

For immediate release
Monday, May 22, 1939

R-302

Statement on Amendments to
the Definitions of "Textile Industry" and "Wool Industry"

The inability of Industry Committee No. 1 and Industry Committee No. 1A to agree on a proper line of demarcation between their respective jurisdictions forced me to issue the amended definitions of "textile industry" and "wool industry" that I have just read.

May I point out that the demarcation problem between wool and other textiles was fully recognized at the time the appointment of industry committees for the textile industries was first considered. On September 13, 1938, in a letter to Mr. Nelson, I requested advice on a proper amendment of the textile definition to include "the manufacturing and finishing of such yarn and woven goods with such percentage of wool as is so closely related to the operations listed in Order No. 1 as to require similar and simultaneous treatment to avoid conferring competitive advantage and to secure, insofar as practicable, reasonably related minimum wages within the establishment...."

Subcommittee A of the Textile Committee was appointed to deal with this problem. This subcommittee recommended that a Wool Industry Committee be appointed and that the Wool Committee appoint a subcommittee of three to cooperate with subcommittee A of Industry Committee No. 1 in evolving a mutually satisfactory line of demarcation after the two committees had made tentative wage recommendations. These recommendations of the subcommittee were adopted by Industry Committee No. 1 at its meeting on December 14, 1938

(1182)

I think that it is important to note that the formulation and adoption of these recommendations was based partly on the assurance given by leading spokesmen for both industries that the demarcation problem was capable of easy solution as soon as the wage recommendations of the two committees were known. I regret exceedingly that agreement between the two committees was not achieved.

Briefly, the amendments that I have made provide:

(1) that the manufacture of woven blankets and piece goods, together with certain designated knit fabrics, containing not more than 25 percent wool by weight (with a tolerance of 2 percent) should be subject to the textile minimum wage;

(2) that yarn containing not more than 45 percent wool by weight spun on systems other than the woolen system should be subject to the textile minimum wage;

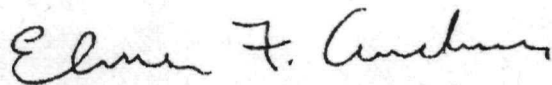
(3) that the manufacture of woven blankets and piece goods, together with certain designated knit fabrics, containing more than 25 percent wool by weight (with a tolerance of 2 percent) should be subject to the wool minimum wage;

(4) that all yarn spun on the woolen system and yarn containing more than 45 percent wool by weight spun on systems other than the woolen system should be subject to the wool minimum wage,

I believe that this line of demarcation avoids conferring competitive advantage upon either the woolen industry under Industry Committee No. 1A or the textile branches under the jurisdiction of Industry Committee No. 1, and that it will eliminate insofar as possible the imposition of two different minimum wage scales in the same mill.

The line of demarcation fixed by these amendments is identical with that which prevailed during the N. R. A. period. It worked satisfactorily during that time, despite the fact that the differentials between the code minima were considerably greater in the South and only slightly less in the North than the differentials now tentatively recommended by the Textile and Wool Industry Committees.

I should like, also, to point out that the line of demarcation established by these amendments is substantially that tentatively suggested by the National Association of Wool Manufacturers in a memorandum submitted when the definition for Industry Committee No. 1 was first considered.



ELMER F. ANDREWS