

PUBLIC HEARING

1034

ON THE

REPORT OF THE MINIMUM WAGE BOARD COVERING THE
LAUNDRY AND CLEANING AND DYEING OCCUPATIONS

HELD

APRIL 17, 1946

SENATE CHAMBER
STATE HOUSE, TRENTON

(Afternoon Session)

N.J. Dept. of Labor.

BEFORE

HONORABLE HARRY C. HARPER
COMMISSIONER OF LABOR

EDWARD J. FLYNN
DIRECTOR, MINIMUM WAGE DIVISION,
DEPARTMENT OF LABOR

MAURICE KALTZ, ASSISTANT ATTORNEY GENERAL

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Hearing Division
New Jersey Civil Service Commission
State House, Trenton, N. J.

S P E A K E R S

	<u>Page</u>
HONORABLE HARRY C. HADDER, Commissioner, N. J. Department of Labor	1
ISADORE COLTON, ESQ., representing Chain Stores Dry Cleaners Association of New Jersey	4
BENJAMIN FOSTER, President, New Jersey Laundry Owners Association	8
PAUL H. FLOUGH, representing Blakely Laundry, Trenton	11
JOHN FLONCKI, representing Brunswick Laundry, Jersey City	12
WILLIAM S. AUSTIN, Morristown	15
MISS EVELYN DUBROW, Assistant to President, N. J. CIO Council	17
MISS VERA MILLER, representing Amalgamated Clothing Workers of America	19

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COMMISSIONER HARRY C. HARPER

This is a public hearing held in accordance with Sec. 34:11-46 of the Revised Statutes of New Jersey on the recommendations of the Wage Board for the Laundry and Cleaning and Dyeing occupations appointed by me as Commissioner of Labor on November 15, 1945, together with the proposed administrative regulations suggested to supplement the recommendations of the Wage Board, in accordance with the statutory authority conferred upon me as Commissioner of Labor.

The Wage Board was comprised of three members representing the public, three members representing employers and three members representing employees. In submitting its report to me under date of March 19, 1946, the Board advised that they had held a total of six executive meetings and two public hearings between November 15, 1945 and March 19, 1946. It should be noted that on January 14, 1946 the Board submitted a tentative report which was not acceptable and I found it expedient to resubmit the matter to the same Wage Board. The Wage Board had the benefit of all the information available to the Department of Labor as well as the testimony of such witnesses as were produced by interested parties and, in my opinion, rendered a very splendid public service in regard to this matter.

In order that you might understand the nature

of this hearing today, I wish to advise that the law provides that within ten days after this hearing, the Commissioner of Labor shall confer with the Director of the Minimum Wage Division and approve or disapprove the report of the Wage Board. If the report is disapproved, the Commissioner may resubmit the matter to the same Wage Board or to a new Wage Board. If the report is approved, the Commissioner shall make a Mandatory Order which shall define Minimum Fair Wage Rates in the occupation or occupations, as recommended in the report of the Wage Board, and which shall include such proposed administrative regulations as the Commissioner may deem appropriate to supplement the report of the Wage Board and to safeguard the minimum fair wage rates established. The said Mandatory Order shall take effect upon the expiration of 180 days from the date of the issuance of the Order. May I point out that if I, as Commissioner of Labor, approve the Report of the Wage Board, it is in relation to the four recommendations made by the Board. As to the proposed administrative regulations, I am advised that I may approve or disapprove any or all of those that have been proposed for discussion at this hearing. I trust I have made myself clear on this point. It is not my intention to participate in this hearing other than to preside in a fair and impartial manner.

In the interest of all parties concerned, everyone favoring or opposing the recommendations contained in the report or the proposed regulations will be given an opportunity to

be heard. Another session will be held this evening at 7:00 P.M. in these rooms.

It has been deemed advisable and practical from experience to request those desiring to give factual testimony to do so under oath. You are privileged to offer witnesses to give testimony which is relevant to the issues involved.

To any person, group of persons or organizations desiring to submit briefs or memoranda, it is recommended that they do so within five days of this hearing so that proper consideration may be given to same. If anyone desires to submit any written memoranda or briefs today, it is suggested that you do so at this hearing.

May I point out in the interest of an orderly proceeding that anyone desiring to examine any of the witnesses who may be sworn to testify should do so through the chair.

Anyone who desires to be heard and has not yet registered with the secretary, will please do so at this time.

The C.I.O. and, I believe, the A. F. of L. have asked to be present here, and the Laundry Association has too.

EDWARD J. PLYNN: As Secretary of the Wage Board for the Cleaning and Dyeing occupations, I herewith present to you the stenographic transcript of the proceedings of the Wage Board, copies of the minutes of the Wage Board, and all of the documentary evidence which was presented to the Board and given consideration by them.

COMM'R. HARPER: I officially accept them.

(Five minute recess)

COMM'R. HARPER: We will proceed with Isadore Colton representing the Chain Stores Dry Cleaners Association of New Jersey.

ISADORE COLTON, ESQUIRE

Mr. Commissioner, Mr. Secretary, Mr. Attorney General, I represent the Chain Stores Dry Cleaners Association in New Jersey, which constitutes all of the chain store operators of North Jersey. To start right off I should like to say that they are absolutely in accord with and approve the report and recommendations of the Minimum Wage Board, as their report has been submitted to you, Mr. Commissioner. So far as the report itself is concerned, they think it represents an honest and sincere effort on the part of that Board to do justice both to the employer and to the

employee.

My only point that I make today involves a question of your interpretive regulations which, under the Act, you have the power to promulgate after this hearing, and I should like to direct my remarks to only two points under that. Primarily and firstly it involves the question of the overtime provision. I believe that the Minimum Wage Board submitted to you, in addition to their report, an addendum - I do not know whether that is correct - headed "Administrative Regulations". I am sure you, Mr. Commissioner, have been advised that the Minimum Wage Board had no authority to submit regulations to you because that was solely within your own province to study and determine and promulgate, with the advice of the Secretary of the Board. I present that question as purely a legal one for your consideration. We take the position that the Minimum Wage Act did not contemplate the creation or promulgation of a regulation dealing with overtime pay. We take that position, notwithstanding the very obvious fact that in the Act - it is Section 34:11-47 - there is an expressed provision that "such administrative regulations may include, among other things, regulations (etc. etc.) overtime or parttime rates". It is fundamental that this Act, under which this Commission is now sitting and why we are here, is a Minimum Wage Act and solely that. It was called that in the legislation. I think the title of the Act is one governing minimum wages. There is nothing in there about a wage and hour act. It is common knowledge that in the

United States government today we have the fair labor Standards Act which is a wage and hour act. There are expressed provisions for minimum wages; there are expressed provisions for maximum hours; there are expressed statutory provisions for overtime pay. We know that act, and we say that if it were the intent of the Legislature of this State that this Commission have the power to fix overtime wages, that the language would be more expressly inserted in the act, and that the title to the act would have had some notation there in some statement that it was an act not only for minimum wages, but for maximum hours. There is already on the books of this State a statute governing the maximum hours of employment for women in the industry, which is 54; and those two acts, the maximum hour act, an independent statute, and the minimum wage act were recognized by the previous Minimum Wage Board in this industry at the time of the adoption of Order #4 as to separate acts. In the original Order #4 there was this provision: "For any time worked by any employee subject to this order, in excess of 10 hours in one day, 54 hours in any one week, or the first six days in any one week, the employee can be paid not less than one and one-half times the basic minimum hourly rate established by this Order".

I remember when I attended these hearings at the time of the promulgation of this, and my recollection is that we went along with this on the theory that it was an additional penalty. The maximum hour act, that independent statute, has a

penalty within it, but we understood that this passage, "Administrative Regulation #10 appearing in Order #4" was a further penalty which our trade was willing to submit to in case they violated the 54 hour week, or more than 10 hours in one day, or more than 6 consecutive days in one week. Under the Statute, the Minimum Wage Act, we contend that you, as Commissioner, have no legal power to set overtime wages.

The only other thought we have in the matter is that we thought we might obtain, and that it would be advisable for you to promulgate a regulation dealing with store clerks, that if they absent themselves where the employer has work for them and wants them to work - if they absent themselves from their business that we should not be obliged to pay them. We are perfectly willing - we have always paid for illness; we have recognized that, but we have many cases where they claim illness and we find it is not true. They claim death of grandfathers and grandmothers, and we find them in places of amusement; and it might be possible, on a strict reading of the recommendation, that we must still pay them. In other words, if a girl works on a 48 hour week basis, and stays out two days, she will then have 32 hours. Under this we would have to pay the full weekly wage. If it is \$30. a week we have to pay her \$30 even though abstinence from our employment was willful, deliberate, and even fraudulent. So I just bring that to your attention, Mr. Commissioner. I again want to say to you and to the press and to the public here that

we are heartily in accord with the work of this minimum wage board and we think the report filed by you was an excellent job, fair to all parties.

COMM' E. HARPER: Thank you.

ASSEMBLYMAN ROBERT G. HOWELL

I have a gentleman from the laundry industry who would like to testify this afternoon. I thought the testimony would be cumulative, and I would like to give the names of other appearing, and they are here for questioning by the Commissioner, if he so desires. Mr. Foster, President of the New Jersey Laundry Owners Association would be the first witness we would like to present.

BENJAMIN B. FOSTER, President, N. J. Laundry Owners Association

Mr. Commissioner, I am speaking as an operating laundry owner, and as such I will not attempt to go into the legal phases of the statute, the regulations, or offer any exceptions to what has been done, nor object too strenuously to other things. There are two points, however, both in the administrative regulations that we feel, as laundry operators, are, I should say, possibly inequitable, the one particularly dealing with the 10% penalty. We recognize the fact that the penalty is put in there to insure a subsistence wage. I think the question

was brought up in hearings that even at \$2.00 an hour, if you only did an hour's work you would not have a week's pay, and we recognize the fact that the penalty for an insufficient number of hours is agreeable and just. We do object to the way it is worded. It may have been just oversight, or it may have been just the choice of words. We feel that where work is available, and people do not work, or take advantage of the work that is available, they should not receive a premium, that the penalty should be invoked only when work less than 40 hours is not available to them. It puts a premium on absenteeism, to put it in a common phrase; stay out a day and you get more money, because it lets them set their own time and their own rate. That is just briefly the question on the 10% penalty.

The other item we also wish to object to is the one brought up by the gentleman over here -- time and a half. We are penalized if we do not provide sufficient work, and we are penalized if we give too much work. Somewhere there is something wrong. In a minimum wage law we feel you are justified in setting a penalty for less than a minimum subsistence wage. We feel that when it goes beyond that it is getting into other realms of activity, and that time and one-half for overtime work, or by providing a sufficient amount of work for people to earn a more than subsistence income - we feel there should be no penalty attached, because we are giving them an opportunity to make a greater income.

Therefore we feel we should not be penalized for time and one-half. I might say, and the question will probably be brought up otherwise, that there are other things in the time and one-half in practical operation that are not feasible for what we may say is harmonious operation. This law covers women and minors only. A man can work any number of hours by law, there are no statutory regulations as to how many. I think probably 168 is the limit - and he gets no over-time because there is no law protecting him on that. We do not say there won't ever be, ^{but} there isn't now. Therefore we would have the situation of paying a woman, say minor, time and one-half, and the adult man straight time. In some cases, in many, that is the regular rate - not minimum rate - as it is set in the administrative order. In some cases that may quite exceed what a man is getting for work of a less required ability, so we do wish to object to the time and one-half regulation.

COMM'R. RAMPER: How many people do you employ? I would like to know for the record.

MR. FOSTER: In our own plant, 48.

COMM'R. RAMPER: That is your prevailing rate for men in comparison to women in your plant?

MR. FOSTER: To work on a piecework basis, is that what you mean?

COMM'R. RAMPER: Yes.

MR. FOSTER: We have some women making more

money than men because they are producing more work.

MR. HOWELL: Through you I would like to ask Mr. Foster one question. Are you appearing here today as President of the New Jersey Laundry Owners Association, reflecting their official view?

MR. FOSTER: I am.

MR. HOWELL: The next witness, Commissioner, is Mr. Paul W. Flocch of the Blakely Laundry in Trenton.

PAUL W. FLOCCH, Blakely Laundry, Trenton.

Mr. Commissioner, I just want to say that as an operating laundryman and also as a former member of the First Wage and Hour Commission, I want to commend you and the Board on the excellent job they have done in bringing forth this agreement. I think all of us in the industry want to pay just as high wages as we possibly can. I know we certainly do.

The only point I am on my feet to talk about is the overtime feature of this report as drawn up. I feel that the Board was established to set a minimum wage, and if in their judgment they have established a fair minimum wage of so much an hour, I feel that they are overstepping their bounds legally a tenable act in establishing this clause for overtime for those over the minimum wage. If an operator is paid, for example, a dollar an hour, it

seems to me that ought to be a question of regulation as between management and labor, rather than a question of the jurisdiction of this Board in setting a minimum wage. I am thoroughly in accord and awfully glad they have done such a good job. I merely think that this one feature would cause more confusion than it would do good to labor and management in general. That is all I want to say.

MR. HOWELL: Mr. John Floncki of the Brunswick Laundry in Jersey City.

MR. JOHN FLONCKI, Brunswick Laundry, Jersey City.

Mr. Commissioner, I wish to agree with the previous speakers as far as the composition of this entire regulation is concerned. I think it is fair and equitable, and there is no doubt that the Board in its entirety, together with the State Labor Department intended to make it equitable all around as far as the State is concerned, but there are several things in this that might create undue hardships as far as businesses are concerned, and undoubtedly they were not intended to create those hardships. Of course the subject of overtime was discussed; we happen to operate a laundry where overtime is paid. However, on the basis of the appointment of this particular Committee, as I understand it, and I am no lawyer, I am just an ordinary layman, the only purpose of the Board that propose these recommendations to you, as a Commissioner

of labor were in regard to the minimum wages as far as subsistence wages are concerned. It does not appear to me as though they have anything to do whatsoever with overtime rates. Of course as I read this, just looking at it as a layman, and I do not know whether it is legal or not; it says overtime shall be paid for one and one-half times the employees regular hourly rate. Now, just that in itself implies it does not matter what rate that particular employee is getting. Yet, the whole purpose of this Board, as I understand it, was simply to create here in the State of New Jersey a minimum wage, which evidently has been established at 45¢ to 50¢, depending upon the zones in which that wage is established here in the State of New Jersey. Inasmuch as it was not the intent of the appointment of the Board, through your office, to apply overtime rates in this minimum wage regulation, I do not believe that the overtime clause should be included under any circumstances.

There is one other important thing having to do with employees; you undoubtedly have had the same experience as have many people present here today. As a laundry unit we are going to be penalized for people who do not want to show up for work; people who may want to get away from their job any time during the day, because they can actually earn more money by not working at a certain given point than if they actually worked. Under this regulation here, particularly with regard to parttime bonus - now if we, as an employer, do not provide enough work for that employee --

I think it is a good idea to pay some penalty to take them up to some subsistence wage anyway. But, when we are providing 40, 45, or 50 hours work for some people, then some girl decides that inasmuch as we have a wage law in effect here in the State of New Jersey, and if she only works 37 hours she will be getting paid for over 40 anyway, - why continue to work - it is not fair. I think the intent of that particular clause of this law is entirely wrong, and I do not think the Board, under any circumstances, probably intended any such thing to apply. The clause is good, perhaps, if it is recorded to mean: where an employer fails to provide the work; not where an employee stays home for any reason. Many of the reasons have already been submitted, but there are many other reasons why an employee wilfully stays away from work. The employer should not be penalized on this 10% basis. Then there should be some clarification in this thing. I probably do not know how to present it, to be truthful about it, but there should be some clarification in this minimum wage order with regard to the acts of God, or some emergency conditions that may result in the plant, where a boiler may go wrong; you may have a fire, or anything of that kind. More again the employer is penalized for perhaps something that is beyond his control entirely. As one who is in the laundry industry I would like to present these views, not with regard to the regulations, but with regard to some of the clauses contained in the regulations - those I have just mentioned.

Thank you.

DR. FOCIL: Mr. William B. Austin from
Morristown, New Jersey.

MR. WILLIAM B. AUSTIN

The gentlemen who have preceded me have so ably covered those two points that I think most laundry owners feel are ambiguous, that it is very hard for me to continue. However, regarding this parttime bonus, all laundries, as well as other industries, are still having an absentee problem. I noted in the Newark News, less than a week ago, that it has not improved a great deal in all industries. Of course, I feel that any order that encourages absenteeism at the present time at least should be discouraged. I doubt very much if the Minimum Wage Board meant it to mean exactly what it seems to mean as it is written now. I certainly feel that some change should be made in the wording to clarify it and to make it to read that if the work is available for an employee that the employer will not be subject to that bonus.

In regard to the overtime provisions: Such provisions in a number of laundries is bound to cause a great deal of confusion. You are apt to run into the case where a minor, very near 21 years of age, is working next to another man who is a little over 21 years of age, possibly doing the same work at the same rate of pay. One of them would not be subject to the time and one half provision, and the other one would be.

I believe that is all I can add to the testimony of the other gentlemen.

COMM'R. HANCOCK: Thank you.

MR. HOWELL: Mr. Commissioner, I have the following gentlemen here representing the following plants. Their testimony would be cumulative, and I do not feel we should burden the record with it. Perhaps you may want to ask some of them some questions.

Charles W. Cradock, representing the Crystal Laundry and Dry Cleaning Service of Bridgeton, New Jersey; Edward T. James, representing the Imperial Laundry of Newark, New Jersey; William A. Williams, Jr., representing the Columbian Laundry of Newark; O. L. Brown from Somerset; Mr. T. W. Crowley from the Union Laundry in Newark; Mr. William J. Busch from the Imperial Laundry in Newark.

COMM'R. HANCOCK: They do not wish to testify at this time?

MR. HOWELL: For the purpose of the record, their objections would be just the same as those voiced by the four preceding witnesses, and it would be purely cumulative.

COMM'R. HANCOCK: May I ask, in the group that you have stated, how many employees do they represent, - subject to the Minimum Wage Order; I am talking about women and children.

MR. HOWELL: I am not in a position to

tell you, I would have to check the records.

COMM'R. HAMPDEN: You can give me that at a later date. Will you be here tonight?

MR. KOWELL: Yes.

COMM'R. HAMPDEN: Mr. Kowell do you wish to say anything more?

MR. KOWELL: Not at the present time, no sir. I will be here at the hearing tonight.

COMM'R. HAMPDEN: We are not here for discussion; we are just here to hear the different sides. That is all you wish to say this afternoon?

MR. KOWELL: That is right.

MISS EVELYN DUNN, Assistant to the President, New Jersey C.I.O. Council.

Mr. Commissioner, I would like to say that I am speaking for the New Jersey CIO Council, and that Miss Miller, who represents the union in the industry, will testify afterwards in more complete detail.

I would like to read a statement, if I may, on behalf of the New Jersey UZO Council, which sincerely petitions the Commissioner of Labor to extend the services of the Board appointed to determine a fair minimum wage for women and minors in the laundry industry. I would like to say here that we would be glad to include the men if they really feel badly about it. We would like further facts to be ascertained regarding the living costs of actual workers in these industries in different parts of the State; and have further consideration given to the matter of a 40 hour week, both as a basis for supplying a living wage without need for overtime work, and as the basis beyond which time and a half for overtime work will be paid. We recognize that the Commissioner of Labor has embodied the present recommendations of the Minimum Wage Board in the proposed Executive Order which we are considering here today, but we believe that the recommendations of the Board do not meet the requirements of the Minimum Wage Law, either from a standpoint of securing the payment of adequate subsistence wages to women and minor employees; or from the standpoint of present increases in the cost of living, and of possible increases within the next six months, before the Wage Order can take effect. It is particularly important that the letter of the law should not be allowed to defeat the purpose of the law.

(At this point also witness read a statement
which, although requested, was not submitted
for the record)

MISS VERA MILLER, representing the Amalgamated Clothing Workers of America.

The Amalgamated Clothing Workers of America has a substantial membership in both industries involved.

COMM'R. RAMPET: Could you tell me how many?

MISS MILLER: I should say approximately a thousand members in this State - and we have been very deeply concerned about this proceeding, and feel very strongly that the Minimum Wage Board appointed has failed to fulfill its obligation under the law by recommending a minimum wage of less than 55¢ an hour. The Minimum Wage Law, Section 34:11-20 states: "The employment of a woman or minor in an occupation in this state at an oppressive and unreasonable wage is hereby declared to be contrary to public policy. Section 34:11-34 defines what is meant by an oppressive and unreasonable wage: "A wage which is both less than the fair and reasonable value of the services rendered and less than sufficient to meet the minimum cost of living necessary for health".

Apparently there are two primary bases for consideration of what a fair minimum wage should be, and we believe that under both of these the recommended rates of 50¢ and 45¢ an hour do not meet the obligations of the Board under the law. Unfortunately the State of New Jersey does not, I believe in fact, collect wage rate data, although some information on employment

and payrolls is routinely collected; but even by comparison with that information we have from other very reputable sources, it would seem to me that rates of 50¢ and 45¢ an hour are not fair rates for the value of service rendered in the laundry and dry cleaning industries for the less skilled operations.

The Wage Stabilization Board, in the days when it was still the War Labor Board, did a tremendous amount of work in the collection of wage rate data, and actually in the setting of wage rates in this area as in all other areas. At the time of the tightest wage freeze, when the War Labor Board was operating under the provisions of Executive Order 95.2A, the lowest rate set for any operation at all comparable to the operations of less skilled workers in the laundry and dry cleaning industry was 50¢ an hour. Now, this rate was set under the tightest wage freeze order, and was therefore set at a rate considered by the Board to be 10% below what was actually prevailing at the time, and it was also set on the basis of April 1943 data. Therefore, I think we can conclude that the Board considered that unskilled workers in this area were earning not less than 55¢ an hour in April 1943 for it to legitimately have set the rate at 50¢ under the provisions of this Executive Order. The Board itself now estimates that wages have increased by not less than 10% since April 1943. Therefore, I think we can conclude that at the present time on this basis, in all probability unskilled workers in other industries, doing comparable work, are earning not less than 60¢ an hour.

Now, actually the Bureau of Labor statistics has been making wage surveys in this area, so we do not have to rely on what I have constructed as a reasonable probability based on Wage Stabilization Board wage setting practices. The major survey in this area that the Bureau of Labor statistics has completed is a survey of the machinery industry as of January 1945; in other words, prior to any recent wage negotiations that have been taking place. I think - and this is open to discussion of course, but I think - that it is reasonable to compare flat work operators in the laundry industry with the less skilled assemblers and the less skilled drill press operators in the machinery industry. These less skilled assemblers in the machinery industry perform simple, light, repetitive work. I do not know anyone who has ever been in a laundry, for instance, who could characterize the work of flat work operators as less skilled than simple, light, repetitive work. As a matter of fact, it is not particularly more skilled, but it is more onerous work than the less skilled operation in the machinery industry; the conditions are hot and humid, and I think, can be described only as extremely onerous. But, of course, I think everyone here knows what laundries are like.

In any case, the Bureau of labor statistics found that women assemblers of the less skilled category in the Newark-Hersey City area were getting 30¢ an hour in January 1945;

and in the Camden-Philadelphia area 87¢ an hour. Female drill press operators, which the Bureau of Labor Statistics also classifies as the less skilled female operators, were getting 83¢ an hour in the Newark-Jersey City area, and 75¢ an hour in the Camden-Philadelphia area. I submit that these are comparable wages to be considered.

Now actually, I think also if one is interested in what the value of service involved is, it is not too distant to look across the river and observe what wages are being paid there for absolutely and unquestionably identical work. At the present time the minimum rate in the cleaning and dyeing industry in New York where there are 4000 workers working under contract with the Amalgamated is 60¢ an hour. In the laundry industry in New York where there are about 18,000 workers working under contract with the Amalgamated, the minimum rates in the family and wholesale divisions is 60½¢ an hour; in the linen supply and flat division, 62¢ an hour. In respect to the --

COMM'R. HARKER: May I ask you what is the minimum wage in New York?

MISS MILLER: The legal minimum wage set by the Minimum Wage Board in 1950 was 36¢ an hour for the first zone -- in cleaning, 30¢ an hour.

COMM'R. HARKER: What is it in Pennsylvania?

MISS WILLIAMS: I don't know, but I would like to say that Commissioner Corsey has advised us that he is about to reconstitute the Minimum Wage Boards in New York State for the

purpose of reconsidering the wages set by that Board.

He also believes that rates of 50¢ and 45¢ an hour are definitely less than sufficient to meet the minimum cost of living necessary to health. There was a great deal of testimony submitted to your Board itself on this question, and I do not want to go into a great amount of detail about it. I would like, however, to note that the Wage Stabilization Board has, since January, considered 65¢ an hour as the minimum necessary to correct the substandard of living; and that since March has actually not required approval for increases up to that amount for the purpose of correcting the substandard of living. Also I think one might be guided by the fact that the highest law making body in this country, the Senate of the United States, has gone on record on the fact that an amount not less than 65¢ an hour is necessary to maintain a minimum of standard in health and decency.

But I think probably, more primarily, the concern of this Minimum Wage Board should have been its own studies on the question of cost of living and its own State's agency's estimates of what the increases have been since that time. The 1938 report on cost of living found that for a woman living alone, to maintain herself adequately, an amount of \$1147.82 was required annually; for a woman living as a member of a family, an amount of \$1001.81 was required annually in 1938 for maintenance

at an adequate level.

Now fortunately the New Jersey Department of Agriculture keeps track of the cost of living in this State; and in their publication on consumer prices, they report that between June 1939 and February 1946 the cost of living increased by 40% - actually 30.5%. I would like to point out that this figure is probably an understatement from the point of view of our present discussion because it covers a period only from June 1939 until February 1946, when the budget that I have just mentioned was actually priced at a 1938 level. But even working on the basis of this 40% estimate of the New Jersey Department of Agriculture - and this is not an estimate by the way, it is an actual figure, it is not just a rough guess - adjusting these 1938 amounts by the 40% figure reported by the New Jersey Department of Agriculture we find that \$1806.95 is required for a woman living alone; \$1408.53 is required by a woman living as a member of a family for maintenance at an adequate level. If these annual wages be translated into hourly wages on the basis of a 40 hour week, 52 weeks a year - which makes absolutely no allowance for illness or other justifiable absence, we find that women living alone in this State, according to your own agencies, require 77.3¢ an hour; women living with families require 67.4¢ an hour.

I do not see how this Minimum Wage Board could feel that it fulfilled its obligation to set a fair and reasonable

wage which is defined in the law as an amount sufficient to meet the minimum cost of living necessary for health. I do not see how this Board could set a figure at one penny less than 65¢ an hour and feel that it has fulfilled its obligation specifically stated in the law.

Now, I would like to say a word about what is really an irrelevant matter. Nowhere in this law is the Minimum Wage Board supposed to consider the financial condition of the employers in the industry, their ability to pay. Actually, I also believe that this is irrelevant, although of course we want a healthy industry from any point of view, there is no doubt about that. But if one is to consider ability to pay, I think that I have a few words to say on this question, having had a great deal of experience with both these industries in the State of New York, where I think I can report both industries are in a very healthy condition financially. In the cleaning and dyeing industry in New York, in April 1936 we had a minimum wage by contract, not by law. And inasmuch as our representation in New York City, I should say, is 90% of the industry, these are the going minimum rates. The fact that a legal minimum is somewhat lower is not to the point, because our coverage is almost complete. So in effect there are no lower rates except for possibly 10% of the workers, than the rates specified in Amalgamated Clothing Workers contracts. In April, in the cleaning and dyeing industry, we got our first contract minimum rate; it was a rate of 35¢ an hour. Prior to that time

there was no minimum rate. At the present time the contract minimum rate in the cleaning and dyeing industry in New York is 60¢ an hour; it is an increase of 75% in a period of 8 years. It has been economically possible for that industry to do it in New York where there are 4000 workers under contract with us. In the New York laundry industry the picture is even more striking. Prior to 1937 when the laundry workers became affiliated with the amalgamated, the minimum rate was 31¢ an hour. At the present time the rates are 60½¢ and 62¢ an hour in the two major branches of the industry. In other words, it has been possible for the laundry industry in New York to actually double the minimum rate, the going minimum rate, in a period of 9 years, and not only exist financially but, I think, profit very satisfactorily.

In conclusion I just want to say a few things about this question of time and a half. We are definitely in favor of some protection, or some provision, of time and a half after 40 hours. Actually this has been a prevailing practice in American industry since the passage of the Fair Labor Standards Act in 1938, since most workers are covered by the provision of that act. But we believe that time and a half after 40 hours is necessary, not just because we think people ought to get premium pay if they stay in the plant an hour or two longer; but we have found that, particularly where workers are living at a subsistence level to begin with, that they must have this time and a half after 40

hours if they are simply to meet the cost of living. And, by the way, I think on the basis of the cost of living, it is actually within the jurisdiction of this Board to set a time and a half rate if it seem fit. The reason we feel that such a provision is so necessary is this: To find that where workers are living at the subsistence level, in order to make ends meet at all, they must shop very carefully, and also do most of their own personal services; do they own laundry and work as well as very careful shopping for special sales, and so on. We find that if the worker is required to spend more time in the plant, particularly if it involves a particular day - five hours on a Saturday, or eight hours on a Saturday - that it is absolutely impossible for these workers to take advantage of the sales that they ordinarily have to meet the cost of living, or to take care of their own laundry or their own sewing, or various other personal services that they may have. So that actually, if they are working longer than 40 hours a week, there is a material rise in their cost of living due to their inability to take care of their own personal services. That is one of the main reasons why we are in favor of time and a half after 40 hours, aside from the fact, of course, that we consider that it is a standard that has been established by the Congress of the United States for the workers covered by the Fair Labor Standards Act. And, of course, we are very anxious that any workers not covered by the Act be brought up to those standards through the medium of the State Minimum Wage Board, or however possible. I would like to say,

of course, workers under contract with the Amalgamated Clothing Workers of America do have such provision, that both of the agreements signed with the laundry industry in New York provide for time and a half after 40 hours for female workers, beginning this November 1; and that in the cleaning and dyeing industry, time and a half after 40 hours is actually now in effect.

COMM'R. WATSON: Does anyone wish to register now? This is your day in court for both sides and I want to hear from everybody, provided it does not get into an argument.

MISS SWANSON: May we file a brief if we like?

COMM'R. WATSON: Anybody can file a brief, but I would like it as quickly as possible, because I only have ten days by law to put this order into effect.

We will now have a ten minute recess.

(Recess)

COMM'R. WATSON: If there are no new cases to be heard, I will adjourn until 7 o'clock tonight. Is there anybody else in the room here at the present time that would like to testify in any way?

MR. HOBBS: I would like to say for the record that Mr. Albert Peck of the Riverside Laundry is also here. His testimony would likewise be cumulative.

A D U R E N D

