## NIXON SIGNS MINIMUM WAGE INCREASE

President Nixon April 8 signed into law (PL 93-259) a fill raising the minimum wage for most non-farm workers 2.00 an hour, effective May 1. It was the first minimum wage hike since 1967.

The bill (S 2747) was substantially the same as one ixon vetoed in 1973. Continued inflation and doubt that would win an override attempt, however, apparently

ompelled the President to sign it.

"Although I have some reservations about porions of this legislation,..." Nixon said in a written statement, "on the whole, (the measure) contains more good han bad and I have concluded that the best interests of the American people will be served by signing it into law."

As signed, PL 93-259 raised the minimum wage for non-farm workers from \$1.60 to \$2.30 an hour in three teps. Farm workers would be raised from \$1.30 to \$2.30 five steps. New coverage was extended to approxnately 7 million employees, including domestics, and everal wage and overtime exemptions were repealed.

S 2747 was passed by the Senate March 7 in almost ne same form as the 1973 vetoed bill. The House version IR 12435), passed March 20, made some concessions to dministration objections. The major concession was a sfusal to extend overtime coverage to police and firemen

5 provided in the Senate bill.

The final bill, cleared March 28, provided for overme coverage for police and firemen, but only if they orked in excess of 240 hours in 28 consecutive days. The ill did not completely meet any of the objections stated y Nixon when he vetoed the similar 1973 measure, but ne overwhelming margins by which it was passed intually assured that a veto would be overridden and ave him little choice but to sign it.

## Background

The Fair Labor Standards Act of 1938 (PL 75-718) egulated wages, hours and child labor by employees of rivate businesses engaged primarily in interstate comperce or the production of goods for interstate commerce. hese criteria automatically excluded most retail and ervice operations, federal, state and local government mployees and the self-employed.

The 1938 act further exempted administrative and rofessional personnel, all farm and certain food processig workers and domestic household workers from cover-

ge.

Employers affected by the act were required to pay orkers a minimum wage of 25 cents an hour and at time-od-a-half for all work performed beyond 44 hours a week.

Efforts over the years to expand wage and overtime werage under the scope of the 1938 act initiated resated clashes in Congress. Although numerous attempts revise the act substantially were launched, Congress ad amended the law only four times since its enactment in 1949, 1955, 1961 and 1966. The most generous expanon of coverage took place in 1961, when retail and service orkers employed by firms with gross annual sales in cess of \$1-million were brought under provisions of the actual terms.

Congress last amended the law in 1966 (PL 89-601) by zending minimum wage requirements to businesses

with gross annual sales of \$250,000 or more and to some federal employees and authorized a gradual increase in the minimum wage for non-farm workers to \$1.60 an hour. In addition, the 1966 amendments extended coverage to certain farm workers and scheduled a gradual increase in their wages to a minimum of \$1.30 an hour. (Congress and the Nation Vol. II p. 611)

In 1972, a coalition of House Republicans and southern Democrats killed a minimum wage bill when the House twice refused to send the measure to conference.

(1972 Almanac p. 361)

President Nixon Sept. 6, 1973, vetoed a bill (HR 7935) which would have raised the hourly minimum wage for most non-farm workers to \$2.20 on July 1, 1974. The measure also would have extended coverage to approximately 6.7 million workers, including domestics and federal, state and local government employees, and removed overtime exemptions for several categories of employees. The bill did not contain a provision actively sought by the administration—a youth differential that would have allowed employers to hire 16- and 17-year-old youths for six months at a subminimum wage.

In a veto message, Nixon said the bill was inflationary, would cause unemployment and would "hurt those who can least afford it." The veto was sustained Sept. 19 when the House by a 250-164 vote failed to override.

(1973 Almanac p. 328)

## **Provisions**

As cleared for the President, S 2747:

- Increased the hourly minimum wage for all non-farm employees covered under the Fair Labor Standards Act prior to the 1966 amendments and for federal employees covered by the 1966 amendments from \$1.60 to \$2.00 on May 1, to \$2.10 on Jan. 1, 1975, and to \$2.30 on Jan. 1, 1976.
- Increased the hourly minimum wage for all non-farm workers covered under the 1966 amendments and under S 2747, except federal employees covered by the 1966 amendments, from \$1.60 to \$1.90 upon the effective date, then to \$2.00 on Jan. 1, 1975, to \$2.10 on Jan. 1, 1976, and to \$2.30 on Jan. 1, 1977.
- Increased the hourly minimum wage for all previously covered farm workers from \$1.30 to \$1.60 on May 1, then to \$1.80 on Jan. 1, 1975, \$2.00 on Jan. 1, 1976, \$2.20 on Jan. 1, 1977, and to \$2.30 on Jan. 1. 1978.
- Extended minimum wage and overtime coverage to approximately 5 million federal, state and local government employees; gradually phased in overtime coverage for police and firemen, beginning coverage Jan. 1, 1975, for all those who worked in excess of 240 hours in 28 consecutive days.
- Extended minimum wage and overtime coverage to domestic household workers who earned more than \$50 in a calendar quarter or who worked more than eight hours a week for one or more employers.
- Extended minimum wage coverage gradually to some 654,000 retail and service employees of chain store operations by reducing the dollar volume exemption limits (over which minimum wage must be paid) from \$250,000 in gross annual sales to \$225,000 by Jan. 1, 1975, \$200,000