

March 25, 1940

Mr. Berger of the Standard Shade Pull Company of Chicago, called up the regional office today and discussed the following matters with Inspector Raymond Lewis, handling the shade pull industry investigation. He stated that the Wage-Hour Division has made a thorough investigation of the industry and had secured commendable results in its indictments and in its prosecution of violators of the Act, engaged in interstate commerce. However, he stated that the industry was in a deplorable condition.

He said that firms were now allegedly manufacturing for local use only, paying the same previous low rates and that he felt that these "local" goods were being reshipped in interstate commerce. He added that he was obliged to lay off half of his staff because he could not pay them the legal rate and compete against this "local" competition. Mr. Berger was advised that where the product was manufactured and sold wholly within one state, it was not within the jurisdiction of the Wage and Hour Act at this time to proceed against any such local manufacturers. However, if it was definitely established that the goods were being reshipped in interstate commerce, we would proceed against any such violators.

Mr. Berger said he would make an effort to secure evidence of any reshipments of allegedly "local" goods in interstate commerce and that he would advise the Wage and Hour Division as soon as he secured any proof along those lines. He admitted that at present he felt the competition but had no definite proof at this time that local goods were being re-shipped.

He attempted to show that the Novelty Cord & Tassel Co. was in violation of the Act by an analysis of his own labor costs as compared to Novelty Cord & Tassel Company's labor costs. Mr. Berger does not know the manner in which the Novelty Cord & Tassel Company operates and from his figures it seems that he was not fully acquainted with the labor cost involved in the operation of the Novelty Cord and Tassel Company.