

For Release Wednesday  
November 1, 1939

R-478

REPORT  
AND  
RECOMMENDATION  
OF  
INDUSTRY COMMITTEE NUMBER 8  
FOR THE  
ESTABLISHMENT OF A MINIMUM WAGE RATE  
IN THE  
KNITTED UNDERWEAR AND COMMERCIAL KNITTING INDUSTRY

## REPORT AND RECOMMENDATION

By Administrative Order No. 30, dated September 18, 1939, Industry Committee No. 8 <sup>1/</sup> was appointed for the purpose of recommending the highest minimum wage, which will not substantially curtail employment, for all employes engaged in the Knitted Underwear and Commercial Knitting Industry as defined by the same Administrative Order as follows:

1/ For the Public:

John P. Devaney, Chairman, Minneapolis, Minnesota  
 George Fort Milton, Chattanooga, Tennessee  
 Fred Lazarus, Jr., Columbus, Ohio  
 Jonathan Daniels, Raleigh, North Carolina  
 Philip Taft, Providence, Rhode Island  
 John C. Evans, Reading, Pennsylvania  
 Marion Dickerman, New York, New York  
 Arthur J. Patton, New York, New York

For the Employees:

David Dubinsky, New York, New York  
 Samuel Shore, New York, New York  
 Harry Wander, Newark, New Jersey  
 John S. Martin, Atlanta, Georgia  
 C. M. Fox, Savannah, Georgia  
 Emil Rieve, New York, New York  
 Ray Reidenbach, Kenosha, Wisconsin  
 Joseph R. White, Cohoes, New York

For the Employers:

L. B. Boynton, Newton, Massachusetts  
 Ralph M. Jones, Utica, New York  
 E. J. McMillan, Knoxville, Tennessee  
 T. O. Moore, Winston-Salem, North Carolina  
 T. H. Mueller, New York, New York  
 William Ravner, New York, New York  
 H. E. Sims, Piqua, Ohio  
 Mitchel Schneider, New York, New York

Mary Barnett Gilson, Chicago, Illinois, replaced Fred Lazarus, Jr., who resigned. Administrative Order No. 33, dated October 16, 1939.

- (a) The manufacturing, dyeing or other finishing of any knitted fabric made from any yarn or mixture of yarns, except:
- (1) The knitting from any yarn or mixture of yarns and the further manufacturing, dyeing or other finishing of knitted garments, knitted garment sections or knitted garment accessories for use as external apparel or covering which are partially or completely manufactured in the same establishment as that where the knitting process is performed; provided that this exception shall not be construed to apply to the garments or garment accessories designated in clause (b) of this definition.
  - (2) Fulled suitings, coatings, topcoatings, or overcoatings containing more than 25 percent, by weight, of wool or animal fiber, other than silk.
  - (3) Hosiery.
- (b) The manufacturing, dyeing or other finishing, from any yarn or mixture of yarns, or from purchased knitted fabric, of any of the following products:
- (1) Knitted garments or garment accessories for use as underwear, sleeping wear, or negligees.
  - (2) Fleece-lined garments made from knitted fabric containing cotton only or containing any mixture of cotton and not more than 25 percent, by weight, of wool or animal fiber other than silk.
  - (3) Knitted shirts of cotton or any synthetic fiber or any mixture of such fibers which have been knit on machinery of 10-cut or finer in the same establishment as that where the knitting process is performed.
  - (4) Knitted towels or cloths.

The Committee, in accordance with the provisions of the Fair Labor Standards Act and rules and regulations promulgated pursuant to it, has investigated conditions in the Knitted Underwear and Commercial Knitting Industry and, having due regard to economic and competitive conditions, has recommended the minimum wage rate appearing below.

The Committee believes that the minimum rate which it recommends is the highest wage rate which will not result in substantial curtailment of employment in any part of the industry or give a competitive advantage to any group in the industry.

The Committee convened on October 30, 1939, organized and heard economic data presented by the Economic Section of the Wage and Hour Division, and the Bureau of Labor Statistics. <sup>1/</sup> At the public hearing, held the following day, testimony was received from representatives of employer and employee groups who expressed varying opinions in regard to raising the minimum wage above the statutory rate. It received and evaluated, among other materials, general economic data with respect to the industry including detailed statistics as to employment and the wage structure in the industry and information with respect to competitive conditions as affected by production, transportation and living costs. It further con-

---

<sup>1/</sup> Between October 12 and October 17, 1939 there was mailed to each member of the Committee for prior study the following document containing wage statistics for this industry:

U. S. Department of Labor, Bureau of Labor Statistics,  
Division of Wage and Hour Statistics, Earnings and Hours  
in the Knitted Underwear, Outerwear, Cloth and Gloves and  
Mittens Industries, August and September, 1938.

On October 23, 1939 the following additional documents were mailed to each member of the Committee for prior study:

U. S. Department of Labor, Wage and Hour Division, Economic  
Section, Report on the Knitted Underwear and Commercial  
Knitting Industry, Parts I and II.

Competitive Conditions as Affected by Transportation Costs  
in the Knitted Underwear and Commercial Knitting Industry,

Area Differences in Cost of Living.

sidered material with respect to collective labor agreements and wages voluntarily maintained by employers. The Committee believes that the Knitted Underwear and Commercial Knitting Industry is a relatively low wage industry. It determined, nevertheless, that labor and production costs will not be affected by the establishment of the recommended minimum to such an extent as substantially to curtail employment or cause dislocation in the industry as now carried on, and that any retail price adjustments which may result from the approval of the recommendation will not seriously affect the demand for the products produced by the industry. The Committee, therefore, by a unanimous vote of those present <sup>1/</sup> on November 1, 1939 made the following recommendation for a minimum wage rate for the entire industry:

"Wages at a rate of not less than  $33\frac{1}{2}$  cents an hour shall be paid under Section 6 of the Act by every employer to each of his employees in the Knitted Underwear and Commercial Knitting Industry who is engaged in commerce or in the production of goods for commerce."

The Knitted Underwear and Commercial Knitting Industry, as defined in Administrative Order No. 30, consists of approximately 500 establishments employing an average of 60,000 workers. The industry comprises about 40,000 employees in integrated underwear mills, 10,000 employees in mills making knitted cloth for sale, and 10,000 employees in establishments making underwear from purchased knitted fabric. Hourly earnings

---

<sup>1/</sup> George Fort Milton and Jonathan Daniels, public members, absent.

in the integrated mills now average slightly more than 40 cents, and the earnings in the cloth mills and in the cut-and-sew establishments are somewhat higher. About 16,000 workers, or less than 30 percent of those employed in the industry, are now earning various amounts less than the minimum rate which the Committee recommends.

Figures and statistics, together with testimony, all of which appears in the transcript of evidence taken before the Committee, were used in figuring the probable effect of the wage bill and on operating cost of the industry. After careful consideration of this material, the Committee was of the unanimous opinion that no substantial curtailment of employment and no dislocation of the industry would result from the establishment of a  $33\frac{1}{2}$  cent per hour minimum wage. The Committee believes that  $33\frac{1}{2}$  cents is the highest minimum rate which can be recommended at this time, with due regard to the economic and competitive conditions in this industry.

Such factors as transportation costs, living costs, wages paid under union agreements and under voluntary standards in the various areas and in the various branches of the industry were also considered by the Committee. None of these factors nor any others were found to justify a classification of minimum wages for the purpose of recommending the highest possible minimum wage rates which will avoid substantial

- 6 -

curtailment of employment. Accordingly a  $33\frac{1}{2}$  cent minimum wage is recommended for the entire Knitted Underwear and Commercial Knitting Industry as defined in Administrative Order No. 30.

Respectfully submitted,

J. S. Martin

John P. Devaney, Chm.

Philip Taft

Arthur J. Patton

John C. Evans

Ralph M. Jones

H. Wander

T. H. Mueller

Samuel Shore

Marion Dickerman

David Dubinsky

Mary Barnett Gilson

H. E. Sims

William Ravner

Mitchel Schneider

Joseph R. White

Emil Rieve

Ray Reidenbach

Lawrence B. Boynton

C. M. Fox

T. O. Moore

E. J. McMillan