

U. S. DEPARTMENT OF LABOR
Wage and Hour Division
Washington

HAT INDUSTRY COMMITTEE RECOMMENDS WAGE RATES OF 35 AND 40 CENTS AN HOUR
WITH DIFFERENTIAL FOR PUERTO RICO

The Hat Industry Committee under the Fair Labor Standards Act today reported to Administrator Elmer F. Andrews of the Wage and Hour Division, U. S. Department of Labor, recommendations for a legal minimum wage of 40 cents an hour for the fur-felt, wool-felt, opera hat and hatters' fur branches of the hat industry, and 35 cents an hour for the straw and harvest hat branch. A 30-cent minimum was recommended for the straw and harvest hat branch of the industry in Puerto Rico.

Vote on the Committee's recommendations was taken at a late hour last night, following an all day session yesterday and an unexpected night meeting.

The average number of wage-earners employed in all branches of the hat industry in 1937 was 24,403. Of these an estimated 4,500 will receive wage increases in the fur-felt, wool-felt and hatters' fur branches of the industry if the 40-cent rate recommended for those branches by the Committee is approved by the Administrator after a public hearing as required by the Act.

Approval of the 35-cent minimum rate for straw hat workers will mean an hourly wage increase for about 1,000 workers in that branch.

In advance of a formal report, the Committee's recommendations were incorporated in a letter to Administrator Andrews from Clyde Olin Fisher, Professor of Economics, Wesleyan University, Middletown, Conn., Chairman of the Committee.

The letter follows:

Mr. Elmer F. Andrews
Administrator, Wage and Hour Division
U. S. Department of Labor
Washington, D. C.

"Dear Mr. Andrews:

"Industry Committee No. 4 for the hat industry, appointed under the Fair Labor Standards Act of 1938 to recommend a minimum wage between 25 cents and

40 cents, inclusively, for wage-earners in this industry, today voted minimum wage recommendations of 40 cents an hour for the fur-felt, wool-felt and hatters' fur branches of the industry, and 35 cents an hour for the straw and harvest hat branch. The Committee voted unanimously to recommend also that the 40 cent minimum apply toilk and opera hats.

"Because of the special conditions existing in the industry there, a rate of 30 cents an hour was recommended for the straw and harvest hat branch of the industry in Puerto Rico.

"A formal report containing these recommendations, together with a transcript of the testimony, briefs and economic data considered by the Committee will be forwarded to you shortly for your use in the prescribed public hearing.

"The hat industry is essentially a small scale industry, and generally speaking, is not a low wage industry. It calls for a considerable amount of handwork requiring a high percentage of skilled labor.

"The majority of wage-earners in the hat industry are paid straight piece-rates and the average hourly wage for all branches of the industry is 66-1/3 cents an hour. Of the total of 24,403 wage-earners employed in the hat industry, data submitted by the Economics Section of the Wage and Hour Division shows that 23.9 per cent now receive less than 40 cents an hour; 10.8 per cent less than 35 cents an hour and 6.2 per cent less than 30 cents an hour.

"A minimum rate of 40 cents an hour in the fur-felt, wool-felt and hatters' fur branches would directly increase the wages of about 4,504 workers, while a minimum rate of 35 cents an hour in the straw and harvest hat section of the industry would mean wage increases for 972.

"Testimony on the trade and marketing practices of the hat industry indicates that legalization of the recommended minimums should result in only minor retail price adjustments, if any at all.

"The Committee heard witnesses for The Hat Institute; Jacob Elishewitz and Sons, Inc.; Southern and Western Hat Manufacturers' Association; and the United Hatters, Cap and Millinery Workers' International Union.

"Economic data was submitted by the Economic Section of the Wage and Hour Division and by the Bureau of Labor Statistics of the U. S. Department of Labor.

"The hat industry, as defined in your order appointing the committee, and as amended, includes

- (a) The manufacture from any material of headwear for men or boys, except caps and cloth hats.
- (b) The manufacture of felt hat bodies from fur or wool for men's, boys', women's or children's hats.
- (c) The manufacture or processing of hatters' furs.

"The Committee holds the opinion that in making these recommendations, it has fulfilled its mandate under the Act (Section 8b) which states "the Committee shall 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."

"Yours very truly,

Clyde Olin Fisher
Chairman"

Besides the Chairman, the Committee included:

For the public:

Charlotte Carr, Chicago, Ill.
Jacob S. Brody, New York, N. Y.
Harry D. Wolf, Chapel Hill, N. C.
Thomas J. S. Waxter, Baltimore, Md.

For the employees:

Max Zaritsky, New York, N. Y.
Dennis M. Carroll, Danbury, Conn.
Arthur Foster, Philadelphia, Pa.
Max Finger, New York, N. Y.
James Biffle, St. Louis, Mo.

For the employers:

J. W. Farley, Boston, Mass.
Fletcher E. Montgomery, New York, N. Y.
Nathan Hutt, New York, N. Y.
William T. Christmas, St. Louis, Mo.
Dale Purves, Philadelphia, Pa.

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