PATHFINDER

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LSA: Troubled Birth

With all the squalling and excitement attending a human birth, the New Deal last week presented to America its latest legislative infant—the Fair Labor Standards Act, under which the Federal government henceforth will regulate the wages and working hours of 11 million men and women (PATHFINDER, Oct. 29).

Birth of LSA was not without its pangs. As critics had predicted, immediate application of a 25-cent minimum hourly wage and a 44-hour maximum work week to industries engaged in inter-state commerce caused some employers to whittle down the number of their employees and others to cease operations entirely:

¶ Seeking exemption for his industry, Julius Seligman, president of the National Pecan Shellers Association of America, declared that every pecan-shelling plant in the south had shut down because of the new law, throwing 50,000 out of work.

¶ Also in the south, where labor is cheap, reports said that tobacco processing, lumber and textile mills were closing, erasing some 10,000 jobs.

¶ In New York City, Western Union and Postal Telegraph asked permission to pay their messengers less than the 25-cent minimum wage. Otherwise, they said, they would be forced to discharge some 4,000 boys. When no ruling came from Washington, Postal Telegraph immediately began to lay off 1,000 messengers, but Western Union reserved action.

¶ As far away as American-owned Puerto Rico, where cheap native labor is the basis of most industry, LSA was said to have disemployed more than 100,000 laborers. "The medicine," said Labor Commissioner Prudencio Martinez, "is too strong for the patient."

Such alarms were quickly minimized by Elmer F. Andrews, administrator of the new law, who struck out bitingly at the "small, selfish, anti-social minority" that was trying to "discredit" LSA through "subterfuge." Many of the complainers, said Andrews, had deliberately built up large inventories of stock so that they could shut down as the law went into effect. Others, he asserted, were blaming on the act closings that were actually seasonal.

In three radio addresses in as many days, and in several press interviews, the administrator insisted that the great majority of employers intended to cooperate with him. As proof, he pointed to 50,000 inquiries received by the Labor Standards Division and to pledges of assistance from governors of 10 states. Andrews was backed up by the President, who told reporters that some dislocation was to be expected in applying so sweeping a law, but that most of the stories of layoffs and shut-downs were exaggerated.

Defending LSA was by no means the only preoccupation of the Labor Standards Division as the act became law. Numerous definitions of terms were laid down; requests for exemptions had to be considered; the flood of inquiries was incessant. So gigantic was their task, in fact, that the Division's workers, exempt from LSA as Federal employees, labored 88 hours a week to give America shorter hours and better pay.

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WAGES, HOURS—

Congress Is Stirred by a Contentious Bill

As Democrats Whistled and Cheered, Mansfield Signed His Name†

IN THE year 1630, the stony-faced masters of Massachusetts Bay Colony decided to do something about the working man. Determined to keep down labor costs by holding wages to a fixed maximum standard, they issued this proclamation:

"Ordered; That Carpenters, Joyners, Brickelayers, Sawers and Thatchers shall not take above two shillings a day, and 16 pence a day if they have meate and drinke, nor any man shall give more, under paine of 10 shillings to taker and giver."

Last week, in an American world vastly changed from that of Puritan New England, action of a similar sort revolved around the working man. This time, however, it was to help increase his wages and employment by establishing a minimum standard of pay and a maximum work week. Altogether at variance with the social and economic concepts of 1630, this proposal would let the worker earn any amount above the standard but would not let the employer pay below it.

DRAMA: Already passed in one form by the United States Senate and scheduled for debate this week, in another form, in the House of Representatives, the proposal loomed large in Congressional affairs last week. The story of its progress to the debate stage is a legislative drama all its own.

A fortnight ago, a gray-haired, broad-shouldered invalid rolled his wheel-chair to the rostrum of the House. There, as Democratic Congressmen whistled and cheered, he signed his name to a petition on the clerk's desk. With that simple, almost melodramatic act, Representative Joseph J. Mansfield, a 76-year-old Texas Democrat, ended one bitter impasse and opened what might well be another. His signature, the last one necessary under parliamentary rules, was the 218th to a petition requiring the powerful House Rules Committee to surrender to the chamber the Black-Connery Wages and Hours Bill. It

† Shown in the picture with Representative Mansfield are Representative Mary T. Norton, chairman of the House Labor Committee, Speaker William B. Bankhead (background), and Representative Patrick J. Boland.

meant that the House would now have a chance to act on the measure.

Last August, despite presidential campaign pledges that some such legislation would be enacted, five southern Democrats on the House Rules Committee (Cox of Georgia, Driver of Arkansas, Smith of Virginia, Clark of North Carolina and Dies of Texas) joined the committee minority of four Republicans and bottled up the wage-hour measure by refusing to let it reach the floor of the House for debate and action. Until two weeks ago, the Black-Connery bill seemed dead beyond the hope of resurrection.

The New Deal drive to dislodge it from the committee was geñeraled by a woman. As chairman of the House Labor Committee, large, bespectacled Representative Mary T. Norton, 62-year-old New Jersey widow, performed a heavy legislative task in lining up signatures for the discharge petition. Aiding her were Representative Sam Rayburn of Texas, majority leader, and Representative Patrick J. Boland of Pennsylvania, Democratic whip. While Speaker William B. Bankhead of Alabama praised the work of all three, opposition forces started a movement to investigate charges that promises of political favors were bartered for signatures. The House Democratic majority, however, quickly and overwhelmingly defeated a resolution authorizing the investigation.

Although breaking the Rules Committee impasse was an important victory in the New Deal's battle for minimum wages and maximum hours, events last week made it plain that the Black-Connery bill still faced a rocky and murky road. The House Labor Committee, apparently not at all sure of itself, was prepared to add 60 or more amendments. At the same time, Chairman Norton anounced plans for such fundamental revisions that it seemed highly improbable the bill could be passed before the end of the special session. Even if it should pass, it would differ so much from the one already approved by the Senate that the two versions could not be compromised in time for a vote before the regular Congressional session beginning January 3.

THE BILL: A keystone in the New Deal's social and economic philosophy of "balanced abundance," the Black-Connery Wages and Hours Bill is designed primarily to insure for those who are now underpaid "a minimum standard of living necessary for health, efficiency and general well-being." Basically social in its aims, it has also a more or less secondary significance as an economic measure likely to spread employment and increase the nation's purchasing power. Such, at least, is the broad theory behind it.

As approved by the Senate last July 31, the bill would affect only those businesses or industries taking part in

interstate commerce. Its application would thus differ largely from NRA, which embraced virtually all business—interstate and intrastate. In this respect, it guards itself from one of the factors that led to the unanimous Supreme Court decision declaring the Blue Eagle unconstitutional. It takes into consideration the fact that the Federal government cannot control *intrastate* commerce unless that commerce has a direct *interstate* effect.

Major provisions of the Senate-passed wages-and-hours bill include these: (1) A 5-man labor standards board would be established as a separate government agency administering the act; (2) the board would be empowered to fix minimum wages at a figure not in excess of 40 cents an hour and a maximum work week of not less than 40 hours; (3) goods manufactured by persons under 16 years of age—or 18 in dangerous occupations—could not be sold in interstate commerce; (4) goods manufactured under conditions violating any of the standards fixed by the board would be barred from interstate commerce; and (5) to meet special conditions, the board would be empowered to establish standards at its own discretion, such as determining wage differentials between northern and southern labor.

Although clear-cut statistics on the subject do not exist, it has been estimated that the Senate bill would improve the economic status of millions of persons. While a member of the Senate, Supreme Court Justice Hugo L. Black, one of the authors of the measure, said it would affect industries in which about 3,000,000 workers now earn less than 40 cents an hour and in which 6,000,000 work more than 40 hours a week. If this estimate can be regarded as reasonably accurate, it can be claimed that the bill would indeed spread employment and increase the nation's purchasing power. This point, however, remains highly debatable.

REVISIONS: What the Senate bill might or might not do, however, by last week had become an almost pointless question. Developments in the House of Representatives made that fact clear.

Under pressure from William Green, president of the American Federation of Labor, and receiving only lukewarm support from John L. Lewis, C. I. O. head, the Labor Committee was forced to undertake a series of revisions. As a first step, it struck out the Senate bill provision for a 5-man labor standards board, substituting instead a provision placing administration of the bill under a single administrator in the Labor Department. This was a concession to Green who had publicly declared that the A. F. of L. wanted no 5-man board in charge. Green intimated that the A. F. of L. had become wary of boards because of the allegedly unfair treatment accorded it by the National Labor Relations Board.

Another important change was made when the Labor Commmittee replaced the Senate bill's child labor provision with a section giving the Children's Bureau of the Labor Department power to determine child labor standards. Altogether, the Labor Committee was prepared last week to propose approximately 60 amendments

in revising the Senate version. Among those considered was one that would make the House bill resemble the NRA. This would authorize the appointment of industrial, non-governmental committees for the purpose of

Green Brought Pressure and Objections . . .
Lewis Offered No Militant Support

drawing up agreements on minimum wages and maximum hours. The committees would be made up of persons representing employers, workers and consumers.

Clearly enough, the House revisions amounted almost to a complete rewriting of the measure approved last July by the Senate. With many of the amendments controversial in character, it appeared certain that sharp debates would arise and that the bill's progress toward enactment would be at least temporarily impeded by many a stout opposition bump.

OPPOSITION: The wages-and-hours debate scheduled for the House this week will draw its fire from many sources. Influencing all arguments will be labor's attitude. On the one hand, John L. Lewis and the C. I. O., far from offering militant support, have paid the measure little more than lip-service since it passed the Senate. On the other hand, William Green and the A. F. of L. have come forward with objections, the chief of these being against any provision to set up a labor standards board.

In addition to its objections, the A. F. of L. has suggested a bill of its own. This would establish a Federal law fixing 40 cents an hour and a 40-hour week as inflexible nation-wide standards for all business of an interstate nature. Exceptions would be made only in cases of emergency, and the Justice Department would prosecute violators. If a worker worked more than the fixed number of hours, for instance, or if he received less than 40 cents an hour, the employer would face a fine of $100 for each violation. Thus, if 100 workers in a single company were each paid less than 40 cents an hour, the employer would be subject to a total fine of $10,000. According to Chairman Norton, any effort to substitute this bill for the one rewritten by the Labor Committee would indefinitely delay passage of all wages-and-hours legislation.

Another threat to the legislation last week lay in the attitude of southern members of the House—the same force that tied up the original bill in the Rules Committee. However well they may be argued against, the views of this group are understandable. Most southern Congressmen are suspicious of wages-and-hours legislation because they feel it would militate against southern business.

It is an accepted fact that the south's wage-scale is lower than that of the north and west. It is also an ac-

cepted fact that its work-week is longer. Hence, northern business claims that southern business has a relatively unfair competitive advantage in interstate commerce and that it should therefore be obliged to follow higher standards.

The southern viewpoint may be summarized thus: the south's low wage-scale is justified because the south's cost of living is lower than elsewhere and labor is less efficient. Accordingly, if there must be a wages-and-hours law, standards fixed for the south should be lower than standards fixed for other sections. The typical northern answer to that argument is this: the *standard* of living, not the cost of living, is lower in the south;† if southern business paid higher wages, its labor would be more efficient; high wages, instead of being a hindrance, would be a help to the south, just as it was a help to the north until the south started using cheap labor in competition.

In all likelihood, the administrator of any Federal wages-and-hours law would have to take a middle ground between these two viewpoints to determine a fair wage differential. Thus, if a weekly minimum wage of $16 were established for northern business, a $15 minimum might be established for the south.

Apart from the south's important sectional opposition to the proposed bill, there is much opposition from other quarters. Not inconsiderable numbers of business men believe that the bill would give added motion to the heavy, meddlesome and often stupid hand of bureaucracy. While recognizing that something should be done for the millions who do not now enjoy a decent living wage, they are opposed to all forms of Federal wages-and-hours legislation. The problem, they feel, should be worked out gradually by the states, perhaps through regional compacts.† Above all, they fear that a Federal law would too sharply and too suddenly increase labor costs and thus place an undue burden on many small, struggling enterprises. In that case, they hold, the law would aggravate conditions rather than create employment and increase national purchasing power.

Another important opposition group is made up of those who base their stand on political philosophy. These maintain that a Federal wages-and-hours law would further centralize power in Washington and impair the doctrine of state's rights. Deploring this trend, they hold to the principle that "that government is best which governs least." Like the business opposition, they admit that something should be done to insure a decent minimum wage for all Americans, but they insist that the problem should be left to the states to solve. They find it repugnant to think that a Federal agency should have power to "dictate" working conditions in all parts of the country. In the field of politics they find a voice in such men as Republican Senator Arthur H. Vandenberg. The Senator, who sometimes displays a talent for exaggeration, has called the wage-hour proposal "the essence of Fascism."

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† The compact idea has already been tried with some success. In May, 1934, at Concord, N. H., seven northeastern states signed a compact in which they agreed to maintain labor standards among themselves in accordance with principles of established state minimum wage laws.

MISCONCEPTIONS: A close inspection of the proposal is sufficient proof that it does not deserve to be called "the essence of Fascism." Such criticism is merely an example of the many misconceptions that have attached themselves to the wages-and-hours bill. It may well be that the measure has been ill-conceived, but its basic theory cannot accurately be called un-American.

Actually, the idea of minimum wages and maximum hours did not spring up overnight, is not exclusively the child of the New Deal, and does not constitute an American innovation. In point of fact, the United States has lagged behind many countries in establishing minimum labor standards. Such standards have been in effect in Australia for the past 40 years. Great Britain has recognized the principle since 1909. So, too, have other important European nations. In this country, the principle was first applied on a large scale when Massachusetts enacted a wage law in 1912. Since then, the state movement has spread, but not fast enough to satisfy those who feel that wage-hour standards cannot be properly improved unless Federally directed in all corners of the nation.

It is an impressive fact that the past 25 years have, in one way or another, sharpened the trend toward shorter work-weeks and higher rates of pay. Long before the New Deal came into political existence, this trend was encouraged as a significant part of the American economy. Wages-and-hours legislation, either as a state or Federal measure, has long been regarded as an inevitable and natural development in machine-age economics. Technological progress, with its attendant mass production and labor displacement, has been largely responsible for this. It is not surprising, therefore, to read that 25 years ago approximately 40 per cent of America's non-agricultural workers worked 60 or more hours a week, while today only about 7 per cent work that long.

An additional misconception is that establishment of minimum standards tends to keep wages at a minimum. Experience has shown otherwise. The operation of minimum wage standards in several states can be cited to prove that fixed standards tend to encourage pay increases in good times and prevent decreases in bad times.

Mistaken notions have served to befog the real issue involved in the proposed Federal wages-and-hours bill. That issue can be summed up in questions: Will a Federal law be more effective than laws in the separate states? Will a Federal law operate without placing an unreasonable burden on business? Can a Federal law be administered without bureaucratic excesses? Will it insure a decent minimum wage, help spread employment and improve purchasing power? Supporters of the bill answer with a blanket "yes." Opponents say "no." And Congress takes up the debate.

As the House Labor Committee prepared and revised the bill last week, the debate prospect was heightened. Numerous amendments made it seem more than likely that enactment of the measure, if it were to come at all, would not be realized until sometime after Congress meets in regular session next month. Should the House vote approval, the bill will go to a

joint committee of Senators and Representatives who will attempt to work out a compromise version for final Congressional approval. When and if this is forthcoming, a new national law will strive to bring America a step nearer its far-away goal of "balanced abundance."