

U.S. DEPARTMENT OF LABOR  
WAGE AND HOUR DIVISION  
Washington

FORTY CENT MILLINERY WAGE ORDER ISSUED,  
EFFECTIVE JANUARY 15

An order, directing that wage earners engaged in occupations necessary to the production of millinery for interstate commerce be paid at least 40 cents an hour, on and after January 15, 1940, was issued today by Harold D. Jacobs, Administrator of the Wage and Hour Division, U. S. Department of Labor. The 40-cent minimum was recommended by the Millinery Industry Committee, comprised equally of representatives of the public, the employees, and the employers.

Mr. Jacobs reviewed the record of a public hearing on this recommendation which began October 2, and he presided on November 20 at an oral argument on the record of the testimony received at the hearing.

The millinery industry, as defined in the order, employs about 23,500 wage earners during an average month. It is estimated that 3,500 of these workers are paid at less than 40 cents an hour.

For the purposes of the minimum wage order the millinery industry is defined as, "The manufacture of all headwear, except knitted headwear, for ladies, misses, girls and infants, from any material, but not including the manufacture of felt hat bodies of fur or wool."

Together with the order, Mr. Jacobs made public his "Findings and Opinion." As to the definition, the findings state, "The sole objection to the definition interposed at the hearing concerned the inclusion therein of the headwear known as 'harvest hats.' I have considered the evidence pertaining to 'harvest hats' and find that such headwear is manufactured in competition with the other types of millinery included within the definition. Accordingly, I conclude that the definition of the millinery industry properly includes the manufacture (for women) of the type of headwear known as 'harvest hats.'" (2824)

The findings note that economic studies prepared by the Research and Statistics Branch from surveys made by the Women's Bureau indicate that a 40-cent minimum may be expected to increase the total wage bill of the industry about 1.51 percent. As labor costs represent an average of 31 percent of the industry's operating costs, this increase in the wage bill would result in an operating cost increase of 0.47 percent.

In his findings Mr. Jacobs did not confine himself to the effect of such a minimum on the industry as a whole. Under the heading "The Effect of the Minimum Wage Rate on Firms in Low Wage Areas and their Capacity to Absorb Increased Costs," the findings note that only in Texas is there an average hourly wage of less than 40 cents--namely 37.8 cents. Texas has 22 millinery firms employing 561 workers. It is estimated that the 40-cent minimum will increase the operating costs there approximately 3.3 percent.

The findings note that the South Atlantic and Massachusetts areas of the millinery industry also have low average wage rates and that the operating costs would be increased from 1.69 percent to 1.93 percent in the South Atlantic area, and from 1.01 percent to 1.53 percent in the Massachusetts area, depending upon the price of the hat produced. The findings conclude that no substantial unemployment is anticipated as a result of the 40-cent minimum in any of these low wage areas.

The findings note that representatives of millinery manufacturers in Buffalo, St. Louis, and Chicago urged that unskilled or "non-productive" workers be classified apart from the skilled or "productive" workers; and that a minimum wage of 30 cents be established for such "non-productive" employees. After reviewing the facts concerning such "non-productive" employees, who comprise 20 percent of the personnel of the industry and who are paid less than 40 cents an hour only to the extent of 9 percent of the total employees of the industry, Mr. Jacobs' opinion states: "I find, therefore, that upon all the evidence, no substantial curtailment of employment in the millinery industry or among the industry's 'non-productive' employees will result from the adoption of the 40 cent minimum, and that no separate classification for 'non-productive' workers is justified." The 40-cent minimum, therefore, applies, among others, to the office force, to shipping clerks, and to janitors, cleaners, and watchmen.

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