

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office' Correspondence

Date November 2, 1938.

To: Chairman Eccles

Subject: Application of the Provisions

From: Lauchlin Currie
LC

of the Wage-Hour Law

Apropos of our discussion on the Wage-Hour Law, I am attaching some of the relevant provisions, which I asked Mr. Sweezy to check.

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Date Nov. 2, 1938

To Mr. Currie

Subject: Application of the

From Alan R. Sweezy

Provisions of the Wage-Hour Law

A. R. S.

Wages

During the first year, that is, October 1938 to October 1939, the general minimum is 25 cents an hour; for six years thereafter the minimum is 30 cents; and in 1945 the permanent figure of 40 cents goes into effect. A gradual adjustment from the 30- to the 40-cent level is envisaged, however, through the machinery of the industry committees. These committees will act much as collective bargaining agencies do to provide by agreement for increases over the six-year period until the 40-cent figure is reached.

Hours

Maximum hours are 44 for the first year, that is, to October 1939; 42 for the second year, and 40 after October 1940. Flexibility in the application of the maximum hour provisions is provided for as follows:

1. Agreements made by an organization of employees certified as bona fide by the Labor Board may provide for a yearly maximum of 2,000 hours instead of the weekly maximum of 40 hours. This provision will obviously be important in industries where there is any appreciable seasonal variation in the rate of activity.

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2. In any industry found by the Administrator to be of a seasonal nature, longer hours may be worked for a period of not more than 12 weeks in any calendar year, provided that overtime is paid for employment in excess of 12 hours a day or 56 hours a week.
3. Processing or canning of perishable fruits or vegetables or any other agricultural commodities during seasonal operations is entirely exempt.