employment may be avoided.[123]

I conclude, therefore, that the $32\frac{1}{2}$ cent minimum rate will not cause substantial curtailment of employment even in this lowest wage group of plants. Also, in the light of this conclusion and emphasizing that this conclusion has been reached only after reviewing extensive testimony regarding the effect which the $32\frac{1}{2}$ cent minimum rate will have upon the lowest-wage plants, I also conclude that no substantial curtailment of employment will result from the proposed minimum in any higher wage group or groups of plants.

N.R.A. Experience

Experience in the production of bundle goods (low priced socks sold in bulk) under the N.R.A. Code lends support to these conclusions.[124] Bundle goods characteristically sell in the 10 and 15 cent price brackets. The mills producing bundle goods included prior to the N.R.A., and still include, a large number of these low wage mills. Just prior to the N.R.A. Code the average hourly wage for the seamless branch as a whole had dropped to approximately 18.8 cents,[125] which is lower than the average hourly wage which was being paid in the lowest wage group of seamless mills

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123/ Mr. Hoffman testified that "We know of one case during the N.R.A. in which a manufacturer, producing ladies' cotton hosiery, made an adjustment from 12 cents per hour prevailing wage to a 30 cents per hour minimum wage, and which manufacturer continued to successfully produce ladies' cotton hosiery of the lowest price type" (Record p. 651).

124/ See testimony of Mr. Dash, Record pp. 257-260.

125/ Mr. Dash, Record p. 258.

just prior to October 1938.[126] The Code increased this average wage throughout the branch to approximately 38.3 cents an hour,[127] which is an average hourly wage higher than that which will be reached by plants in the low wage group after the $32\frac{1}{2}$-cent minimum rate is made effective.[128] In many of these plants the N.R.A. caused an increase in labor cost of over 250 percent. Also, during this same Code period the price of both cotton and wool, which are the raw materials used in bundle goods, increased. These increases in cost of both labor and

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126/ Bureau of Labor Statistics survey shows the average wage paid in September, 1938 by the 10 percent of plants paying average hourly wages less than 25 cents to be 20.1 cents (see Footnote No. 2 of Table 19 on p. 40 of "Committee's Exhibit No. 4"). The one-quarter sample of plants surveyed by the Bureau included only 2 plants paying average wages lower than 20 cents (see Table 37 on p. 81 of "Committee's Exhibit No. 2").

127/ The N.R.A. Code contained a minimum wage differential of approximately $2\frac{1}{2}$ cents an hour in favor of the southern plants. (Mr. Arthur's Exhibit No. 16, Hosiery Industry Code, approved by the President August 26, 1933). The report by the National Recovery Administration on this code states that this differential "represents a significant diminution in the range of wages that have prevailed between northern and southern plants." (p. 13, Mr. Arthur's Exhibit No. 16). Thus, it appears that this differential in the Code was established because of an existing north and south wage differential--not, as the Fair Labor Standards Act requires, because of competitive conditions in the industry itself.

128/ With a twenty-five cent minimum in effect, Mr. Arthur, with 100 employees in his plant, is paying an average wage of 26 cents an hour to all except nine who receive more than $32\frac{1}{2}$ cents an hour (Record p. 517). Including these nine, the average wage for his plant is approximately 27 cents an hour. Prior to October 24, 1938, his plant averaged between 20 and 25 cents an hour (same as above). It is reasonable to assume, therefore, that in complying with the $32\frac{1}{2}$-cent minimum, Mr. Arthur will not be required to pay an average plant wage in excess of 35 cents an hour. The same may be assumed for the three low-wage plants examined by Mr. Moore (see "Mr. Moore's Exhibits A, B and C"). Normally, therefore, these low-wage plants will not increase their average wages above 35 or 36 cents per hour, and possibly not to this extent.

material accounted for a slight increase in the wholesale price of bundle goods.[129] The retail price of bundle goods, however, remained constant while the volume of bundle goods sold increased.[130] No substantial curtailment of employment resulted in the bundle goods industry as a result of the N.R.A.[131] I conclude that the 32½-cent minimum rate will require less drastic wage increases in this low wage portion of the seamless branch today than were caused by the N.R.A.

129/ Mr. Dash, Record p. 258.

130/ Total shipments of bundle goods for the years 1932-35 were approximately as follows (Record p. 259):

1932 - 5,400,000	dozen	pairs
1933 - 6,300,000	"	"
1934 - 6,490,000	"	"
1935 - 6,790,000	"	"

131/ Mr. Dash at p. 260 of the Record.

Normal rate of employment dislocation among seamless plants

Furthermore, the $32\frac{1}{2}$-cent minimum wage rate cannot be found to be the sole cause, or even necessarily a determining cause, of whatever curtailment of employment is now threatening some of these low wage mills. The rate of mortality among these low wage mills has been high, at least during recent years, and employment in these mills is customarily uncertain and shifting.[132/] These mills have failed or laid off substantial numbers of employees even though they have been free to reduce wages almost indefinitely.[133/] They have failed

132/ From data compiled by the National Association of Hosiery Manufacturers, the Economic Section of this Division has concluded: "During the past two years, 82 new plants have been established, 69 or 85 percent of which were concentrated in the South. Also, during this period, 53 plants in existence in January, 1937, were closed, 45 of which were located in the South. Clearly, a considerable turnover among southern manufacturers exists, presumably among the smaller and poorly capitalized firms" (at p. 5 of "Committee's Exhibit No. 4;" see also Table 3 on p. 4 of the same exhibit).

133/ For instance, Mr. Hoffman told of a "mill in Kentucky employing 500 workers, of which 250 were making less than $8.50 a week, and it could not stay in business despite that low wage level, and 500 workers were put out of employment by the company going bankrupt" (Record p. 668). And also he told of a mill in Tennessee in which "skilled workers were getting 10 cents an hour and unskilled workers 5 cents an hour and that mill did not stay in business despite the low wages" (Record p. 668).

because of obsolete machinery, poor financing, inefficient management,[134] lack of proper retailing outlets and numerous other causes. They have laid off employees as the result of changes in market style and production methods.[135] Cost of labor has seldom been the cause of these changes or plant failures. I find, therefore, that among this low wage group of mills, the rate of plant mortality and of shifts in volume and location of employment will not be substantially increased or substantially changed as a result of the $32\frac{1}{2}$-cent minimum wage rate.

134/ Mr. McCoy testified that irrespective of minimum wage rates, the low wage "plants are putting themselves out of business by their methods of inefficient management and failure to recognize technological change" (Record p. 652). The relative unimportance of wages when compared with efficiency and sales outlet is illustrated by wage scales paid in five North Carolina mills all producing similar cotton bundle goods. The wages paid in these plants show differences ranging as high as 22 cents an hour for knitters, 15 cents an hour for inspectors, 17 cents an hour for boarders. Similarly average hourly earnings in the mills vary sharply. Yet "all these people were engaged on a similar product in the same market selling at the same price" (Record p. 654). See also a similar study of four Chattanooga seamless mills at pp. 35-36 of "Union Exhibit 1-A."

135/ Shifts in consumer demand for the seamless product are discussed in footnote 42 above. It may fairly be contended that in mills afflicted by consumer shifts in demand, the solution to their problem of threatened unemployment lies not in lower wages but in flexibility to follow style changes and in efficient and resourceful management (see "Union Exhibit No. 1-A").

Technological unemployment

Representatives of the low wage mills emphasized that unemployment might be caused by some members of their group if, as a result of the increased minimum, they are forced to institute technological changes in their plants similar to those already adopted by substantial numbers of plants in the industry.136/ Undoubtedly in some of these plants production efficiency demands that these changes be made. If made, some unemployment may follow. It is possible that in some rare instances the difference between a 32½-cent minimum rate and a 30-cent minimum rate might persuade the mill owner to make this change. But even assuming this chain of events to exist, it is clear that Congress did not intend that a committee's recommendation should be disapproved because of its tendency to stimulate the use of established up-to-date methods in a few peculiarly situated plants.

Similarly, suppose there are in the industry a few plants unable for one reason or another to make these advances in manufacturing efficiency.137/ It is also clear that Congress did not intend that a

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136/ See testimony of Mr. Arthur and Mr. Brunson with respect to their own mills (Record p. 470-471, 589). Also see footnote above.

137/ For instance, Mr. Arthur stated that his mill would be unable to make the necessary technological changes. Most of the 41 plants whose responses to Mr. Arthur's questionnaire are tabulated in his exhibit stated that they are not "in a position to finance new equipment." (Mr. Arthur's Exhibit No. 7).

Committee's recommendation should be disapproved because such marginal plants are unable to maintain modern standards of efficiency already being utilized by a large number of plants and consequently may not survive the increased minimum.

Unfair competition.

There was testimony that a substantial number of plants in this low wage group are using their wage advantages to cut prices.138/ Testimony that some of these plants are today selling a recognized 15 cent sock in the 10 cent retail bracket, though denied by one witness,

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138/ Mr. Tolles testified that "wage cutting among seamless mills has made possible a destructive cutting of prices which has left the industry in a worse position than when it had a legal minimum wage" (Record p. 57). He further testified that the competitive force of the few low-wage plants in the industry is adversely threatening employment in the far larger number of higher wage plants. Mr. Baker testified that his mill had made a study of labor costs on particular operations in mills located in South Carolina, Georgia, Alabama, and Tennessee and had found some mills operating with labor costs as much as 11 cents a dozen lower than the labor costs in Mr. Baker's mill and on products which Mr. Baker produces with a labor cost of 30 cents a dozen. This difference is attributable principally to low wages (Record pp. 151-152). Mr. Dash testified that in a substantial number of cases low-wage mills are able to undersell other mills paying higher wages because of these low wages (Record p. 275).

appears to contain some truth.[139] Some of these plants are underselling average wage plants in the industry despite less efficient production methods.[140] I conclude, therefore, that some plants among this low wage group operate so as to constitute

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139/ "An examination of store counters shows merchandise constructed for a 15 cent bracket, being sold in a 10 cent bracket, because some particular mill unloaded in a price range on the fringe of a lower bracket; the merchandiser reducing his profit offers excellent merchandise at a ridiculous price, usually as a leader. * * * It is also clearly evident in the industry that certain classes of mills in lower wage section traditionally offer merchandise out of line with the price bracket intended for. In other words, goods carry a 15 cent construction with 15 cent materials are sold in the 10 cent range. It is evident that where an anklet with rubber top construction is generally listed at 10 cents per pair to the consumer, an anklet with a Fidelity Top transferred does not "belong in the same bracket" (30-31 of "Union Exhibit No. 1-A"). Mr. McCoy testified to the same effect (Record pp. 646-647). Mr. Baker testified that low wages plus the use of obsolete machinery leads to cutting prices. (Record, p. 152). Mr. McIver stated that the recommended minimum wage rate "would certainly check the tendency which has existed in certain localities of the industry during periods of business recession, temporary periods of business recession particularly to reduce costs through labor reductions" (Record p. 199). But Mr. Constantine, though he testified that hosiery can be identified as belonging in the 10 cent retail class or 15 cent class, would not say that hosiery mills in the low wage group are selling recognized 15 cent hose in the 10 cent brackets.

140/ See footnote above.

an unfair method of competition in commerce. Congress has declared that it is the policy of the Act to eliminate such conditions and I conceive it to be the plain meaning of the Act that employment in these plants is not to be protected at the expense of disapproving the Committee's recommendation.[141/]

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Viewing, therefore, all the evidence adduced at the hearing relating to the effect which the proposed minimum will have upon the lowest wage plants in this branch, especially the evidence offered by those who opposed the Committee's recommendation at the hearing, and viewing also the further facts recited above, I find that no severe dislocation of employment in the seamless branch will result from a 32½ cent minimum wage rate and that, having due regard to economic and competitive conditions, the proposed minimum will not substantially curtail employment in the seamless branch or in any definable group of plants or regions within the seamless branch.

III. Necessity for Classifications Within the Seamless Branch

The Committee has recommended a minimum wage rate of 32.5 cents an hour for employees throughout the seamless branch. The Committee's report indicates that this recommendation was arrived at

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141/ The House Committee on Labor in reporting an early draft of the present Act to the Congress on August 6, 1937, stated that the bill "is an attempt to begin to meet and not to avoid some of the most vital problems of American economic life. In doing this a few may suffer some inconvenience, and possibly financial loss, for a short time, but the fact that a great number of injustices will be cured by the bill fully justifies the inconvenience and even the loss. There never has been, and possibly never will be, a law passed the adjustment to which has not caused some inconvenience." (p. 8, H. Report No. 1452, 75th Congress, 1st session). The Senate Committee on Education and Labor on July 8, 1937, reported on a Senate draft of the Act writing: "Of course, a judgment as to whether opportunity for employment will or will not be curtailed must be made in the light of the general industrial situation." (at p. 4 of S. Report No. 884, 75th Congress, 1st session).

after determining that a classification within the seamless branch is not necessary in order to fix the highest minimum wage rate in accordance with the provisions of the Act.[142] This determination is now subject to our review.

The statute provides that in determining whether a classification should be made, the Committee and the Administrator shall consider, among other relevant factors, the following factors which are specifically set forth:

1. Competitive conditions as affected by transportation, living and production costs,

2. Wages established by collective labor agreements,

3. Wages paid by employers who voluntarily maintain minimum wage standards in the Industry.

142/ See pp. 29 and 30 of the Committee's Report which indicate that the Committee carefully considered transportation costs, living costs, wage rates established by collective labor agreements and production costs within the seamless branch and found no classifications necessary to carry out the purposes of the Act. ("Wage and Hour Division Exhibit C", pp. 29 and 30).

Competitive conditions as affected by production costs [143/]

The contention was made at the hearing that the Committee's recommendations should have contained a classification in favor of the South [144/] because higher production costs in the South make this classification necessary. [145/]

The cost of raw material is the major item of "production costs." [146/]

143/ The statute couples together "transportation, living, and production costs" (See Section 8(c) of the Act in footnote 17 above). However, without deciding that it is necessary to do so, this opinion treats each separately and makes findings applicable to each both separately and jointly. In this separate treatment, certain items of transportation costs, other than the transportation of hosiery, have been considered both under the heading of "production cost" and "transportation cost."

144/ Mr. Lamb believed that "the southern mills as a whole, that is, the hosiery centers of the South would be entitled to $2\frac{1}{2}$ cents less" than northern mills, and "that the country mills of the South, the small country mills should be entitled to five cents difference" (Record pp. 408-409 also p. 398). No formal objection to the Committee's recommendation, however, was made upon the ground that the recommendation should contain a classification favoring southern mills. Mr. Lamb, who was the only person suggesting this regional classification, and who appeared solely on his own behalf, representing no other persons, devoted most of his testimony to his principal contention that rural mills in the South should be given a minimum wage rate $2\frac{1}{2}$ cents lower than that applicable to mills located in southern hosiery centers (Record pp. 407, 389-417).

145/ Mr. Lamb's testimony, Record pp. 389-417).

146/ Wages have not been included as an item in "production cost." Assuming all other items of cost are substantially equal, a higher average wage for northern seamless hosiery mills than for southern seamless hosiery mills would mean a higher production cost in the north than in the south. Plainly the Act does not contemplate that the Administrator should approve a lower minimum wage rate in this higher wage area in order to compensate for the higher production costs.

Raw material costs account for approximately 40 percent of total production costs.147/ The record shows that cotton yarn, which is the principal raw material used in seamless products,148/ is manufactured both in the North and in the South and is equally available to hosiery centers located in the North and the South.149/ Whatever advantage exists in the cost of this raw material runs in favor of southern mills which are closer to the primary supply of cotton.150/ On the other hand, rayon, silk, and wool, which are used in smaller

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147/ Mr. Tolles testified that it is extremely difficult to give an estimate of the relation of material cost to total manufacturing cost, but the United States Tariff Commission found a 43 percent ratio of material costs to total manufacturing costs on 10 cent hose. Table 13 in "Union's Exhibit No. 1-A" at p. 41 contains an analysis of material costs and other costs in various constructions of seamless hose. The information was supplied to the Union by northern manufacturers and represents volume items in each of seven different mills (see pp. 39 and 41 of this exhibit). Material costs run from 28 to 50 percent on the transfer construction and from 33 to 47 percent on the automatic construction.

148/ In 1937, 41 percent of the production of seamless hosiery was made of all cotton, another 14 percent of rayon and cotton and another 5 percent of wool and cotton (Table 6, p. 11, of "Committee's Exhibit No. 4").

149/ In 1935, 95.9 percent of the value of cotton yarn produced for sale in the United States was produced in North Carolina, Georgia, Alabama, South Carolina, Massachusetts, Connecticut, and New Hampshire. North Carolina alone accounted for 55.6 percent. (See testimony of Mr. Tolles, Record p. 21). The Economic Section study concluded that "cotton yarns are easily available to hosiery manufacturers both in the North and in the South" (at p. 12 of "Committee's Exhibit No. 4").

150/ Mr. Lamb testified on cross examination that his plant at Union, Georgia, is "closer to cotton, but we are not closer to rayon, wool and things of that sort" (Record p. 413). However, the hose now produced by Mr. Lamb is "made mostly of cotton, some cotton-wool, some cotton-acetate and wool and some dyed cotton and rayon" (Record p. 413).

quantities are more easily available to northern mills than to southern mills.151/

The contention that production costs are higher in the South than the North was based upon asserted higher interest charges on capital,152/ higher freight charges on coal153/ and less efficient labor in the South than in the North.154/ Nearly all the evidence supporting

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151/ Twenty-six percent of seamless hosiery produced in 1937 was made wholly of rayon, 14 percent of rayon and cotton, 1 percent of silk and rayon, 10 percent of pure thread silk, 1 percent of wool and 5 percent of cotton and wool (Table 6 on p. 11 of "Committee's Exhibit No. 4"). The silk, rayon, and wool manufacturing industries are concentrated in the northeast. Approximately 80 percent of all silk and rayon spindles in this country are located in Pennsylvania, New Jersey, and New York; 90 percent of all wool spindles in this country are located in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey and Pennsylvania (See pp. 12-13 of "Committee's Exhibit No. 4" and Record pp. 20-21). This information is taken from data collected by the U. S. Department of Commerce, published in "Basic Industrial Markets," Market Research Series No. 14.1, May, 1936, for the year 1933.

152/ Mr. Lamb testified that "the interest rate in the North to approved customers would run 2 to 3 percent against 4 to 6 percent in the South" (Record p. 393).

153/ See Mr. Lamb's testimony, Record p. 395.

154/ Mr. Lamb contended that "our waste, thirds and seconds will run double to that of the northern mills" because the southern worker is less efficient than the northern worker (Record p. 390).

those contentions related to a single small community in Georgia.[155] The figures offered to compare financing costs in the North and South show only the cost of a few bank loans to a single southern mill and do not show costs of corresponding bank loans to a similarly situated northern mill.[156] Likewise, the freight rates on coal show only that this particular mill in Georgia may operate at a disadvantage in this single respect as compared with other mills located not only in the North but in other portions of the South.[157] Almost no evidence was offered to establish that southern labor is less efficient than northern labor.[158] The evidence and argument, therefore, that these factors operate to cause a difference in production costs which might affect competitive conditions between the North and

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155/ Mr. Lamb represented the Union Manufacturing Company at Union Point, Georgia, and most of the evidence which he offered was taken from the books of that company or had reference to the operations of that company (Record p. 407 and Mr. Lamb's Exhibits "A, C. D. E. F. and I").

156/ See item number 6 in"Mr. Lamb's Exhibit 'I'"

157/ See Record p. 395 and "Mr. Lamb's Exhibit 'F'"

158/ Mr. Lamb stated his opinion that in the seamless hosiery branch rural southern labor is not as efficient as northern labor or labor located in hosiery centers North or South (Record pp. 390, 411-412). No facts were offered to support this opinion.

South is not persuasive, particularly when compared with the likelihood that the cost of raw material which alone is the major item in production costs, is substantially similar in the North and the South.

The Committee's recommendation was also opposed on the grounds that it should contain a classification favoring certain seamless mills located in rural areas of the South because production costs in these rural mills in the South is higher than production costs in hosiery centers in the South.[159/] The evidence supporting this claim bore upon the conditions that exist in a single mill in Georgia.[160/] It was argued that this mill operates under disadvantages with respect to freight rates,[161/] and financing costs which together result in a difference in production cost making necessary a classification.[162/]

159/ See footnote 144 above

160/ See footnote 155 above

161/ Mr. Lamb's testimony with regard to freight rates applies both to coal, interpreted as a part of production costs, and hosiery. Hosiery freight rates are discussed in more detail under the heading of Competitive conditions as affected by transportation costs. With respect to this rural classification, Mr. Lamb gave the freight rates on cotton hosiery from Union Point, Georgia, where his mill is situated, to Philadelphia, Baltimore, and Chicago; and from High Point, North Carolina, a southern hosiery center to two of these destinations. The High Point rates were approximately 45 cents less. Since Union Point and High Point are some distance apart, these freight rates do not evidence a discrimination against rural mills (Record p. 395 and "Mr. Lamb's Exhibit 'F'"). Mr. Lamb also showed that there exists a similar difference in freight rates on coal (same as above).

162/ See Record p. 410.

But it appears from portions of the evidence offered by the proponent of a rural classification that mills located in the TVA area operate with a significant saving in production cost due to cheap electric power rates. Many of these mills in the TVA area are apparently located in rural communities and not in hosiery centers.[163] Also testimony indicates that other small rural mills have other unique competitive advantages. Thus, it appears that this contention that a classification should have been made for mills located in rural areas is essentially a request for a classification in favor of a particular mill and upon facts peculiar to that mill. If section 8(c) of the Act should be interpreted to include such possible classifications, the task of investigating competitive conditions as affected by production costs would be endless. It is clear that the classifications referred to in the Act include only reasonably large definable groups within the industry and that the production costs referred to include only those costs normally existing in such groups of mills.[164]

163/ See Record p. 408

164/ Legislative history leading up to the enactment of the Act makes it abundantly clear that such a plant by plant application of wage orders was not intended. For instance, Senator Black said during the course of debate "that there could not be given to the board the power to pick out individual business units and to fix the wage for every individual business unit in America. That would be an impossible task." The Senator assumed that the power to classify would not "be construed as meaning the power to take up cases of individual business units throughout the nation" (81 Cong. Rec. 7662, July 27, 1937).

Upon all evidence adduced relating to production costs in the branch, therefore, I conclude that competitive conditions within the seamless branch are not appreciably affected by differences in production costs between any definable groups or regions, and that consequently production costs are not a basis for a classification within this branch in accordance with the provisions of Section 8(c) of the Act.

Competitive conditions as affected by transportation costs

A study made of transportation costs on shipments of hosiery was placed in evidence by the Committee.165/ This study shows freight rates via all rail and rail-water routes for the shipment of hosiery to the New York market from hosiery centers located adjacent to New York and hosiery centers less favorably located. The freight differential between the most favorably located hosiery center and the least favorably located hosiery center to this market will normally amount to less than one percent of the value of hose being shipped.166/ It was contended at the hearing that transportation costs on hosiery account for an insignificant part of total manufacturing costs and this contention was not

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165/ Pages 51 through 54 of "Committee's Exhibit No. 4."

166/ The National Association of Hosiery Manufacturers has estimated that the average value of seamless hosiery to the manufacturer is $1.47 per dozen pairs. It was estimated that the average weight of a dozen pair of seamless hose is 1¼ pounds, which gives an average value per pound of seamless hosiery of $1.18. It was also estimated that 34 pounds be allowed for packing each 100 pounds of hosiery, so that normally a 100 pound shipment of seamless hosiery will have a value of approximately $77.88. The freight charge for 100 pounds of hosiery from Boonton, New Jersey to New York City is 51 cents, from High Point, North Carolina to New York City $1.23, making a difference of 72 cents, or less than one percent of the value of the hose. Freight charges from various other hosiery centers to New York City, Chicago, Los Angeles and New Orleans are shown in the Table on p. 54 of this study (pp. 51 through 54 of "Committee's Exhibit No. 4").

disputed.[167] Moreover, it is important to note that any given mill will have transportation cost advantages to some markets and disadvantages to other markets as compared with mills situated elsewhere.[168] As already found, raw materials are almost equally available in hosiery producing areas. Evidence of a transportation cost disadvantage on mill supplies was advanced by only one witness and with reference to a particular mill.[169] I do not find that this disadvantage characterizes any general hosiery producing region. I conclude, therefore, that among seamless plants transportation costs on hosiery are not a factor which will appreciably affect competitive conditions between any definable groups or regions and that, accordingly, transportation costs are not a basis for a classification within the seamless branch in accordance with provisions of Section 8(c).

167/ In summarizing this study of transportation costs in the seamless branch, Mr. Tolles stated "the most accurate estimate we could make of differences in transportation costs is that they amount to considerably less than one percent of the value on the most extreme figure which could be taken as representative of any actual shipments" (Record p. 339)

168/ Hosiery mills located in High Point, N. C., as compared with those in Reading, Pa., are at a disadvantage in shipping to New York City, at an advantage in shipping to Chicago and New Orleans and on a basis of equality in shipping to Los Angeles (see Table on p. 54 of "Committee's Exhibit No. 4").

169/ See testimony of Mr. Lamb (Record pp. 394 ff.).

Competitive conditions as affected by living costs

The record contains detailed studies made by the Bureau of Labor Statistics and the Economic Section of the Wage and Hour Division of the Department of Labor, which show the differences in costs of living in various cities and towns located throughout the United States.170/ The estimated living costs presented in these studies indicate that differences in the cost of living between definable geographic regions are not very great and particularly are not great when compared with the differences in cost of living between

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170/ The U.S. Bureau of Labor Statistics study entitled "Differences in Living Costs in 5 Northern and 5 Southern Cities," dated May 28, 1939, was introduced into evidence by the Committee's counsel and marked "Committee's Exhibit No. 18." A study prepared by the Economic Section of this Division, entitled "Cost of Living," dated May 31, 1939, and based upon surveys made by the W.P.A. and Bureau of Labor Statistics, was likewise introduced into evidence by the Committee's counsel and marked "Committee's Exhibit No. 19." The methods used in making these studies and the substance of their findings were explained at the hearing by Mr. Tolles (Record pp. 334-338). The studies are directed toward examination of costs of living as distinguished from standards of living in different cities and regions. Mr. Tolles testified that "they [the studies] are based on scientifically ascertained budgets showing how much it costs to live on what is called a maintenance budget, namely, a sufficient standard to maintain the health and decency of the family. Costs were determined according to prices prevailing for the various items included in each city studied. In other words, the standard of living is the same for all cities surveyed and variations represent differences in costs of maintaining those standards" (Record p. 336).

The Economic Section's study covered cost of living in the following cities: in the North, Chicago, New York, Boston, Buffalo, Cleveland, Detroit, Philadelphia, Pittsburgh, Cincinnati, Indianapolis, Portland (Me), Scranton, Chillicothe (O), Dover (N.H.), Hanover (Pa), Holland (Mich), Little Falls (N.Y.); and in the South, Baltimore, Atlanta, Birmingham, Houston, Memphis, New Orleans, Jacksonville, Mobile, Norfolk, Richmond, Hattiesburg (Miss), Sherman (Texas), Statesville, (N.C.),