

WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

STATEMENTS OF
INDIVIDUAL MEMBERS OF INDUSTRY COMMITTEE NO. 1A
FOR THE WOOLEN INDUSTRY
ON THE
REPORT AND RECOMMENDATION OF THE COMMITTEE
FOR THE ESTABLISHMENT OF A MINIMUM WAGE RATE
IN THE WOOLEN INDUSTRY

By:

- | | | |
|----|--------------------|-----------------|
| 1. | Z. Clark Dickinson | Public Member |
| 2. | Charles H. Eames | Public Member |
| 3. | Thurmond Chatham | Employer Member |
| 4. | John H. Halford | Employer Member |
| 5. | Moses Pendleton | Employer Member |

(These statements should be considered in connection with the "Report and Recommendation of Industry Committee Number 1A for the Establishment of a Minimum Wage Rate in the Woolen Industry". Wage and Hour Division R 550, December, 1939.)

December 14, 1939

Mr. Burton E. Oppenheim, Director
Industry Committee Branch
Wage and Hour Division
Washington, D. C.

Dear Mr. Oppenheim:

Enclosed is the last page of the report of the Woolen Industry Committee which you sent me under date of December 11, which I have signed. I wish to add the following supplementary statement:

(1) The calculation of probable effect of a 36-cent minimum wage on total production costs should be interpreted in the light of increased wage minima in many other industries. These increases will tend to pyramid costs of finished articles.

(2) Since the 32 1/2-cent minimum means a more drastic rise for the cotton goods industry than does 36 cents for the woolen, I think the lines of demarcation ordered by the administrator are not open to serious objection.

(3) The problems of international competition, in relation to the wage and hour program, are more serious than are recognized in the above report, or by Congress and the public generally.

Very truly yours,

(signed) Z. C. Dickinson
Z. C. Dickinson

ZCD-m

December 13, 1939

Burton E. Oppenheim, Director,
Industry Committee Branch,
U. S. Department of Labor,
Wage and Hour Division,
Washington, D. C.

Dear Mr. Oppenheim:

I have signed page 8 of the report as I approve of the 36¢ per hour minimum wage, providing it applies to the "entire industry without classification". My interpretation of this expression is that entire industry means the whole textile industry including all fibres and all processes.

Yours very truly,

(signed) Charles H. Eames
President

CHE-HGF
Enc.

C H A T H A M
Manufacturing Company

Winston-Salem, N. C.

October 2, 1939

Thurmond Chatham
President & Treasurer

Hon. Elmer Andrews
Division of Wages and Hours
U. S. Department of Labor
Washington, D. C.

Dear Mr. Andrews:

As a member of the Sub-committee of the Wool Textile Committee, I have received a report which was prepared by your office for the three members of our Committee to sign.

I do not feel like signing this report in view of the definition which was handed down in Administrative Orders #24 and #25. This seems to me to be a matter of almost life and death to the wool textile industry, and I am quite certain in my own mind, knowing the circumstances, that it was never intended by Congress that the Wage and Hour law should give a tremendous competitive advantage to one industry over another - an advantage that was not enjoyed before the passage of the Act.

I herewith briefly review the history of our Committee and give you my reasons for not signing the report as a member of the Sub-committee duly appointed by the full Committee.

As provided in Section 8 (d) of the Fair Labor Standards Act of 1938 by the Sub-committee appointed to draft a report:

On January 9, 1939 you appointed this Committee under the Fair Labor Standards Act to recommend a minimum wage for the Wool Textile Industry after investigating conditions in the industry as provided for in the Act and to consider jointly with the Textile Industry Committee the problem of precise definition of jurisdiction on mixed products. At that time the Wool Textile Industry was defined to include employees engaged in:

(A) The manufacturing or processing of all yarns (other than carpet yarns) spun from wool or animal fiber other than silk; and all processes preparatory thereto.

(B) The manufacturing, dyeing or other finishing of fabrics and

blankets (other than carpets, rugs and pile fabrics), woven from yarns spun of wool or animal fiber other than silk.

(C) The manufacturing, dyeing or other finishing of fulled suitings, coatings, topcoatings and overcoatings knit from yarns spun of wool or animal fiber other than silk.

(D) The picking of wool rags and clips, and the garnetting of wool fiber from rags, clips or mill waste; and other processes related thereto.

(E) The manufacturing of batting, wadding or filling of wool or animal fiber other than silk.

(F) The manufacturing, dyeing or other finishing of the products enumerated above from all mixtures of fibers in which any wool or animal fiber other than silk has been incorporated.

The Committee held its first meeting in Washington on January 23rd, at which there was presented to it a report compiled by the Bureau of Labor Statistics dealing with hourly earnings, hours worked, etc., in wool mills. On February 17th, and 18th the Committee met to receive pertinent information from employers, labor and others. At these hearings numerous labor union officials urged the Committee to recommend a 40¢ minimum, while Mr. Bosse, President of the National Association of Wool Manufacturers, suggested that it recommend the same minimum as recommended by Industry Committee No. 1, whatever that might be. Additional data was submitted by the Bureau of Labor. It is pertinent to point out that the data submitted by the Bureau of Labor Statistics included no so-called cotton, rayon, or silk mills making wool mixtures.

Immediately after the close of these hearings, the Committee considered all evidence at hand, and a majority of all its members voted to recommend to the Administrator a minimum rate of 36¢ per hour as the highest minimum rate that would not substantially curtail employment in the Industry. As the jurisdiction of this Committee and that of Committee No. 1 at the time overlapped, it is self-evident that the vote of the Committee necessarily presupposed some final equitable line of demarcation in light of the fact that different minimum rates were to be recommended by the two divisions of the industry.

On March 21st Industry Committee No. 1 (Textile Industry) made a progress report to you indicating that they had decided on a minimum rate of 32 $\frac{1}{2}$ ¢ per hour for the Textile Industry, and pointing out that the next step involved drawing the line of demarcation between the jurisdiction of Committee No. 1 for the Textile Industry and of Committee No. 1-A for the Wool Textile Industry, following which formal recommendations would be submitted. On April 4th subcommittees of the Textile Industry Committee and the Wool Textile Industry Committee met in New York to consider this line of demarcation. At this joint meeting by a vote of 4 to 1 a compromise was arrived at. However, later (on

May 22nd) at a joint meeting of the two full Committees in Washington you presented a proposed line of demarcation quite different from the compromise voted by the subcommittees at their meeting in New York on April 4th. Following this each Committee met separately. This Committee by a majority vote of all its members affirmed its previous vote to recommend to the Administrator a minimum rate of 36¢ per hour, and by unanimous vote of all members present rejected the line of demarcation proposed by you.

The competitive position of the Wool Industry has been profoundly influenced in recent years by the improvement in machinery and technical skill and the development of hosts of synthetic fibers and blends of fibers of all kinds. These developments have made it possible for cotton, rayon, and silk mills to intensify their competition in many markets and extend their competition into additional markets. Therefore, it is highly important that wool mills should not be placed in a position where by reason of a higher and inflexible minimum wage they will not be able to compete with cotton, rayon and silk mills for a share of highly competitive markets. No one knows what the future holds, but it is quite reasonable to assume that the trends in evidence during the past few years will continue, probably at an accelerated rate. This viewpoint appears to have been entirely overlooked in the line of demarcation proposed by you, as set forth in Administrative Orders #24 and #25. By these Administrative Orders you amended the definition of the Textile Industry and the Wool Textile Industry drawing the line of demarcation as you had previously proposed in spite of the unanimously voted protest of the Wool Textile Industry Committee. These amendments provided:

"(1) That the manufacture of woven blankets and piece goods, together with certain designated knit fabrics, containing not more than 25 per cent wool by weight (with a tolerance of 2 per cent) should be subject to the textile minimum wage.

"(2) That yarn containing not more than 45 per cent wool by weight spun on systems other than the woolen system should be subject to the textile minimum wage.

"(3) That the manufacture of woven blankets and piece goods, together with certain designated knit fabrics, containing more than 25 percent wool by weight (with a tolerance of 2 per cent) should be subject to the wool minimum wage.

"(4) That all yarn spun on the woolen system and yarn containing more than 45 per cent wool by weight spun on systems other than the woolen system should be subject to the wool minimum wage."

No further change has been made since this time, and there now appears no prospect of a revision as you have approved the recommendations of the Textile Committee on the basis of the amended definition of the respective Industries.

Under these circumstances and in conformity with the provisions of the Act by which it must proceed, I regret that I cannot recommend to you the minimum rate of 36¢ per hour, as I had hoped to do. Since the time that this Committee protested your amendment of the Industry definitions, the course of events have made the need of revision of these definitions even more imperative if there is to be any differential in the minimums for the two industries. Following the outbreak of hostilities in Europe the price of wool has advanced sharply and rapidly. During the week ending September 1st the reports of the Bureau of Agricultural Economics quoted the price of Territory Fine Combing Wools in Boston at 73-75¢ per pound while the price during the week ending September 15th, the last available at this writing, was quoted at 92-100¢, an increase of about 25¢ per pound in two weeks; and there is no indication that the peak has yet been reached. This advanced price of wool cannot help but greatly encourage the substitution for wool products of mixtures of wool and other fibers as well as cotton and rayon products made in mills subject to the jurisdiction of the Textile Industry minimum wage.

I recommend that you amend the present definition of the Textile Industry to include the Wool Textile branch and make the same minimum rate effective in all textile mills until such time as an equitable line of demarcation between the different branches of the industry can be mutually agreed upon.

Yours very truly,

(s) Thurmond Chatham

Thurmond Chatham.

JAMES LEES & SONS CO.

Bridgeport, Pa.

December 21, 1939

Mr. Burton E. Oppenheim, Director,
Industry Committee Branch,
United States Department of Labor,
Wage and Hour Division,
Washington, D. C.

Dear Mr. Oppenheim:

I have been holding your letter of December 11th, in order that I might give same very careful consideration.

I have finally come to the conclusion that I do not care to sign the report. While I am, personally, satisfied with the 36¢ per hour minimum, I do not feel that I can sign the report until the demarkation between cotton and other fibres has been more thoroughly thrashed out.

Our Committee was opposed to the rules of demarkation as ordered by Mr. Andrews and I feel that this matter should be thoroughly considered again by the new administration.

Very truly yours,

John H. Halford (signed)

JHH/100M

AMERICAN WOOLEN COMPANY
Incorporated
Two Twenty-Five Fourth Avenue
New York City

Nineteenth, December
1 9 3 9

Mr. Burton E. Oppenheim, Director
Industry Committee Branch
Wage and Hour Division
U. S. Department of Labor
Washington, D. C.

Dear Mr. Oppenheim:

This will acknowledge the receipt of your letter of December eleventh, contents of which I have very carefully noted.

I feel after reading the report and recommendation of the Industry Committee No. 1A for the establishment of a minimum wage rate in the woolen industry that I should not sign this report for the reason that I, personally, do not feel that the woolen industry should have any wage order set until the unanimous recommendations of the Committee regarding the line of demarcation has been acted on by the new Administrator.

I am sure that if the members of our Committee, representing organized labor and the general public, realized the immediate danger to the woolen industry on account of the large amount of percentage fabrics being made in other than woolen mills and on the basis of the present wage for the cotton textile industry, they would feel exactly as I do.

Sincerely yours,

/s/

Moses Pendleton
President