

DISSENTING STATEMENTS  
BY  
WILLIAM T. CHRISTMAS  
MEMBER OF  
INDUSTRY COMMITTEE NO. 4  
FOR THE  
HAT INDUSTRY  
ON THE  
RECOMMENDATIONS OF THE COMMITTEE  
FOR THE  
ESTABLISHMENT OF MINIMUM WAGE RATES  
IN THE INDUSTRY

CARADINE HAT COMPANY

No. 2 South Fourth St.

ST. LOUIS, U.S.A.

November 13, 1939

Mr. Burton E. Oppenheim,  
Chief Industry Committee Section,  
Wage and Hour Division,  
Department of Labor,  
Washington, D. C.

Dear Mr. Oppenheim:

In response to Mr. Fisher's letter of November 10th, I return copy of the Report and Recommendations of Industry Committee No. 4.

I regret that I cannot sign this report as concurring in the majority decision and wish to call your attention to my letter of September 15th, 1939 addressed to the Administrator, which letter together with this one, I would like to have considered as my individual opinion as a member of the Committee.

My letter of September 15th was written after I had had time to study and digest the mass of information presented to us on September 6th. I realize that the record of the executive meeting might conflict somewhat with the conclusions drawn in mine of September 15th—that is, that at the beginning of the afternoon session, I did second a motion to continue with the discussion. I did this in the hope that by evening, adjournment until the following morning would enable the Committee members to absorb sufficient information from the statistics given us, to proceed more intelligently. I realize also, that when it was decided by the majority to proceed to a vote on a minimum wage by sections of the industry, I moved and argued for a minimum of  $32\frac{1}{2}\%$  for both Straw and Harvest hats. I still feel that  $32\frac{1}{2}\%$  would be much more equitable than  $35\%$  and would be less likely to cause disruption in the Straw and Harvest Hat sections of the industry. On the basis of careful comparison of the figures however, a more equitable minimum would be  $32\frac{1}{2}\%$  on Straw Hats and  $30\%$  on Harvest Hats, as set forth in my letter of September 15th.

I am a hat manufacturer, not a lawyer or a parliamentarian. I feel as the Chairman of our Committee puts it on page 23, of the minutes of the September 6th session, we were in somewhat of a maze of parliamentary procedure. I must admit that amended motions and substitute motions are somewhat confusing to me. The Chairman states on page 95 of the minutes, that the substitute motion which resulted in a  $35\%$  recommendation for Straw and Harvest Hats was put with doubt on his part, as to the wisdom of doing so.

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In conclusion, I wish to make it clear that the criticism expressed in my letter of September 15th is directed entirely to the actions of the Committee itself, and not to the Chairman or any of the members of the Wage and Hour Division Staff, all of whom I believe, are to be commended for their most efficient and helpful co-operation.

Yours very truly,

(Signed) Wm. T. Christmas

Member Industry Committee No. 4

WTC/C

CARADINE HAT COMPANY

No. 2 South Fourth St.  
ST. LOUIS, U. S. A.

September 15, 1939

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

Dear Mr. Andrews:

As a member of Men's Hat Industry Committee No. 4, voting with the minority at the meeting held on September 6th, I wish to file for your consideration, the following opinion and views of my own, concerning the conduct of this meeting and the results reported to you by the majority.

I feel first of all, that the majority prevented this Committee from functioning in a manner which would have resulted in a fair and unbiased consideration of all of the factors bearing on the subject of a minimum wage for the Hat Industry and it's natural divisions.

The majority, consisting of the five labor members and three or more of the public representatives, forced a hurried consideration of the facts which in my opinion, were considered only superficially.

When the meeting opened, the Statistical Division began presenting to the Committee, a series of bulky reports on the hat industry particularly bearing on the question of wages. Then followed a reading of excerpts of these records, hundreds of pages, by the Statisticians. This occupied the entire day, with the exception of time out for lunch. Several members expressed inability to grasp this great mass of material in such a manner. A motion was made to adjourn for thirty days, so that members of the Committee could have time to study and prepare for discussion of the facts presented. This motion was promptly voted down. A motion was made to adjourn at the end of the day and meet the next morning, so that at least a few hours study could be made. This motion was voted down.

The Committee majority moved to begin discussion immediately. Informal discussion of the ideas of each member followed for a brief period. After an hour and one half recess at 6:30 P.M., the Committee met again and in less than two hours reached the decisions handed you by the majority.

I believe that the Committee failed in it's duty to carefully weigh and study the very complete set of facts and figures presented to it by the Labor Department. I believe that the time spent by the Department in

obtaining these figures, was entirely wasted and that the minimums set by the Committee, will result in serious curtailment of employment and hardship on men and women, now working, and is in direct opposition to the provisions of the Wage and Hour Law.

I submit that it is impossible for any ordinary man or woman to listen to a reading of excerpts from hundreds of pages of material and Statistical information for several hours, and then render a true opinion based on knowledge of those same facts.

No member of the Committee can say that he was properly fitted to discuss the matters which we were sworn to decide in a fair manner. The information obtained by the Statistical Division was such as would be impossible for any individual or hat manufacturing firm, or association, to get. It contained tables and information vital to the question under consideration, which were in no sense digested by the Committee, and were new to it.

No weight was given to the fact that the wage averages contained in this report, cover only production workers, the higher paid employees and do not cover incidental factory help, stock boys and office clerks. The law covers all these people. This inflicts a still greater handicap on the manufacturer of lower priced hats, who handles a large volume of dozens, and employs a larger proportion of unskilled labor.

No consideration was given to the fact that in Straw Hat and Harvest Hat factories, a still larger proportion of employees are unskilled. That in a Harvest Hat factory, thousands of dozens of cheap hats, selling for 25¢ to 50¢ apiece at retail, are handled each day. In a plant manufacturing high priced Fur hats, a half dozen stock clerks fill thousands of dollars worth of orders daily. In a low priced product plant, twenty-five to fifty clerks may be needed to ship the same volume.

In the Office the same condition prevails. In a Straw or Harvest Hat plant, two to three times as many people are needed to handle an equal dollar volume of sales as compared to a high priced Fur Felt plant such as Stetson, Lee or the Hat Corporation.

The normal balance of labor cost between low value factories and high value factories, would be entirely upset by these recommended minimums.

The skill required to do a job is reflected directly in the value of the product and in the worker's wage.

#3

The comparison below shows the percentage of employees classified by the Labor Department by skill, in each division of the Industry:

	<u>Skilled</u>	<u>Semi-skilled</u>	<u>Unskilled</u>
FUR	47.6	38.5	13.9
WOOL	18.8	72.2	9.
STRAW	30.7	62.	7.3
HARVEST	5.8	84.3	9.9

On page one, part two, of the Report on the Hat Industry, average rate of pay for each division of the industry are given. These averages are all high since they do not include incidental factory help, and office clerical staffs.

As indicated, the normal differential between divisions is as follows expressed in average hourly earnings:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>
66.3 cents	49.8 cents	49.1 cents

Taking Fur Felts as 100, this would mean that Wool Felts would stand at 73 and Straw hats at 73.

The recommended minimums would change this ratio to the following:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>
100	100	.875

thus indicating the unbalance that would occur in making the lower value end of the industry take on a disproportionate increase as compared to the high value branch.

Going further, let us consider the effect on pay rolls.

40¢ 40¢ and 35¢ would increase pay rolls in percentage as follows:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
1.71	2.51	3.98	6.02

These are industry averages and it must be pointed out that in some plants these increases will range upward of 15% of payrolls.

The comparative increase in operating costs would be as follows:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
.53	.62	1.15	1.20

Here again it must be noted that many factories will be burdened with a much larger increase in their costs, so much so that it will most certainly result in dislocation and resulting unemployment in communities where many of these plants have operated for from ten to thirty years.

I wish to recommend to you, Mr. Andrews, that a more equitable basis for setting minimum wages in the Hat Industry at this time, would be as follows:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
.40	.40	.32 $\frac{1}{2}$	.30

These minimums would result in increased payrolls as follows:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
1.71	2.51	2.55	2.43

and in increased operating costs as follows:

<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
.53	.62	.74	.81

The foregoing minimums would mean wage increases in the industry to the following employees:

	<u>FUR FELT</u>	<u>WOOL FELT</u>	<u>STRAW HATS</u>	<u>HARVEST HATS</u>
Percentage-	16.	34.7	25.7	24.5
Number	-2548	1401	639	118

#5

While these suggested minimums appear to me to be equitable, viewing the industry as a whole, I wish to recommend that the Administrator give serious consideration to a differential under 40¢ per hour for those manufacturers of Felt hats whose factories are in the West and South, and whose products are in the lower range of values. These factories cannot get highly skilled labor, therefore, their production is limited to the cheaper variety of hats. They operate finishing shops only and must buy their body requirements in the East. They pay higher transportation costs on all their raw materials. To force these factories to pay a 40¢ minimum immediately, would severely affect the business of these factories. Some of these plants would find their wages increased more than fifteen percent.

I sincerely hope Mr. Administrator, that you will give consideration to the points I have made, for I am convinced that if the minimums as set by the majority of our Committee are confirmed, a serious mistake will have been made.

Yours very truly,

/s/ Wm. T. Christmas

Member Industrial Committee No. 4

WTC/c