it necessary to liquidate prior to the formal adoption of the minimum wage recommendation by Industry Committee No. 1.[137] The testimony of a number of the witnesses showed average wage rates which indicated that the 32½-cent minimum would not have an appreciable effect upon employment in their mills.[138] From all the evidence in the record, it appears that modernization programs will displace only moderate percentages of employees. This is not contradicted even by the testimony of the witnesses of the small mill group appearing in opposition to the recommendation whose estimates of displacement are as follows: 75 out of 600;[139] 106 out of 552;[140] 25 out of 200;[141] 20 out of 315;[142] 125 out of 1355.[143] The evidence in the record, offered to show that existing governmental and private credit agencies are not in a position to finance sound modernization programs in textile mills, is not convincing. Even in the few cases where the minimum rate is likely to have an appreciable effect it would appear that the mills can continue to operate if price conditions improve.

137/ R. 2449-2451, R. 1863-1871. Also see R. 1626, 1631.

138/ R. 2213, 2697, 2724.

139/ R. 1655, 1656

140/ R. 2662.

141/ R. 1888-1889.

142/ R. 1834.

143/ R. 2979, 2986.

I conclude, therefore, on the basis of all the evidence that there will be no substantial curtailment of employment in the small Southern cotton textile mills as a group and that such unemployment as may result will not cause substantial dislocation of employment in the cotton textile industry.

* * * * *

Viewing, therefore, all the evidence adduced at the hearing relating to the effect which the $32\frac{1}{2}$-cent rate will have on the cotton textile industry, the Southern branch thereof, the low-wage mills, and the small mills, I find that no substantial dislocation of employment in the cotton textile industry will result and that, having due regard to economic and competitive conditions, the proposed minimum will not substantially curtail employment in the cotton textile industry or in any definable group of plants or regions in the industry.

V. EFFECT OF THE RECOMMENDATION ON EMPLOYMENT IN OTHER DIVISIONS OF THE TEXTILE INDUSTRY

The most seriously affected division of the textile industry as defined in Administrative Order No. 25 is cotton goods manufacturing. The other divisions of the industry have for the most part a higher wage structure and will be subject to a much lesser degree of adjustment occasioned by the minimum wage recommendation. The chief opposition to the recommendation came from cotton textile manufacturers and the evidence in the record was, therefore, primarily directed to the effect of a $32\frac{1}{2}$-cent minimum wage on this branch of the industry.

Tolles testified at the hearing on the basis of his study of wage rates and conditions in the textile industry that the effect of the minimum wage will be smaller on the other branches of the textile industry than on cotton textiles.144/

A. Rayon and Silk

Tolles' opinion with reference to the rayon and silk division of the textile industry was supported by Irene L. Blunt, Secretary, National Federation of Textiles, Inc., of New York. She was of the opinion, based on a questionnaire study of members of the Association and her general knowledge of conditions that there would be no substantial curtailment of employment in this division as a result of the minimum wage recommendation.145/ A similar opinion was expressed by Abraham Brenman, Counsel for the Silk Commission Manufacturers Association of Paterson, New Jersey,146/ and J. Linzee Weld appearing on behalf of the

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144/ R. 37-38

145/ R. 198

146/ R. 519

National Association of Cotton Manufacturers. 147/ No objection to this part of the Industry Committee recommendation was formally entered by any party to the proceeding.

Collective labor agreements in this division have established minima of 35 to 40 cents for silk and rayon weaving and $32\frac{1}{2}$ to $37\frac{1}{2}$ cents for the throwing branch. 148/

The average hourly wage rate in the rayon and silk division, according to the Bureau of Labor Statistics, is 42.2 cents per hour. 149/ Weld estimated average hourly wage rates in various sections of the country as follows: New England, 45.1 cents; Pennsylvania, 42.1 cents; and the South, 39.5 cents. 150/ He also testified that the increase in price resulting from the application of the minimum wage to the Suncook Rayon Mills, of which he is treasurer, would be 1/100 cent per yard. 151/ Miss Blunt stated that her questionnaire study which was participated in by a small number of the mills in the Federation showed estimates of increased cost ranging from $\frac{1}{2}$ to $1\frac{1}{2}$ percent. 152/

It appears from the evidence that the marginal mills in this division are generally in accord with the recommendation. 153/

147/ R. 153.

148/ R. 676.

149/ R. 37. Brenman testified that a minimum wage of $32\frac{1}{2}$ cents per hour is paid by the employers in his Association to 25 percent of the employees. 75 percent of the employees receive higher wages ranging up to $18 per week. (R. 515) The average is $37\frac{1}{2}$ cents per hour. (R. 518)

150/ R. 152.

151/ R. 155.

152/ R. 189.

153/ R. 190, 195, 514. J. E. Serrine conceded that northern mills may be affected by Southern rayon competition. (R. 2202)

B. Window Curtains

The New England Curtain Manufacturers' Association appeared in opposition to the recommendation, apparently on the basis that the $32\frac{1}{2}$-cent rate would require substantial increases in the price of curtains.

Testimony was introduced at the hearing that New England has one-fourth to one-third of the curtain market and that the bulk of the production is carried on in New York City where the prevailing minimum wage ranges from $32\frac{1}{2}$ cents to 40 cents per hour.[154/] There are collective agreements in the industry which are above the prevailing minima.[155/] No objection was entered by any other companies in the window curtain manufacturing business.

The representative of the New England Association testified that the labor cost in this business is 10 to 15 percent of manufacturing costs.[156/] The effect of a small increase in labor costs, therefore, will be negligible.[157/]

154/ R. 945.

155/ Ibid.

156/ R. 956.

157/ R. 957.

C. Dyeing and Finishing of Cotton Textiles, Rayon and Silk

As of February 1939 the average wage rate reported by the Bureau of Labor Statistics in the dyeing and finishing branch of the textile industry was 53.8 cents per hour.158/ Collective labor agreements in this branch specified minimum wage rates ranging from 48 cents to 66 cents an hour.159/ According to the National President of the Federation of Dyers, Finishers, Printers and Bleachers of America, affiliated with the Congress for Industrial Organization, 74.6 percent of the branch is organized and 89 percent is paying a wage in excess of 40 cents per hour.160/ An instance was cited of a collective labor agreement negotiated with a company doing business in Richmond, Virginia, which specified a minimum wage rate of 55 cents per hour.161/

Harold Korzenik, counsel to the National Textile Processors Guild, a group of commission finishers, stated that in his opinion the minimum wage recommendation would not substantially curtail employment in this branch of the textile industry.162/

158/ R. 37

159/ R. 676, 1299

160/ R. 1300

161/ R. 1302, 1307

162/ R. 874

D. Jute and Jute Bagging for Covering Raw Cotton

The testimony given at the hearing indicates that the jute branch of the textile industry will apparently meet the minimum wage without much difficulty. It was testified that the average wage in the branch is approximately 52 cents per hour[163/] and that a collective labor agreement rate has been fixed at a $32\frac{1}{2}$ cent minimum.[164/]

There is a favorable tariff on jute twine[165/] which is in an advantageous competitive position with reference to other twines.[166/]

Objection to the recommendation was entered by that section of the jute branch which is represented by the Institute of Jute Bagging for Covering Raw Cotton.[167/] Inclusion of jute bagging in the definition of the textile industry has been determined to be proper on a plant basis.

A witness opposed to the recommendation testified that his average wage rate was 30 cents per hour.[168/] That the increase in

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163/ R. 181

164/ R. 677

165/ R. 2518

166/ R. 1772-1788, 2518

167/ There are about 1000 employees engaged in the manufacture of jute bagging for covering raw cotton. (R. 2496, 2508) This represents approximately one-fifth of the employment recorded by the 1935 census for jute goods. (Industry Committee No. 1, Exhibit No. 4, p. 4)

168/ R. 2486

cost which might otherwise result from increases in wages can be borne by at least those members of the textile industry who in addition to manufacturing jute bagging for covering raw cotton also manufacture other products is shown by the fact that the average wage in the jute branch of the textile industry is approximately 52 cents per hour.[169/] Furthermore, the increases in efficiency which resulted from the 25-cent minimum wage indicate that further increases in efficiency will tend to offset increases in cost resulting from the 32½-cent minimum wage.[170/]

E. Other Sections of the Textile Industry

With the exception of cotton waste processing, which is discussed subsequently, objections were not entered against the application of the minimum wage rate to other sections of the textile industry, and evidence was placed in the record to show that there were collective labor agreements establishing a minimum wage of 40 cents or more for the cordage and twine branch of the textile industry;[171/] 37½ cents an hour in the linen branch;[172/] and a weekly wage in the skilled section of the lace branch of $50 to $60 and $22 a week for auxiliary employees.[173/]

169/ R. 181

170/ R. 2509. SeeR. 2514

171/ R. 677

172/ R. 677

173/ R. 917

F. Conclusion

I conclude that there will be no substantial curtailment of aggregate employment in any of these branches of the textile industry and that there will be no substantial dislocation of employment in these branches.

VI. CONCLUSION ON EFFECT OF MINIMUM WAGE RATE ON EMPLOYMENT IN THE TEXTILE INDUSTRY AS DEFINED IN ADMINISTRATIVE ORDER NO. 25

Upon the basis of the evidence and my findings with respect to the effect of the minimum wage rate on employment in cotton textile manufacturing and in other sections of the textile industry as defined in Administrative Order No. 25, I hereby find that the minimum wage recommendation of Industry Committee No. 1 will not substantially curtail aggregate employment in the textile industry or in any branch or section thereof, and will not cause substantial dislocation of employment in the said industry or in any of its branches or sections.

Upon the whole record I find that the recommendation of the Committee that a 32½-cent minimum wage rate is the highest minimum wage rate for the textile industry which, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry, is supported by the evidence adduced at this hearing.

VII. Uniformity of the Minimum Wage Rate Recommended for the Textile Industry.

The recommendation of a uniform minimum wage rate for the textile industry raises the question of whether classifications should have been established pursuant to Section 8(c) of the Act. This section directs the industry committee to recommend such reasonable classifications as it determines to be necessary for the purpose of fixing the highest minimum wage rates for each classification which will not substantially curtail employment in the classification and will not give a competitive advantage to any group in the industry. It is further provided that no classification shall be made "solely on a regional bases" but consideration shall be given among other relevant factors to 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 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.

Industry Committee No. 1 was presented with a request pursuant to this section of the Act for a classification which would establish a differential of $2\frac{1}{2}$ cents under the basic minimum in favor of the Southwest territory as defined by the Interstate Commerce Commission.[174/]

E. L. Foshee, the public member proposing the classification was the only representative voting for the motion which was opposed by the other committee members present at the meeting including all the Southern employer members.[175/] There was no further motion presented to the Industry Committee for a differential in favor of the textile mills located in the Southern states.

It appeared at the hearing that Kemp Lewis, President of the American Association of Cotton Manufacturers which opposed Industry Committee No. 1's recommendation, was present at the meeting of the Industry Committee at which Dr. Murchison, President of the Cotton Textile Institute stated that:

> "As an industry we are opposed to the establishment of such classifications. We believe that the Act will be successful to the degree that its application is made uniform and simple. The determination of such classifications and the minimum rate for each classification according to the formula provided in Section 8 is a task of overwhelming dimensions in industries as large, as widely dispersed, and as heterogeneous as the textile industries. We believe the administrative and enforcement problems arising from such classifications can be avoided, and the purposes of the Act achieved if the minimum wage is considered with due regard to present standards and is made uniform for all the mills in the industry."[176/]

174/ Journal, Industry Committee No. 1, March 21, 1939, pp. 2, 3

175/ Ibid.

176/ R. 1490

No objection was made to the statement although the Association is a member of the Institute which spoke on behalf of all its constituents. Lewis stated at the hearing, however, that he now thought Dr. Murchison's position was a mistake.177/ Robert R. West, a member of Industry Committee No. 1, Vice-President of the American Association of Cotton Manufacturers and a member of the Executive Committee of the Cotton Textile Institute testified that he was still in agreement with Dr. Murchison's statement and that he was not requesting either occupational differentials or a differential between the North and the South.178/ The Association apparently adopted a resolution in its April 1939 meeting opposing the Industry Committee's wage recommendation but did not urge the establishment of a differential;179/ nor did the President of the Association ask for a differential in his direct statement at this hearing.180/

177/ R. 1492 Charles A. Cannon stated on cross-examination that he thought a differential should be considered if the basic minimum wage for the textile industry was established at a rate above 30 cents per hour. (1572)

178/ R. 2028-2030

179/ R. 1422

180/ A differential was argued for at the hearing by the Southern States Industrial Council, an organization of some 2000 industrial concerns devoted to the furtherance of the industrial development of the South. (R. 2234) E. J. McMillan, President of the Council, stated that only a small number of textile employers belong to the Council since they have their own Association. (R. 2239)

A. Living Costs

In order to obtain adequate information on the question of living costs the Bureau of Labor Statistics of the United States Department of Labor, which is the Federal Agency engaged in the study of prices and the establishment of cost of living indices, made a special investigation of 5 Northern and 5 Southern cities ranging in population from 10,000 to 25,000 to ascertain the cost of a WPA maintenance budget,[181] which includes food, clothing, shelter, and miscellaneous expenses. The Bureau also computed changes in living costs in 22 cities previously surveyed by the WPA in order to bring the cost of living information for these cities down to December 1938.[182]

The study shows that the average annual cost of living for all 32 cities was only 4.6 percent higher for the North than the South.[183] The cost of living in the North was 5.7 percent higher than the South for the cities ranging in population between 25,000 and 3,000,000 and 1.4 percent higher for the cities of 10,000 to 25,000 population.[184]

The range between the highest and lowest cost city in each geographical area was much larger than the average North-South difference. In the North, New York City had a cost of living which was 22.9 percent higher than the cost of living in Hanover, Pennsylvania. In the South, Baltimore, Maryland was 12.6 percent higher than Sherman, Texas.[185]

181/ Industry Committee No. 1, Exhibit No. 10, p. 2
182/ Ibid. p. 1. This study was also submitted to the Industry Committee for its consideration.
183/ Ibid. p. 4
184/ Ibid.
185/ Ibid. p. 6

Moreover, the lowest cost city as well as the highest cost city was found in the North. With a higher degree of variation within the regions than between the regions, it would appear that a lower wage rate established on the theory of a general differential in the cost of living would result in the payment of lower real wages in some points of the lower-wage-rate geographical region.

W. M. Adamson, a statistician on the staff of the Bureau of Business Research and a member of the University of Alabama faculty, gave testimony intended to show that the cost of food is lower in the South than the North. Adamson relied on a study which was issued in January 1939 by the Bureau of Home Economics of the United States Department of Agriculture. The study was based on dietary records obtained during the period December 1934 to February 1937 by the Bureau of Labor Statistics in its study of income and disbursements.[186] The Bureau of Home Economics made no independent investigation of new facts but merely analyzed existing records for dietary purposes.

This study shows that, on an expenditure of $1.25 to $1.87 per person weekly for food, 1 percent of the families in the South received good diets, 28 percent fair diets and 71 percent received poor diets. In contrast 91 percent of the Northern families expending this sum for food received poor diets and 9 percent received fair diets.[187] In the $2.50 to $3.12 expenditure group, 23 percent of the Southern families received good diets and 42 percent received fair diets.

186/ Textile Workers Union of America, Exhibit No. 5, pp. 1, 2.
187/ R. 2403

32 percent of the Northern families in this category received fair diets and 5 percent received good diets.[188] In evaluating this evidence account must be taken of the fact that the study was made on the basis of nutritive rather than dietary standards.[189] Illustrative of this distinction is the statement in the study that:

> "The consumption of all fats was lowest among families in North Atlantic cities, with average purchases of 40 pounds a person a year and highest in the South with averages of 62 pounds for white families and 70 pounds for Negro families. Butter purchases were highest in North Atlantic and Pacific cities, with averages of 21 and 22 pounds a person a year, respectively. Southern white families bought an average of only 8 pounds of butter but they bought from two to four times as much lard and salt pork as other white families."[190]

The test for determining the cost of living in the different geographical areas to which the recommendation will apply is the monetary sum required to purchase an equal standard of living including equally-desirable food from the standpoint of the consumer. Although regional variations in types of consumers goods may be taken into account it would not appear permissible for the purposes of this Act to place one region on a standard which determines adequacy of diet merely by the chemical ingredients of the food.

188/ R. 2404

189/ R. 2558

190/ Textile Workers Union of America, Exhibit No. 5, p. 97. See Ibid. p. 81

Adamson also relied on the statement in the study of the Bureau of Home Economics that an inexpensive type of adequate diet could have been bought for \$2.45 a person a week for white families in the North Atlantic States and \$2.20 for the same group in the East South Central States.[191] This statement was not made for the entire southern area but applied only to the cities of Birmingham, Mobile and Memphis.[192] Furthermore, this estimate may not be typical since the study shows that in the \$1.25 to \$1.87 food expenditure group, 34 percent of the East South Central families received a fair diet or better, whereas only 10 percent of the families in South Atlantic States received fair diets and 9 percent of the North Atlantic families were receiving fair diets.[193]

The Bureau of Labor Statistics' study previously discussed shows that "the cost of food for the maintenance budget differs only slightly between regions."[194] According to this study, food cost averages 1.2 percent less in the North than in the South. I conclude, therefore, upon all the evidence in the record that the cost of food does not differ appreciably between the North and South.

The 4.6 percent general differential in the cost of living between the North and South, which is shown by the Bureau of Labor Statistics' study, was computed after full consideration had been given to the South's advantage in such items as clothing, housing, furnishings, fuel and miscellaneous expenses. Account was taken of

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191/ R. 2399
192/ Textile Workers Union of America, Exhibit No. 5, p. 5.
193/ Ibid p. 74
194/ Industry Committee Exhibit No. 10, p. 11. It may be noted that Adamson's criticism of the Bureau of Labor Statistics' cost of living index is apparently directed at all the indices which are now available. (R. 2398)

differences ranging from 2.1 percent in the item of furnishings to 20.9 percent in the fuel, light, and refrigeration group. The total effect of these differences was limited, however, because of the proportion of the budget which these items absorb.[195/]

Evidence was also produced by opponents of the recommendation to show that southern families are able to save on lower incomes than northern families to prove that the cost of living is lower in the South.[196/] It was stated, for example, that 18 percent of the white families earning as little as $250 - $499 per year in middle-sized cities in the Southeast have incomes exceeding expenditures, whereas none of the northern families in this income category saved.[197/] In view of the fact however, that families were included whose incomes exceeded expenditures by a few dollars and the lack of information as to whether the families in the South saved because they spent less or because they got more for their money, it would not appear that this type of data furnishes a basis for judgment as to costs of living.

Upon all the evidence, and particularly upon the study submitted to the Industry Committee, I find that living costs do not vary substantially between regions and do not affect competitive conditions in the industry between these regions.

195/ Industry Committee's Exhibit No. 10, pages 11 through 13.

196/ R. 2416 et seq.

197/ R. 2418

B. TRANSPORTATION COSTS

1. Evidence on Transportation Cost

The effect of transportation costs upon various geographic groups within the textile industry was made the subject of elaborate and extensive testimony at the hearing. Expert witnesses appeared on behalf of the National Association of Cotton Manufacturers,[198/] the American Cotton Manufacturers' Association,[199/] and the North Carolina, South Carolina, Georgia and Alabama Manufacturers' Associations.[200/] Exhibits were placed in the record showing actual freight rates for shipments of raw materials, mill supplies and textile products to and from more than 300 representative destinations and shipping

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198/ Mr. James P. Harrington, a member of the Auxiliary Committee of the New England Freight Association (testimony at R-523-549); Mr. M. L. Hatch, traffic manager of the National Association of Cotton Manufacturers (testimony at R. 549-569); Mr. A. H. Ferguson, manager of the Traffic Bureau of the Chamber of Commerce at New Bedford, Massachusetts (testimony at R. 569-586); Mr. Harold D. Arnold, manager of the Textile Traffic Association in Providence, Rhode Island, and traffic manager of the Fall River Chamber of Commerce (testimony at R. 586-597); and Mr. James H. McCann, transportation manager of Associated Industries of Massachusetts (testimony at R. 597-603).

199/ Mr. L. O. Kimberly, Jr., assistant to the manager of the traffic department representing the American Cotton Manufacturers' Association (testimony at R. 2064) and also the North Carolina, South Carolina, Georgia and Alabama Manufacturers' Associations.

200/ Mr. P. H. Johansen, textile freight rate expert representing the North Carolina Manufacturers' Association.

points throughout the country.[201] Other exhibits were offered for the purpose of weighting these freight rates in accordance with their importance to the industry and so estimating the average transportation cost advantages or disadvantages accruing to geographic classifications

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201/ Industry Committee No. 1 Exhibit No. 9 entitled "Competitive Conditions as Affected by Transportation Costs in the Cotton Textile Industry," 18 pages with 5 rate tables; The National Association of Cotton Manufacturers Exhibits number 24, a table showing freight rates on finished cotton piece goods from New England to 25 cities; number 25, a table showing rates on similar goods from 27 origin points in New England, Southeast and Southwest to 22 destinations; number 31, a table showing rates on unfinished cotton fabrics from manufacturing points in the South to finishing points in the South and East and on finished cotton fabrics from these finishing points to New York City; number 32, a table showing rates on finished cotton piece goods to western trunk line territory from North and South; number 33, a table showing rates on Similar goods to central territory; and the American Cotton Manufacturers' Association's Exhibits number 8, a table showing rates on finished cotton fabrics to New York City from the South and East; number 9, a table showing rates on similar goods from representative points of departure in South and East to the 25 largest cities in the United States; number 10, a table showing rates on similar goods from Atlanta and Boston to 283 cities east of the Mississippi River; number 12, a table showing rates on inbound compressed cotton and cotton piece goods from various places of origin to various places of manufacture and out to various markets; number 13, a table showing rates on unfinished cotton piece goods from southern and eastern points to southern and eastern finishing points and thence on finished goods to New York City; number 17, a table showing rates on finished cotton piece goods from representative northern and southern mill points to all cities of 100,000 population or greater in the United States.

within the industry.[202] More than ten mill owners testified with respect to their own transportation cost problems. Also there was placed in evidence in this proceeding the opinions of the Interstate Commerce Commission dealing with rates on cotton factory products throughout the United States east of the Rocky Mountains.[203]

202/ See Industry Committee No. 1 Exhibit No. 9, The National Association of Cotton Manufacturers' Exhibits number 26 showing trade dominance of New York and Chicago, number 27 and 29 showing population of New England and Southern States, number 28, a table showing textile spindles in place in various sections of the country, and the American Cotton Manufacturers' Association's Exhibits Numbers 18-22 showing the average regional rate advantages based upon rates given in Exhibit 17. (see footnote 29 above)

203/ Industry Committee No. 1 Exhibits Nos. 8(a), (b) and (c).

2. Transportation Costs on Raw Cotton and Mill Supplies

The cotton growing states are Virginia, Kentucky, Tennessee, North and South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Oklahoma, Texas, and California.[204] During the year ending July 31, 1938, the Carolinas, Georgia and Alabama produced 4,066,406 bales of cotton while the Southwestern and Mississippi Valley states produced 12,809,304 bales.[205] Among these cotton growing states, the principal cotton manufacturing states are North and South Carolina (11,535,708),[206] Georgia (3,241,690), Alabama (1,823,046), Virginia (638,984), Tennessee (575,900), Texas (249,650).[207] According to a preliminary report of the U. S. Bureau of Census for June 20, 1939, these cotton growing states accounted for 18,458,826 cotton spindles in place out of a total of 25,645,960 cotton spindles in the United States.[208] Other major cotton manufacturing states are Massachusetts (3,604,124), Rhode Island (972,728), Maine (689,300), Connecticut (516,576), New Hampshire (507,456) and New York (346,868).[209] These Northern States accounted for 6,637,052 cotton spindles.

204/ Industry Committee No. 1 Exhibit No. 1, Page 9.

205/ R. 2082

206/ Represents the number of spindles in place on May 31, 1939.

207/ American Cotton Manufacturers Association's Exhibit No. 15; see also National Association of Cotton Manufacturer's Exhibit No. 28.

208/ American Cotton Manufacturers Association's Exhibit No. 15.

209/ Ibid.

Approximately two thirds of the cotton consumed by mills in cotton growing states is grown in neighboring counties or states.210/ Much of this raw cotton is transported less than 200 miles to the mill.211/ On the other hand, the New England mills must transport their raw cotton much greater distances. These greater distances are compensated for to come extent by the fact that most New England mills are located at or near the seaboard,212/ and consequently can take advantage of shipments over water routes at mile for mile low transportation costs, though at transportation costs higher than that paid by mills in cotton growing states for locally grown cotton. For instance the record shows that rail-water rates on Texas grown cotton to New Bedford approximate 58 cents per hundred pounds; on Oklahoma grown cotton via Houston 90 cents; on Arkansas grown cotton via New Orleans, 69 cents; and on Mississippi grown cotton via New Orleans, 58 cents.213/ The transportation costs involved in short hauls up to 200 miles in cotton growing states does not exceed 30 cents per hundred pounds.214/ But this advantage to the southern and southwestern mills does not exist in the event that these mills are required to purchase cotton from regions beyond their vicinity. For instance, rates offered in evidence by

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210/ Industry Committee No. 1 Exhibit No. 9, page 2; also see R. 2110.

211/ Ibid. page 7.

212/ Industry Committee No. 1 Exhibit No. 8(a), page 748.

213/ American Cotton Manufacturers Association Exhibit No. 12.

214/ Industry Committee No. 1, Exhibit No. 9, pp. 8-9.