R-304

REPORT AND RECOMMENDATION

of

INDUSTRY COMMITTEE NO. 1

for the

TEXTILE INDUSTRY

to the

ADMINISTRATOR OF THE WAGE AND HOUR DIVISION

of the

UNITED STATES DEPARTMENT OF LABOR

May, 1939

(1144)

C O N T E N T S

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General Statement

In compliance with Administrative Order No. 1, issued September 13, 1938, and Administrative Order No.25, issued May 22, 1939, Industry Committee No. 1 for the Textile Industry recommends to the Administrator that:

The minimum wage for employees in the Textile Industry as defined by Administrative Order No. 25, dated May 22, 1939, who are engaged in commerce or in the production of goods for commerce within the meaning of the Fair Labor Standards Act of 1938, be established at thirty-two and one-half cents ($32\frac{1}{2}$¢) per hour.

In transmitting this recommendation the Committee suggests that:

1. Any wage order resulting from the Committee's recommendation as set forth above be made effective July 1, 1939, or as soon thereafter as practicable.

2. Six months after the effective date of such wage order, this or another committee for this industry be appointed to observe the effect upon this industry of the minimum wage established thereby and to make such further recommendations as it deems advisable.

The majority of the Committee concurs in this recommendation after having spent more than six months in studying testimony and facts submitted by the Bureau of Labor Statistics, the Economic Section of the Wage and Hour Division, and by representatives of both the employers and employees in the industry. In order to satisfy the provisions of the Fair Labor Standards Act, the Committee, in arriving at its recommendation, was required to, and did, carefully weigh this evidence.

The task which confronted the Committee was not an easy one. For almost two decades the textile industry has been recognized as a distressed industry.

It has been beset with a fluctuating price structure which throws the industry rapidly from profit to loss. Over-capacity, competition with products of low-wage countries, and increasing competition from substitute fibres and materials are some of the factors that make for instability in the industry. The Committee recognizes that wages in the textile industry have been for a long time among the lowest paid by the major manufacturing industries of the nation, and that the textile industry's instability may well be attributable in part to the regrettable tendency of some of its members to depress its chronically low wage standards. The Committee has reason to believe that its recommendation of a minimum wage of $32\frac{1}{2}$ cents per hour will tend to give greater stability and general improvement to the industry.

The Fair Labor Standards Act of 1938 directs (Section 8(b)) each industry committee to "investigate conditions in the industry . . . and to recommend to the Administrator the highest minimum wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry." It also directs (Section 8(c)) that

> "The industry committee for any industry shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for each classification within such industry the highest minimum wage rate (not in excess of 40 cents an hour) which (1) will not substantially curtail employment in such classification and (2) will not give a competitive advantage to any group in the industry, and shall recommend for each classification in the industry the highest minimum wage rate which the committee determines will not substantially curtail employment in such classification. In determining whether such classifications should be made in any industry, in making such classifications, no classification shall be made, and no minimum wage shall be fixed, solely on a regional basis, but the industry committee . . . shall consider among other relevant factors the following:
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> (1) competitive conditions as affected by transportation, living, and production costs;
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> (2) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and

(3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum-wage standards in the industry.

No classification shall be made under this section on the basis of age or sex."

In its deliberations conducted in accordance with the statutory provision just quoted, the Committee searched for all available evidence that would throw light on the effects of different wage rates on employment. The effects of several suggested minima on the industry were discussed in detail by authorized representatives from practically all interests concerned. The view of the public was represented by converters, wholesalers, garment manufacturers, retailers, and others concerned with the distribution of piece goods, articles of apparel, and articles of domestic utility.

The geographical distribution of the industry from Maine to Texas presents an involved situation in the matter of transportation costs, each section having compensating advantages and disadvantages. Mills in any one area undoubtedly enjoy transportation advantages to some markets over mills located in other parts of the country. To other markets these mills may operate under a shipping cost disadvantage as compared with mills situated elsewhere. The Committee devoted considerable time to the study of differences in transportation costs. The conclusion was reached that mills in no one section of the country operate under disadvantages of such a nature as to warrant classification of that section for differential treatment in the matter of minimum wages.

Testimony was heard based on a comprehensive study of cost of living made by the W. P. A. in collaboration with the Bureau of Labor Statistics. The Committee determined that to set up area classifications of minimum wage rates on the basis of cost of living differences would be impractical and undesirable for the following reasons: (1) the evidence indicated that the average cost of an equivalent standard of living varied but slightly among the regions; (2) variations in cost between cities within a region were much greater than variations among regions. Any attempt, therefore, to vary minimum wages on the basis of living costs would require scores of differentials. Furthermore, the gross differences in the cost of living seems to us relatively unimportant, in view of the fact that the minimum wage we recommend provides, at best, a very low level of living.

The estimated number of employees in the cotton, rayon, and silk industries total about 650,000 people, of whom about two-thirds are in cotton mills. In cotton mills, labor cost constitutes from 25% to 45% of total manufacturing cost, depending on the character of the goods and the fluctuating cost of cotton. Figures submitted by the Bureau of Labor Statistics indicate that the average hourly wage in the southern cotton textile area (containing about 75 percent of the cotton textile employees) was 36.6 cents per hour in August, 1938, and in the northern area 44.6 cents per hour. The majority of employees in the rayon and silk industries are employed in the northern area, and in most branches receive a slightly higher average hourly wage than the northern cotton mill employees. The recommended increase in the present statutory minimum of 25 cents to 32½ cents per hour is estimated to affect directly about 120,000 employees in the cotton industry alone. A majority of those directly affected are employed in the lower wage area.

Your Committee estimates that a minimum hourly wage of 32½ cents will require an average increase of not more than 9.3 percent in the payrolls of the mills in the low-wage southern area. The mills in this region now average approximately 36.6 cents per hour, and the proposed minimum should not raise this average hourly rate to more than 40 cents per hour. In fact, the increase may well be less than that stated here.

One mill owner testified that a 32½-cent minimum would increase his wage bill by about 15 percent but it should be noted that his present average hourly wage is 33½ cents per hour. This witness stated that a 32½ cent hourly minimum would raise his average to 38-3/4 cents per hour.

These estimates of increase in average wages - and hence in production costs - are supported by much evidence given to the Committee, including a hypothetical payroll made up by a manufacturer now operating a plant in the lower-wage area. Labor costs, of course, are only one element in total manufacturing costs. The Committee believes that a $32\frac{1}{2}$ cent hourly minimum will increase the total manufacturing cost of the average low-wage mill by something less than 4 percent (9.3 percent wage increase x 36 percent labor cost equals 3.35 percent). To illustrate the effect on total cost, let us take a well-known print cloth; 39" 80/80, 4.00 used in vast quantities in the house dress field. It is now selling (below cost) at about six cents per yard. The estimated increase in production cost, due to a $32\frac{1}{2}$ cent minimum would, we believe, be about one-quarter of a cent for the grey goods manufacturer.

The Committee considers that the testimony of converters, cutters, and retailers supports the belief that the increased manufacturing costs required by a $32\frac{1}{2}$-cent minimum will not result in decreased consumption and consequent unemployment. Prices in cotton grey goods, bleached, dyed and printed piece goods, and manufactured textile articles, such as sheets and pillow cases, overalls, work shirts, and cotton house dresses, have fluctuated in the past six years from their lows to their highs from 100 percent to 300 percent. In comparison with the adjustments that the industry must constantly make as conditions change, the adjustment to the recommended minimum should be relatively slight. Indeed, the floor to wages recommended by this Committee will introduce at least one element of stability into the textile industry picture.

Testimony offered by representatives of labor did tend to show that, as far as collective bargaining had established a minimum, it was higher than that now being paid by the industry in general. In several specialized branches the minimum in union contracts is considerably above this level. The proposed minimum is in line with the general minimum wage level established by collective bargaining in some of the industrial groups under the Committee's jurisdiction.

The minimum wage recommendation of this Committee will not remove the general differentials in wages that exist among the different geographical areas in which the industry is located, although these differentials probably will be narrowed to some extent. There is no evidence to show that the recommended minimum will disturb the present regional distribution of the textile industry appreciably.

The Committee was forced to consider the fact that it was dealing with an industry with excess manufacturing capacity, and that liquidation of mills and consequent unemployment have been present in marked degree in the high wage divisions of the industry for the past fifteen years. Such struggle for survival must apparently continue until a more balanced market emerges. The majority of the Committee is obviously not able to state, with proof derived from experience, that substantial unemployment would result in the textile industry if a higher minimum hourly wage than 32½ cents per hour was made effective at once. It is the opinion of the majority of the Committee, however, that any higher minimum wage, effective at this time, might create readjustments affecting employment and competitive conditions to a degree greater than that which, we believe, was contemplated by Congress in the passage of the Fair Labor Standards Act.

The final reason for the adoption by the Committee of a cautious approach to the problem of recommending a minimum wage grew out of its consideration of certain imponderable elements in the textile picture. The Committee, for example, was mindful of the fact that the possibility existed of abnormal importations of textile products from countries with labor standards lower than our own. This may not happen, of course; the possibility, however, exerted an influence on the decision of the Committee. In the same way, the possible inroads of substitute products was taken into account.

The Committee, in a word, believes that its wage recommendation was made after careful consideration not only of those factors capable of measurement, but also of those that exist merely as possibilities in the changing conditions under which this great industry functions. An analysis of the proceedings and of the evidence in support of the recommendation of the Committee follows.

Statement of the Proceedings

On September 13, 1938, the Administrator of the Wage and Hour Division of the Department of Labor appointed Industry Committee No. 1 for the textile industry consisting of seven persons representing the public, a like number of persons representing employees in the industry, and a like number of persons representing employers in the industry. 1/ The Committee was directed to

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1/ In Administrative Order No. 1, 3 F.R. 2313, Donald Nelson, Vice President, Sears, Roebuck & Company, Chicago, Ill., was appointed Chairman of Industry Committee No. 1. Other public members appointed were:

Grace Abbott, University of Chicago, Chicago, Ill.
P. O. Davis, Director of Extension Service, Alabama Polytechnic Institute, Auburn, Alabama
E. L. Foshee, Iron Rock Oil Company, Sherman, Texas
Louis E. Kirstein, Vice President, Wm. Filene's Sons Co., Boston, Mass.
George Fort Milton, President and General Manager, Chattanooga News, Chattanooga, Tenn.
George W. Taylor, Professor of Industry, University of Pennsylvania, Philadelphia, Pa.

The members appointed to represent employees in the industry were:
Paul Christopher, Technical Adviser, Textile Workers Organizing Committee, Shelby, N. C.
Francis P. Fenton, Director of Organization, American Federation of Labor, Washington, D. C.
Sidney Hillman, General President, Amalgamated Clothing Workers Union, New York City
R. R. Lawrence, Southeastern Director, Textile Workers Organizing Committee, Atlanta, Ga.
Elizabeth Nord, Textile Workers Organizing Committee, Manchester, Conn.
Emil Rieve, Executive Director, Textile Workers Organizing Committee, Philadelphia, Pa.
H. A. Schrader, American Federation of Labor, Washington, D. C.

The members appointed to represent employers in the industry were:
G. Edward Buxton, President, Androscoggin Mills, Providence, R. I.
Charles A. Cannon, President, Cannon Mills Co., Kannapolis, N. C.
Robert H. Chapman, Vice President, Inman Mills, Spartanburg, S. C.
John R. Cheatham, President and Treasurer, Georgia Kinkead Mills, Griffin, Ga.
John Nickerson, Cheney Bros. Mfgs., Manchester, Conn.
Seabury Stanton, Treasurer, Hathaway Mfg. Co., Inc., New Bedford, Mass.
R. R. West, President, Riverside and Dan River Cotton Mills, Danville, Va.

Subsequently, on January 4, 1939, the Administrator, by Administrative Order No. 10, appointed Fred Lazarus, Jr., Vice President and Treasurer, F. & R. Lazarus Co., Columbus, Ohio, and Allan Barrows, Treasurer, Gosnold Mills Corp., New Bedford, Mass., to the Committee in place of Mr. Kirstein and Mr. Stanton, respectively, who had resigned.

investigate, in accordance with the provisions of the Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, conditions in the textile industry and to recommend to the Administrator minimum wage rates for employees in such industry.

The Committee held its first meeting on October 11 and 12, 1938, at Washington, D.C. 1/ An explanation of the extent of its jurisdiction was given to the Committee by A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics of the United States Department of Labor. The Committee then took under consideration a letter from the Administrator to Mr. Nelson, the Chairman of the Committee, requesting the Committee's advice and recommendations concerning the advisability of adding to the jurisdiction of the Committee certain additional textile products. A subcommittee, known as Subcommittee A, was established to consider the question of the extent to which mixtures of wool and other fibers should be included within the jurisdiction of the Committee and another subcommittee, Subcommittee B, was designated to consider the advisability of adding to the Committee's jurisdiction the further processing carried on in textile plants of certain woven and knitted fabrics into finished goods. 2/

A second meeting of the Committee was held on December 14, 15, 16, and 17, 1938, at Washington, D. C. Recommendations of Subcommittees A and B were adopted by the Committee and forwarded to the Administrator. 3/ On December 19,

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1/ The Committee was convened by the Administrator by Administrative Order No. 2, dated September 26, 1938.

2/ An additional subcommittee, designated as Subcommittee C, was appointed to consider the question of what additional information was needed by the Committee. After a meeting held in Washington, D.C. on October 26 and 27, 1938, at which reports from the Bureau of Labor Statistics were received, Subcommittee C requested the Wage and Hour Division to submit to the Committee information with respect to transportation costs, costs of living, and competitive relationships in the textile industry.

3/ Subcommittee A met October 25, 1938, in New York City and there concluded that it was improper for a Subcommittee of Committee No. 1 to recommend any inclusion of woolen manufacturing within its jurisdiction without consultation

(Footnote continued bottom p. 9)

1938, the Administrator, in accordance with these recommendations, by Administrative Order No. 6, removed knitted fabrics from the jurisdiction of the Committee and added to its jurisdiction some 15 other products.

At its second meeting, referred to in the preceding paragraph, the Committee heard testimony from representatives of various interested parties including the Cotton Textile Institute, the National Association of Cotton Manufacturers, the Committee of Southwest Textile Manufacturers, the Textile Workers Organizing Committee and the American Federation of Labor. 1/ Briefs and other written memoranda were also received by the Committee from a number of persons. 2/

At the conclusion of the above session, the Committee designated another subcommittee, known as Subcommittee D, to assemble such additional information and to hear such testimony as was necessary to enable the Committee to arrive at a wage recommendation. Subcommittee D met in Washington, D. C. on January 24, 1939, and again on March 1 and 2, 1939, at which times further information was received from the Economic Section of the Division and from

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with an industry committee for the woolen industry. It, therefore, recommended that a separate committee should be appointed for the woolen industry; that subcommittees of the woolen industry committee and of Industry Committee No. 1 should be appointed to agree, if possible, upon a line of demarcation between the jurisdictions of the respective committees keeping in mind the probable differential in the minimum wage recommendations to be made by each committee; and that the Administrator should then redefine the jurisdiction of the two committees as nearly in accordance with such agreed line, if any, as he should deem advisable.

Subcommittee B held meetings in Washington, D. C., on October 12 and 13, November 1, 2, 3, and 4, and December 9 and 10, 1938, at which meetings oral and written testimony from 57 interested persons was received. See Appendix for list of persons notified and persons appearing and testifying.

1/ See Appendix B and C for complete list of persons notified and persons appearing and testifying at meetings of committee and its subcommittees.

2/ See Appendix for complete list of written material received and considered by the Committee and its subcommittees.

additional witnesses who had been invited to appear, including representatives of the American Association of Cotton Manufacturers and of certain chain stores, converters, wholesalers, and marginal mills. 1/

The Committee met again in Washington, D.C., on March 21, 1939, for the purpose of a cting finally upon the matter of possible classification within the industry, and of deciding tentatively, pending a final redefinition of its jurisdiction as affected by that of the Woolen Committee, 2/ upon a minimum wage recommendation. After extended discussion and deliberation, the Committee, by a vote of 13 to 6, with the Chairman not voting, adopted a resolution favoring a minimum wage of 32½ cents an hour for the Textile Industry. 3/ Motions for various classifications, including a motion to grant a wage differential of 2½ cents an hour to mills located in the Southwestern Freight Area, were defeated.

Thereafter, and pursuant to the recommendation of Subcommittee A, which was adopted by the full Committee 4/ and acted upon by the Administrator in Administrative Order No. 11 appointing the Woolen Industry Committee, Subcommittee A met April 4, 1939, in New York City, with a Subcommittee of the Woolen Industry Committee. For the reason that the Subcommittees were not in agreement upon a proper line of demarcation, the two full Committees met May 22, 1939, in Washington, D.C., at the call of their common chairman, Mr. Donald Nelson, and after a joint session of both Committees, each Committee withdrew and adopted a resolution making specific recommendations to the Administrator regarding the redefinition of their respective jurisdictions. The Administrator redefined the jurisdiction of the Textile Committee by Administrative Order No. 25 dated May 22,1939, 5/ and on May 22, 1939, after discussion and deliberation the Committee adopted, by a vote of 13 to 6 a resolution recommending a minimum wage of 32½ cents an hour for the Textile Industry. In a second resolution the Committee, by a vote of 12 to 4 determined that no wage differential for any classification within the industry should be established.

1/ See Appendix B and C.
2/ See p. 8, Note 3.
3/ Twenty of the 21 committee members were present at this meeting.
4/ See p. 8, Note 3.
5/ The definition is set forth in full on pp.11-12 hereof.

Scope of Definition

The textile industry was finally defined in Administrative Order No. 25, dated May 22, 1939 as follows:

(a) The manufacturing or processing of yarn or thread and all processes preparatory thereto, and the manufacturing, bleaching, dyeing, printing and other finishing of woven fabrics (other than carpets and rugs) from cotton, silk, flax, jute or any synthetic fiber, or from mixtures of these fibers; or from such mixtures of these fibers with wool or animal fiber (other than silk) as are specified in clauses (g) and (h); except the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in establishments manufacturing synthetic fiber;

(b) The manufacturing of batting, wadding or filling and the processing of waste from the fibers enumerated in clause (a);

(c) The manufacturing, bleaching, dyeing, or other finishing of pile fabrics (except carpets and rugs) from any fiber or yarn;

(d) The processing of any textile fabric, included in this definition of this industry, into any of the following products: bags; bandages and surgical gauze; bath mats and related articles; bedspreads; blankets; diapers; dishcloths, scrubbing cloths and wash-cloths; sheets and pillow cases; table-cloths, lunch-cloths and napkins; towels; and window-curtains;

(e) The manufacturing or finishing of braid, net or lace from any fiber or yarn;

(f) The manufacturing of cordage, rope or twine from any fiber or yarn;

(g) The manufacturing or processing of yarn or thread by systems other than the woolen system from mixtures of wool or animal fiber (other than silk) with any of the fibers disignated in clause (a), containing not more than 45 percent by weight of wool or animal fiber (other than silk);

(h) The manufacturing, bleaching, dyeing, printing or other finishing of woven fabrics (other than carpets and rugs) from mixtures of wool or animal fiber (other than silk) containing not more than 25 percent by weight of wool or animal fiber (other than silk), with any of the fibers designated in clause (a), with a margin of tolerance of 2 percent to meet the exigencies of manufacture.

The industries grouped under the jurisdiction of the Textile Committee are so inter-related that a broad definition is necessary to avoid unfair treatment being given to establishments utilizing various mixtures of fibers or performing more than one process in the completion of a finished textile fabric. Thus, all spinning of yarn or thread and all weaving and finishing of fabrics containing cotton, silk, flax, jute, rayon or other synthetic fibers, or containing mixtures of such fibers with the percentage of wool or animal fibre (other than silk) specified, are subject to the jurisdiction of the Textile Committee. All employees in the textile industry who are engaged in commerce or in the production of goods for commerce, excepting employees exempted under the provisions of Section 13(a) and Section 14 of the Act are included within this jurisdiction.

Analysis of the Evidence

A. Structure of the Industry

The textile industry is a complex aggregation of processes and techniques adapted to the preparation and spinning of many types of fiber and to the weaving or other fashioning of fibers into products available directly for consumption or for use as material by other industries. The Bureau of the Census divides the textile-mill field into 12 related industry groups and further subdivides these groups into 42 subgroups of related establishments. 1/

Although the jurisdiction of the Textile Committee, as set forth above, does not cover the entire field of textile-mill products, as defined by the Census, the jurisdiction of the Committee is comprehensive in scope. A reasonably accurate picture of the jurisdiction of the Committee is shown in Table I.

The primary reasons for a definition that places these many branches of the textile industry under the jurisdiction of a single committee are:

1/ U. S. Bureau of Labor Statistics, Report on the Definition of "Textile Industry" for Industry Committee No. 1, pp. 3ff.

TABLE I

JURISDICTION OF INDUSTRY COMMITTEE NO. 1 1/

General Census Statistics, 1935

Group of Products	Number of Establishments	Number of Workers 2/	Value added by Manufacture (in thousands) of dollars)	Value of all products 3/ (in thousands of dollars)
Total	3,288	640,678	755,112	1,863,581
Cordage, twine, jute and linen goods	148	20,177	34,349	68,858
Cotton manufactures	1,223	394,404	404,247	1,030,768 4/
Dyeing & finishing of cotton, rayon & silk	523	78,585	121,594	223,662
Lace goods	56	8,716	16,588	27,528
Rayon manufactures	447	73,261	91,654	204,505
Silk manufactures	658	58,089	69,302	149,721
Waste (except wool) 5/	233	7,446	17,378	49,539

1/ Data relate to establishments primarily engaged in the manufacture of the products included within the definition of "textile industry." The net excess value of products outside the definition which were made in these establishments amounted to \$119,890,000; on the other hand, products to the value of about \$53,500,000 included within the definition were made in establishments other than those listed above.

2/ Including salaried workers, but not salaried officers.

3/ Including value of contract work and value of products outside the definition of "textile industry," made in the establishments listed.

4/ Excluding \$20,179,000 of cordage, rope and twine, listed by the Census under cotton manufactures and under the cordage and twine industry.

5/ Excluding wool products of the industry. Number of establishments, number of workers, value added and value of all products estimated at 73 percent of the industry.

(1) the interrelation of structure that exists among them; (2) the competitive nature of their products.

Structurally, the industry branches that compose the jurisdiction of the Textile Committee exhibit a maze of interrelationships. Textile finishing operations, for example, may be carried on in independent plants or in the finishing departments of integrated mills. Cotton yarn spinning is conducted in specialized yarn mills, the product being sold on the open market; yarn is also spun in integrated plants for the use, in the main, of the weaving departments of these plants. Moreover, cotton spinning is found also in cordage and twine mills, and in a number of other textile industries. It is possible to apply either cotton or silk looms to the manufacture of rayon. There has been a tendency for specialized rayon weave sheds to develop in cotton mills. Some mills in what is traditionally considered the "silk industry" work exclusively on rayon; other silk mills employ a portion of their looms in the weaving of rayon. Silk and rayon are used in varying proportions to produce mixed-fiber fabrics; rayon and cotton are similarly utilized.

The textile divisions over which Industry Committee No. 1 has jurisdiction are also linked together through the medium of market competition. To some extent osnaburgs compete with burlap bagging made of jute. Dress goods made of cotton and of rayon are sharply competitive. Cotton handkerchief cloth competes with linen. Silk and rayon compete fiercely with each other for the consumer's dollar. Of course not all textile products compete directly with each other. Probably there is little direct competition between print cloth and lace, or between rayon dress goods and cotton osnaburgs. But the industries grouped under the jurisdiction of the Textile Committee are so related, in terms both of structure and of market competition, to require consideration by a single committee for the establishment of satisfactory minimum wage standards. 1/

These interrelationships provided the main reason for the belief of the Committee that sound policy dictated the establishment of a basic minimum wage for the industry as a whole. Any other policy would have given rise to perplexing managerial and enforcement problems because of the interlocking structure of the industry. 2/

This decision, in part, explains why the bulk of the testimony before the Committee related to the cotton textile industry. That division of the textile industry that would feel more sharply than any other major branch the impact of <u>any</u> basic minimum wage recommended by the Committee would obviously come in for major attention. Wage levels in the cotton branch are slightly lower than wage levels in most other divisions of the industry subject to the jurisdiction of the Committee. Moreover, as Table I indicates, the cotton branch is by far the most important of the industry branches covered by the jurisdiction of the Committee, both in terms of the number of wage earners employed and the value of the product of the industry. The analysis that follows of the evidence presented to the Committee, therefore, is largely concerned with cotton manufacturing.

1/ <u>Ibid.</u>, pp. 8ff.

2/ Several proposals placed before the Committee, if adopted, would have necessitated classification of the industry by branches. It was suggested, for example, that a 40-cent rate be recommended for the surgical dressings branch (Johnson and Johnson, <u>Hearings</u>, December 15, 1938, II, p. 158), for textile dyeing and finishing (Dyers and Printers Employers' Association, <u>Hearings</u>, II, p. 197), and for textile engraving (Allied Workers of the Textile Engraving Industry, <u>Hearings</u>, December 16, 1938, III, p. 359); the representative of one association urged a 35-to 40-cent rate for textile finishing (National Textile Processors Guild, <u>Hearings</u>, II, pp. 184, 186). Since these rates differed from the general rate finally recommended by the Committee, industry-branch classification would have been necessary had these suggestions been adopted.

B. Economic Conditions

A large amount of information on the effect of various minima on costs and prices in the cotton textile industry was given to the Committee. Later in this report an analysis of this data is made with major attention centered on the effect of the recommended minimum. In addition, the Committee was influenced in making its minimum wage decision by other information relating to the general economic conditions of the textile industry. The information summarized in this section has influenced the Committee to adopt a cautious approach to the problem of minimum wage recommendation. The Committee has given serious attention to representatives of important sections of the industry who were of the opinion that caution should be exercised in raising the minimum above the statutory rate at the present time. 1/

(a) Textiles a Low Wage Industry. It is a fact, as evidence before the Committee indicated, that historically the wage structure of the textile industry, and especially of its cotton branch, has been below that of many other important manufacturing industries. 2/ This condition has persisted for a very long time. It is one of the hard facts with which this Committee had to deal. Almost three-fifths (59.4 percent) of the workers in the cotton branch of the industry received less than 40 cents per hour in August, 1938. 3/ This condition in itself casts doubt upon the wisdom of attempting to achieve in this industry the 40-cent minimum, which is one of the objectives of the Fair Labor Standards Act, at a single step.

At the same time, the Committee is in agreement with the statement that "the cotton-goods industry has given substantial evidence of its capacity to assimilate rising wages without increased labor-cost. The essential problem is one of the rate at which adjustments are made - a

1/ Cotton Textile Institute and associated textile associations, Brief, p. 66
2/ Ibid. p. 62
3/ U. S. Bureau of Labor Statistics, Bulletin No. 663, p. 74.

problem that arises out of the fact that a wage rate increase at the moment that it is made usually involves an increase of labor costs, while output per man-hour rises gradually." 1/ The achievement of the 40- cent minimum in several steps would permit the industry to make a series of reasonably small readjustments in its wage structure, rather than one relatively large readjustment.

(b) Mill Margins and Profits. A cautious approach to the realization of the full wage objectives of the Act also seemed wise in view of the testimony relating to the present weakness of the market for cotton products. 2/ This market weakness is reflected in relatively low prices and narrow mill margins. Information given to the Committee showed that mill margins 3/ on important cloth constructions had fallen decisively from the spring of 1937 to September, 1938, the latest month for which detailed data were presented. 4/ Testimony before Subcommittee D in March, 1939, indicated that little if any improvement in mill margins had taken place since the previous fall. While a mill margin should not be confused with a profit margin, over short periods of time a declining margin means reduced profits or possible losses, if operating costs do not change proportionately.

The only direct quantitative data on profits presented to the Committee were obtained from information relating to cotton manufacturing assembled by the Federal Trade Commission for six-month periods from January, 1933, to June, 1936. 5/ From this data it is clear that although

1/ Ibid. p. 54
2/ Mr. Earl Stall, Subcommittee D, Hearings, p. 73; Mr. John A. Low, ibid, p. 91; American Cotton Manufacturers Association, Brief, ibid., pp. 46-47; Mr. C. A. Cannon, ibid., p. 13; Cotton Textile Institute, Brief, pp. 47-48.
3/ The mill margin is the difference between the selling price of a given cloth construction and the cost of the raw cotton required for its manufacture.
4/ U. S. Bureau of Labor Statistics, Bulletin No. 663, chap. 5
5/ Ibid., chap. 4

the industry, as represented by the companies reporting to the Commission, lost money during certain periods each branch of the industry realized profits for the entire 3½ years for which returns were made. The average annual rates of return on "average total textile investment" over the whole period were 2.7 percent for integrated (spinning and weaving) companies, 2.6 percent for spinning companies, and 2.8 percent for weaving companies. The significance of these rates may be questioned on the ground that the industry is consistently burdened with a large amount of idle equipment that is included in the investment base to which the rates apply. From an accounting point of view, this surplus equipment as a charge against the industry is justifiable only so long as its use in production can be anticipated in the near future.

Perhaps a more revealing picture of the profitability of the industry may be derived from a study of net profits on sales. In each except two of the six-month periods from January, 1933, to June, 1936, 70 percent or more of the sales of the reporting integrated mills were made at a profit. 1/ Data relative to net profits on sales for all types of mills show that, except for the last half of 1934 and the first half of 1935, the proportion of all cotton textile companies showing a net profit on sales varied from 60 percent to 82 percent of the reporting companies. In most of the six-month periods, "more than half such companies realized net profits on sales in excess of 5 percent, and the more efficient or lowest cost companies showed profits ranging from 10 percent to more than 30 percent." 2/

As indicated primarily by the figures cited, it seems clear that the

1/ During July, 1934, to December, 1934, the period of the general strike, 40 percent of the sales of the reporting companies were made at a profit; during the poor first half of 1935, only 26 percent of the sales were made at a profit.

2/ U. S. Bureau of Labor Statistics, Bulletin No. 663, p. 32

cotton textile industry as a whole is capable of realizing net profits over periods long enough to permit the averaging of the results of good years and bad. It seems apparent also that profits in recent years have not been large, and that year-to-year fluctuations have been considerable. A burden of surplus equipment continues to affect the earning capacity of the industry as a whole.

(c) Recent Price Fluctuations. One factor that impressed the Committee grew out of evidence relating to the fact that the prices of the products of the industry have fluctuated widely in the recent past. One witness stated, for example, that the composite price of the material used in bag manufacture was more than 7 cents per yard during the early months of 1937 and 3.6 cents on February 25, 1939. 1/ A converter testified that the price to dress manufacturers of 80-square print cloth reached 15 cents during part of 1937 and stood at 10 cents at the time of his testimony. 2/

Plainly the industry is subject to wide and rapid changes in the prices of its products, fluctuations induced by changes in raw material prices and other cost factors, by changes in the underlying economic situation, by shifts in consumer preferences, and by alterations in the capacity of the industry to produce. The adjustments that a minimum wage order would necessitate may be set against the adjustments that the industry must constantly make as the factors mentioned above change. The fact that mill margins are narrow today may cease to be a fact a month or two hence, so rapid at times are alterations in the prospects of the industry.

(d) Introduction of Third Shift. The fear was expressed that if minimum wages were set "too high" mills would attempt to lower unit costs

1/ Mr. H. F. Claussen, Subcommittee D, Hearings, p.4.
2/ Mr. Donald B. Tansill, ibid., p. 11.

by increasing their running time, thus adding to the effective capacity of the industry at the expense, perhaps, of the price structure of the industry. 1/ Since the cotton textile industry for practical purposes is now operating on the basis of two shifts of 40 hours each, a general extension of running time would involve the adoption of the third shift. Information before the Committee indicated that the question of "excess capacity" is largely a question of the future of the third shift. 2/ It appears certain that the possible reduction in cost consequent upon the general adoption of the third shift "is so small that it contributes almost nothing to that 30-to-50 percent increase of demand which is necessary to warrant such additions to effective capacity as would follow from the wide-spread use of three-shift operation." 3/

It was also contended before the Committee that if production costs were increased to too high a point the rate of technological change in the industry would be greatly accelerated to the detriment of employment. 4/ This again is a claim the validity of which is difficult to judge in terms of the various minima which this Committee had the power to recommend. It represented, however, one factor in the cautious approach to the problem adopted by the Committee.

(e) Foreign Trade. The United States exceeds any other country in the production of cotton textiles, and the greater part of the huge domestic output is consumed in the home market. Measurable quantities of cotton products are sold abroad, however. Exports of both cotton yarns and countable cotton cloths greatly exceed imports. 5/

Since 1922, United States exports of cotton yarns have been from two

1/ Cotton Textile Institute, Brief, p. 46.
2/ U.S. Bureau of Labor Statistics, Bulletin No. 663, p. 28
3/ Ibid., p. 30.
4/ Mr. C. T. Murchison, Hearings, I, pp. 85ff; Cotton Textile Institute Brief, pp. 51-61.
5/ U. S. Bureau of Labor Statistics, Bulletin No. 663, chap. 7.

to 15 times as large as imports. In 1937, exports were four times as great as imports in terms of quantity, and about twice as great in terms of value. Exports of countable cotton cloth since 1923 have been from two to seven times as large as imports. In 1937, exports were about double imports in terms of both quantity and value.

Prior to 1934 imports of cloth consisted in the main of fine fabrics and specialties, most of which were supplied by the United Kingdom and Switzerland. Beginning late in 1934, however, the character of imports changed, becoming more competitive with staple American production as a result of increasing imports from Japan.

In the face of the imposition of increased duties on certain cloth constructions on May 21, 1936, Japanese imports declined for a short period, only to increase rapidly with the rise in the price of cotton cloth during the second half of 1936. United States producers thereupon entered into an agreement with Japanese exporters providing for the limitation of exports to the United States to 255,000,000 square yards of cloth during the two-year period 1937 and 1938. In 1937 the quota of 180,000,000 square yards was not reached, and apparently Japanese exports to this country during 1938 were considerably below the 1937 level.

In recent years United States exports of countable cotton cloths have met increasing resistance because of (1) the rise of textile production in some countries which formerly provided a market for appreciable quantities, and (2) competition from low-cost producing countries, particularly Japan.

One element of uncertainty in the current foreign trade situation of the textile industries relates to the effect of tariff concessions granted in a number of reciprocal trade agreements, notably in that with the United Kingdom. 1/

C. Effect of the Recommended Minimum on Employment

The Committee received much evidence relating to the effect of various minima in the cotton textile industry upon labor costs, manufacturing costs, and selling prices to consumers. Obviously, this evidence was of basic importance in estimating the probable effect upon employment of minimum wage rates within the power of this Committee to recommend. No such detailed information was required for other branches of the textile industry, besides cotton manufacturing. Once the Committee came to the conclusion that one minimum should be recommended for all branches under its jurisdiction, it needed to investigate in detail only that branch of the industry in which any minimum from 25 cents to 40 cents would have the most marked effect. 2/

(a) Effect on Wage Bill. The Committee believes that the establishment of a minimum wage of 32.5 cents an hour will increase the wage bill of the cotton textile branch as a whole by 4 or 5 percent and that the wage bill of the dominant southern section will be increased from 6 to 9

1/ Cotton Textile Institute, Brief, pp. 51-54.

2/ The existing level of average hourly earnings is generally higher in other branches within the Committee's jurisdiction than in cotton manufacturing. (See, for example, Monthly Labor Review, January, 1939, p. 237.) In the minor branches of rayon and silk commission throwing, however, average hourly earnings were asserted to be slightly lower than in the cotton textile branch. (See Hearings, I, p.56.

per cent by this same minimum. These increases will not take place all at once, because they include not only the increase necessary to raise the wages of workers now receiving less than 32.5 cents, but also the estimated increases for workers already earning more than the minimum. The Committee believes that the establishment of a minimum will cause some increases to workers earning more than this amount because of presure to retain customary occupational differentials to some extent. Increases in wages above the minimum may be expected to occur gradually, however, depending, in part, on the financial position of the various mills in the industry. In arriving at its estimates of the effect of a $32\frac{1}{2}$ cent minimum, the Committee took account of the methods used and the results presented by the Economic Section of the Wage and Hour Division and by representatives of cotton textile workers and employers.

The Economic Section estimated that the wage bill of the entire cotton branch would be increased by 4.0 per cent and that the wage bill of the southern cotton mills would be increased by 6.25 per cent. These estimates included an allowance for wage increases above the minimum, amounting in the north to 8.1 per cent as much as the cost of increases up to the minimum and in the south to 14.4 per cent of the cost of increases up to the minimum. The two ratios were obtained by a study of cotton textile wages during the year after the introduction of the N.R.A. code for this industry.1/

On the basis of the method of estimating the effect of minima on the wage bill of the industry adopted by certain representatives of the

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1/ Memorandum of Economic Section, Wage and Hour Division, The Possible Effect of Different Minima (25 cents to 40 cents per hour) in the Cotton Textile Industry on Labor Costs, Manufacturing Costs and Prices, February 23, 1938, p. 6.

workers, a $32\frac{1}{2}$ cent rate would result in an increase in the wage bill of the entire cotton manufacturing industry of 3.8 per cent. By this method, the average hourly wage of 38.35 cents being paid in August, 1938, would increase to 39.8 cents.1/

Representatives of the employers (Cotton Textile Institute) assumed that the average wage of all employees would be 23 per cent above the minimum in the north and 20 per cent above the minimum in the south, these being the percentage relationships which prevailed during the N.R.A. code.2/ On this assumption, a $32\frac{1}{2}$ cent minimum would raise the average for the industry to 40 cents an hour, which would represent an increase in the wage bill of the entire branch of 4.2 per cent. In the dominant southern division, the method used by the Institute would indicate an increase in the average wage of 6.6 per cent, the average rising from 36.6 cents as of August, 1938, to 39 cents an hour.

The Committee is impressed by the close agreement of the results obtained by using each of the three methods adopted by witnesses presenting estimates of the effect of minimum rates on the wage bill. Thus, for the cotton branch as a whole, these methods all lead to the conclusion that the average increase in the wage bill would be close to 4 per cent. For

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1/ See Brief of Textile Workers Organizing Committee, Appendix "A". As to the north, it was estimated that "Raising the wages of this group up to the minimum of $32\frac{1}{2}$ cents would increase the average wage by 0.4 cents." The northern average would thus become 45 cents. As to the south, it was assumed that a spread of 5.8 cents would exist between the minimum and the average. This would imply a southern average of 38.3 cents at a minimum of $32\frac{1}{2}$ cents. The weighted average of the northern and southern figures would be 39.8 cents (See U.S. Bureau of Labor Statistics, Bulletin No. 663, Table 43, page 71). Since actual estimates of the Textile Workers Organizing Committee and the American Federation of Labor were confined to the effect of a 40 cent minimum, the calculation in the text represents an adaptation of the method used to a $32\frac{1}{2}$ cent minimum. Both groups agreed that a 40 cent minimum would increase the wage bill of the cotton branch by 19 or 20 per cent.

2/ Cotton Textile Institute, Brief, p. 35.

the southern sector, the Institute method suggests an increase of 6.6 per cent as against the estimate of 6.25 as presented by the Economic Section.

The Committee's outside estimate is based on the possibility that the southern average may be pushed up to 40 cents an hour. This would involve an increase of 9.3 per cent in the wage bill for the whole period since August, 1938, or an increase of less than 9 per cent above the present wage bill, based on a 25 cent minimum.

(b) Effect on Manufacturing Costs. Labor costs represent only one portion of the total costs of manufacturing. The effect of a given minimum wage on manufacturing costs, therefore, will be smaller than the corresponding effect on labor costs alone. The effect of a minimum wage on manufacturing costs will depend upon two factors: (1) the effect of the minimum on the wage bill; (2) the ratio of labor cost to total manufacturing costs.

Information placed before the Committee indicated that the ratio of labor costs to total manufacturing costs varies considerably within the cotton textile industry.[1/] For the period January - June, 1936, the Federal Trade Commission found that labor costs in integrated mills ranged from 23.0 per cent to 40.8 per cent of total manufacturing costs, depending upon the type of product. The average was 29.2 per cent.

In the information presented to the Committee, the ratio of labor costs to total manufacturing costs during January - June 1936, was adjusted on the basis of changes in wages and raw cotton prices that had occurred between this period and the third quarter of 1938.[2/] On the basis of this adjustment, labor costs were estimated to average about 36 per cent of

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1/ Economic Section, Wage and Hour Division, Memorandum, cited, pp. 9ff. Cotton Textile Institute, Brief, p. 41.
2/ Economic Section, Memorandum, cited, p. 10.

total manufacturing costs. In the opinion of the Committee, this estimate has approximate validity at the present time. The ratio of labor costs to total manufacturing costs will tend to fall below the average in those mills making coarse cotton products, and to rise above the average in mills producing fine goods.

As was indicated earlier, a $32\frac{1}{2}$ cent minimum wage bill will produce an increase in the wage bill of the cotton textile industry as a whole of about 4.0 per cent. The recommended minimum would tend, therefore, to raise manufacturing costs by approximately 1.44 per cent (.04 x .36). If labor costs in the southern branch of the industry increase by 6.25 per cent, the increase in manufacturing costs would be in the neighborhood of 2.25 per cent. A 9.3 per cent increase in labor costs in the South, based on the outside assumption of a 40 cent average of hourly earnings, would increase manufacturing costs by 3.34 per cent on the average.

The above figures, of course, relate to the effect of the recommended minimum on manufacturing costs for the industry as a whole, and on the entire southern division of the industry. Manufacturing costs in some mills will be affected much more decisively than in the average mill, while costs in other mills will be affected less decisively. Although recognizing these variations, the Committee is of the opinion that increases in manufacturing costs of this magnitude could be borne successfully by the cotton textile branch and by other branches of the textile industry without causing any substantial curtailment of employment in the industry.

(c) <u>Effect on Prices and Consumption</u>. Probably no portion of the testimony before the Committee had a more direct bearing upon the problem of employment curtailment than that relating to the effect of various minima upon selling prices to consumers. Part of the evidence on this subject, of course, was based upon the labor and manufacturing cost analysis previously summarized in this report; in addition, Subcommittee D heard testimony on this subject from witnesses representing manufacturers of cotton cloth, manufacturers of various products of cotton cloth, and dealers in textile products.

The Committee is convinced, on the basis of the evidence, that price increases to consumers resulting from the introduction of a $32\frac{1}{2}$ cent minimum wage in the textile industry will be too small to affect net employment appreciably. It is possible, indeed, that the very moderate increase in cost occasioned by a $32\frac{1}{2}$ cent minimum can be absorbed by the industry or by one or more of its marketing agencies. Small and nonessential changes in the manufacture of many textile products may obviate the necessity for price advances to consumers. Over a period of time, labor cost increases may be counterbalanced by increases in labor efficiency.

But even if the full increase in costs produced by a $32\frac{1}{2}$ cent minimum rate is passed on to consumers, the advance in prices should be relatively slight. A discussion of the extent of such increases is somewhat complicated by the existence of rigid retail price lines for many textile products, as indicated below.

The Economic Section of the Wage and Hour Division estimated that increased labor costs from a $32\frac{1}{2}$ cent minimum would amount to 4.0 per cent for the cotton textile industry as a whole. 1/ Earlier in this

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1/ Memorandum, cited, p. 11.

report it was shown that an average increase in labor costs of about 6.25 per cent could be anticipated in the South. So as to avoid any possibility of minimizing the effect of the recommended minimum on labor costs, the figure for the South may be taken to represent the increase for the industry as a whole.

With a 6.25 per cent increase in labor costs of grey goods, the retail price of shirts should increase by about 2.75 per cent if the entire increase is passed on to the consumer.1/ This calculation allows for the maintenance of percentage profit margins for mill selling agencies, converters, wholesale print cloth dealers, wholesale shirt dealers, and retail shirt dealers. On the outside assumption that mill labor costs will increase by as much as 9.3 per cent, and that the full increase is passed on to the consumer, the increase in the retail price shirts would be 4.19 per cent. Although this calculation relates to only one product, it indicates the moderate nature of any increases in retail prices that may result from the recommended minimum.

A similarly moderate result is obtained if one assumes that the retail prices of cotton products rise sufficiently to cover the increased cost of manufacturing grey goods on the part of mills which employ more than nine-tenths of the workers in the entire cotton branch. Only 5.6

1/ The explanation of this calculation is given in the Memorandum of the Economic Section, Wage and Hour Division, cited, pp. 21-23. In the calculation in the Memorandum, 20.0 per cent increase in labor costs was assumed instead of the indicated 6.25 to 9.0 per cent increase occasioned by the 32½ cent minimum rate.

percent of all cotton textile workers and only 7.0 percent of the Southern cotton textile workers were employed in mills with plant averages of less than 30 cents an hour in August, 1938. 1/ The remaining mills would be required to increase their labor expenses by 10 percent or less, as a result of a 32.5-cent minimum. 2/ A 4.4 percent rise in the retail price of shirts would fully cover this 10 percent rise in the wage bill of grey-goods mills, even if no part of the increased costs were absorbed by the mills themselves or by converters, shirt manufacturers or shirt dealers. The Committee does not concede that its recommendation will make necessary even this moderate increase in the retail prices of cotton products. It is of the opinion, however, that an increase in retail prices of less than 5 percent will not check consumption sufficiently to cause any substantial curtailment of employment in the Textile Industry.

This general conclusion of the Committee was confirmed by direct testimony on the effect of various minimum rates upon prices, as given by representatives of the Industry before Subcommittee D. A brief summary of this important testimony follows:

1. A witness engaged in finishing and converting operations testified concerning the effect of increased prices upon a popular $1.00 house dress made from 80-square print cloth. 3/ The witness stated that this cloth was being sold to dress manufacturers at about 10 cents per yard, and that the price could increase to 11 or 11½ cents - that is, by 10.0 or 15.0 percent - without affecting the style or construction of the cloth or the retail price of the garment. At 12 or 13 cents per yard, the style of the garment would

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1/ See Table II, p. 35
2/ See p. 41
3/ Mr. Donald B. Tansill, Subcommittee D, Hearings, March 1, 1939, pp. 11-12

be altered, but the retail price would remain unchanged. The witness also stated that the cost of grey goods could go to 8 or 8½ cents per yard without affecting consumer prices . The current price of 80-square print cloth is a pproximately 6 cents per yard.

2. A Southern overall manufacturer estimated the effect of several minimum wage rates on the wholesale price per dozen overalls of a particular type. 1/ The estimates took account of the increased cost of denim and the increased cost of overall manufacture. The results as given to the Subcommittee were as follows:

Minimum rate	Percentage increase in wholesale price per dozen of specified type of overall 1/
30.0 cents	None
32.5 cents	3.90%
35.0 cents	6.49%
40.0 cents	11.69%

1/ Mr. J. V. Fox, Subcommittee D, Hearings, March 1, 1939, p. 41.

This overall at the time of the testimony was being sold at retail at both 89 cents and 98 cents. The witness stated that the 32½ cent minimum would not force the retail price above 98 cents.

3. The merchandising manager of a large retail chain testified as to the increased wholesale price per dozen, at various minima, of two items (a shirt and men's short) sold by the chain. 2/ The increased costs as thus

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1/ Mr. J. V. Fox, ibid., pp. 39 - 43.
2/ Mr. T. J. Burns, ibid., pp. 19 - 29.

estimated included increases at all stages of manufacture, from grey goods through shirts or shorts. These increases as presented at the hearing were as follows:

Minimum rate	Percentage increase in wholesale price per dozen of specified shirt 1/	Percentage increase in wholesale price per dozen of specified men's short 2/
30 cents	8.33%	2.50%
35 cents	16.66%	6.50%
40 cents	25.00%	14.50%

1/ Mr. T. J. Burns, Subcommittee D, Hearings, pp. 21 - 22.
2/ Ibid., pp. 25 - 26.

The shirt on which the above calculation is based was being sold for 69 cents at retail. The witness stated that a 30-cent minimum would probably result in a retail price of 79 cents, this being the next popular price line. Since the witness stated that a 35 cent minimum would not result in raising the retail price above 79 cents, a 32½ cent rate clearly would not result in a larger increase than that occasioned by the mandatory rate of 30 cents effective in October of this year. 2/

The men's short was being retailed at 25 cents. On the basis of a 30-cent minimum, according to the witness, there would be no advance in

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1/ Mr. T. J. Burns, ibid., pp. 19 - 29

2/ The witness testified that a 30-cent minimum, and a retail price of 79 cents, would probably make possible a better designed and styled shirt; a 35-cent minimum, with a 79-cent retail price, would probably necessitate taking something out of the shirt.

the retail price; at a 35-cent minimum the 25-cent retail price might be retained, but the specifications for the garment lowered. Plainly the recommended minimum of $32\frac{1}{2}$ cents would not disturb the retail price of this item.

4. A cotton bag manufacturer presented estimates of the increased cost per thousand bags of various constructions that would be produced by increases in cloth prices ranging from 1/16-cent to one cent per yard, and from 1/8-cent to three cents per pound. 1/ The witness stated that "it is the opinion of our people that none of the increases <u>in the ranges studied</u> would be likely to affect in themselves and <u>solely because of such increases</u>, the volume of cotton bags used, or, because of such increases, cause any shift to paper or other containers, such as burlap." 2/

The whole problem of the effect of increased labor costs (or of other costs) upon the prices of consumers' goods is complicated by the existence, as revealed in the testimony before Subcommittee D, of conventional retail price lines for various products. Retail prices tend to change by big jumps rather than by small increments. In the case of the shirt described by one witness, 3/ for example, it was testified that a 30-cent minimum would increase the wholesale price by 8.33 percent, and that the retail price would jump from 69 cents to 79 cents, an increase of 14.5 percent. The 79-cent price would be maintained, however, if the minimum rose from 30 cents to 35 cents. The same witness testified that the price of a men's short, now retailing at 25 cents, would remain unchanged

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1/ Mr. H. P. Claussen, <u>Brief</u>, Subcommittee D.
2/ Italics his.
3/ See pp. 30 - 31.

at a 35-cent minimum; a 40-cent minimum would be required to force the article to the next price, 29 cents.

The observance of these customary price lines in retail selling apparently acts sometimes to accelerate and sometimes to retard the shifting of increased costs to the ultimate consumer. In the case of the $1.00 house dress upon which the Subcommittee heard testimony, 1/ a very considerable absorption of increased cost would occur before an advance in the retail price would be considered seriously. This is true also of the overall discussed above. 2/ Manipulation of style and construction, perhaps of relatively small importance in terms of the intrinsic worth of the article, may forestall the necessity for increases in retail prices in response to cost increases for many products.

It seems clear, on the basis of the testimony, that there is not a straight road leading from cost increases to retail price increases. What happens in any particular instance depends not only upon the magnitude of the cost increases, but also upon the customary practices of the industry and its marketing agencies.

The Committee finds that such retail price increases as may result from the adoption of its recommended minimum of 32½ cents per hour would be too small to affect significantly the quantity of textile products taken by consumers. It is clear, therefore, that a 32½-cent minimum rate will not substantially curtail employment in the industry.

1/ See pp. 29 - 30
2/ See p. 30

D. Effect of the Recommended Minimum on Competitive Conditions

(a) Variations in Wage Level by Mill. In recommending a minimum wage rate of $32\frac{1}{2}$ cents at this time, the Committee has taken account of economic and competitive conditions in the textile industry and particularly in the cotton textile branch of the industry. The general economic conditions which have influenced the Committee to proceed cautiously are summarized in an earlier section of this report. In addition, the Committee has given serious attention to the effect of a $32\frac{1}{2}$-cent minimum on competitive conditions within the cotton-manufacturing branch of the industry.

It is clear that no wage order that this Committee might recommend would affect all establishments in the industry to the same extent. Inevitably, the impact of a wage order will be greater on some establishments than on others. This follows from the fact that the wage structures of the establishments in the industry differ considerably. Those establishments with relatively few workers below a given minimum will obviously be less affected than those establishments with many workers below the given rate.

A given minimum wage rate, therefore, may produce a relatively large increase in the wage bills of plants at the lower end of the scale of wage structures prevailing in the industry. However, the impact of a given rate on the industry as a whole will be small if the low-wage plants represent a relatively small proportion of the total number of plants.

The impact of any minimum wage that this Committee might recommend would be felt most keenly by the relatively small sector of the industry operating on the basis of very low wage standards. The Committee had before it a classification of mills in the cotton goods industry according to average hourly earnings in August, 1938. This information is shown in Table II.

TABLE II

Average Hourly Earnings in the Cotton Goods Industry
August, 1938

Average Hourly Earnings	Number of Establishments			Percentages of Employees		
	United States	North	South	United States	North	South
Less than 20.0 cents	6	—	6	0.4	—	0.5
20.0 - 24.9 cents	28	—	28	1.5	—	1.9
25.0 - 27.4 cents	28	—	28	1.9	—	2.4
27.5 - 29.9 cents	35	3	32	1.8	0.4	2.2
30.0 - 32.4 cents	69	—	69	5.9	—	7.6
32.5 - 34.9 cents	114	5	109	14.0	0.7	17.7
35.0 - 37.4 cents	147	10	137	18.4	2.6	22.7
37.5 - 39.9 cents	82	15	67	15.5	7.7	17.7
40.0 - 44.9 cents	155	66	89	31.2	55.0	24.7
45.0 - 49.9 cents	55	41	14	7.0	23.4	2.4
50.0 cents and over	65	60	5	2.4	10.2	0.2
				100.0	100.0	100.0
Total	784	200	584	319,294	69,109	250,185

Source: U. S. Bureau of Labor Statistics, Bulletin No. 663, Table 45, p.74.

The fact should be stressed that this table has no relation to <u>minimum</u> wage rates. The classification is on the basis of <u>average</u> hourly earnings as of August, 1938. In that month there were, for example, six plants in the country reporting to the United States Bureau of Labor Statistics with average hourly earnings of less than 20.0 cents. Some workers in these plants earned more than 40 cents per hour; others as little as 12.5 cents. The average stood at less than 20.0 cents. In the group of plants (155 in number) with the relatively high average hourly earnings of from 40.0 cents to 44.9 cents, some workers earned less than 20.0 cents per hour, others more than 60.0 cents.

Only on the small group of very low-wage mills, as shown below, does the minimum recommended by the Committee produce a marked increase in costs. Although most of the low-wage establishments are located in the South, the Committee was impressed by the fact that such establishments are not characteristic of the southern branch of the industry. Many southern mills, indeed, have wage scales comparable to those in northern mills. In August, 1938, as Table II shows, more than one-sixth of the southern mills, employing more than one-quarter of the southern workers paid an average hourly wage to all their workers in excess of 40 cents.

Clearly, therefore, the wage scales in the southern and northern branches of the cotton manufacturing industry overlap to a very considerable extent. Nevertheless, the Committee recognized that the general level of hourly earnings was somewhat lower in the South than elsewhere. In August, 1938, average hourly earnings in cotton textiles in the United States came to 38.4 cents; the average in the South was 36.6 cents; in the North, 44.6 cents. 1/

In order to show the maximum effect of the recommended minimum, the discussion below is largely in terms of its effect on the southern division of the industry. The Committee feels that this is the most fruitful approach

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1/ U. S. Bureau of Labor Statistics, Bulletin No. 663, pp. 71 - 72.

to the problem. This approach is also indicated by the fact that more than 70 percent of the cotton textile industry of the nation, measured in terms of both wage earners and spindles in place, is located in the South. The data available to the Committee were broken down, for the most part, on a North-South basis.

(b) The Problem of Estimating Effects of the Minimum on Different Mills. The United States Bureau of Labor Statistics prepared detailed wage tables for the Committee which showed the percentages of cotton textile workers earning various amounts from under 12.6 cents per hour to 97.5 cents and over per hour in groups of mills classified on the basis of average hourly earnings in August, 1938. 1/ It was possible, therefore, to calculate the effect of various minima on labor costs for each of these groups of mills. For example, it was possible to show the average effect of a 32½ cent minimum on the group of mills with average hourly earnings in August, 1938, of from 20.0 cents to 24.9 cents, on the group with average hourly earnings of from 25.0 cents to 27.4 cents, and so on. This information is clearly vital to any estimate of the effect of the action taken by the Committee on competitive conditions within the industry.

The primary problem involved in measuring the effect of various minimum rates on wage bills for different groups of plants in the industry grows out of the fact that a minimum tends to result indirectly in some increase in wages above the minimum. The direct effect of various minima can be measured with considerable precision. In addition, a sound method must be devised to measure the indirect effects on wages of the establishment of a minimum wage.

The extent of the ultimate adjustments in wages above the minimum is in some measure problematical. The Brief submitted to the Committee by the

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1/ Ibid., Chap. 16.

Cotton Textile Institute stated that "it would be extremely difficult to state with complete assurance the effect of a new minimum upon the entire wage structure, because the problem, in our opinion, is not amenable to statistical determination but must be appraised in the light of the judgment and experience of the industry." 1/ A witness testified that the problem was essentially one of judgment. 2/ The memorandum on the effect of various minima on costs and prices prepared by the Economic Section of the Wage and Hour Division states that "no estimate of the effect of the establishment of a minimum wage rate on wage rates above that minimum can be made with accuracy or certainty." 3/

Although the information placed before this Committee on the matter of wage increases above the minimum must be interpreted cautiously, sufficient data were presented to warrant conclusions having basis in fact concerning the total impact on the wage bill of the minimum rate recommended by the Committee.

Both the Cotton Textile Institute and the Economic Section of the Wage and Hour Division presented calculations of the total effect of a 32½-cent minimum on the wage bills of southern cotton mills classified on the basis of average hourly earnings in August, 1938. In both cases, N. R. A. experience was utilized to estimate the influence of the minimum on wages above the minimum. N. R. A. experience was used differently by the two witnesses, however, and different results were obtained.

The Institute found that the ratio of average hourly wages to the N. R. A. code minima was 120 percent in the South, and 123 percent in the North. The Institute then assumed that a fixed minimum would require all mills with an

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1/ Cotton Textile Institute, Brief, p. 34
2/ Mr. Earl Stall, Hearings, Subcommittee D, p. 69
3/ Memorandum, cited, p. 5

average hourly wage of less than 20 percent above the minimum in the South and 23 percent above the minimum in the North to increase wages until these percentage relations between minimum and average rates had been achieved. It was assumed, in other words, that a $32\frac{1}{2}$ cent minimum in the South would require all mills paying an average hourly wage of less than 39.0 cents - that is, paying an average of less than 20 percent above the minimum - to increase wages until this average had been reached. By this method, a $32\frac{1}{2}$-cent minimum would result in a 39-cent average hourly wage in plants which previously had paid a 25-cent average and also in plants which previously had paid a 38-cent average.

The Committee considered this method to be an extremely interesting approach to the difficult problem of measuring the total impact of minimum rates on wage bills. This method, however, seems more appropriate for measuring the effect of minimum rates on the wage bill of the industry as a whole than on individual plants or groups of plants classified on the basis of average hourly earnings. The results of the use of the Institute method in measuring the impact of a $32\frac{1}{2}$-cent minimum on the wage bill of the industry as a whole and on the dominant southern sector of the industry were given above. 1/ These results corresponded very closely with the results of other estimates given to the Committee.

When applied to groups of plants, however, the Institute method appears to magnify the effect of the $32\frac{1}{2}$-cent rate on the low-wage plants, and to understate its effect on relatively high-wage plants. The reason for this has already been noted; namely, the assumption that there is a fixed percentage relation for all plants between minimum wage and average wage. As a matter of fact, it appears that for individual plants this percentage relationship varies considerably. A $32\frac{1}{2}$-cent rate, for example, may result in a

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1/ See p. 24.

35-cent average in one plant, a 36-cent average in another, or a 40-cent average in a third.

Another method of measuring the impact of minimum wage rates on wages above the minimum was presented by the Economic Section of the Wage and Hour Division. 1/ It was assumed that the difference between the average hourly earnings in the cotton textile industry in July and August, 1933, reflected almost entirely the effect of the N. R. A. minima, while the difference between August, 1933, and August, 1934, measured almost entirely the granting of increases above the minima. The impact of the increase in wage rates above the minima was 13.1 percent as great as that resulting directly from the minima for the United States as a whole; it was 8.1 percent as great for the northern mills, and 14.4 percent as great for the southern mills.

By this method, the total impact of a minimum rate on a mill or group of mills would be measured by (1) the amount necessary to raise those workers getting less than the minimum wage up to that wage, and (2) an allowance of a certain percentage of this amount for wage increases above the minimum. An allowance of 14.4 percent of the direct increase is used in the calculation below to show the total effect of the recommended minimum on the wage bills of southern plants. The Committee holds no brief for this particular percentage. It is used here only for the purpose of providing a picture of the relative effect of the recommended minimum on different groups of southern mills. Although the actual increases may be somewhat greater or smaller than those indicated, depending on a number of unpredictable factors, the Committee believes that the increases as shown below are sufficiently accurate to permit an informed judgment to be made on the effect of its recommendation upon competitive conditions within the industry.

1/ Memorandum, cited, p. 5.

(c) Effect of Recommended Minimum on Wage Bills of Classified Southern Mills. The question of whether the recommended minimum will appreciably affect competitive conditions within the industry can now be discussed. In the tabulation below the total effect of a 32½-cent minimum on the wage bills of southern integrated and spinning mills classified on the basis of average hourly earnings is shown.

Average hourly earnings per establishment August, 1938	Percentage total increase in labor costs		Percentage of southern employees in each group, spinning and integrated mills combined
	Southern integrated mills	Southern spinning mills	
20.0 - 24.9 cents	29.79	29.42	2.4
25.0 - 29.9 cents	18.21	14.35	4.6
30.0 - 32.4 cents	9.72	7.87	7.6
32.5 - 34.9 cents	5.97	2.72	17.7
35.0 - 37.4 cents	3.59	1.72	22.7
37.5 - 39.9 cents	2.02	1.35	17.7
40.0 - 42.4 cents	1.75	--	24.7
42.5 - 44.9 cents	.51	--	
45.0 - 49.9 cents	.80	--	2.4

Source: Economic Section, Wage and Hour Division, Memorandum, cited, pp. 7a,7b.

As this tabulation indicates clearly, the total impact of the recommended minimum on the wage bills of plants in the southern sector of the cotton textile industry varies greatly. On the small group of integrated mills with average hourly earnings in August, 1938, of between 20.0 cents and 24.9 cents, the 32½-cent rate will increase wage bills by about 29.8 percent; on the numerous mills with average hourly wages of between 40.0 cents and 44.9 cents, the increase will range from 0.51 percent to 1.75 percent.

In the opinion of the Committee, it is highly significant to note that the effect of the 32½-cent minimum on wage bills is very moderate for those plants employing the vast majority of the southern workers. Only in the case of those establishments with average hourly earnings in August, 1938,

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35.0 - 37.4 cents	3.59	1.72	22.7
37.5 - 39.9 cents	2.02	1.35	17.7
40.0 - 42.4 cents	1.75	--	24.7
42.5 - 44.9 cents	.51	--	
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Source: Economic Section, Wage and Hour Division, Memorandum, cited, pp. 7a,7b.

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In the opinion of the Committee, it is highly significant to note that the effect of the 32½-cent minimum on wage bills is very moderate for those plants employing the vast majority of the southern workers. Only in the case of those establishments with average hourly earnings in August, 1938, o... less than 30 cents will a $32\frac{1}{2}$-cent minimum occasion an increase in labor costs of more than 10.0 percent. These establishments employ about 7.0 percent of the southern wage earners in cotton textiles. For establishments employing more than two-thirds of the southern workers, the recommended minimum will result in wage bill increases of less than 4.0 percent.

It is necessary to remember, moreover, that wages represent only one of the costs of doing business. It has already been pointed out, indeed, that labor costs constitute, on the average, about 36.0 percent of total manufacturing costs. Hence, the recommended minimum would tend to increase total manufacturing costs by slightly more than one-third of the wage bill increases, taking the cotton branch of the industry as a whole. This means that even the southern integrated mills with the low average hourly wage in August, 1938, of between 25.0 cents and 29.9 cents would experience a manufacturing cost increase of only about 6.0 percent, despite a wage bill increase of 18.2 percent. The manufacturing costs of mills employing 93.0 percent of the southern workers will be increased by 3.5 percent or less by the introduction of a $32\frac{1}{2}$-cent minimum.

A number of considerations regarding the position of the small group of low-wage mills on which a $32\frac{1}{2}$-cent rate does produce a relatively large increase in costs should be stated. Some of these mills may be earning exceptional profits on the basis of low-wage standards. While low-wage mills often have low output per man-hour, this is not invariably the case. The Committee has before it the statement that "some low-wage mills achieve an average or better than average output and hence achieve extremely low labor costs." 1/ Presumably the low-wage mills in this

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1/ U. S. Bureau of Labor Statistics, Bulletin No. 663, p. 53

position can absorb successfully part or all of the increase in cost resulting from the recommended minimum.

Some mills may now be operating on a low-wage basis because of managerial inefficiency. These mills may be able to adjust themselves to the moderate minimum wage now recommended if their efficiency is brought up to current standards in the industry. Experience elsewhere indicates that the establishment of minimum wage standards provides an incentive to efficient management. Experience in the cotton branch of this industry suggests that differences in operating efficiency are by no means rigid over a period of time. 1/ Not only is there a considerable range of unit costs in different mills at any one time, but the high-cost mills of today may be in the low-cost group of mills tomorrow. Increased efficiency of operations is thus another method by which the increases in wage bills resulting from the Committee's recommendation may be met.

The Committee feels that adjustments are open to the low-wage fringe of mills in the industry that will permit these mills to continue to function. It is clear to the Committee that no reasonably efficient enterprise in the textile industry need fear the result of the modest wage standard recommended for the industry. In view of the moderate nature of the cost increases for the vast majority of southern establishments, the Committee is convinced that the $32\frac{1}{2}$-cent rate will not unduly affect competitive conditions within the industry.

1/ Ibid., p. 38

E. The Problem of Classification

The problem of classification remains to be discussed. Section 8(c) of the Act reads, in part:

> "The industry committee for any industry shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for each classification within such industry the highest minimum wage rate (not in excess of 40 cents an hour) which (1) will not substantially curtail employment in such classification and (2) will not give a competitive advantage to any group in the industry, and shall recommend for each classification in the industry the highest minimum wage rate which the committee determines will not substantially curtail employment in such classification."

As indicated earlier, certain proposals made to the Committee, if adopted, would have necessitated branch classification. 1/ The Committee believed, however, that the interrelated structure of the industry and the extent to which the different divisions of the industry were bound together through the medium of market competition were compelling reasons for the avoidance of classification by branches. 2/

There were two specific requests for area classification. A request for a differential below the basic minimum recommended by the Committee was made by representatives of the Committee of Southwest Textile Manufacturers for mills located in the states of Arkansas, Oklahoma, and Texas, and by the Mississippi Textile Manufacturers' Association for the mills in that state.

1/ See p.15 note.

2/ See pp.12-15

On regional classification Section 8(c) of the Act states that

> "no classification shall be made, and no minimum wage shall be fixed, solely on a regional basis, but the industry committee and the Administrator shall consider among other relevant factors the following:
> "(1) competitive conditions as affected by transportation, living, and production costs;
> "(2) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and
> "(3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum wage standards in the industry."

The requests for differentials before the Committee were made on the basis of "competitive conditions as affected by transportation, living, and production costs," with most emphasis upon the transportation and living cost factors. The case presented by the southwestern mill representatives was of a fairly elaborate character 1/, while the request from the Mississippi Textile Manufacturers' Association was contained in a letter to the Committee. 2/

There was no request for a differential for the Southeast, where the bulk of the cotton textile industry is located.

It was testified before the Committee that the Committee of Southwest Textile Manufacturers represented 24 mills employing about 7,500 wage earners. 3/ These presumably were cotton mills. 4/ In 1935,

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1/ Mr. Burt C. Blanton, Hearings, II, pp. 108-124; Mr. H. A. Burrows, Hearings, II, pp. 124-148; brief submitted to the Committee by Burt C. Blanton, entitled Commercial Survey of Southwestern Cotton Mills.
2/ Letter in Appendix, Hearings, IV, pp. 428-431.
3/ Mr. Burt C. Blanton, Hearings, II, p. 146.
4/ In 1935, the Census of Manufactures reported 23 cotton textile establishments in Texas and Arkansas, employing an average of 4,024 wage earners during the year. Data on the two cotton mills in Oklahoma were not reported separately.

Mississippi had 11 establishments engaged in cotton manufacturing in which an average of 2,683 wage earners were employed during the year. 1/ Taken together, therefore, the proportion of the industry located in these states is relatively small. 2/

The Southwestern group, in testimony before the Committee, requested a differential of 5 cents per hour below the minimum applicable to mills in the Southeast. 3/ Subsequently, a motion was placed before the Committee to grant a differential of $2\frac{1}{2}$ cents per hour below the general minimum to mills located in the Southwestern Freight Area, which includes the states of Texas, Oklahoma and Arkansas. This motion was defeated, only one affirmative vote being cast. The Committee determined that no other regional classification was warranted.

The action of the Committee in rejecting the requested classification was based upon the belief that the data did not warrant such classification. The data considered by the Committee is analyzed below.

(a) Transportation Costs. In general, the Committee was of the opinion that in the textile industry there was no basis for a differential in the minimum wage to compensate for the alleged disadvantage of the Southwest in the matter of freight rates. The problem of freight rate advantage or disadvantage is difficult to approach on a regional basis. It is, in essence, a point to point problem. The

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1/ Census of Manufactures, 1935.

2/ In 1935, Texas, Arkansas, and Mississippi contained 2.78 percent of the establishments and employed 1.75 percent of the wage earners in cotton textile industry. There were two establishments in Oklahoma for which the number of wage earners was not reported separately.

3/ Brief, Commercial Survey of Southwestern Cotton Mills, p. 36; Mr. H. A. Burrows, Hearings, II, p. 130.

mills in the Southwest undoubtedly enjoy transportation advantages to some markets over mills located in other parts of the country. To other markets the Southwest mills may operate under a shipping cost disadvantage as compared with mills situated elsewhere. If wage differentials were to be granted to equalize the transportation costs for all mills to all markets the task would be fantastic and impossible of achievement.

One Southwestern witness before the Committee stated that about 35 percent of the output of his mill was sold within the state of Texas. 1/ He testified that most of his remaining output was sold in the Middle West. 2/ In Table III, all-rail rates per 100 pounds of finished cotton fabrics in the original piece from Atlanta, Georgia, and Dallas, Texas, to eight cities in central and Western trunkline territories are shown. These 8 cities have been used in previous comparisons by the Interstate Commerce Commission as a fair sample of the leading points of destination for industrial textiles. The average all-rail rates to the eight central industrial cities were $1.13 and $1.26 per 100 pounds from Atlanta and Dallas, respectively, after June 8, 1937. This is a difference of only 13 cents per hundred pounds, or 12 percent, between Atlanta and Dallas, despite the fact that Dallas is 19 percent farther from the average market than Atlanta. This difference amounts to only 0.15 cents per pound of cloth. 3/

1/ Mr. H. A. Burrows, Hearings, II p. 130.
2/ Ibid, p. 131. It is probable that the fabrics made by the Southwestern mills are used to a considerable extent for industrial purposes. See Economic Section, Wage and Hour Division, Memorandum, Competitive Conditions as Affected by Transportation Costs in the Cotton Textile Industry, Feb. 21, 1939, p. 14.
3/ On the basis of 88 pounds of cloth for each 100 pounds of gross weight as packed for shipment.

Table III. ALL-RAIL RATE RELATION, SOUTH AND SOUTHWEST TO CENTRAL AND WESTERN TRUNKLINE TERRITORIES

To:	Distance		Atlanta		Dallas	
	From Atlanta Miles	From Dallas Miles	PPrior to June 8, 1937 CCents per 100 lbs.	After June 8, 1937 Cents per 100 lbs.	Prior to June 8, 1937 Cents per 100 lbs.	After June 8, 1937 Cents per 100 lbs.
St. Louis	603	656	75	97	83.5	97
Chicago	729	935	83	106	83.5	106
Cincinnati	475	967	69.5	85	92	106
Akron	716	1,214	83	105	106.5	145
Detroit	728	1,234	83	106	106	145
Pittsburgh	781	1,278	84.5	109	145	152
Minneapolis	1,095	945	128.5	156	132.5	158
Kansas City	876	484	123	142	114.5	97
Average	750	964	91	113	108	126
Average (excluding Minneapolis & Kansas City)	672	1,047	80	101	103	125

Source: Economic Section, Wage and Hour Division, Memorandum, Competitive Conditions as Affected by Transportation Costs in the Cotton Textile Industry.

In the brief of the Committee of Southwest Textile Manufacturers, a comparison was made of transportation rates from 4 representative Texas points and 4 southeastern points to 15 cities. 1/ The reasons that governed the selection of these cities were not stated. Eight of the 15 cities, however, are among the largest in the United States, and include the principal eastern textile markets of New York, Philadelphia and Boston. Table IV contains a comparison of the transportation rates to these 8 cities from Atlanta and Dallas. Via lowest rated routes to the 8 cities, the average rate per 100 pounds of finished cotton fabrics in the original piece is 98 cents from Atlanta and $1.19 from Dallas, a difference of 21 cents. This difference amounts to slightly less than one-fourth of a cent per pound of cloth on the basis of 88 pounds per 100 as packed for shipment.

The brief of the Committee of Southwest Textile Manufacturers also contained a comparison of the rail-water and all-rail rates on finished cotton piece goods from Scottdale, Alabama, and from Texas points to California ports. 2/ Via rail-water routes, the rate per 100 pounds is $1.44 from Scottdale and $1.49 from the Texas points, a difference of 5 cents; via the all-rail route, the rate is $2.74 from Scottdale and $1.65 from the Texas points, a difference of $1.09 in favor of Texas.

In addition to outbound freight, there is also the problem of freight charges inward on raw cotton and supplies. It is even more difficult to get a clear picture of relative advantages or disadvantages in inward freight than outward freight. For example, the following rates on uncompressed cotton between Texas points and from Oklahoma points to Texas points compared with rates between points in the Southeast, was given to the Committee:

1/ Brief, cited, pp. 16-18
2/ Brief, cited, p. 15

All-Rail Rates in Cents per 100 pounds, Any Quantity			
Distances	Between Texas Points	From Oklahoma Points to Texas Points	Between Points in the Southeast
25 miles	28½	40	8
50 "	36	50	11
75 "	42	59	15
100 "	49	68	19
150 "	56½	79	24
200 "	61½	86	29
300 "	68½	96	42
400 "	73	102	54
500 "	77½	108	66
600 "	82	114	70

Source: Letter from Mr. H. A. Burrow, January 21, 1939

The rates in the above table are any quantity rates. 1/ The Traffic Division of the Interstate Commerce Commission reports that in carload lots of raw cotton--approximately 25,000 pounds minimum--the rate from Troy, Oklahoma, to Denison, Texas, a distance of 50 miles, is 26 cents per 100 pounds. Moreover, from Sasakwa, Oklahoma, to Denison, Texas, a distance of approximately 100 miles, the rate per 100 pounds on raw cotton in carload lots is 27 cents. 2/ Clearly, the rates shown in the table between points in the Southwest should be compared with the rates on carload lots from Oklahoma to Texas points.

Furthermore, comparatively low rates prevail on shipments on raw cotton from gins to the numerous compress points in the Southwest. When the cotton is shipped in carload lots from these concentration points to the mills, there is a refund to the mill owners of the rate from the

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1/ See discussion in Economic Section, Wage and Hour Division, Memorandum, Competitive Conditions as Affected by Transportation Costs in the Cotton Textile Industry, p. 10

2/ Ibid., p. 10

Table IV

TRANSPORTATION COSTS IN CENTS PER 100 POUNDS ON FINISHED COTTON FABRICS IN ORIGINAL PIECE VIA LOWEST RATED ROUTES FROM ATLANTA AND DALLAS TO EIGHT OF THE LARGEST CITIES OF THE UNITED STATES.

Destination.	Rates via lowest rated routes Atlanta	Dallas
New York, New York	92	105
Philadelphia, Pennsylvania	92	105
Detroit, Michigan	106	145
Boston, Massachusetts	98	105
Pittsburgh, Pennsylvania	109	152
Buffalo, New York	116	131
Cincinnati, Ohio	85	106
Louisville, Kentucky	84	106
TOTALS	782	955
AVERAGES	98	119

Source: Economic Section, Wage and Hour Division, Memorandum, Competitive Conditions as Affected by Transportation Costs in the Cotton Textile Industry

gins to the compress points. Moreover, as distance increases, the difference between the rates on raw cotton in the Southwest and the Southeast becomes less. In addition, to North Carolina or South Carolina the rates on cotton from Texas and the Central Belt (Mississippi, Louisiana, and Arkansas) are higher than within Texas itself, as shown by special tabulations of the Traffic Division of the Interstate Commerce Commission. 1/

It was pointed out before the Committee that agencies exist for the correction of discriminatory freight rates. 2/ One witness stated, indeed, that efforts were constantly being made to have rates of an alleged discriminatory character rectified.3/

1/ Ibid., P.10
2/ As this term is defined in rate-making rules.
3/ Mr. H. A. Burrows, Hearings, II, p. 125

The Committee would like to emphasize again its view that the problem of freight rates is essentially a point to point problem. Even within one area, it would be impossible, by means of wage manipulation at the minimum wage level, to equalize transportation costs for all producers. Such an attempt would, in the opinion of the Committee, create more problems than it would solve, leading to new demands for differential treatment.

(b) Cost of Living. The second major argument for a lower minimum wage for the southwestern textile industry was the alleged lower cost of living in that area.

In the opinion of the Committee, there was some confusion in the general discussion of this topic. The confusion grew out of the failure to distinguish clearly between the levels on which workers actually live in various parts of the country and the cost among regions or places of maintaining a given standard of living. It is only when workers in A can buy the same or an equivalent standard of living as workers in B with less money that the cost of living can be said to be lower in A than in B. Lower expenditures by workers in one place as compared with those in another may simply reflect differences in money incomes.

The Committee had presented to it the results of an elaborate cost-of-living study conducted by the Works Progress Administration in collaboration with the Bureau of Labor Statistics. 1/ The W.P.A. constructed two standard budgets for a family consisting of husband, wife, and two children. The "maintenance budget" was stated to represent the "normal or average minimum requirements" for a wage-earner family of the disig-

1/ Mr. A. F. Hinrichs, Hearings, I, pp. 58-68 nated size; in the "emergency budget" account was taken of "certain economies which may be made under depression conditions, (which) may contain health hazards if followed for any considerable period of time."1/ Certain adjustments were made to take account of regional variations in requirements: less fuel, for example, was allowed in southern cities than in northern cities.

The items in these budgets were priced in 59 cities for March, 1935. Since most important textile centers are cities with less than 500,000 population, averages for purposes of regional comparison were computed for 44 cities with a population of under half a million. These averages are shown below:

	Average cost of	
Region	Maintenance Budget (dollars)	Emergency Budget (dollars)
North Atlantic	1,276	908
North Central	1,230	884
South Atlantic	1,230	879
South Central	1,186	852
Western	1,255	905

1/ Ibid. p. 58

The average cost of the maintenance budget in the South Central area was 3.6 per cent less than in the South Atlantic region, and at the emergency budget level the difference was only 3.1 per cent less. This comparison between the South Central and South Atlantic areas is probably the most significant that can be made in terms of the present problem, for the chief concern of the southwestern representatives was to obtain a minimum rate lower than that set for the Southeast. Plainly the average difference in the cost of an equivalent standard of living in the two regions in March, 1935, was very slight. The major regional difference, as disclosed by the W.P.A. study, was between the South Central and North Atlantic areas. The average cost of the maintenance budget in the South Central area was 7.1 per cent lower than in the North Atlantic region; at the emergency budget level the difference was 6.2 per cent.

The W.P.A. study revealed the fact that variations in living costs within a region are larger than variations in living costs among regions. Thus, at the maintenance budget level, the difference between the South Central and South Atlantic averages was \$44. But the difference in cost between the least and most expensive city <u>within</u> the South Central region was \$103, while the difference between the least and most expensive city in the South Atlantic area was \$78. As in the case of transportation costs, therefore, the problem of living cost advantages or disadvantages is, at least in part, a point to point problem rather than a broadly regional problem.

Although living costs have increased by about 4.0 per cent since the W.P.A. study was made, the increase appears to have been spread rather evenly over the regions. It is believed, therefore, that the results of this study are still valid.

In the brief submitted by the Committee of Southwest Textile Manufacturers the statement is made that living costs per family are 25 per cent to 30 per cent lower in the Southwest than in other parts of the country. 1/ No substantiating evidence is given, however, except the general contention that family requirements for food, clothing, housing and fuel are lower in the Southwest because of climatic conditions. The brief also contains a table showing the average annual living costs for a family of 4 to be $761.00 in the southwestern cotton mill areas. 2/ No details of the budget on which this estimate is based are given, nor is any comparison made with other areas.

The Committee did not believe that sufficient difference in living costs existed between the Southwest and other cotton mill regions to justify a wage differential at the minimum wage level. This conclusion is based largely on the findings of the W.P.A. study summarized above. These findings were in general confirmed by an independent study made by the National Industrial Conference Board in March, 1937, 3/ and were strengthened by material submitted by the American Federation of Labor. 4/

F. General Summary of the Conclusions of the Committee

After attempting to take fully into account all relevant factors, the Committee determined that at the present time the recommendation of a 32½ cent minimum wage rate for the textile industry is the highest minimum wage rate for the industry which, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry. This minimum wage will increase labor costs to a very

1/ Brief, cited, p. 10.
2/ Ibid., p. 11.
3/ Mr. A. F. Hinrichs, Hearings, I. p. 60.
4/ Article entitled "Cost of Living in the South", prepared by Research Division, American Federation of Labor.

moderate extent; since labor represents only one cost-factor in the manufacture of textiles, the effect of the minimum on total manufacturing costs will be relatively slight. There is no reason to anticipate appreciable increases in retail selling prices as the result of the establishment of this minimum, and hence there is no reason to believe that employment will be substantially curtailed.

The Committee is convinced that the recommended minimum will not disturb the present regional distribution of the textile industry to any signigicant extent. The wage recommendation will have a fairly marked effect on the relatively small group of low-wage mills that operate on the periphery of the industry. It is precisely this group of mills that tends to inaugurate competitive wage-cutting practices, thus exerting a depressing influence on general wage standards for hundreds of thousands of workers whose livelihood depends upon the functioning of one of the oldest industries created by man. The recommended minimum wage will provide a measure of protection for the great bulk of mills, South and North, against a type of competition that is injurious to the industry and its workers and ultimately to the community as a whole.

The Committee was impressed with the able case presented by witnesses representing the employees in the industry for a minimum wage rate higher than the recommended rate.[1/] In view of the total situation, however, the Committee could not see its way clear to recommend a rate in excess of 32½ cents at the present time.

The Committee gave due consideration to various possible classifications. The competitive interrelationship of products made from cotton, silk, rayon, flax, jute, and mixtures of such fibers lead the Committee to conclude that the establishment of product classifications was not practicable. It further

1/ Mr. Solomon Barkin, T.W.O.C., and associated witnesses, Hearings, III, pp. 224-307; and Brief, Appendix, cited. Mr. Boris Shishkin, A.F. of L., and associated witnesses, Hearings, III, pp. 310-348.

concluded that the data did not warrant any regional classification. The Committee's determinations as to classifications were made after weighing the evidence before it in the light of Section 8(c) of the Act.

Recommendation

Upon the basis of its investigation of conditions in the textile industry and of the foregoing analysis of the evidence, and pursuant to Section 8 of the Fair Labor Standards Act of 1938, the Committee makes the following recommendation:

Thirty-two and one-half cents ($32\frac{1}{2}$ cents) per hour shall be the minimum wage rate to be paid all employees in the textile industry defined (by Administrative Order No. 25, dated May 22, 1939) as follows:

(a) The manufacturing or processing of yarn or thread and all processes preparatory thereto, and the manufacturing, bleaching, dyeing, printing and other finishing of woven fabrics (other than carpets and rugs) from cotton, silk, flax, jute or any synthetic fiber, or from mixtures of these fibers; or from such mixtures of these fibers with wool or animal fiber (other than silk) as are specified in clauses (g) and (h); except the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in the establishments manufacturing synthetic fiber;

(b) The manufacturing of batting, wadding or filling and the processing of waste from the fibers enumerated in clause (a);

(c) The manufacturing, bleaching, dyeing, or other finishing of pile fabrics (except carpets and rugs) from any fiber or yarn;

(d) The processing of any textile fabric, included in this definition of this industry, into any of the following products: bags; bandages and surgical gauze; bath mats and related articles; bedspreads; blankets; diapers; dishcloths, scrubbing cloths and wash-cloths; sheets and pillow cases; table-cloths, lunch-cloths and napkins; towels; and window-curtains;

(e) The manufacturing or finishing of braid, net or lace from any fiber or yarn;

(f) The manufacturing of cordage, rope or twine from any fiber or yarn;

(g) The manufacturing or processing of yarn or thread by systems other than the woolen system from mixtures of wool or animal fiber (other than silk) with any of the fibers designated in clause (a), containing not more than 45 percent by weight of wool or animal fiber (other than silk);

(h) The manufacturing, bleaching, dyeing, printing or other finishing of woven fabrics (other than carpets and rugs) from mixtures of wool or animal fiber (other than silk) containing not more than 25 percent by weight of wool or animal fiber (other than silk), with any of the fibers designated in clause (a), with a margin of tolerance of 2 percent to meet the exigencies of manufacture.

Approved May 23, 1939

Donald M. Nelson, Chairman

Fred Lazarus, Jr., George Fort Milton, George W. Taylor, Paul Christopher, Francis P. Fenton, Sidney Hillman, R. R. Lawrence, Elizabeth Nord, Emil Rieve, H. A. Schroeder, Allan Barrows, G. Edward Buxton, John Nickerson, Members of Industry Committee No. 1

(1144)

Appendix A

Table A - Percentage Increase in the Wage Bill of The Cotton Textile Industry as a Whole Resulting From the Establishment of Certain Specified Minimum Wage Rates

Minimum Rate	Percentage Increase In Industry Wage Bill
27.5	0.8
30.0	1.9
32.5	4.0
35.0	7.0
37.5	11.1
40.0	15.9

Source: Economic Section, Wage and Hour Division, Memorandum, The Possible Effect of Different Minimum (25 cents to 40 cents per hour) on Labor Costs, Manufacturing Costs and Prices, p. 66.

Appendix A

Table B - Percentage Increase in the Wage Bill in Integrated Mills in the North Resulting From the Establishment of Certain Specified Minimum Wage Rates 1/

Minimum Hourly Wage Rate of:	Average Hourly Wage in August, 1938, of			
	37.5 and under 40.0 cents	40.0 and under 42.5 cents	42.5 and under 45.0 cents	45.0 and under 50.0 cents
	Percent	Percent	Percent	Percent
27.5 cents	.21	.09	.04	.02
30.0 cents	.66	.26	.12	.04
32.5 cents	1.58	.57	.30	.10
35.0 cents	3.58	1.86	1.21	.56
37.5 cents	6.88	4.28	2.97	1.74
40.0 cents	11.19	7.56	5.45	3.52

Source: Economic Section, Wage and Hour Division, Memorandum, The Possible Effect of Different Minima (25 cents to 40 cents per hour) on Labor Costs, manufacturing Costs and Prices, p. 6b.

1/ Including an allowance of 8.1 percent of the direct increase for increases above the minimum.

Appendix A

Table C. -- Percentage Increase in the Wage Bill in Integrated Mills in the South Resulting from the Establishment of Certain Specified Minimum Wage Rates 1/

Minimum hourly wage rate of	Average Hourly Wage, in August, 1938, of: 20.0 and under 25.0 cents	25.0 and under 30.0 cents	30.0 and under 32.5 cents	32.5 and under 35.0 cents	35.0 and under 37.5 cents	37.5 and under 40.0 cents	40.0 and under 42.5 cents	42.0 and under 45.0 cents	45.0 and under 50.0 cents
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
27.5 cents	9.32	4.22	1.41	.88	.56	.34	.39	.09	.15
30.0 cents	19.37	10.52	4.34	2.55	1.44	.82	.90	.22	.39
32.5 cents	29.79	18.21	9.72	5.97	3.59	2.02	1.75	.51	.80
35.0 cents	40.45	26.66	16.65	11.03	7.41	4.53	3.39	1.10	1.42
37.5 cents	51.25	35.54	24.32	16.99	12.30	8.18	5.96	2.19	2.53
40.0 cents	62.14	44.70	32.43	23.55	17.98	12.64	9.29	4.07	4.28

Source: Economic Section, Wage and Hour Division, Memorandum, The Possible Effect of Different Minima (25 cents to 40 cents per hour) on Labor Costs, Manufacturing Costs and Prices, p. 7a.

1/ Including an allowance of 14.4 percent of the direct increase for increases above the minimum.

Appendix A

Table D - Percentage Increase in the Wage Bill in Spinning Mills in the South Resulting From the Establishment of Certain Specified Minimum Wage Rates 1/

Average Hourly Wage in August, 1938, of -

Minimum Hourly Wage Rate of	20.0 and under 25.0 cents	25.0 and under 30.0 cents	30.0 and under 32.5 cents	32.5 and under 35.0 cents	35.0 and under 37.5 cents	37.5 and under 40.0 cents
	Percent	Percent	Percent	Percent	Percent	Percent
27.5 cents	8.99	3.55	1.19	.43	.19	.25
30.0 cents	18.96	9.19	3.41	1.05	.57	.64
32.5 cents	29.42	14.35	7.87	2.72	1.72	1.33
35.0 cents	40.11	26.31	14.44	6.98	4.67	2.84
37.5 cents	50.87	35.84	22.00	13.37	9.42	5.67
40.0 cents	61.71	45.60	30.12	20.69	15.34	9.93

Source: Economic Section, Wage and Hour Division, Memorandum, The Possible Effect of Different Minima (25 cents to 40 cents per hour) on Labor Costs, Manufacturing Costs and Prices, p. 7b.

1/ Including an allowance of 14.4 percent of the direct increase for increases above the minimum.

APPENDIX B

List of Persons and Organizations Invited
to Appear Before the Textile Industry
Committee and its Subcommittees

1. Invited to appear before Subcommittee B, Meetings November 1, 2 and 3, 1938:

Herman Mason, Executive Director
Allied Underwear Association
1 Madison Avenue
New York, New York

W. D. Anderson
American Cotton Manufactures Association
Macon, Georgia

Mrs. E. Beard
Association of Hand-Quilted Textile Industry
1751 Deerwood Avenue
Louisville, Kentucky

Lewis Levy, Secretary
Associated Southern Curtain Manufacturers
1418 Washington Avenue
St. Louis, Missouri

Bedding Manufacturers and Suppliers Association
2 Lafayette Street
New York, New York

Candlewick Bedspreads Manufacturers Association
Dalton, Georgia

C. J. Murchison, President
Cotton Textile Institute
320 Broadway
New York, New York

Marvin Rosenberg, President, c/o Cameo Curtains, Inc.
Curtain Manufacturers Guild, Inc.
267 Fifth Avenue
New York, New York

International Ladies Garment Workers Union
Paramount Building
1501 Broadway
New York, New York

A. F. Allison, Secretary
International Association of Garment Manufacturers
40 Worth Street
New York, New York

J. L. Dubow, Executive Director
Merchants Ladies Garment Association
225 West 34th Street
New York, New York

APPENDIX B

1. Invited to appear before Subcommittee B, Meetings November 1, 2 and 3, 1938: (Continued)

Metropolitan Knitted Textile Association
1440 Broadway
New York, New York

The Middle States Textile Manufacturers Association
228 Washington Street
Cannelton, Indiana

S. J. Mills, Secretary
National Association of Bedding Manufacturers
608 South Dearborn Street
Chicago, Illinois

R. W. Alley
National Association of Comfortable Manufacturers
61 Broadway
New York, New York

National Association of Cotton Manufacturers
80 Federal Street
Boston, Massachusetts

A. C. Moore, Secretary
National Association of Finishers of Textile Fabrics
40 Worth Street
New York, New York

W. J. Parker
National Association of Lace Curtain Manufacturers
7 East 44th Street
New York, New York

National Association of Novelty Curtains, Bedspreads & Novelty Pillows
165 Broadway
New York, New York

National Association of Textile Dyers and Finishers
465 Main Street
Cambridge, Massachusetts

I. L. Blunt, Secretary
National Federation of Textiles
10 East 40th Street
New York, New York

National Infants, Children's and Junior Wear Industries
175 Fifth Avenue
New York, New York

APPENDIX B

1. Invited to appear before Subcommittee B, Meetings November 1, 2 and 3, 1938: (Continued)

F. B. Shipley, Secretary
National Pajama Manufactures Guild
291 Broadway
New York, New York

M. N. Mound
National Womens Undergarment Manufacturers Association
295 Madison Avenue
New York, New York

National Upholstery and Drapery Textile Association
185 Madison Avenue
New York City

N. G. Tooran, Counsel
Negligee Manufacturers Association
271 Madison Avenue
New York, New York

New England Bedding Manufacturers Association
73 Tremont Street
Boston, Massachusetts

J. H. Casey, Secretary
New England Curtain Manufactures Association
99 Chauncey Street
Boston, Massachusetts

Northwest Textile Association
Morgan Building
Portland, Oregon

Southern Textile Association
118 West Fourth Street
Charlotte, North Carolina

Textile Bag Manufacturers Association
100 North LaSalle Street
Chicago, Illinois

Tufted Bedspread Manufacturers Association
Dalton, Georgia

c/o Harry Garfinkel
Undergarment League
Garfinkel, Ritter
148 Madison Avenue
New York, New York

APPENDIX B

1. Invited to appear before Subcommittee B, Meetings November 1, 2 and 3, 1938: (Continued)

R. A. Cheney, Managing Director
Underwear Institute
2 Park Avenue, Room 1219
New York, New York

United Infants and Childrens Wear Association
New York, New York

United Knitted Outwear Association
New York, New York

United Underwear Contractors Association
225 West 34th Street
New York, New York

United Women's Wear League of America
10 West 33rd Street
New York, New York

West Coast Textile Association
939 South Broadway
Los Angeles, California

APPENDIX B

2. Invited to appear before Full Committee, Meetings, December 14, 15, 16 and 17, 1938:

Allied Drapery & Upholstery Trimming Association
7 East 44th Street
New York, New York

Allied Workers of the Textile Industry, Inc.
(Nitto and Gaston, Attorneys)
Peoples Bank Building
Passaic, New Jersey

Amalgamated Lace Operatives
(John Burns, President)
545 West Lehigh Avenue
Philadelphia, Pennsylvania

American Cotton Manufacturers Association
Charlotte, North Carolina

American Cotton Waste and Linter Exchange
222 Summer Street
Boston, Massachusetts

American Federation of Labor
(Boris Shishkin)
901 Massachusetts Avenue, N. W.
Washington, D. C.

American Lace Manufacturers Association, Inc.
(Hugo N. Schloss, President)
1 West 34th Street
New York, New York

American Wholesale Canvas Goods Manufacturers
c/o Canvas Products Company
St. Louis, Missouri

Aponaug Manufacturing Company
(Robert D. Sanders, President-Treasurer)
Jackson, Mississippi

Associated Batting Manufacturers
411 North 7th Street
St. Louis, Missouri

Associated Bias Binding Industries
18 East 41st Street
New York, New York

APPENDIX B

2. Invited to appear before Full Committee Meetings, December 14, 15, 16 and 17, 1938. (continued)

Associated Braid and Body Hat Processors
c/o Siegel and Corn)
280 Broadway
New York, N. Y.

Associated Weaving Industries
143 West 20th Street
New York, N. Y.

Association of Cotton Yarn Distributors
800 Drexel Building
Philadelphia, Pennsylvania

Bias Tape Institute
1170 Broadway
New York, N. Y.

Burlap Association
150 Washington Street
New York, N. Y.

Cosmopolitan Twine and Paper Association
250 East 161 Street
New York, N. Y.

The Cotton Thread Institute, Inc.
(David Snyder, Executive Director)
11 West 42nd Street
New York, N. Y.

Cordage Institute
(J.S.McDaniel)
350 Madison Avenue
New York, N. Y.

Curtain Manufacturers Guild, Inc.
(Marvin Rosenberg, President, c/o Cameo Curtains, Inc.)
267 Fifth Avenue
New York, N. Y.

Cotton Yarn Merchants Association
Drexel Building,
Philadelphia, Pennsylvania

Cloth Reel Manufacturers Association
111 Broadway
New York, N. Y.

Cotton Textile Institute
320 Broadway
New York, N. Y.

APPENDIX B

2. Invited to appear before Full Committee, Meetings, December 14, 15, 16, and 17, 1938: (Continued)

Dyers & Finishers Association of America
329 Main Street
Paterson, New Jersey

Dyers and Printers Employers Association
(Emanuel Shavick, Attorney for Association)
Citizens Trust Building
Paterson, New Jersey

Embroidery Manufacturers Association
728 West Madison Street
Chicago, Illinois

Federation of Dyers, Finishers, Printers and Bleachers of America
(Joseph W. Knapik, President, affiliated with T. W. O. C.)
18 Church Street
Paterson, New Jersey

Heavy Cotton Thread Association
77 Franklin Street
Boston, Massachusetts

Independent Dyers and Printers Association
140 Market Street
Paterson, New Jersey

Institute of Dyers and Printers
(Chas. L. Auger, President)
Alexander Hamilton Hotel
Paterson, New Jersey

Interlining Manufacturers Association
18 East 41st Street
New York, New York

International Silk Guild
250 Fifth Avenue
New York, New York

Johnson & Johnson
(Kenneth Perry, General Counsel)
(Robert W. Johnson, President)
New Brunswick, New Jersey

Lace and Embroidery Association
45 East 17th Street
New York, New York

Mercerizers Association of America
468 Fourth Avenue
New York, New York

APPENDIX B

2. Invited to appear before Full Committee Meetings, December 14, 15, 16 and 17, 1938. (continued)

Middle Atlantic Canvas Manufacturers Association
131 Arch Street
Philadelphia, Pennsylvania

Middle States Textile Manufacturers Association
228 Washington Street
Cannelton, Indiana

Millinery & Dress Trimming, Braid and Textile Association
37 West 39th Street
New York, N. Y.

Narrow Fabrics Institute
(Wilwyn Herbert, Secretary)
309 State Street
New London, Connecticut

National Association of Coated Shoe Tape Manufacturers
329 La Grange Street
West Roxbury, Boston, Mass.

National Association of Cotton Manufacturers
(Russell T. Fisher)
80 Federal Street
Boston, Mass.

National Association of Dry Goods Batting Manufacturers
P.O.Box 109
Lockland, Ohio

National Association of Finishers of Textile Fabrics
40 Worth Street
New York, N. Y.

National Association of Textile Dyers & Finishers
465 Main Street
Cambridge, Massachusetts

National Association of Textile Printing Colorists
465 South Main Street
Cambridge, Massachusetts

National Association of Waste Material Producers
400 West Madison Avenue
Chicago, Illinois

National Cotton Fibers Association
666 North Lake Shore Drive
Chicago, Illinois

APPENDIX B

2. Invited to appear before Full Committee, Meetings, December 14, 15, 16 and 17, 1938: (Continued)

National Federation of Textiles
10 East 40th Street
New York, New York

National Flax Tow Manufacturers Association
1695 Hewitt Avenue
St. Paul, Minnesota

National Rayon Weavers Association
40 Worth Street
New York, New York

National Textile Processors Guild
(Harold Karzenik, Executive Director)
51 Chambers Street
New York, New York

National Twine and Cordage Association
44 North Front Street
Philadelphia, Pennsylvania

National Upholstery and Drapery Textile Association, Inc.
(A. W. Macready, General Manager)
1441 Broadway
New York, New York

New Bedford Textile Council
New Bedford, Massachusetts

New England Curtain Manufacturers Association
(Charles M. Goldman, Counsel)
113 Barrister Hall
11 Pemberton Square
Boston, Massachusetts

Northwest Textile Association
Morgan Building
Portland, Oregon

Print Cloth Group of Cotton Manufacturers
(Wm. P. Jacobs, Secretary- Treasurer)
Carolina Avenue
Clinton, South Carolina

Rayon and Synthetic Yarn Producing Association
51 Madison Avenue
New York, New York

Rhode Island Textile Association
(E. F. Walker, Secretary-Treasurer)
49 Westminster Street
Providence, Rhode Island

APPENDIX B

2. Invited to appear before Full Committee Meetings, December 14, 15, 16 and 17, 1938: (Continued)

Rocky Mountain Canvas Goods Manufacturers Association
1421 Larimer Street
Denver, Colorado

Silk Commission Manufacturers Association
c/o A. Brenman
Paterson, New Jersey

Silk Dyers Association of America
561 Madison Avenue
Paterson, New Jersey

Silk Dyer's & Printers Association
262 Main Street
Paterson, New Jersey

Silk Manufacturers Association
132 Market Street
Paterson, New Jersey

Soft Fibre Institute
(Geo. F. Quimby, Secretary-Treasurer)
9 Rockefeller Plaza
New York, New York

Solid Braided Cord Manufacturers Association
1405 Healy Building
Atlanta, Georgia

Southern Canvas Goods Manufacturers
c/o Nashville Tent & Awning Company
Nashville, Tennessee

Southern Combed Yarn Spinners Association
Gastonia, North Carolina

Southern States Industrial Council
1103 Stahlman Building
Nashville, Tennessee

Southern Textile Association
218 West Moorehead Street
Charlotte, North Carolina

Southwest Textile Manufacturers Committee
c/o Texas Textile Mills
Dallas, Texas

Textile Bag Manufacturers Association
(L. A. Gravelle)
Shoreham Building
Washington, D. C.

APPENDIX B

2. Invited to appear before Full Committee, Meetings, December 14, 15, 16 and 17, 1938: (Continued)

Textile Converters Association
1450 Broadway
New York, New York

Textile Fabrics Association
40 Worth Street
New York, New York

Textile Refinishers Association
1450 Broadway
New York, New York

Textile Workers Organizing Committee
44 East 23rd Street
New York, New York

Throwsters Research Institute
(George A. Urlaub)
468 Fourth Avenue
New York, New York

Tufted Bedspread Manufacturers Association
(Fred R. Westcott, Chairman)
Dalton, Georgia

United Automobile Workers of America (T. W. O. C.)
Cotton Goods Division
(Carl F. Thrasher, Secretary)
Pengelly Building
Flint, Michigan

United Office & Professional Workers of America
(c/o Eugene Turner)
80 West 40th Street
New York, New York

United States Hemp Brokers Association
90 Wall Street
New York, New York

United Upholstery Manufacturers Association
Fourth and Cambria Streets
Philadelphia, Pennsylvania

Upholstery & Decorative Fabrics Association
515 Madison Avenue
New York, New York

Velvet Manufacturers Association
(Frank R. Wheeler, President)
10 West 39th Street
New York, New York

APPENDIX B

2. Invited to appear before Full Committee, Meetings, December 14, 15, 16 and 17, 1938: (Continued)

Waste Manufacturers' Association
(C. Lochman)
Main and Carson Streets
Philadelphia, Pennsylvania

Weaving Specialties Association
2100 West Allegheny Avenue
Philadelphia, Pennsylvania

Women Elastic Institute
51 Winthrop Street
Boston, Massachusetts

Yarn Dyers' Association
381 Fourth Avenue
New York, New York

3. Appearance of witnesses before Subcommittee D, Meetings, March 1 and 2, 1939, was arranged by Mr. Charles A. Cannon, employer member of the Committee.

APPENDIX C

List of Persons Who Appeared Before The Full Committee and its Subcommittees

FULL COMMITTEE, MEETING OF OCTOBER 11, and 12, 1938

October 11, 1938

Elmer F. Andrews, Administrator of the Wage and Hour Division of the Department of Labor
Calvert Magruder, General Counsel of the Wage and Hour Division
A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics
Samuel Gompers, Chief Clerk of the Department of Labor

October 12, 1938

A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics
N. A. Tolles, Assistant Chief Economist, Wage and Hour Division

SUBCOMMITTEE "B", MEETING OF OCTOBER 12 and 13, 1938

N. A. Tolles, Assistant Chief Economist, Wage and Hour Division
Spencer W. Pitts, Office of General Counsel

SUBCOMMITTEE "C", MEETING OF OCTOBER 26, and 27, 1938

A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics
Carroll R. Daugherty, Chief Economist, Wage and Hour Division

SUBCOMMITTEE "B", MEETING OF NOVEMBER 1, 2, and 3, 1938

November 1, 1938

J. K. Watson (Cotton Textile Institute) introduced the following:
C. W. Dall, President, National Rayon Weavers Association
B. C. Trotter, Marshall Field Company, Chicago, Illinois
C. E. Neisler, President, Neisler Mills
Albert H. Crossman, Utica & Mohawk Cotton Mills, Utica, New York
Earnest R. Boyd, Pequot Mills, Salem, Massachusetts
K. P. Lewis, Erwin Cotton Mills Company, Durham, North Carolina
National Federation of Textile Workers, New York, New York
Miss I. L. Blunt
Tufted Bedspread Manufacturers Association, Dalton, Georgia
Fred R. Westcott, Chairman
A. J. Carter, Chattanooga, Tennessee
John T. Duncan, Canton, Georgia
New England Curtain Manufacturers Association
Chas. M. Goldman, Counsel
Lewis M. Graboys, Puritan Curtain Company, Fall River, Massachusetts
A. L. Gordon, Royal Curtain Manufacturing Company, Boston, Massachusetts
Curtain Manufacturers Guild Inc.
B. H. Siegeltuch, Counsel
Marvin Rosenberg, President (of Guild) Cameo Curtains, Inc., New York, N.Y.
*Hoppel Schwartz, Majestic Curtain Company, New York, New York

*Did not speak

APPENDIX C Cont'd

SUBCOMMITTEE "B", MEETING OF NOVEMBER 1, 2, and 3, 1938 Cont'd

November 2, 1938

International Ladies Garment Workers Union
*Lazare Teper
Allied Underwear Association
*Meyer B. Eliassoph
Mitchell Schneider
Elias Landsberger
Arthur Adelman
Negligee Manufacturers Association
*Samuel Denitz
Lingerie Manufacturers Association
Matthew Touraine
United Underwear Contractors Association
Abraham Beckerman
(former) Undergarment League
B. Weiss c/o Garfinckel & Retter, New York, New York
United Infants' and Children's Wear Association
Max H. Zuckerman, Executive Secretary
National Association of Bedding Manufacturers, Chicago, Illinois
J. P. Fanning, Secretary

November 3, 1938

International Ladies Garment Workers Union
Lazare Teper
Elias Lieberman, Counsel
Undergarment and Negligee Union of New York (affiliate of I.L.G.W.U.)
Samuel Shore, Manager
United Knitted Outwear Association
Harold R. Lhowe, Executive Director
*H. H. Cohen, Philadelphia, Pennsylvania
*Phillip Frankel, Cleveland, Ohio
*D. Rhenhour, New York, New York
*R. W. Whitman
*Ingram Bergman, Philadelphia, Pennsylvania
Underwear Institute
Roy Cheney, Managing Director
Ralph M. Jones, President of Institute, Utica Knitting Company, Utica, N.
*Wm. Ravnar, Warvern Knit Wear Company, New York, New York
*H. E. Sims, Atlas Underwear Company, Piqua, Ohio
*T. O. Moore, P. H. Hanes Knitting Company, Winston-Salem, North Carolina
*J. D. Ambrose
*F. E. Simmons
*Miss Joyce Page) Secretary to Mr. Cheney
*H. H. Dill)
*H. B. Snader, Vanity Fair, Reading, Pennsylvania
*W. W. Moyer, Reading, Pennsylvania
*A. H. Walker, Brooklyn, New York
E. J. McMillan, President, Standard Knitting Mills, Nashville, Tennessee
*L. B. Boynton, Newton, Massachusetts
*Benjamin Gibler, Philadelphia, Pennsylvania

*Did not speak

APPENDIX C Cont'd

SUBCOMMITTEE "B", MEETING OF NOVEMBER 1, 2, and 3, 1938
Cont'd

November 3, 1938 (Cont'd)

Textile Bag Manufacturers Association
L. A. Gravelle, Shoreham Building, Washington, D. C.
H. L. Condon, President, Chicago, Illinois
P. E. Morrill, Chicago, Illinois
Observers:
*Joe Brodinsky (Knit Outerwear Group)
*Meyer B. Eliassoph (Allied Underwear Association)
*Harold R. Lhowe (National Knit Outerwear Association)

SUBCOMMITTEE "B", MEETING OF NOVEMBER 4, 1938

N. A. Tolles, Assistant Chief Economist, Wage and Hour Division
Nathan Fine, Economic Section, Wage and Hour Division

SUBCOMMITTEE "B", MEETING OF DECEMBER 9 and 10, 1938

N. A. Tolles, Assistant Chief Economist, Wage and Hour Division

FULL COMMITTEE, MEETING OF DECEMBER 14, 15, 16, and 17, 1938

December 14, 1938

Cotton Textile Institute
*John K. Watson
G. H. Dorr
*Paul B. Halstead
*R. E. Henry
*K. P. Lewis
*W. M. McLaurine
H. E. Michl
*Fred Morrison
Dr. C. T. Murchison, President
*Mrs. A. V. Roberts
*J. E. Serrine, Lowell Textile Engineer
National Association of Finishers of Textile Fabrics
*Miss Alice Moore, Secretary
*John Manley
*Wm. J. Matthews
*M. M. Horblit
Soft Fibre Institute
*H. H. Gallup
National Association of Cotton Manufacturers
*Russell T. Fisher
*J. J. Riley
National Rayon Weavers Association
*C. W. Dall, President
Throwsters Research Institute
*George A. Urlaub
National Federation of Textiles
*Miss I. Blunt

*Did not speak

FULL COMMITTEE, MEETING OF DECEMBER 14, 15, 16, and 17, 1938 Cont'd

December 14, 1938 (Cont'd)

American Federation of Labor
*Miss M. L. Parks
Textile Workers Organizing Committee
*John Abt
*Solomon Barkin
*S. A. Lischinsky
Textile Fabrics Association
*W. P. Fickett
The Cotton Thread Institute
*David Snyder
A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics

December 15, 1938

Cotton Textile Institute
*John K. Watson
*G. A. Dorr
*H. E. Michl
*Paul Halstead
*Dr. C. T. Murchison, President
*(Fred W. Morrison)
*(Mr. Seymour Sheriff)
*K. P. Lewis
*R. E. Henry
*W. M. McLaurine
*J. E. Serrine
*Herman Cone
National Association of Finishers of Textile Fabrics
*Miss Alice Moore
*John T. Manley
*Wm. J. Matthews
*M. M. Horblit
Soft Fibre Institute
*Geo. F. Quimbley
National Association of Cotton Manufacturers
Russell T. Fisher
Throwsters Research Institute
Geo. A. Urlaub
The Cotton Thread Institute
*David Snyder
Committee of Southwest Textile Manufacturers
Burt C. Blanton, Consulting Industrial Engineer
H. A. Burrows, Chairman
*W. L. Steel
Textile Workers Organizing Committee
*John Abt
*R. L. Conn (Atlanta, Georgia)
*C. W. Dannenberg
*J. W. Knapik
*Geo. Powell
*Jos. L. Hueter
*Ed. F. Doolan
*Geo. Nejmeh

*Did not speak

FULL COMMITTEE, MEETING OF DECEMBER 14, 15, 16, and 17, 1938 Cont'd

December 15, 1938 (Cont'd)

Textile Workers Organizing Committee (Cont'd)
*Solomon Barkin
*S. A. Lischinsky
National Rayon Weavers Association
*C. W. Dall, President
*Congressman Luther Johnson, Texas
National Federation of Textiles
*Miss I. L. Blunt
American Federation of Hosiery Workers
*J. W. Bamford
*Isador Katz (General Counsel)
Johnson & Johnson
R. W. Johnson, Chairman of Board of Directors
*K. Perry, General Counsel
*N. L. Smith
National Textile Processors Guild
Harold Korzenik, Executive Director
American Federation of Labor
*Miss M. L. Parks
New Bedford Textile Council (labor)
*Herbert Severs
*Wm. E. G. Batty (Secretary)
*Wm. Baron
Dyers, Printers Employers Association
Paul Rittenberg (for Emanuel Shavick)
A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics

December 16, 1938

Textile Workers Organizing Committee
Solomon Barkin, Research Director
John Abt, General Counsel
Ed. F. Doolan, Textile Workers of Fall River, Massachusetts
Jos. L. Heuter
George Powell
Geo. Nejmeh
*C. W. Dannenberg
*A. R. Bulles, United Rope and Cordage Workers
*A. F. Neider, United Rope and Cordage Workers
W. L. Gilman, United Rope and Cordage Workers
*S. A. Lischinsky
*R. L. Conn, Atlanta, Georgia
Jos. W. Knapik, Federation of Dyers, Finishers & Bleachers of America
American Federation of Labor
Boris Shishkin
*Miss M. L. Parks
T. J. Burns (New Jersey) President of A. L. O.
John Van Volrenewyck (New York)
C. M. Fox (North Carolina)
Wm. E. G. Batty, New Bedford Textile Council
*Wm. Baron, New Bedford Textile Council
*Herbert Severs, New Bedford Textile Council

*Did not speak

APPENDIX C Cont'd

FULL COMMITTEE, MEETING OF DECEMBER 14, 15, 16, and 17, 1938 Cont'd

December 16, 1938 (Cont'd)

Allied Workers of Textile Engraving Industry, Inc.
Chas. F. Nitto, Attorney
*John Kunis
Amalgamated Lace Operatives of America
John Burns, President
*Everett Chambers
*Joseph Long
United Office and Professional Workers of America
L. Allen
*James Gorham
Cotton Textile Institute
*Dr. C. T. Murchison, President
*C. H. Dorr
*H. E. Michl
*Fred Morrison
*Seymour Sheriff
*W. M. McLaurine
*R. E. Henry
*Herman Cone
*J. E. Serrine
*K. P. Lewis
National Association of Finishers of Textile Fabrics
*Miss Alice Moore
*Wm. J. Matthews
*M. M. Horblitt
*J. K. Milliken
*John T. Manley
Soft Fibre Institute
*Geo. F. Quimbley
National Association of Cotton Manufacturers
*Russell T. Fisher
Throwsters Research Institute
*Geo. A. Urlaub
The Cotton Thread Institute
*David Snyder
National Rayon Weavers Association
*C. W. Dall
National Federation of Textiles
*Miss I. L. Blunt
Textile Fabrics Association
*W. P. Fickett
Committee of Southwest Textile Manufacturers
*H. A. Burrows
*W. L. Steel

December 17, 1938

Cotton Textile Institute
Dr. C. T. Murchison, President
*H. E. Michl
*R. E. Henry
J. E. Serrine, Lowell Textile Engineer

APPENDIX C Cont'd

FULL COMMITTEE, MEETING OF DECEMBER 14, 15, 16, and 17, 1938 Cont'd

December 17, 1938 (Cont'd)

Cotton Textile Institute (Cont'd)
*G. H. Dorr
*Wm. M. McLaurine
National Association of Finishers of Textile Fabrics
Miss Alice Moore, Secretary of Association
*John T. Manley
*Wm. J. Matthews
Textile Fabrics Association
*W. P. Fickett
National Association of Cotton Manufacturers
*Russell T. Fisher
National Rayon Weavers Association
*C. W. Dall, President
Textile Workers Organizing Committee
*Solomon Barkin
A. F. Hinrichs, Chief Economist of the Bureau of Labor Statistics

SUBCOMMITTEE "D", MEETING OF JANUARY 24, 1939

Burton E. Oppenheim, Chief of Industry Committee Section, Wage and Hour Division
Carroll R. Daugherty, Chief Economist, Wage and Hour Division
Frank Stocking, Economic Section, Wage and Hour Division

SUBCOMMITTEE "D" WAGES, MEETING OF MARCH 1, and 2, 1939

March 1 and 2, 1939

Witnesses heard on March 1.

R. O. Arnold, Covington Manufacturing Company, Covington, Georgia
Herbert O. Bergdahl, Associated Merchandise Corporation, New York, N. Y.
L. J. Burns, W. F. Grant Company, New York, New York
H. P. Claussen, Bemis Bros. Bag Company, Boston, Massachusetts
J. P. Fox, The Blue-Bell Globe Manufacturing Company, Greensboro, N. C.
P. W. Lewis, Ely-Walker Dry Goods Company, St. Louis, Missouri
John A. Law, Saxon Mills, Spartanburg, South Carolina
W. M. McLaurine, American Association of Cotton Manufacturers, Charlotte, North Carolina
R. C. Moore, Rhodehiss Manufacturing Company, Lenoir, North Carolina
Earl E. Stall, F. W. Poe Manufacturing Company, Greenville, South Carolina
Donald B. Transill, Pepperell Manufacturing Company, New York, New York
Carroll R. Daugherty, Chief Economist, Wage and Hour Division

March 2, 1939

No witnesses.

FULL COMMITTEE, MEETING OF MARCH 21, 1939

Elmer F. Andrews, Administrator of the Wage and Hour Division of the Department of Labor
Carroll R. Daugherty, Chief Economist of the Wage and Hour Division

*Did not speak

APPENDIX C Cont'd

SUBCOMMITTEE "D", MEETING OF MARCH 22, 1939

Sherman Trowbridge, Assistant Chief, Industry Committee Section of the Wage and Hour Division
Spencer W. Pitts, Office of General Counsel
N. A. Tolles, Assistant Chief Economist, Wage and Hour Division

SUBCOMMITTEE "A", MEETING OF APRIL 4, 1939, IN NEW YORK

N. A. Tolles, Assistant Chief Economist, Wage and Hour Division

SUBCOMMITTEE "E", MEETING OF MAY 17, 1939, IN NEW YORK

Burton E. Oppenheim, Chief of Industry Committee Section of the Wage and Hour Division
Harry M. Douty, Economic Section of the Wage and Hour Division
Spencer W. Pitts, Office of General Counsel

APPENDIX D

Briefs, Exhibits, and Other Written Material Made Part of the Record of the Committee and its Subcommittees

1. Subcommittee B, meetings, November 1, 2 and 3, 1938:
   - Brief of Sanitary Institute of America for Wiping Cloth Industry
   - Brief of Curtain Manufacturers Guild, Inc.
   - Brief of Textile Institute and National Rayon Weavers Association
   - Brief of Tufted Bedspread Manufacturing Association
   - Brief and 7 Exhibits of International Ladies Garment Workers Union
   - Brief of National Knitted Outerwear Association

   Underwear Institute:
   - Exhibit A - "Job Definition for Needle Trade File Code"
   - Exhibit B - "1937 Departmental Merchandising and Operating Results of Department Stores and Specialty Stores"
   - Exhibit C - Letter to Mr. Chaney from Union Special Machine Company of Chicago, Illinois
   - Exhibit D - "Production of Childrens and Infants Knit Underwear"
   - Briefs: Dated August 24, October 10, and Supplement of November 3, 1938 referred to following reports in testimony:
     - "Employment and Payrolls" R.820, Bureau of Labor Statistics
     - "Geographical Variation in Hours and Wages During 1933 and 1935" R. 735, Bureau of Labor Statistics

   Brief of Textile Bag Manufacturers Association (B

   Brief of Allied Underwear Association for consideration of subcommittee

   Persons and Organizations submitting written testimony subsequent to meetings of November 1, 2 and 3, 1939:
   - National Association of Lace Curtain Manufacturers
   - National Women's Undergarment Manufacturers Association
   - National Association of Finishers of Textile Fabrics
   - Mercerizers Association of America
   - Institute of Manufacturing of Bagging for Covering Raw Cotton
   - Nashua Manufacturing Company (cotton blanket manufacturing)
   - Marshall Field & Company (manufacturing division, Spray, North Carolina
   - Mattress and Bedding Manufacturers:

     (In addition to appearance of National Association of Bedding Manufacturers at meeting, the following firms expressed themselves by individual letters):
     - Louisville Bedding Company, Louisville, Kentucky
     - Jamison Anchor Bedding Company, Chicago, Illinois
     - Southern Spring Bed Company, Atlanta, Georgia
     - Marquardt Company, Milwaukee, Wisconsin
     - Acme Mattress Company, Indianapolis, Indiana
     - Foster Bros. Manufacturing Company, Utica, New York
     - A. Brandwein & Company, Chicago, Illinois
     - Burton-Dixie Corporation, Chicago, Illinois
     - Greenpoint Metallic Bed Company, Brooklyn, New York
     - Sealy Mattress Company, Kansas City, Missouri

APPENDIX D (contd.)

2. Full Committee Meetings, December 14, 15, 16, and 17, 1938:
   - Bureau of Labor Statistics Study on Wages on Cotton Goods Manufacturing
   - Memorandum on "Cost of Living" - A. F. of L.
   - Memorandum of Textile Fabrics Association, December 23, 1938
   - Report of Narrow Fabrics Institute
   - Report on Standard Cotton Division
   - Petition of Dyers and Printers Employers Association, October 26, 1938
   - Report of Mississippi Textile Manufacturing Association, December 14, 1938
   - Memorandum of New England Curtain Manufacturers Association
   - Memorandum of Curtain Manufacturers Guild, Inc.
   - Report of Rhode Island Textile Association
   - Memorandum of International Union of Operating Engineers
   - Brief of Textile Workers Organizing Committee and Supplement
   - Statement of Cotton Textile Institute
   - Memorandum of National Textile Processors Guild
   - Brief of Southwest Textile Manufacturers
   - Bureau of Labor Statistics Report on Silk and Rayon Industry
   - Brief of Federation of Dyers, Finishers, Printers, and Bleachers of America (T. W. O. C. of C. I. O.)
   - Brief on New Bedford Textile Council
   - Report of Allied Workers of the Textile Engraving Industry, Inc.
   - Brief of Professional Workers of America
   - Brief of National Association of Finishers of Textile Fabrics
   - Report of George Nejmah (T. W. O. C.)
   - Correspondence from:
     - Alabama Cotton Mfrs. Association, November 1, 1938
     - Amalgamated Lace Operatives of America, September 20, October 21, 1938
     - Aponaug Manufacturing Company, August 25, 1938
     - Bonham Cotton Mills, January 21, 1939
     - Boshamer & Company Yarns, December 22, 1938
     - Buck Creek Cotton Mills, October 10, 1938
     - Cranston Print Works, September 19, 1938
     - Fall River Industrial Council (Telegram November 3, 1938)
     - Johnson and Johnson Company, October 13 and 14, December 8, 1938
     - Silk Commission Manufacturers Association, A. Brenman, Oct. 28,1938
     - Joseph W. Martin, Jr., M.C. (Telegram October 14, 1938)
     - National Textile Processors Guild, Inc., January 16, 1939
     - Silk Dyers Association of America, November 4 and 16, 1938
     - Soft Fibre Institute, November 7, and December 13, 1938
     - Textile Workers Organizing Committee, December 7, 1938
     - Textiles Incorporated, Gastonia, North Carolina, Sept. 12, 1938
     - Tufted Bedspread Manufacturers Association, January 20, 1939
     - B. T. Wilson, Wake Forest, South Carolina, November 22, December 12, 1938

3. Subcommittee D, Meetings, March 1 and 2, 1939:
   Brief, H. P. Claussen, Manager, Cotton Goods Dept., Bemis Bag Company
   Brief, American Cotton Manufacturers Association by Mr. McLaurine
   Statement, R. O. Arnold, Covington Manufacturing Co., Covington, Ga.
   Brief, P. W. Lewis, Ely-Walker Dry Goods Company, St. Louis, Missouri
   Resolution, February 4, 1939, T.W.O.C. of South Carolina
   Letters:
   - Abraham Bremman, Counsel for Silk Commission Manufacturers Association, March 4, 1939
   - David L. Cole, Counsel for Silk & Rayon Manufacturers Association, March 16, 1939
   - Iredell Finishing Company, Statesville, North Carolina, October 13, 1938
   - Chairman of T.W.O.C., Newberry, North Carolina, October 27, 1938

   Telegram, Paul a Redmond, President, Alabama Mills, Inc., Birmingham, Alabama, March 23, 1939

4. Reports and Data submitted to Committee by B.L.S. and Economic Section
   Report on "Definition of Textile Industry" by B.L.S.
   Nineteenth Report on Average Hourly Earnings in Cotton Goods Industry, April, 1937, by B.L.S.
   Wages in "Cotton Goods Manufacturing" by B.L.S.
   "Competitive Conditions as affected by Transportation Costs in Cotton Textile Industry" by Economic Section
   "The Possible Effect of Different Minima (25¢ to 40¢ per hour) in the Cotton Textile Industry on Labor Cost, Manufacturing Costs and Prices" by Economic Section