents an hour for the first year, thirty cents an hour for the second year, and forty cents an hour at the end of seven years.

Moreover, this is but a first step. Congress, in its desire to raise wage rates as soon as possible to a level above twenty-five cents an hour, has provided special machinery for setting higher minimum schedules, industry by industry. Congress has directed the Administrator to appoint industry committees composed of an equal number of representatives of employers, employees, and the public. Each committee is to investigate conditions in its particular industry, and to recommend to the Administrator wage rates above twenty-five cents an hour but not to exceed forty cents an hour. These recommendations are in no way final. They are to be submitted to the Administrator, and the Administrator, as required by law, throws the whole matter open to a public hearing after due notice. If the Administrator finds that the recommendations of the committee are in accordance with law and are supported by the hearing findings, and taking into consideration the factors that the law required to be considered by the industrial committee, finds the recommendations to be reasonable, a wage order may be issued after due notice. If they do not seem reasonable, he may reject them and either refer them to the same committee for further study and recommendation or appoint a new committee.

Already a committee, headed by Donald Nelson of Chicago, Illinois, is preparing recommendations for the textile industry. Soon the full membership of other committees will be announced.

The size of the undertaking given us by the Act may be appreciated when it is realized that the Act requires the industry committee to make a thoroughgoing investigation of competitive and economic conditions. Freight rate differentials, costs of production, cost of living and wages paid in other industries in the same locality must be considered with a view to possible different minimum wage schedules within the same industry, based on various classifications. The Act also requires that the recommendations for wage advances shall not substantially curtail employment in the industry affected.

It must be kept in mind that the Administrator has no power to change the maximum limits of a week's work at regular pay. After October 24, 1938, the maximum working week at regular pay in industries covered by the Act is 44 hours for the first year, 42 hours for the second year, and 40 hours after October 1940. Any employee who works beyond the maximum hours is to be paid time and one-half for the overtime he works. There are, however, certain cases in which an employer need not pay overtime for hours of work in excess of the maximum permitted by law. For example, if the Administrator finds an industry to be seasonal, he may grant special permission to work longer than 44 hours without overtime pay, but it must not be longer than 56 hours a week and 12 hours a day for a limited period of 14 weeks in each year. Such authority must be specifically granted by the Administrator.

All of us are proud of the forward strides that have been made in the last few years to protect the children of the Nation from industrial exploitation. The Fair Labor Standards Act of 1938 goes a step further. After October 24th, 1938, interstate commerce in goods produced in establishments where oppressive child labor conditions have prevailed within thirty days prior to shipment is specifically prohibited. The definition of oppressive child labor is that of employment of children under sixteen years of age, and the employment of minors of sixteen to eighteen years of age in occupations found and declared to be hazardous by the Chief of the Children's Bureau. The administering of this portion of the Act is lodged in the Children's Bureau of the United States Department of Labor, and an employer may protect himself against the illegal employment of minors by securing employment certificates issued in accordance with regulations established by this Bureau. Specifically exempted are children employed in agriculture while not legally required to attend school, and children employed as actors in motion pictures or theatricals.

The enforcement of the Act is, to a large extent, in the hands of the people. The law provides that if an employee is not paid the twenty-five cent minimum or does not receive overtime pay for work over 44 hours, he may sue directly or through a representative in any civil court. If a judgment is rendered in his

favor, he may recover double the amount due him in addition to attorney's fees and court costs. The Administrator, through the Attorney General, may prosecute for violation of the provisions of the Act and minimum wage orders, and adequate penalties are provided in case of conviction.

Legal recourse is also available to the employer. Any person aggrieved by a wage order of the Administrator may obtain a review of such order in the circuit court of appeals of the United States or in the United States Court of Appeals for the District of Columbia. The review by the Court is limited to questions of law and findings of fact by the Administrator, when supported by substantial evidence, are conclusive.

Finally, I wish to emphasize that our experience with minimum wage legislation in such States as New York, Massachusetts, Illinois, New Hampshire, Ohio, and California indicates that such legislation does benefit the workers affected by it; that it does not establish the minimum wage as the maximum--as so many critics of minimum wage legislation assert--and that the majority of wage earners and employers are in favor of laws of this type.

The Fair Labor Standards Act is no panacea; but it will, in my opinion, make less likely, in a country as rich as ours, the exploitation of workers under substandard conditions.