

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington

MINNESOTA LUMBER FIRMS PAYING \$35,256 TO EMPLOYEES IN WAGE-HOUR RESTITUTION

Acting upon a court order issued last July, two companies jointly engaging in the lumber business in Minnesota are now paying out a total of \$35,256 in back wages and overtime compensation due 992 employees under the Wage and Hour Law (Fair Labor Standards Act) Colonel Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor, was advised today. The Park Region Timber Company and Northern Pine Manufacturing Company are engaged in manufacturing, producing, selling and shipping of pulpwood, logs and lumber, with headquarters at Brainerd, Minnesota.

Three officials of the companies, Edward B. Sullivan, Saul J. Zeman and S. William Locke, all of Brainerd, pleaded guilty July 10, 1940, to a total of 151 counts of two criminal informations charging them with violating wage and hour and child labor provisions of the act. The trio not only were ordered by Federal Judge Gunnar H. Nordbye in U. S. District Court at Minneapolis to make restitution of the back wages and overtime compensation to the employees, but they were also fined \$10,000 for violating the act.

Specific charges against the defendants included failure to pay the minimum wage rates established in the act and the overtime compensation of one and a half times those rates currently effective at the time of the violations; failure to keep records and falsification of records which were kept; employment of children under 16 years in the production of goods for interstate commerce; and shipment in interstate commerce of goods produced in violation of the act.

Amounts paid to individual employees in the restitutions ranged from a few dollars up to more than \$400. Most of the men receiving the payments have been

employed in the cutting and peeling of pulpwood. Wage and Hour Division investigations disclosed deplorable living conditions. Many employees lived with large families -- one with 14 children -- in tarpaper shacks on rented cutover land. Entire families ranging in ages down to children of 8 years were found employed, boys of 12 swinging axes or pulling saws, piling pulpwood and logs, loading timber, felling trees and doing other dangerous work. At piece rates paid by the firms and in the poor timber worked, some of the men were found to be earning only 10 cents an hour.

The case against the two companies was the first important one of its kind developed by the Wage and Hour Division in an industry-wide drive conducted in the lumber industry in 1940 to enforce compliance with the Fair Labor Standards Act. The most recent tabulation of results of this drive showed that more than 20,000 employees working in the lumber industry were due restitutions of back wages and overtime compensation approximating \$650,000.

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