

WAGE AND HOUR DIVISION
 UNITED STATES DEPARTMENT OF LABOR
 WASHINGTON, D. C.

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 IN THE MATTER :
 OF THE RECOMMENDATION :
 OF INDUSTRY COMMITTEE :
 NO. 1 FOR MINIMUM :
 WAGE RATES IN THE :
 TEXTILE INDUSTRY :
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FINDINGS AND OPINION
 OF THE ADMINISTRATOR
 Sept. 29, 1939

This is a proceeding held for the purpose of determining whether the $32\frac{1}{2}$ -cent minimum wage recommendation of Industry Committee No. 1 for the textile industry shall be approved and carried into effect.

Industry Committee No. 1 was appointed on September 13, 1938 by Administrative Order No. 1 pursuant to section 5(b) of the Fair Labor Standards Act of 1938 to recommend, after investigation, the minimum wage rates to be fixed for the textile industry. The Committee was convened by Administrative Order No. 2 dated September 26, 1938 and commenced its study of conditions in the industry on October 11, 1938. Hearings were held and numerous witnesses were heard on the factors which the Industry Committee is required to take into consideration by the terms of the Act. On March 21, 1939, the Committee tentatively agreed upon a $32\frac{1}{2}$ -cent minimum wage rate, but withheld final decision upon the recommendation until after the respective jurisdiction of the Textile and

Wool Industry Committees had been defined. On May 22, 1939, the Committee duly adopted a resolution by a vote of 13 to 6 recommending a minimum wage of $32\frac{1}{2}$ -cents an hour for the textile industry. The report of the Committee containing its recommendations was filed with the Administrator on May 23, 1939 pursuant to section 8(d) of the Act. A report of the minority of the Committee was filed on May 22, 1939 and a supplementary minority report by E. L. Foshoe was also filed on this date.

On May 27, 1939 the Administrator gave due notice of this proceeding, which was held in Atlanta, Georgia, and Washington, D. C. pursuant to the provisions of section 8(d) of the Act. The hearing began on June 19, 1939 and was concluded on July 11, 1939. Opportunity for oral argument was given on July 25, 1939 and written briefs were received until August 22, 1939.

I. DEFINITION OF THE TEXTILE INDUSTRY

Administrative Order No. 1 of September 13, 1938, which appointed Industry Committee No. 1, contained a definition of the textile industry. This definition was amended by Administrative Order No. 6 issued December 19, 1938, and was further amended by Administrative Order No. 25 issued May 22, 1939. ^{1/}

The definition of the industry was made by the Administrator on the basis of a comprehensive investigation conducted by the Bureau of Labor Statistics of the United States Department of Labor. The amendments to the definition were adopted by the Administrator after consideration of the evidence adduced before Industry Committee No. 1 and the recommendations on the definition made by such Committee. In

^{1/} The textile industry as defined in Administrative Order No. 25 is 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:

the case of the amendments contained in Administrative Order No. 25, the recommendations on the definition by both the Wool and Textile Industry Committees were considered before a final determination was made.

1/ Continued

bags; bandages and surgical gauze; bath mats and related articles; bedspreads; blankets; diapers; dishcloths, scrubbing cloths and wash-cloths; sheets and pillow cases; tablecloths, 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 woollen 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."

The problem of woollen mixtures raised by paragraphs (g) and (h) of the Administrative Order was described in a letter of September 13, 1938, from the Administrator to Donald M. Nelson, Chairman of Industry Committee No. 1, which requested the advice and recommendations of the Committee concerning the inclusion, in the definition, of:

"The manufacture and finishing of such yarn and woven goods with such percentage of wool fiber as is so closely related to the operations listed in Order No. 1 as to require similar and simultaneous treatment to avoid conferring competitive advantage and to secure, in so far as practicable, reasonably related minimum wages within the establishment."

The question was, therefore before Industry Committee No. 1 from the commencement of its deliberations. It was also made the subject

A. Fibers and Products Included in the Definition

The definition applies to the manufacturing or processing of yarn or thread from the following fibers:

1. cotton
2. silk
3. flax
4. jute
5. synthetic fibers
6. mixtures of the above fibers
7. mixtures of wool or animal fiber (other than silk) with any of the above fibers if the manufacturing is done by a system other than the wool system and the mixture contains not more than 45 percent by weight of wool or animal fiber (other than silk).

There is specifically excluded the chemical manufacturing of synthetic fibers and such related processing of yarn as is conducted in establishments manufacturing synthetic fibers.

The definition also applies to the production of the following textile fabrics and products:

1/ Continued

of a joint study by subcommittees of the Wool and Textile Industry Committees. The final action of Industry Committee No. 1 on the minimum wage recommendation was not taken until the Administrator had issued the definition contained in Administrative Order No. 25. It should also be noted that Industry Committee No. 1's recommendation of a definition was similar to the definition issued by the Administrator and that the recommendation of a definition was adopted prior to the final vote on the minimum wage recommendation.

Footnotes in this opinion make reference for the benefit of the reader to certain relevant portions of the record. They do not, however, constitute all the evidence upon which the findings are based. The record is designated in the footnotes by the abbreviation "R".

1. Fabrics woven from the above listed fibers and from synthetic fibers or mixtures thereof.
2. Fabrics woven from mixtures of wool or animal fiber other than silk containing not more than 25 percent by weight of such fiber with any of the above listed fibers with a margin of tolerance of 2 percent to meet the exigencies of manufacture.
3. Pile fabrics manufactured from any fiber or yarn.
4. Net, braid and lace and cordage rope and twine manufactured from any fiber or yarn.

Carpets and rugs are excepted from the fabrics covered by the definition.

1. Cotton, Rayon and Silk

The bulk of the textile industry is included in the categories of cotton, rayon ^{2/} and silk manufactures. The following table shows the establishments, workers and value of the products in these categories as of 1935:

Coverage of Definition with Respect to Cotton, Rayon and Silk ^{3/}

Products	Number of Estab-lishments	Number of Workers	Total Value of Specified Products
Cotton Manufactures	1,223	394,404	\$1,021,134,000
Dyeing and finishing of cotton, rayon and silk	523	78,585	223,622,000
Rayon manufactures	447	73,261	206,247,000
Silk manufactures	658	58,089	145,790,000
Total	2,851	604,339	\$1,596,793,000

The total figures for these branches of the industry should be contrasted with the Bureau of Labor Statistics' estimate of the minimum

^{2/} Rayon is described as "synthetic fiber" in the definition of the textile industry.

^{3/} Industry Committee No. 1 Exhibit No. 2, p. 9

jurisdiction of Industry Committee No. 1 adjusted to exclude knitted cloth. ^{4/}

<u>Number of Establishments</u>	<u>Number of Workers</u>	<u>Value of Specified Products</u>
3,288	640,678	\$1,743,690,000

It has been necessary to include rayon, cotton and silk in one industry because of the competitive interrelationships of these fabrics. Many products made entirely of rayon compete with many cotton and silk products. Rayon is also used as a mixture with cotton and silk.^{5/} Although it is true that cotton does not compete to any great extent with silk it competes with rayon which in turn competes with silk.^{6/} The industry represented by these products therefore presents a problem which requires consideration as a whole. Failure to provide for such consideration would have resulted in possible competitive disadvantages to some of these products.

The unity of this industry is further demonstrated by the convertibility and interchangeability of looms in cotton and rayon production.^{7/}

^{4/} Ibid.

^{5/} Ibid, p. 12.

^{6/} R. 198

^{7/} Industry Committee No. 1 Exhibit No. 2, p. 12.

A change in price or cost relationships may therefore determine the extent and direction of the conversion.

The convertibility of rayon and silk looms is even more pronounced. Information furnished by the National Federation of Textiles, Inc., an association of rayon and silk mills, for three mills which produce both fabrics shows variations in the production of rayon for the period October 1937 to August 1938 ranging from 57 percent to 89 percent in one mill, 16 percent to 60 percent in another mill, and 22 percent to 67 percent in the third mill.^{8/} The choice between the production of silk and rayon in these mills as well as in the industry depends largely on relative production costs and market conditions for the products.

Irene L. Blunt, Secretary of the National Federation of Textiles, Inc., stated at the public hearing before the Administrator that the definition of the industry had been properly drawn^{9/} and that there are no longer separate rayon and silk industries but there is a textile weaving industry which uses rayon and silk fibers.^{10/} A number of opponents of the minimum wage recommendation of Industry Committee No. 1 referred to the competitive relationship of rayon and cotton in describing the economic condition of the cotton goods industry.^{11/}

^{8/} Ibid. p. 14

^{9/} R. 197.

^{10/} R. 183, 193.

^{11/} Testimony of Donald R. Comer (R. 1820, 1821). Testimony of L.T. Barringer (R. 3182-3183, 3186, 3203). Barringer stated that rayon and silk have been substituted for cotton in apparel, and that rayon has made increasing inroads on cotton in such fields as linings, bedspreads, underwear, draperies and auto upholstery.

The definition excludes "the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in establishments manufacturing synthetic fiber" but includes the processing of yarn if conducted in any other type of establishment. This action was taken to minimize overlapping of jurisdiction into industries with unlike processes requiring different types of labor and to avoid cutting across establishment lines. Investigation of the wages paid in rayon chemical plants showed that the exclusion would not place the textile industry at a competitive disadvantage.^{12/}

2. Woolen Mixtures

The definition of the textile industry was drawn to exclude the woolen industry since the competitive relationships of these industries and the differing nature of the establishments, labor forces and wage structures made it administratively advisable to establish separate industry committees. The committees have made differing wage recommendations -- a 32 $\frac{1}{2}$ -cent rate was recommended by Industry Committee No. 1 for the textile industry and a 36-cent rate was recommended by Industry Committee No. 1-A for the woolen industry.

There is serious competition, however, between the woolen and cotton industries with respect to yarns and fabrics which contain mixtures of both fibers. A determination to place all fabrics and yarns containing wool under the jurisdiction of the Woolen Committee or to place all fabrics and yarns containing cotton under the jurisdiction of

^{12/} Industry Committee No. 1 Exhibit No. 2, p. 24.

Industry Committee No. 1 would have cut across plant lines since both cotton and woolen mills manufacture fabrics and yarns containing these mixtures.

It was therefore decided to establish a distinction between the woolen and cotton industries on the basis of the percentage of wool and in the case of yarns to make a further distinction on the basis of the system used to spin the mixed yarn. This latter factor is available for purposes of distinction since the amount of wool spinning machinery in cotton mills is almost negligible.

Subcommittees of the Woolen and Textile Industry Committee were chosen to study the question of the appropriate division point for the cotton and woolen industries. In view of the inability of the Industry Committees to reach an agreed recommendation, ^{13/} the Administrator decided to follow the NRA definition which appeared to be the most appropriate test even after account had been taken of the changes in conditions which have occurred since the NRA. ^{14/}

3. Inclusion of Other Fibers and Products

Flax is included since its main product, linen, is competitive with cotton in the manufacture of handkerchiefs, sheetings and other products. ^{15/}

^{13/} See letter from Donald M. Nelson to the Administrator, dated May 22, 1939, in "Administrator's Exhibit No. 6", following minutes of meeting of Industry Committee No. 1 on May 23, 1939.

^{14/} Industry Committee No. 1 Exhibit No. 2, p. 50, and minutes of Joint Meeting of Industry Committees No. 1 and No. 1-A on May 22, 1939, p. 5.

^{15/} See Industry Committee No. 1 Exhibit No. 2, p. 11.

Jute has been included because of its competitive interrelationships with cotton in the fields of osnaburgs and twine. ^{16/}

In the case of pile fabrics, the definition covers all types of fibers since it is common practice to use cotton, silk, rayon, wool and hair in the same plant. Investigation disclosed that any other treatment of pile fabrics would have created serious administrative problems. ^{17/}

Similar action was taken with respect to the net, braid and lace and the cordage, rope and twine groups since the plants in these groups also utilize all fibers in the manufacture of their products.

Objection was taken at the public hearing to the inclusion of jute bagging used for covering bales of raw cotton. This business is an outgrowth of the cotton waste and cotton mill by-products business ^{18/} and manufactures a coarse net-like product of jute rove which is woven from waste jute or jute butts. ^{19/} It is true that jute bagging does not resemble a fine textile fabric but the relationships of this product with products covered by the definition require its inclusion. Willard Lewis, President of the Riverside Mills of Augusta, Virginia

^{16/} Ibid.

^{17/} Ibid. p. 35

^{18/} R. 2501

^{19/} R. 2473.

and representative of the Institute of Manufacturers of Bagging for Raw Cotton, testified that jute bagging is in some competition with cotton mesh bagging, ^{20/} and that in his own mill the manufacture of jute bagging constitutes only 40 percent of the mill's revenues. The bulk of the mill's production is in the processing of waste and the spinning of yarn under the waste system, which are under the textile definition. ^{21/} John J. Jenkins, Jr., President of the Dixie Jute Bagging Corporation, testified that his mill is also engaged in the manufacture of jute twine. ^{22/} The evidence produced by the opponents of the inclusion of this product demonstrates that, regardless of its competition with cotton products, it properly comes under the definition of the textile industry because it is manufactured in plants doing other work under the definition.

Carpets and rugs were excluded from the definition because few textile mills are engaged in their manufacture and their competitive relationships are primarily with products which do not come within the scope of the textile industry.

^{20/} R. 2506. See R. 2484. It may be noted that the competition of cotton mesh bagging is not substantial although it is being encouraged by the U. S. Department of Agriculture.

^{21/} R. 2501-2504.

^{22/} R. 2518.

B. Processes

The integration of the spinning, weaving and finishing processes in the textile industry made appropriate their inclusion in a single industry so that the minimum wage recommendation could be made with adequate consideration of competitive relationships. ^{23/}

There has also been included the manufacturing of batting, wadding or filling and the processing of waste as an incident to spinning operations. Objection to the inclusion of waste processing was made by the Textile Waste Exchange of Atlanta, Georgia, which claimed that this process is sufficiently different from the operations in the textile industry to warrant its exclusion from the definition. It appeared from the testimony, however, that the members of the Exchange are engaged in the operation of processing purchased waste which goes primarily into batting, wadding and filling. ^{24/} The processing of waste is also done by integrated mills. According to the estimate of the representative of the Exchange the integrated mills handle from 7 to 8 percent of the total waste processed in the United States. ^{25/} Apparently, the processing of waste and the manufacture of batting, wadding and filling is often carried on in the same plant. It was also admitted that a good deal of

^{23/} See Industry Committee No. 1, Exhibit No. 2, p. 10.

^{24/} R. 2520, 2542.

^{25/} R. 2538-2541.

unprocessed waste, which does not contain the foreign material removed by the processing operations, is used in the batting industry. ^{26/}

From this evidence, it is clear that the decision to include the processing of waste in the definition was appropriate. Exclusion of all these operations would have required segregation of work in a number of integrated plants; inclusion of these operations only when carried on in an integrated plant would have given the companies processing purchased waste a competitive advantage over the integrated plant.

The original definition of the textile industry contained in Administrative Order No. 1 applied to "The manufacturing, bleaching, dyeing or printing of knitted fabrics (other than hosiery or wool and wool mixed overcoatings and suitings) from any fibre or yarn." Upon investigation by a subcommittee of Industry Committee No. 1 and upon consideration of its suggestions by the Administrator, decision was made to exclude knitted fabrics from the textile industry definition. It was recognized that a number of knitting mills spin their own yarn, that specialized finishing plants handle knitted fabrics together with woven fabrics and that there is some competition between knitted and woven fabrics. The investigation showed, however, that a minor proportion of the yarn used by knitting mills was spun by them and that only a few companies were engaged in both processes. Furthermore, the finishing of knit goods is only a minor part of the commercial

26/ R. 2542.

finishing business and most knitted fabrics are finished within the knit goods industry. It was also found that knit goods do not compete seriously with woven goods on a price basis even in the field of women's underwear.

Establishments which cut and sew purchased knitted fabric compete with mills which knit the fabric and manufacture it into garments. It was not considered advisable to include the cutting and sewing establishments in the textile definition since they are properly part of the garment making industry. The definition was, therefore, drafted to exclude knitting from the textile definition, and provision was made for handling this problem through different committees.

C. Further Processing of Textile Fabrics

It has been found that considerable proportions of certain textile products such as bags, towels, napkins, and similar articles are produced in the fabric weaving mills. ^{27/} These products have therefore been included in the definition. In order to avoid competitive disadvantage to these mills, paragraph (d) of the definition covers the manufacture of these products even when engaged in by an independent establishment which is not related to a textile mill.

^{27/} Administrator's Exhibit No. 6 Vol. I Hearing of Textile Industry Committee, December 14, 1938, pp. 15-22.

II. SELECTION OF MEMBERSHIP OF INDUSTRY COMMITTEE NO. 1

Section 5(b) of the Act provides that:

"An industry committee shall be appointed by the Administrator without regard to any other provisions of law regarding the appointment and compensation of employees of the United States. It shall include a number of disinterested persons representing the public, one of whom the Administrator shall designate as Chairman, a like number of persons representing employees in the industry, and a like number representing employers in the industry. In the appointment of the persons representing each group, the Administrator shall give due regard to the industrial regions in which the industry is carried on."

Pursuant to this section of the Act, there were appointed by Administrative Order No. 1, dated September 13, 1938, seven persons representing the public, seven representing employers in the industry and seven representing employees in the industry. The persons appointed to the Committee are as follows:

Public Representatives:

Donald M. Nelson, Chairman of Industry Committee No. 1, Vice President, Sears Roebuck and Co., Chicago, Illinois, a corporation operating retail stores, mail order houses and manufacturing plants which are located throughout the country, Director of the Union Pacific Railroad Co. and other corporations.

Grace Abbott, former chief of the Children's Bureau, United States Department of Labor, and Professor of Public Welfare, University of Chicago, Chicago, Ill.

P. O. Davis, Director of Extension Service, Alabama Polytechnic Institute, Auburn, Alabama.

E. L. Foshee, Iron Rock Oil Co., Sherman, Texas.

Louis E. Kirstein, Vice President, William Filene's Sons Co., Boston, Mass.; Chairman Industrial Advisory Board of the National Industrial Recovery Administration; Chairman of the Board of Trustees of the American Retail Federation, and Member of the Government's Special Coal Strike Settlement Commission.

George Fort Milton, President and General Manager,
Chattanooga News, Chattanooga, Tennessee.

George W. Taylor, Professor of Industry, University
of Pennsylvania, Philadelphia, Pennsylvania and
Impartial Chairman designated to mediate labor dis-
putes in the full-fashioned hosiery industry.

Employer Representatives:

G. Edward Buxton, President, Androscoggin Mills,
Providence, Rhode Island.

Charles A. Cannon, President, Cannon Mills Co.,
Kannapolis, North Carolina.

Robert H. Chapman, Vice President, Inman Mills,
Spartansburg, South Carolina.

John R. Cheatham, President and Treasurer, Georgia
Kinkead Mills, Griffin, Georgia.

R. R. West, President, Riverside and Dan River Cotton
Mills, Danville, Virginia.

All of the above named employer members are engaged in the
manufacture of cotton textiles.

John Nickerson, Cheney Bros., mfrs., Manchester,
Connecticut, a company engaged in the manufacture
of silk.

Seabury Stanton, Treasurer, Hathaway Mfg. Co., Inc.,
New Bedford, Massachusetts, a company manufacturing
rayon fabrics.

Employee Representatives:

Paul Christopher, Technical Adviser, Textile Workers
Organizing Committee, Shelby, North Carolina.

Francis P. Fenton, Director of Organization, American
Federation of Labor, Washington, D. C.

Sidney Hillman, Chairman of the Textile Workers
Organizing Committee, New York City.

R. R. Lawrence, Southeastern Director, Textile Workers Organizing Committee, Atlanta, Georgia.

Elizabeth Nord, Regional Representative, Textile Workers Organizing Committee, Philadelphia, Pennsylvania.

H. A. Schrader, American Federation of Labor, Washington, D. C.

Emil Rieve, Textile Workers Organizing Committee, Philadelphia, Pennsylvania.

Subsequently on January 4, 1939, Fred Lazarus, Jr., Vice President and Treasurer, F. & R. Lazarus Co., Columbus, Ohio, Member of the Executive Committee, American Retail Federation, and Allan Barrows, Treasurer, Gosnold Mills Corp., New Bedford, Massachusetts, a company manufacturing rayon fabrics, were appointed to the Committee in place of Mr. Kirstein and Mr. Stanton, respectively, who had resigned.^{28/}

Testimony was placed in the record with regard to the geographical regions in which the textile industry is carried on. This evidence shows that the Southern Branch of the cotton goods manufacturing business has 73 percent of the total number of wage earners, 59 percent of the number of establishments and 70 percent of the value of the product.^{29/} In the dyeing and finishing branch of the entire textile industry, including cotton, the Northern states had approximately 75 percent of the wage earners and accounted for approximately 75 percent of the value of the product.^{30/}

^{28/} R. 2-5

^{29/} R. 30

^{30/} Ibid.

The North accounted for the following percentages in the rayon and silk divisions of the textile industry:

Percentages of Rayon and Silk
in Northern States 31/

<u>Branch of Industry</u>	<u>Percent of Total Wage Earners</u>	<u>Percent of Total Value of Product</u>
Rayon	71 percent	71 percent
Silk	90 percent	90 percent

The textile industry as defined by Administrative Order No. 25 was distributed as follows between the North and the South:

Geographical Distribution of Textile Industry
As Defined in Administrative Order No. 25 32/

<u>Geographical Region</u>	<u>Number of Establishments</u>	<u>Value of Product</u>	<u>Number of Wage Earners</u>
South	31 percent	51.5 percent	55 percent.
North	69 percent	48.5 percent	45 percent

Of the 5 employer representatives of the cotton textile industry, 4 were selected from the South and only 1 came from New England. The representatives for rayon and silk were selected from the North because, as the above table demonstrates, these branches of the textile industry are predominantly Northern.

Of the public representatives, 3 are residents of Southern States. After the resignation of Mr. Kirstein, there were no public representatives from New England.

31/ R. 31.

32/ R. 29.

The employee representatives were selected from national unions organized to represent the interest of workers in every section of the country regardless of the residence of the particular representative or of the workers who are members of the union.

There was objection by certain manufacturers in the Southwest to the failure to select representatives from that area of the country. Analysis of the census figures indicates that the following proportion of the textile industry is conducted in this region:

Percentages of Wage Earners and Value of Product Represented by the States of Louisiana, Texas, Oklahoma and Arkansas 33/

Industry	Wage Earners	Value of Product
Cotton goods manufacturing	1.23 percent	1.16 percent
Textile industry as defined in Administrative Order No. 25	.9 percent	.84 percent

The persons selected from the South, in my view, were qualified to represent the interests of the states in this area which are a part of the Southern geographical region of the textile industry.

33/ R. 32, 33, 242.

It should be noted, however, that a public member was selected from the State of Texas.

It may be noted that constitution of the Committee in a manner to give proportional representation to those states would have required the appointment of approximately 100 members representing the employers in the industry, 100 representing the employees and 100 representing the public.

The representatives of the Institute of Manufacturers of Bagging for Covering Raw Cotton and the Textile Waste Exchange contended that special representation should have been given these branches of the textile industry. The analysis of the definition of the industry shows that the products manufactured by the members of these trade associations are textile by-products and are properly classifiable as parts of the textile industry. The persons selected to represent the cotton textile industry were also representative of these branches.

Willard Lewis testified that total employment in the particular section of the textile waste processing business which he represented did not exceed 800.^{34/} He also stated that as of June 10, 1938, 9 of the 14 plants manufacturing jute bagging employed 1724^{35/} persons. It would appear that proportional representation of these divisions of the textile industry would have required an even larger committee than was estimated would be required if the claims of the Southwestern cotton textile manufacturers were accepted.

^{34/} R. 2538.

^{35/} R. 2496.

It is my view that the question of the selection of the Committee is not a proper issue for the determination of the Administrator in this proceeding. The foregoing evidence clearly shows, however, that the Committee was composed of an equal number of disinterested persons representing the public, persons representing employees in the industry, and persons representing employers in the industry; that the persons representing each group were appointed with due regard to the geographical regions in which the industry is carried on and that the selection of the Committee was therefore made in accordance with the provisions of Section 5(b) of the Act.