

TEXTILE INDUSTRY COMMITTEE CONFERENCE

DEPARTMENT OF LABOR
Wage and Hour Division
Washington, D. C.

Tuesday, October 11, 1938

PRESENT:

Donald Nelson, Chairman, Chicago, Illinois

Public Members:

Grace Abbott, Grand Island, Nebr.
P. O. Davis, Auburn, Alabama
E. L. Foshee, Sherman, Texas
Louis Kirstein, Boston, Mass.
George Fort Milton, Chattanooga, Tenn.
George W. Taylor, Philadelphia, Pa.

Employee Members:

Paul Christopher, Charlotte, N. C.
Francis P. Fenton, Boston, Mass.
Sidney Hillman, New York, New York
R. R. Lawrence, Atlanta, Ga.
Elizabeth Nord, Manchester, Conn.
Emil Rieve, Philadelphia, Pa.
H. A. Schrader, Washington, D. C.

Employer Members:

G. Edward Buxton, Providence, R. I.
Charles A. Cannon, Kannapolis, N. C.
Robert Chapman, Spartansburg, S. C.
John R. Cheatham, Griffin, Ga.
John Nickerson, New York, New York
Seabury Stanton, New Bedford, Mass.
R. R. West, Danville, Va.

MORNING SESSION

Mr. Donald Nelson, Presiding

Mr. Nelson opened the meeting by calling the roll. All the committee members were present with the exception of Miss Abbott, who appeared later.

The Administrator welcomed the committee and thanked them for serving on the committee. He spoke of the solemnity of the occasion and the importance and history-making nature of the work upon which they were about to begin. Mr. Andrews also offered the services of his staff. He requested of the committee that all of the meetings be privileged and that there be no discussion outside of anything that occurred in the committee sessions. After stressing the need to work as speedily as possible and yet to deliberate as much as necessary to do a thorough job, he again thanked the committee members and withdrew.

Mr. Nelson introduced Mr. Magruder, Chief Counsel for the Wage and Hour Division.

Mr. Magruder mentioned that perhaps the committee had heard that the Wage and Hour Division was as poor as "Job's turkey" but called attention to the fact that the Division had an expensive luxury, the committee itself. He said that the textile industry committee would be the pioneer, and that it would either show the Division how the work ought to be done or how it ought not to be done.

Mr. Magruder stated that the double procedure which the

statute calls for may seem cumbersome. That is, going thru all the economic data with reference to the industry and taking into consideration all the factors stated in the statute as the basis for making classifications and recommendations of the highest minimum wage which can be laid down without substantially curtailing opportunities for employment. And then, when the committee has made its recommendation the Administrator goes thru the whole process again, holding an independent hearing. He stated that it is the record made at the Administrator's hearing which will go into court, and must be sufficient to sustain the recommendation.

Mr. Magruder mentioned that Congress might have dispensed with the first step, but that Congress was anxious that a Government bureaucrat should not have power to issue a wage order until industry and the public had been afforded an opportunity to make a recommendation. He called attention to the fact that the Administrator is powerless to move in that direction until the committee, after careful study, tells him that the time is ripe and the need is present.

Mr. Magruder stated that the conference committee report before the Congress, dealing with the provisions of the Act said: "This carefully devised procedure has a double advantage; it insures, on the one hand, that no minimum wage rate will be put into effect by administrative action that has not been carefully worked out by the committee, drawn principally from the industry

itself, and, on the other hand, that no minimum wage rate will be put into effect by administrative action which has not been found by an administrative official of the Government, exercising an independent judgment on the evidence, and responsible to Congress for his acts, to be in accordance with the law." He emphasized that it is important that the work of the committee be based upon very ~~thoro~~ examination of all available data and evidence, because the recommendations made by the committee must stand the "fire of an administrative hearing before the Administrator" as the Administrator cannot amend or revise the recommendation or put it into effect so far as he thinks it is supported by the economic data, nor can he increase or diminish the recommendations as to the wage rate. He stressed that the report should be a carefully reasoned and well documented one which, on its face, discloses the extent of the investigation, that all requirements of the statute have been taken into account, and that the recommendations have been based upon the data submitted.

The Chief Counsel explained that a procedure had been provided by which all interested persons may submit their data in writing either to the Chairman of the committee or to the Administrator, and the committee itself may make any further investigation it sees fit, and that the committee may hold public hearings as it sees fit after having given formal notice of such hearing as prescribed in the Act. He stated further, with reference to procedure, that a stenographic record was not

required, and they need not always feel that they were talking for the record, and the stenographic recording of the proceedings of the committee would be at the discretion of the committee itself.

Mr. Magruder announced that the Administrator was prepared to assign an attorney to the committee, and that the attorney would be the agent of the committee and not the agent of the Administrator. He suggested that while it might not always be actually necessary that the attorney attend all meetings of the committee it would be well for him to do so for the reason that when the Administrator holds his hearing the attorney assigned to the industry committee will be the logical man to assemble, analyze, and present the affirmative data supporting the recommendations of the committee.

In closing, Mr. Magruder sketched the handicaps under which the Division has been working, having an inadequate staff and very little time for preparation.

Mr. Magruder withdrew.

Mr. Nelson next introduced Mr. Hinrichs, the Chief Economist of the Bureau of Labor Statistics.

Mr. Hinrichs addressed the committee, stating that one of the early problems of the committee is presumably going to be to act with reference to the Administrator's letter to Mr. Nelson, in which he said he was considering the advisability of adding to

the jurisdiction of Industry Committee No. 1. (Mr. Andrews' letter to Mr. Nelson, dated September 13, 1938, appears in the appendix to the record as Exhibit 1.) Mr. Hinrichs read from Mr. Andrews' letter of September 13, 1938 to Mr. Nelson. Mr. Hinrichs explained that any extensive increase in the jurisdiction of the industry may raise the question with respect to the membership of the committee itself, whether, in order to have a representative committee, it would be necessary to add some members. Also, the process of arriving at a wage order is regarded as a process of considering wage structures that are related to one another and an enlargement of the committee would probably result in an enlargement of the area and presumably the wages in that enlarged area are relevant to the considerations of the committee. Therefore some early determination of the final area of jurisdiction of the committee is important.

Mr. Hinrichs called attention to the fact that the aim is to get a definition that will include all of the product assigned to the committee without regard to the type of establishment in which it is manufactured and at the same time will not cut across establishment lines, so that there are frequent cases in which establishments are subject to, potentially, two or more wage orders. The census classification of textile mill products

embraces industries with slightly more than a million workers. Of this group of industries carpets and rugs, hats other than cloth hats, woolen and worsted products and hosiery are excluded on the assumption that it was not necessary to include them to arrive at a wage order for the industries which have been assigned to the committee; whereas other of the industries that have been assigned are so closely related that the wage order determined for one area will be intimately related to the wages which may be set in another area. The finishing of outer wear and underwear garments has been excluded, but the process of knitting in the full process mills making outerwear and underwear has been included. Wool waste has also been excluded, and therefore at the present time there is assigned for the consideration of the committee a group of industries with somewhat more than 650,000 workers. There is comparatively little production of any of the goods which have been assigned to the committee at present which is made outside of establishments whose primary product consists of one or another of these products.

Mr. Hinrichs said, "We are working for a way of reducing the ragged edge." The ragged edge, he explained, exists with reference to certain types of product which are produced in large quantity in establishments which will come largely under the jurisdiction of the committee as it is now defined. There are three different

problems that arise for consideration in connection with the Administrator's letter. In general, there is a fairly sharp line distinguishing, in terms of industrial organization, between the fabric-making establishments and the fabric-using establishments. The production of sheets and pillow cases is a notable illustration in woven goods in which a textile plant is the primary producer of a finished product. The list of goods so extensively made in cotton mills as to indicate the desirability of simultaneous treatment seems to be relatively short. It includes, roughly, sheets, pillow cases, diapers, and towels. The same sort of situation appears to exist with respect to surgical gauze, absorbent cotton, and one or two other items. There appears to be some question as to bed spreads, curtains and draperies.

The second question Mr. Hinrichs cited arises in connection with a definition of wool products as distinguished from the products assigned to the jurisdiction of the committee. Although some standards adopted by the Bureau of Standards preclude the use of any wool, in any sense, in connection with fabrics containing an extremely limited percentage of wool, the mere introduction of wool in textile manufacture does not constitute a transition in terms of industrial organization or trade practice from a cotton industry to a wool industry. The problem is to

attempt to find a line of demarcation as to the percentage of wool by virtue of which a distinction could be made. Mr. Hinrichs said that for purposes of discussion he has included in a report to the Administrator a memorandum submitted by the National Wool Manufacturers Association, suggesting lines of demarcation, and he has called attention to the desirability of making the line of demarcation one which allows for a reasonable degree of flexibility. He pointed out that the committee is not precluded from making a very wide recommendation with reference to the inclusion of wool woven goods. There is now in the definition a wide coverage in the case of knit goods, also pile fabrics other than carpets and rugs, which have been excluded in their entirety.

Mr. Hinrichs went on to say that he thought the most serious problem the committee will encounter is with respect to the definition of the extent to which the underwear industry is to be included. The definition cuts sharply across the full process mill dividing the knitting and sometimes the spinning and knitting departments from the cutting, sewing, and finishing departments of the plant, a situation which is obviously undesirable. The one thing that commends it is that it is a physically possible line of demarcation that is likely to be a clearer and sharper line of demarcation than if an attempt is made to segregate types of finished garments.

Mr. Hinrichs explained that the Census Bureau was at present

working with the 1935 schedules in compiling the 1937 census of manufacturing but that they would be glad to make any further tabulations which may be necessary.

Mr. Hinrichs remarked that the problem in the case of underwear presents a number of alternative choices--the possibility of continuing with the present definition, the possibility of including with men's woven underwear the underwear manufactured from woven cloth, extending the jurisdiction to include cutting and sewing establishments working on men's underwear. In connection with women's, misses, and children's underwear there is a fairly clear line of demarcation between establishments that are working on knit fabrics as cutting and sewing establishments and those working on wool fiber underwear as cutting and sewing establishments. There is some overlap in that, but in general the ragged edge might be reduced by extending the jurisdiction of the committee to the cutting and sewing on knit fabric underwear. However, that brings in the question as to the extent of competition between knit fabric garments and woven fabric garments of the same type. There is a substantial degree of competition between the manufacturer of woven fabric pantie, bloomer, and step-in and the knit fabric garment of the same kind, and it becomes necessary to consider the possibility of an extension of the jurisdiction of the committee on the basis of the types of garments manufactured, and that is going to cut across the lines of operation in a rather large number of establishments. There

is a real problem as to the competitive relationships between knit and woven fabric garments. Mr. Hinrichs emphasized that these were the essential points for jurisdictional consideration, and that they should be settled at the earliest convenient period.

Mr. Nelson stated that everyone present realized that they had a tremendous problem on hand. He expressed a desire that they should organize it well so the committee could move forward as rapidly as possible and arrive at an early decision without sacrificing thoroughness, so that the decision would "stand up in the light of any kind of criticism that may be put on it, whether legal criticism or the criticism of public opinion."

Mr. Nelson suggested that in the consideration of the two definitions sub-committees be appointed consisting of one or two members from the industry members, and the same number from the public and employee members of the big committee to study the various problems and report to the full committee. He continued:

"Now, we have the two definitions, the definition of the percentage of wool fiber and the definition of the woven or knitted fabrics. I will just read it to you. I will read you Mr. Andrews' letter.

"I am considering the advisability of adding to the jurisdiction of Industry Committee No. 1 established in Administrative Order No. 1 (Wage and Hour Division, Department of Labor) by amending the definition of 'textile industry' to include:

- "(a) The manufacture and finishing of such yarn and woven goods with such percentage of wool fibre, as is so closely related to the operations listed in Order No. 1 as to require similar and simultaneous treatment to avoid conferring competitive advantage and to secure, insofar as practicable, reasonably related minimum wages within the establishment; and
- "(b) Such further processing of woven or knitted fabrics enumerated in the Order of September 13 as is substantially conducted in establishments which are also engaged in the weaving or knitting of fabrics, excepting knitted outerwear such as dresses, suits, overcoats and sweaters, and as may be included with the least disturbance of competitive relationships.

"Because of the difficulty of drawing a definition that will achieve these objectives, I desire advice and recommendations from the Committee as to what form this definition should take. A memorandum setting forth the problems which should be considered by the Committee in connection with this definition will be submitted to you."

Mr. Nelson asked whether the committee wished to appoint two sub-committees to study the two definitions and Mr. Milton moved that this be done. The motion was seconded, voted on and passed.

Miss Abbott entered and Mr. Nelson briefly summarized the previous discussion for her. He then suggested that the three groups, public, industry, and employee, select a chairman to designate to him the people they would like to have serve on the sub-committees. He made the further suggestion that a fact-finding committee be appointed by representatives of the different branches of the industry to bring to the full committee information which the various branches of the industry wished to present and to act as a liaison "to take back to the industry further information which we request," and as soon as enough of the

branches are ready to be heard a meeting of the full committee be called for that purpose, and a study of the recommendations be made by the sub-committees. Mr. Nelson remarked that these fact-finding committees might focus their attention on getting the facts as to what the industry can pay and what would be the effect on employment and the other things provided in the law if a wage of 30 cents, 35 cents, or 40 cents were paid. He called for discussion on the suggestion, calling attention to the fact at the same time that there is a great deal of information available compiled by the Bureau of Labor Statistics.

There followed a rather lengthy discussion during which Mr. Hillman suggested that a joint committee of labor and management be appointed to bring in, if possible, a joint conclusion. He said, also, that he believed available information in other Government agencies and the NRA material should be used. Mr. Nelson explained that the fact-finding committees would be only for the purpose of securing information and would have no jurisdiction and that a joint committee would have difficulty in agreeing on facts, thereby hampering the expeditious gathering of material. Mr West agreed with the Chairman, feeling that a unilateral committee as distinguished from a bilateral committee might be more helpful. He pointed out that apparently the appointment of certain of the fact-finding committees would have to be deferred pending a decision of the full committee as to the

coverage of the work, as, for instance, in the case of the knit underwear situation. Mr. Nelson presented the opinion that there were 30 branches, some of which might be combined, and suggested that such a task be undertaken during the afternoon session. Mr. Nickerson expressed the opinion that if the management group of an industry branch set out to gather figures they would almost inevitably be high, perhaps contrary to what might be thought, and labor might collect low figures. Miss Abbott called attention to the danger that unless the facts already available were known prior to the setting up of the fact finding committees there would be an immense amount of duplication of material and the finding of facts would be such a huge task that it could not be completed in three months.

After further discussion Mr. Hillman made a motion that separate information-giving committees of the industry and of representatives of the employees be appointed by the Chairman. These committees are to report to the full committee of 21 what wage they can pay in their branch of the industry, supported by facts which they believe to be pertinent, such facts to be presented to the full committee in a hearing as early as possible. Mr. Milton asked if it would be admissible to insert the words "exterior advisory" before "committee," but it was decided that such an addition would be confusing. The motion was voted on and carried.

Mr. Buxton did not feel that he had enough information on the difficulties to be encountered in dealing with the question of jurisdiction in the knitted underwear branch of the industry and it was agreed by the committee that the sub-committee would look into the question and would want to hear from that industry branch. Mr. Buxton stated that this was very satisfactory.

(The Committee recessed at 12:10 for lunch,
to reassemble at 2:00 p.m.)

AFTERNOON SESSION

2 P. M.

Mr. Donald Nelson presiding.

All members of the committee were present with the exception of Mr. Hillman and Mr. Kirstein who came in later.

Mr. Gompers, Chief Clerk of the Department of Labor, was introduced to the members of the committee. He then administered the oath of office to all the members present.

The chairman then opened the afternoon session by stating that substantiated facts on the Cotton Textile Industry would be submitted to the Committee in the morning by Mr. Hinrichs. In the meantime, he would like to discuss, and come to some agreement, particularly with the members of industry and the representatives of employees, on the subdivisions of the industry that ought to be used.

He then read a list of classifications that he had tentatively drafted, and suggested that perhaps some of them could be combined. He asked for comments and suggestions. A lengthy discussion followed; suggestions regarding the combination of some classifications and the addition of others were offered by Messrs. Cannon, Cheatham, Buxton, West, Rieve and Nickerson. Miss Nord suggested 'narrow fabrics,' remarking that the workers on these fabrics certainly consider themselves distinct from other workers in the industry.

Mr. Milton suggested 'hair cloth' and Mr. Buxton mentioned 'mohair'. Mr. Nelson, consulting Administrative Order No. 1, read: "--- and the manufacturing, bleaching, dyeing, printing and other finishing of woven fabrics (other than carpets and rugs) from cotton, silk, flax, jute or any synthetic fibre," ---- and remarked that 'hair cloth' was a synthetic fibre. Mr. Rieve added the fact that these people had looms and made cloth. After some discussion it was voted to recommend to the Administrator the inclusion of 'hair cloth' in the definition of the term "textile industry" as appears in the Administrative Order No. 1 under 2. (b).

At this point Mr. Nickerson recommended to the attention of the Chairman, the bulletin of the National Recovery Administration entitled, "Leading Textile Associations and Codes," in which, he said, there is a division of the Textile Industry. Mr. Nelson asked Mr. Tolles to secure this for him.

After some further discussion, the members of the Committee informed Mr. Nelson that it was their pleasure to leave the matter of any further additions or groupings of classifications, to the discretion of the chairman. Mr. Nelson thanked the members for their confidence, stating that while he had no intention of 'doing violence' to the groupings suggested by the committee, this would give him the necessary latitude in the matter which would help greatly to speed up this work.

Concluding the discussion of this subject, the chairman then read the revised list as follows:

1. Bleaching, printing and finishing of cotton goods
2. Silk and rayon throwing
3. Silk and rayon weaving
4. Silk and rayon finishing
5. Carded yarn
6. Combed yarn
7. Print cloth
8. Cotton waste
9. Batting
10. Narrow fabrics - tapes
11. Velvet
12. Cordage, twine and jute
13. Lace
14. Spun silk
15. Yarn manufacturing

Mr. Nelson, then, referring to the "Information Finding Committees" discussed in the morning session, read a draft of a letter prepared by Mr. Oppenheim, to be sent to members of these potential committees.

This elicited some discussion. Mr. Buxton asked if the figures 30, 35, and 50 cents had any particular value that they should be used instead of say, $27\frac{1}{2}$, $32\frac{1}{2}$, and $37\frac{1}{2}$ cents. Mr. Fenton inquired why the 35 cents instead of 30 and 40 cents. Mr. Hillman remarked that if the committees contemplated were going to be of any help to Industry Committee No. 1, they

would have to be given something definite to work on -- to secure, for instance, the opinion of the management in their group why 40 cents an hour (which is the objective sought) can not be paid for such and such reasons. The chairman was quick to agree with Mr. Hillman's statement and remarked that it was for that reason that the definite figures of 30, 35 and 40 cents were selected; to give these committees something definite to work on. He added that unless the attention of the committee was focused on "30, 35 and 40 cents", they would be apt to stray too far from the pertinent question and delay the Industry Committee in the performance of its proper functions under the law --- (reading from the printed Act):

"Sec. 8. (a) With a view to carrying out the policy of this Act by reaching, as rapidly as is economically feasible without substantially curtailing employment, the objective of a universal minimum wage of 40 cents an hour in each industry engaged in commerce-----"

"That is the law," the chairman added, "and that is why we put in those three classifications."

Mr. Milton pointed out it was not merely opinions that were sought, but conclusions based on absolute facts. The chairman assured Mr. Milton that it was "facts" and not "opinions" that would be gathered by these "Information Finding Committees." (Reading again from the rough draft

of the letter)" --- you are requested to pay particular attention to cost data, to the relationship between various minimum wages and costs to the manufacturer and to the consumer and to the effect of possible increases in cost on the volume of sales and employment." "In other words," continued Mr. Nelson, "they are asked to assemble and analyze the facts in their possession." He reiterated the fact that it was not unsupported opinions but absolute facts that the Committee is seeking. "Of course," he added, "it is impossible, sometimes, to stay outside the realm of opinion."

Mr. West inquired if it were going to be necessary to exclude the question of current wages from the information secured by these Information Furnishing committees. The Chairman replied that it was not going to be necessary to exclude them, but added, "We don't want them to request this information from members of the industry. They are asked to assemble and analyze the facts in their possession, but they are not allowed to go around promiscuously and ask for these facts." (Reading again from the rough draft of the letter under discussion) "Wage data should not be requested from members of the industry; the Administrator will rely upon the Bureau of Labor Statistics, or other appropriate government agencies, for authoritative data on wages."

Mr. Nickerson said that there would be very likely a difference of opinion among the members of industry; the information furnished may be conflicting. Mr. Nelson stated that if the industry had wage data that it wanted to submit it could be checked against the data furnished by the Bureau.

Mr. West at this point remarked: "It occurs to me, Mr. Chairman, that inasmuch as we are primarily engaged in a study of wages, it is going to be difficult for us to reach a defensible determination unless the information that we have on the prevailing wage levels and number of employees, is determined not only geographically but according to type. For instance, the cotton textile industry -- the question of the size of a mill has sometimes as much bearing on wage levels as the location of the mill. As I turn this over in my mind, I should like to have this type of information -- that any determination of a wage is going to have this and that effect on a certain group of employees."

Mr. Nelson suggested that they would want to get that information from their own industry and Mr. West answered, "But they are carefully guided away from that in the letter." The chairman assured him that was not the intention but they did propose to prevent the members of these information-finding committees from going about and promiscuously demanding wage data from the industry. He added that of course the data would be gratefully accepted

if it were offered by any member of the industry, but the Committee did not want anyone, whether representatives of employees, or representatives of industry, going out to the industry saying, 'We have authority to collect wage data.' He added, "We want that to be done by regularly constituted government agencies that are accustomed to doing it. We would appreciate any wage data or other information they may care to submit, but we do not want to give anyone carte blanche to go out and collect it."

Mr. Milton suggested that there might be incorporated in the letter some such statement as 'if you desire to present information as to wages, the committee would be happy to receive it. However, you are not authorized ---- and so forth."

Mr. Hillman suggested that as he understood it, the Committee was more desirous of getting their opinions, as business men, as to the effect of a 40 cent wage on employment- and costs -- than in getting information available from other sources and which the industry could not furnish without a great deal of time and expense.

Miss Abbott suggested it might be better if the letter included the statement that there was this basic information available but if they wanted to submit other information ----

Mr. Fenton thought there should be no mention made of a 35 cent rate - that the letter should mention only the 30 cent minimum and the 40 cent objective.

Mr. Nelson finally remarked that as the letter seemed to convey so many things to so many people it should probably be revised to incorporate the suggestions of the committee. The letter read by Mr. Nelson was turned over to Mr. Oppenheim for revision.

One of the members brought up the matter of holding hearings in regional sections -- and inquired if all hearings must be held in Washington. Mr. Hillman remarked that it was his opinion that when the bill was considered in Congress it was definitely understood that where hearings on wages were held, workers and representatives of unions would not be called upon to travel to Washington. The chairman concluded that when the question arose regarding the advisability of holding hearings in different sections of the country, it could be decided by the Committee.

The chairman then brought up the next subject for discussion which was the selection of committee members to be appointed to two sub-committees, one to consider the definition of "textile industry" to include: (reading from Mr. Andrews' letter of September 13, 1938) --

- (a) The manufacture and finishing of such yarn and woven goods with such percentage of wool fibre, as is so closely related to the operations listed in Order No. 1 as to require similar treatment to avoid conferring competitive advantage and to secure, insofar as practicable, reasonably related minimum wages within the establishment."

Mr. Nelson explained that where it says "such percentage" it could go up to 100 per cent.

Mr. Nelson asked for nominations to that committee and Mr. Cannon inquired if there would be one or two representatives from the different groups on this committee. The chairman said one from each group would be enough for this committee - they would probably want two for the second sub-committee.

At the suggestion of the members of the committee, the chairman appointed the following:

Sub-committee (a)

Mr. West for the manufacturers

Mr. Rieve for employees

Mr. Taylor for the public.

The chairman then read from the Administrator's letter the paragraph (b) as follows:

"Such further processing of woven or knitted fabrics enumerated in the Order of September 13 as is substantially conducted in establishments which are also engaged in the weaving or knitting of fabrics, except knitted outerwear such as dresses, suits, overcoats and sweaters, and as may be included with the least disturbance of competitive relationships."

He then asked for nominations to a sub-committee (b) to determine this definition and the following were appointed:

Mr. Chapman and Mr. Nickerson, for industry.

Miss Nord and Mr. Fenton, for employees

Mr. Davis and Mr. Kirstein, for the public.

During the discussion of the appointees of the two sub-committees, the chairman brought out the fact that on account of the excellent qualifications of Mr. Kirstein, he had been asked to release him to another Industry Committee. He stated that he was reluctant to do so but had agreed. For that reason it is understood that Mr. Kirstein will be relieved from the duties of the sub-committee as soon as he is appointed to another Industry Committee.

Mr. Nelson then asked if the Committee would like to bring up any other matters and Mr. West inquired if there would be special minimum wages for each of the classified groups in the different divisions of the industry. Mr. Nelson answered that, speaking for himself, he would like to see as few different minima as possible, because every different minimum sets up a problem. The Committee as a whole agreed with the opinion of the Chairman. Mr. Nelson said that he was afraid it would be necessary to have some differences but he hoped that there would be as few as possible.

Mr. West raised a question as to Sections 13 and 14 of the Act, concerning executive, administrative and professional positions, and apprentices, learners, and handicapped workers, mentioning that he understood that the consideration of those sections was not a part of the duties of the Committee. The Chairman called on a member of the staff of the Wage and Hour

Division to clarify that point and Mr. Oppenheim said that he thought, if it were not for the precedent that might be established, it would be desired to have the Committee help with that. He also stated that the Administrator is going to issue a regulation on learners and apprentices and, he thought, handicapped workers concerning the method of procedure that will be used. He mentioned that the Children's Bureau would welcome unofficial advice in connection with setting up a procedure for determination of hazardous occupations in various industries.

Mr. Rieve asked whether the information-getting committee was to present its material in a brief, and it was decided that its findings should be presented to the entire Committee or to a sub-committee in a brief and in oral presentation, with the understanding that the first few reports, at least, should be presented to the full Committee. Mr. Rieve also brought up the question as to whether hearings were to be held in various regions of the country, and after discussion it was decided to bring the matter up again when there was a special subject to be heard either in Washington or the locale of the industry.

The Chairman called for discussion on whether members desired to have alternates present in cases where they could not be present personally, on account of illness or for any other reason, with the understanding that the alternate should take no active part in the proceedings, but simply report back to the absent member.

Mr. Hillman was in favor of the suggestion provided the alternate should have all regular privileges except a vote.

It was moved and seconded that alternates should be allowed further discussion as to participation of the alternate in the meeting following, Mr. Nelson and Mr. Buxton feeling that the alternate should not participate as he would very often ask about matters already settled in previous meetings. Mr. Davis believed it was customary for the alternate to have the same privileges as the principal. Mr. Foshee brought out that the alternate would have to pay his own expenses, and Mr. Hillman stated that if the alternate paid his own expenses he should be permitted to ask a question. It was agreed that if an alternate paid his own expenses he would, naturally, be allowed to ask a question. Mr. Hillman asked whether it would be advisable for those who wished to do so to have a consultant present as a research man, sitting in without participating at all. Mr. Rieve was in agreement with Mr. Hillman but asked if the consultant might not be limited to one advisor for each group, the public, the employer, and the labor group. A motion was made by Mr. Rieve that each group be entitled to one technical representative who will take no part in the deliberations but be there for the purpose of being able to "get information, take notes, keep records, or something of that kind." Mr. Foshee felt that consultations with advisors should be done outside the committee room between sessions, and cited the fact that there are technical advisors in the Government that could be referred

to at any time. Mr. Hillman said he thought it would be advisable to have someone to carry on the record when the Committee members go back to their places of business, and to send notices of meetings to be held, etc., and not to give technical advice. Mr. Rieve called attention to the fact that his motion was rather broad and could mean either technical advisors or secretaries, but limited to one person for each group.

Mr. Foshee asked if a complete record would be made by the reporters and Mr. Nelson stated that the reporters make a complete stenographic record but it will not be distributed as a complete record, instead a summary of the proceedings of each meeting will be available.

Miss Abbott stated that she thought the public group was in a different position from the others. Mr. Milton likened them to umpires but withdrew that and said they would be the catalytic agents and wouldn't need an expert.

Mr. Hillman suggested that the matter of technical advisors or secretaries be left open for the time being. Therefore no vote was taken.

Mr. Nelson called for a meeting at 10 a.m. Tuesday, October 12 to hear the available data, and also said he would then recommend that an additional sub-committee be appointed to study and analyze that information. He asked the sub-committees

to meet for just a few minutes immediately after the close of
the regular session.

(Meeting adjourned at 4:12)

Reporters:

Mary C. Delaney
A. L. Angelbrekt

Second day of
TEXTILE INDUSTRY COMMITTEE CONFERENCE

Wage and Hour Division
Department of Labor

Wednesday, October 12, 1938

MORNING SESSION

Mr. Nelson called the meeting to order and introduced Mr. Hinrichs. He stated that Mr. Hinrichs was very anxious to get the viewpoint of the Committee on economic and other problems relating to the study of wages and hours. Mr. Nelson suggested that after the material had been presented by Mr. Hinrichs and discussed the thing to do would be to appoint another subcommittee to work very closely with Mr. Hinrichs and the Bureau of Labor Statistics on the development of the data.

Most of the morning session was given over to Mr. Hinrichs' interpretation of data available in the Bureau of Labor Statistics relating to the cotton textile industry, with questions interposed by members of the Committee and answered by Mr. Hinrichs.

Later, Mr. Tolles relieved Mr. Hinrichs for a short period, and beginning with Table #6, read to the committee the figures representing the number of employees, males and females, in the different classifications, in order that the members could fill in these totals on the tables that had been furnished them.

Following is a tabulation of these figures later verified and furnished by Mr. Tolles for the record:

TABLE V - A

NUMBERS OF EMPLOYEES COVERED BY COTTON-TEXTILE SURVEY OF THE BUREAU OF LABOR STATISTICS, BY SEX, REGION AND SKILL GROUPING. (Survey for April 1937, used also as base for survey as of August 1938)

	Total	Skilled	Semi-skilled	Unskilled
United States.....	89,216	22,455	46,643	20,118
Males.....	54,904	17,801	22,712	14,391
Females.....	34,312	4,654	23,931	5,727
North.....	22,282	6,917	10,478	4,887
Males.....	12,664	5,211	4,211	3,206
Females.....	9,618	1,706	6,231	1,681
South.....	66,934	15,538	36,165	15,231
Males.....	42,240	12,240	18,465	11,185
Females.....	24,694	2,948	17,700	4,046

There was some further discussion concerning the coverage represented by the above figures, and the character of the mills covered, their financial or physical condition, and so forth. It was explained that this study covers about 244 mills - 58 mills in the north, and 186 mills in the south. It was further stated that the selection of the mills studied was aimed to secure a true cross-section of all the mills in the country. Mr. Hinrichs explained why it was impossible to get at all times the exact number of mills in the country owing to the fact that some were located on the busy main streets of well-known mill towns, and others hidden away in the backwoods. He reiterated that the Bureau aimed to get a straight cross-section in order to secure as accurate a picture as possible.

Mr. Nelson thanked Mr. Hinrichs for his splendid presentation and interpretation of the data being submitted by the Bureau and informed the committee that after the noon recess the members would have an opportunity to question Mr. Hinrichs further regarding anything in the data which was not clear in their minds. He also stated that possibly Mr. Hinrichs would like to put some questions to the committee regarding any further data the committee might like to secure. Mr. Hinrichs said he would be glad of the opportunity. It might even be wise, suggested Mr. Nelson, to appoint a sub-committee to make further recommendations concerning

other information which the members thought it necessary to have, and this matter, too, will be taken up after lunch.

(The Committee recessed at 12:00 for lunch to reconvene at 2:00 P.M.)

Note: Mr. Hinrichs' presentation of the informative data, including questions and answers, is being transcribed verbatim and will become a part of the minutes as addenda.

AFTERNOON SESSION

2:10 P. M.

Mr. Donald Nelson presiding.

MR. NELSON: May we now come to order, please, and start on the afternoon part of our program. Mr. Hinrichs, I presume some of the members would like to ask questions or offer suggestions, and if there is anything that occurs to you on which you may want the advice of the committee, I am sure the members will be glad to answer your questions.

MR. HINRICHS: I appreciate the opportunity very much indeed. First of all, with reference to the material discussed this morning, I hope you will give me at the earliest opportunity any suggestions of special forms of tabulations you think I may have overlooked that are called for. I am always available in my office and would be delighted to go over the material with any of you in such detail as you would care to have me.

I would like to take another moment or so to indicate from this morning's discussion the sort of materials that are going to be available with references in other branches

of the industry, because if one of these very detailed studies, such as you saw in tables 5 to 10, is to be made, it involves a certain amount of planning. That sort of thing does take time and we cannot expedite it more than a certain amount. The most we can do is to give it absolute priority.

And so, from time to time, we will have distributions of average earnings by plants with reference to the industries that are being covered. We have similar distributions with reference to cotton mills. We have one for silk and rayon in the process of being done. We will also have a wage distribution of the sort which we discussed for cotton, in detail of individual earnings for certain branches of the industry - for dyeing and finishing and for knit goods. We will have distributions of that sort under our present plans for silk and rayon.

As I see it, a detailed analysis is almost imperative whenever you are trying to develop a new basing point and getting a certain amount of information in other cases, because of the fact that the full detail is readily available with reference to cotton. From the point of view of information available, it makes the analysis a beginning point around which the work of the committee can develop.

So, I am interested in knowing the pleasure of the committee

with reference to two things; first, what is there in the case of comparative wages that I should make available to you, the availability of which I have not already indicated; and, second, what is there going to be, in the opinion of the committee, that is required in the case of other branches of the industry? If anything is required, beyond the plain average analysis, then the earlier that I am advised of the fact, the earlier I can go into operation.

Going into operation is something over which the Bureau of Labor Statistics has no control, but our experience is at the disposal of the committee and the administrator whenever it is wanted. Those are my two primary questions with reference to the materials that I was discussing this morning, and I would be glad to answer any questions with reference to this material if it is wanted.

Any other questions you would like to ask with reference to the economic background into which these wage data are set -- how we get the picture of that background? Are there any other questions in connection with wages or wage studies?

MR. WEST: Have you any in batting or wadding?

MR. HINRICHS: In terms of detailed information, such as was discussed this morning for cotton, no. In terms of plant and industry analysis, we will have materials, but I don't have at the present time, a picture showing occupational

distribution of earnings.

MR. WEST: I think it is important that we do have something on it.

MR. HINRICHS: I am not free, gentlemen, to promise anything. We can only accept a request that is made by the administrator -- provided it is accompanied with funds. But, I am going as far as I can and as fast.

MR. NICKERSON: What do you have with regard to processing of rayon -- rayon mills or cotton mills where they weave predominate-ly rayon?

MR. HINRICHS: In the case of rayon, we are going to have for as many establishments in the industry as we can get information on, average hourly earnings and hours worked, classified with reference to mills which are exclusively rayon mills and those which are operating on rayon and silk in combination, and those which are exclusively silk mills, of which there are a relatively small number at the present time. We also have a series of detailed wage studies of the silk and rayon industries which have been made in earlier days, which indicate something with reference to the types and wage distribution which you find associated with certain average hourly earnings and show some relationship to average hourly earnings in the cotton industry and to the silk industry.

I am not satisfied that we will be able to speak with

complete confidence as to the specific proportions. We can speak with complete confidence of the specific proportions on employees of the silk and of employees of the rayon mills that would be affected by any particular wage. In terms of the general distribution of the problems, I think we can make approximate estimates -- but it is not adequate to develop from a basing point a wage structure to cover silk in part or rayon in part.

MR. NICKERSON: Every month I get from them average earnings in the silk industry and cotton industry. Is there similar material for rayon?

MR. HINRICHS: No. It can be made from the records we now have. There is a difference in making existing records sing a new song and getting a new basic record. You can always get a new song out of cards that have been punched by just setting the keys of the tabulating machine to get the answer. But, developing new basic records from questionnaires or field work is another story. You never can recapitulate ancient history by the questionnaire method. I was asked, for example, this morning if it would be possible to analyze the yarn industry and integrated mills over a period of time. Some break-apart there is possible simply because of the fact we have basic records. It is only a question of putting approximate classifi-

cations to them. We could not go back to 1932 if we did not have a basic record and some historical background.

MISS NORD: When you speak of rayon now, you mean that proportion of the work done outside of silk mills? For instance, cotton mills which have gone into the production of rayon are not included in the silk and rayon groups?

MR. HINRICHS: I would like your comments on how it should be handled. I find it difficult to find out what silk and rayon is. There are certain mills operating exclusively on silk and certain mills operating exclusively cotton, and they can be so classified. Some of those mills operating exclusively rayon were silk and came out of silk, others were cotton, and came out of cotton and operate exclusively rayon. I don't know if it is feasible to make separate classifications of those two. Where you have nothing but silk and nothing but rayon, it is possible to make a classification. Where you have joint production of silk and rayon, you have a classification that should be treated separately. I would approach the problem through these three classifications to find out if there are any special differences between them. You may have a single industry that shows very much the

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same characteristics that you find in the cotton industry -- but I would start by trying to work three classifications to show what they mean. Is there any other form of classification, and does a single cotton and rayon mill make sense if they are exclusively on rayon today?

MISS NORD:

If you are going to go into it as you are into cotton, from the point of view of classified fabrics produced, it would be helpful and even necessary to have rayon mills that came out of the cotton industry -- the different type of fabrics produced and the different conditions and different wage conditions than you have in so-called silk goods producing 80 per cent rayon with the different type of fabrics.

MR. HINRICHS:

You are thinking of the contrast between rayon linings and rayon dress goods which are almost interchangeable with cotton.

MISS NORD:

I think it would be necessary to have a clearer picture.

MR. HINRICHS:

You would suggest classification not on the basis of silk or rayon but of type of product?

MISS NORD:

Both, I think. I, personally, would like to have it.

MR. HINRICHS:

Is that going to be a clear and constant classification? You always have to associate a product with the name of a particular mill. I don't know the industry well enough to be sure. I know that figures indicate a substantial shifting back and forth of rayon used in response to market

changes. They were running all over the field and the only way we could be sure of how to classify them was to classify a plant for each month on the basis of what they were doing each month.

MISS NORD: I don't think they would run very much over the field as you say. They are now staying pretty much in the production of certain lines of goods. Some cotton mills are producing a cheap line of crepe for underwear. Most of the silk mills cannot take that because the cotton mills have taken it over. Some are still producing a cheap line but for the most part cotton has taken it away from the silk industry.

MR. NICKERSON: I think it would be nice to get what Miss Nord suggests but I think it would be a tremendous job, and I think it would be very difficult to define. I think it is almost impossible, and we have so many things to undertake.

MISS NORD: I think it would be pretty much along the line of what you are doing in cotton -- showing what the situation is with rayon and silk, and in addition, classifying it by fabrics - which is what you have done with cotton.

MR. HINRICHS: It is much easier to do that from a special wage study as we made of cotton than it is to do it from regular monthly established reports. When you have a man in the

field, what a mill has been doing in a particular period can be determined by records. When you are trying to find the answer from reports that are coming in, this classification is more difficult. Historical classification isn't possible. Some classification might be done if you could find people in trade associations to sit down with a list of mills and help separate them. Some can be identified immediately and easily separated, but here you have a list where you may have to send people into the field to get the necessary information to make a proper classification. I will see what can be done with this classification, but I don't know whether it will be fully adequate to your needs.

MR. NELSON: Perhaps a simple question would be to ask how clear a picture we will be able to get.

MR. HINRICHS: You are going to get a picture which would have looked confusing and inadequate if I presented silk this morning instead of cotton. I would prefer to have the complete information but I cannot recommend that nothing except a field study, that would take several months, is absolutely imperative. If you can tell me how far you can go from a knowledge of the distribution of average earnings by plant, and from earlier studies that show tendencies of earnings to scatter around plant averages, I can tell you how adequate the picture will be. If you are going to consider occupational wages, distribution of earnings within an

establishment that has been subject to tremendous flux over the last few years, then I am not sure how adequate the information will be. The answer to that depends partly upon whether the committee finds that it would be feasible to make a special classification of wages in the silk and rayon industry. If you can not economically break these apart and are bound for that reason to have something in the nature of single wage recommendations from the committee, related wages but without product classification, then the information is probably adequate because of the general relationship of the silk industry to the cotton industry in this picture. If you are trying to bring out a separate picture -- more in silk than in cotton -- then I would say that the information is inadequate from that point of view.

MR. NICKERSON: Silk and rayon are so much alike in the processing - they can hardly be told apart. Spun silk - spun rayon - to see the fabric, I could not tell them apart. I might have if I had learned it. No reason why silk and rayon workers should have different rates of pay.

MR. HINRICHS: Then there is also rayon and cotton. If that is a possible line of classification, and is going to be pursued by you, you may want further information, that your discussion indicated. That separation is sometimes an impossible one. You just can't tear the thing apart.

MR. NICKERSON: I think we might do any number of things which would be wrong. I cannot think of any more disastrous thing than to repeat the error of N. R. A. Some rayon mills were put under one code authority and some under another.--- To separate and classify them would be a huge job and to attempt to recommend different rates for some of them would be their ruin. I don't look for any difficulty with the silk industry in coming along with whatever seems right to the general textile proposition.

MR. TAYLOR: There have been some studies made that might be helpful-- The Patman Industrial Commission made some reports on wages. If their average would be close to your average - maybe a dispersion around that average would be acceptable.

MR. NELSON: What was the date of that report?

MR. NICKERSON: About '35 or '36.

MR. TAYLOR: It is in the back of my mind it carried a classification of wages.

MR. HINRICHS: We have detailed studies of silk and rayon averages in 1934. The thing which has happened since then is a diffusion of plant averages with certain plants increasing the average earnings and with serious collapses in the

industry on the part of some plants during the period following 1935, so that the movement of plants has been fairly drastic with reference to the 1934 - 1936 period.

MR. BUXTON: If you asked them to submit copies of costs and payrolls, would that be of any help to you?

MR. HINRICHS: It is slightly easier to make subsequent analysis if you go out into the field. Going out into the field doesn't greatly increase the length of time required for the job - say about ten days more - because our field work and office work go along simultaneously. Then, as an operating balance, you are making sure of what you are getting.

MR. BUXTON: The Weavers Association -- covering a good many mills -- are compiling figures all the time, and submitting them to the mills. They would be glad to give them to you. You could check them against your figures, or send a field man to check them.

MR. HINRICHS: We will use that material insofar as we can. In general - I am not sure that we are not stoogy and bureaucratic -- we do not like to lean too heavily on wage studies and analyses and reports over which we have not had a good deal of control, or at least some inspection, and get the feeling of what it was that we were working on.

MR. WEST: We have in Table 6 in this report which you gave us this morning, a classification as to rates from your sample,

which indicates the approximate number of people in the industry who are receiving certain rates or wages, and by mathematical calculation can probably identify the total number of people in the industry affected. It seems to me it would be helpful to the committee if we could get similar classification for comparative purposes back over a period of time which would roughly parallel the dates which you give in Table 1 (1932 - 1937), which would indicate to us the effect that advancing and receding wage rate had on the quantity of employment in those various classifications, being primarily interested in the numbers concerned.

For instance, in Table 6 there are approximately twenty per cent in this sample who received less than 25 cents an hour in August 1938. Now, that would reflect itself in certain total number of employees in the industry. Could that be comparatively tabulated to reflect the advances and recessions in Table 1 ?

MR. HINRICHS: Yes, I could do it for April 1937, August 1934, August 1933, July 1933, April '32 -- the distribution of all workers in the industry. I can do it for silk and cotton back to 1912.

MR. WEST: Distribution on a man-hour basis?

MR. HINRICHS: It is on earnings per man hour -- earnings per hour for a number of employees, or percentage of employees for part earnings. I can give you comparative figures in 1912 for the number of people earning less than $12\frac{1}{2}$ cents an hour -- down to 1932. I cannot do it for every month of every year, but, roughly, there are biennial figures.

MR. WEST: We would not want to go back to 1912. We all recognize that we are living in a different era, but it seems to me we could get at the reflection of the impact of these wage changes if we had this information. If you will take this year -- here is the wage rate running from nothing to one dollar -- here, and following up this way, the percentage of employees as shown in Table 6 and other tables -- back to 1932.

(At this point Mr. Hinrichs stepped to the blackboard and illustrated with a rough chart the point brought up by Mr. West. One of the members suggested that if it were not too costly it would be helpful to have a chart, similar to the chart on the blackboard, showing the trend of employment in the north and in the south. Mr. Hinrichs advised that a chart showing the trend of employment would

be furnished the committee, although, he added, he was not clear how they were connected.)

MR. NICKERSON: Then we would have to discover the connection between them.

MR. HINRICHS: It doesn't jump out of the figures. I can tell you the relationship between the trend of employment and wages, assuming that the industry stays put. As a matter of fact, I did in 1937 tell you what would happen in 1938, and why. But while there is a pretty clear relationship between one man's wages and his comparative position - there is a very unfair picture as to the relationship between general level of wages of the industry and the general volume of employment in the textile industry. Your wage changes need to be interpreted in terms of labor costs.

After a few more comments on the nature of the information to be furnished the committee, the matter of appointing a sub-committee to confer with Mr. Hinrichs regarding this information was suggested.

A sub-committee to work with the Bureau of Labor
Statistics was named as follows:

Public members: Messrs. Foshee and Taylor
Employer members: Messrs. Stanton and Cheatham
Employee members, not yet named.

Mr. Hillman said they would be named a little later,
and Mr. Nelson suggested that if the members were decided
on after his departure Mr. Hillman and Mr. Rieve should
notify Mr. Oppenheim of their choices.

It was agreed that the letters to the various branches
of the industry should be sent out as soon as possible.
Discussion arose as to the use of certain terminology in
item numbered (2) in the draft of proposed letter. An
amendment was offered by Mr. Daugherty, reading as follows:

- (2) In answering question No. 1 please indicate what
you believe should be the relation of the wage in
your industry to the minimum wage in the cotton
textile industry.

This amendment was adopted. The revised form appears
as Exhibit 2, attached hereto.

Mr. West reminded the members of the very courteous
invitation received from the Children's Bureau, and Mr.
Nelson said he thought they should take advantage of it.
He thanked the members for their cooperation, and the
meeting adjourned.

Reporters:
A. Engelbrekt
Mary C. Delaney

The _____ Institute is requested to present to Industry Committee No. 1 a report with substantiating analysis indicating:

- (1) The probable effect in the _____ industry of a minimum wage order applying to the textile industry as defined, a minimum wage rate of (a) 30 cents; (b) 35 cents; (c) 40 cents.
- (2) In answering question No. 1 please indicate what you believe should be the relation of the wage in your industry to the minimum wage in the cotton textile industry.

There is already available to this Committee, certain basic information regarding wages in the industry. However, if you want to submit other information, the Committee will be pleased to receive it. Wage data should not be requested from members of the industry; the Administrator will rely upon the Bureau of Labor Statistics, or other appropriate government agencies, for authoritative data on wages.

You are requested to pay particular attention to cost data, to the relationship between various minimum wages and costs to the manufacturer and to the consumer and to the effect of possible increases in cost on the volume of sales and employment. You are also requested to analyze the character of the competitive relationships between your industry and other industries within the jurisdiction of Industry Committee No. 1; and the relationships, if any, between your industry and industries not within the jurisdiction of the committee.

Finally, you are requested to present for the committee's consideration, problems of classification that you feel should be treated under Section 8-c.

The committee is ready to consult with you in such matters as you may desire, and to consider special studies that you may feel can be more effectively made by a government agency. Permit me to add that you are now hereby authorized to represent that members of the industry are required, by order of the industry Committee or of the Administrator, to furnish reports or information to your institute. It promises to save possible later duplication of effort if you will send copies of any questionnaires which you propose to issue on your own authority to the Administrator before they are mailed to members of your industry.