

New Wage-Hour Law To Affect 11 Million Workers Next Week

44-Hour Ceiling on Working Time and 25-Cent Floor On Hourly Pay Will Be Established; Andrews Gives Interpretations.

(Editorial, Page 12)

WASHINGTON, Oct. 19 (U. P.)—Federal control over wages and hours in interstate industry becomes effective at 12:01 a. m. Monday, under the Fair Labor Standards Act of 1938.

After that hour it will be illegal for those covered by the statute to work more than 44 hours a week unless they are paid in money (not time off) at the rate of time and one-half for the overtime. The minimum hourly wage becomes 25 cents.

The act was passed by the last Congress and signed by President Roosevelt on June 25. It is estimated that 11 million workers will be affected by its provisions.

Ultimately the law will establish a ceiling of 44 hours over the standard work week for those covered by the act and a floor of 40 cents an hour under wages. Approach to that objective is gradual.

Standards automatically established Monday morning provide for a 44-hour week and minimum pay of 25 cents an hour.

The act also undertakes abolition of "oppressive child labor." Both with respect to child labor and the wage-hour standards imposed, enforcement of the act will bar from commerce all goods produced in violation of its terms or in violation of orders of the administrator, Elmer F. Andrews.

Fines, Sentences Provided

Several penalties may be assessed against violators. The maximum penalty for the first wilful violation is a \$10,000 fine. Penalty of a second wilful violation could be \$10,000 fine, imprisonment for not more than six months, or both.

The act provides for industry committees. Some businessmen are said to be under the impression that the wage-hour provisions do not become operative in any industry until its industry committee has been appointed and has made recommendations. This is a mistake. Actually only one industry committee has been appointed for textiles—but the provisions of the act become effective generally at the appointed hour.

Application of wage-hour provisions presumably will invalidate parts of existing union labor contracts which do not conform to the law now about to become operative. Included in the act is a paragraph stipulating that the new legislation shall not justify an employer in reducing wages paid in excess of proposed minimum wages nor justify increasing hours of employment which now are less than the maximum hours provided by the act.

That language, however, does not forbid and evidently is not enforceable. Therefore, it represents merely the hope of Congress. Wage-Hour Administrator Andrews has urged that employers voluntarily conform to the policy suggested.

Indemnities Provided

In addition to fines and imprisonment, there is provision for double indemnity of employee to employee for violations. Recourse to courts may be had, as follows:

1. Employees may sue to recover unpaid minimum wages or unpaid overtime compensation. Violating employers are liable for unpaid sums plus an equal amount as damages, and court costs, including reasonable attorney fees.

2. Employers or employees aggrieved by a wage order may obtain review of the order in a U. S. Circuit Court, but the court's power of review is limited to questions of law.

3. The Federal Government may prosecute criminally for violations of the act or for discharge of, or discrimination against, any employee who has filed a complaint under the act or testified before a hearing. The administrator may ask a Federal District Court to restrain violations of the act by injunction.

The standard work week established by the act is as follows: Oct. 24, 1938, to Oct. 24, 1939, 44 hours; Oct. 24, 1939, to Oct. 24, 1940, 42 hours; thereafter, 40 hours. The law does not prohibit employment in excess of the standard work week provided the employee is compensated in money at a rate not less than one and one-half times the regular rate.

Higher Wages Possible

Established wage minimums:

1. Oct. 24, 1938, to Oct. 24, 1939, 25 cents an hour.

2. Six years from Oct. 24, 1939 to Oct. 24, 1945, 30 cents an hour.

3. Thereafter, 40 cents an hour.

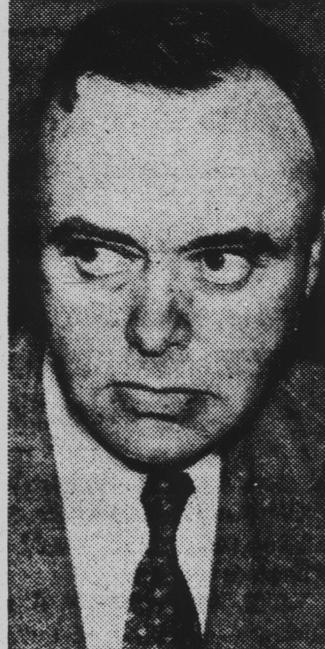
But Congress held that it might be possible before 1945 to establish wages above 25 or 30 cents a hour "without substantially curtailing employment." So Congress authorized wage determination committees equally representative of employers, labor and the public. These committees may recommend rates higher than 25 or 30 cents but not higher than 40 cents an hour.

The Wage and Hour Division has defined generally employees covered by the Act and general exemptions.

Those covered are:

1. Employees engaged in producing, manufacturing, mining, handling, transporting or in any manner working on goods moving in interstate commerce.

2. Employees engaged in any



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process or occupation necessary to the production of such goods.

3. Employees engaged in interstate transportation, transmission or communication.

Exemptions Listed

The administrator's first interpretive bulletin defined the foregoing as including office workers and maintenance and custodial employees of concerns subject to the act—a night watchman, for instance, employed by a firm engaged in interstate industry.

Neither wage nor hour provisions apply to:

1. Agricultural workers, seamen, employees of airlines, streetcar, motorbus, interurban railways and of weekly or semiweekly newspapers of less than 3000 circulation largely distributed in the county of publication.

2. Persons employed in a bona-fide executive, administrative, professional or local retailing capacity, or as outside salesmen.

3. Persons employed in any retail or service establishment, the greater part of whose servicing or selling is in intrastate commerce.

4. Persons employed in fishing and the fishing industry.

5. Persons employed in the area of production to handle or prepare or can agricultural or horticultural commodities for market, or employed to make dairy products.

Further complete exemption from the hour provisions is provided for:

1. Employees of railway, motorbus and truck carriers which are regulated by the Interstate Commerce Commission.

2. Employees of employers engaged in the first processing of milk, whey, skimmed milk or cream into

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