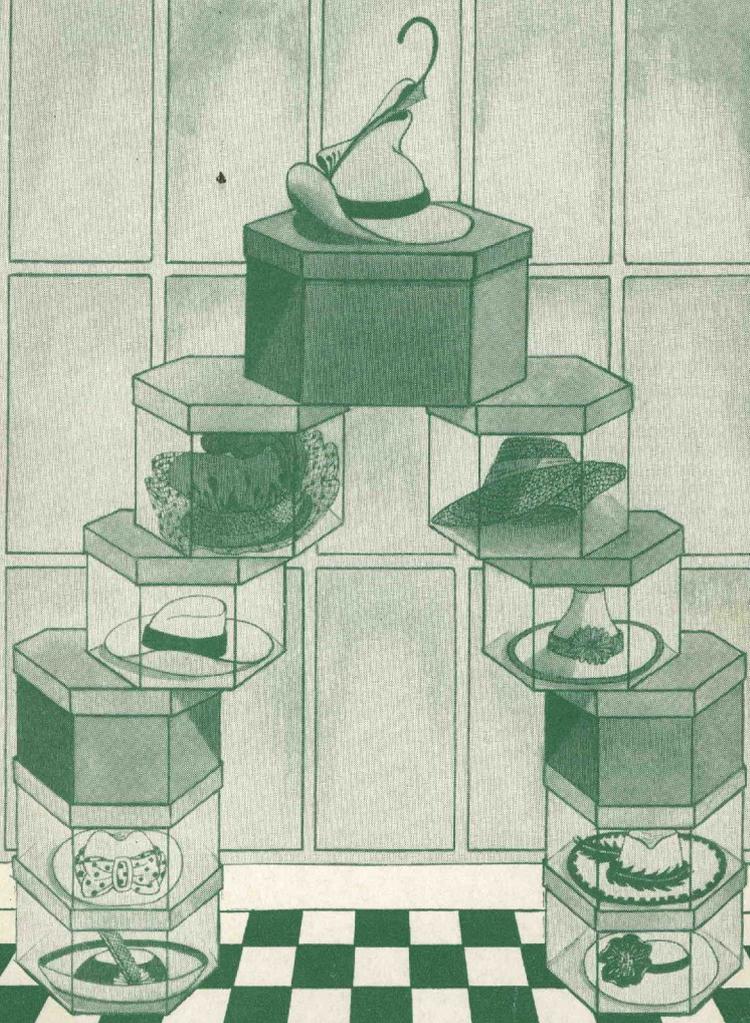


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PRIMER OF PROBLEMS
IN THE
MILLINERY INDUSTRY



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UNITED STATES DEPARTMENT OF LABOR

FRANCES PERKINS, SECRETARY

WOMEN'S BUREAU

MARY ANDERSON, DIRECTOR

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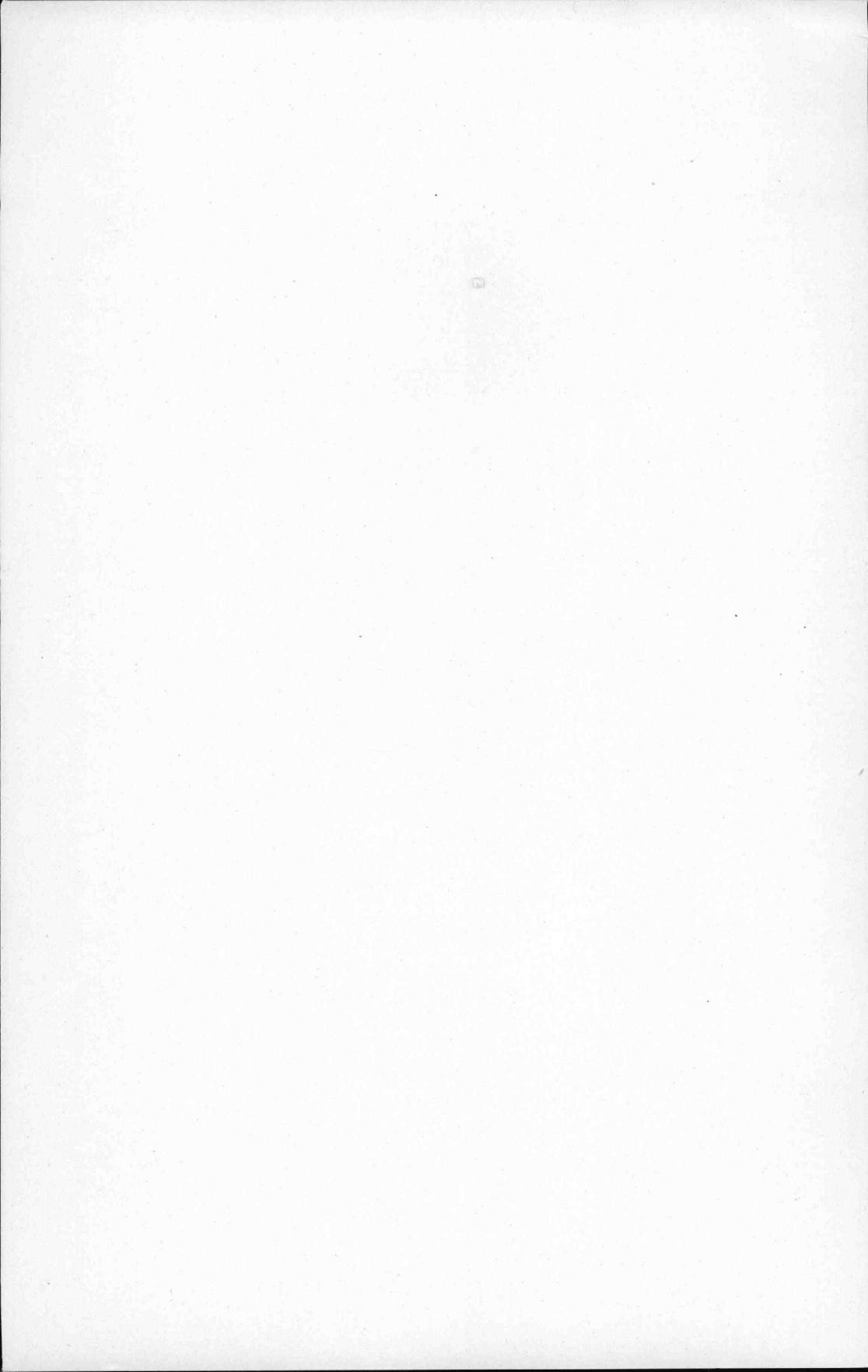
PRIMER OF PROBLEMS

IN THE MILLINERY INDUSTRY



BULLETIN OF THE WOMEN'S BUREAU, No. 179

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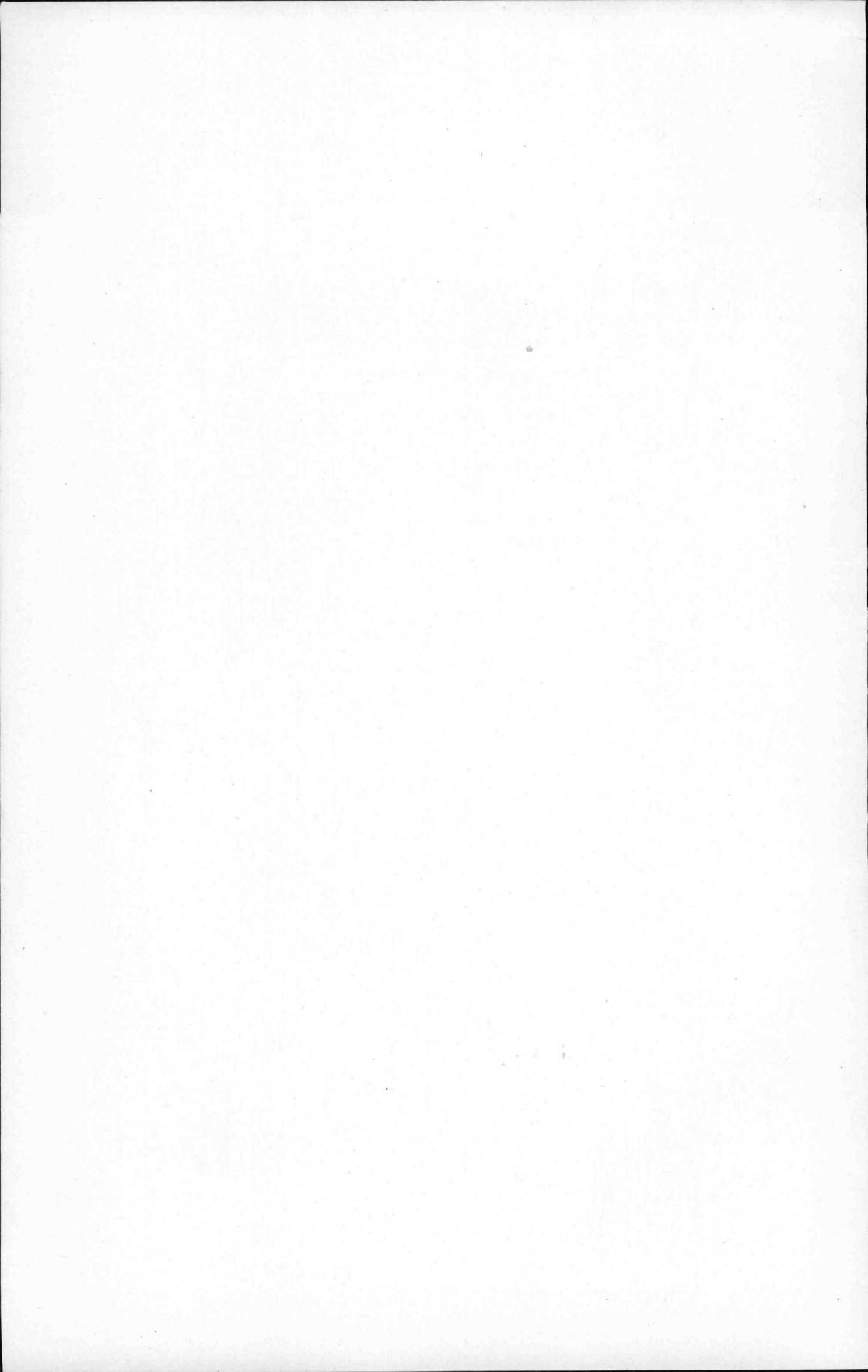


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Letter of Transmittal



UNITED STATES DEPARTMENT OF LABOR,
WOMEN'S BUREAU,
Washington, June 28, 1940.

MADAM: I have the honor to transmit herewith the popular version of this Bureau's technical study of conditions in the millinery industry in the United States. This was prepared for distribution among employees in the industry and for use among interested civic groups.

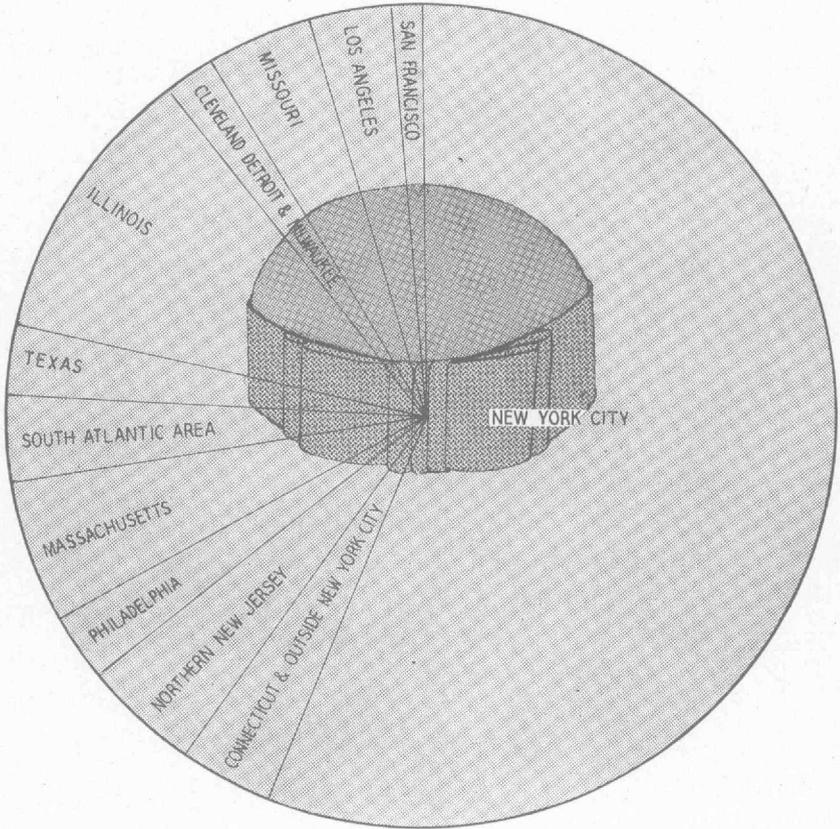
This simplified version has been written by Mary V. Robinson, chief of the division of public information.

Respectfully submitted.

MARY ANDERSON, *Director.*

HON. FRANCES PERKINS,
Secretary of Labor.

CHART 1.—Volume of millinery industry in the various areas—based on net sales.



PRIMER OF PROBLEMS IN THE MILLINERY INDUSTRY



Part I.—The Industry and a Diagnosis of Its Ills



Who is responsible for this diagnosis of the millinery industry?

The Women's Bureau of the United States Department of Labor, charged by Congress with the interests of women workers, was the specialist called in to collect information from the industry, to analyze the data, and to publish a report on conditions in the industry.¹



Why was this analysis made?

The two groups most concerned with the millinery industry, manufacturers and employees, realized—

1. That the industry was sick and growing worse.
 2. That the death rate among millinery firms was high.
- Accordingly, representatives of the two groups petitioned the Secretary of Labor to investigate the causes and effects of the industry's disorders. Such a study would, it was believed, shed light on the ills and serve as an effective instrument in efforts to cure them.

The petitioners were:

Millinery Stabilization Commission (unofficial, impartial body representative of both employers and employees).

United Hatters, Cap, and Millinery Workers' International Union.

Eastern Women's Headwear Association, Inc. (one of 12 employers' organizations).

¹ See full report, Conditions in the Millinery Industry in the United States, by Bertha M. Nienburg, U. S. Department of Labor, Women's Bureau Bul. 169.



What is the size of the industry as a whole?

The industry is not in the big-business class in regard to numbers of manufacturers and workers, size of factories, or volume of sales.

In 1937 the industry comprised:

Something over 800 manufacturers.

An average of approximately 22,000 employees—half in New York City and the remainder in the 11 other major producing areas in the United States.

An average of about 27 workers per firm.

Gross sales² of less than \$92,000,000, with the New York City firms doing well over half the business.

The industry decreased markedly in volume of sales and number of manufacturers and employees in the decade prior to 1937.

This decline has had bad effects:

On the manufacturers

By increasing the competition for the dwindling volume of business.

On the workers

By shortening the busy seasons, and reducing total earnings, even in organized plants, in spite of the increased rates of pay secured by the union. By causing an over-supply of workers.

The accompanying map shows the 12 major areas in which firm sales exceeded \$1,000,000.

² Gross sales comprise the total amount received from sales, whereas net sales are the amount after deduction of trade discounts, allowances, and losses on returns.

THE 12 MAJOR MILLINERY MANUFACTURING AREAS



- | | |
|---|--------------------------------------|
| 1. New York City. | 7. Texas (Dallas and Waco). |
| 2. Connecticut and Outside New York City. | 8. Illinois (Chicago and De Kalb). |
| 3. Northern New Jersey. | 9. Cleveland, Detroit, Milwaukee. |
| 4. Philadelphia. | 10. Missouri (St. Louis and Elvins). |
| 5. Massachusetts. | 11. Los Angeles. |
| 6. South Atlantic area (Richmond, Va., Birmingham, Ala., Atlanta, Ga.). | 12. San Francisco. |



How do the 12 major areas rank in importance?

In each of these areas the millinery industry showed over a million dollars' worth of net sales in 1937. New York City is head and shoulders above all other areas. It is the largest, the oldest, and the most important market in the country. It is the style center, and in general determines the fate of the industry. It employs about half the workers and accounts for well over half the net sales.

The other areas ranked in 1937 as follows:

Illinois (chiefly Chicago) with 14 percent of the workers and 11 percent of the sales.

Massachusetts with 8 percent of the workers and 6 percent of the sales.

Northern New Jersey with 5 percent of the workers and 5 percent of the sales.

Missouri with 5 percent of the workers and 4 percent of the sales.

Los Angeles, the South Atlantic area, and Connecticut and Outside New York City, each with roughly 3 percent of the workers and between 3 and 4 percent of the sales.

Texas and the Philadelphia area, each with 3 percent of the workers and between 2 and 3 percent of the sales.

San Francisco and the Cleveland-Detroit-Milwaukee area, each with about 2 percent of the workers and between 1 and 2 percent of the sales.

Chart 1 (frontispiece) shows the total volume of net sales divided according to area.

Chart 2 shows the total volume of net sales divided according to the various wholesale prices of hats, all areas.

Chart 3 shows the volume of net sales of the variously priced hats according to area.

CHART 2.—Volume of net sales according to price of hat—All areas

Wholesale price
of hats per dozen

\$7.50 and below



Over \$7.50,
including \$13.50



Over \$13.50,
including \$24



Over \$24,
including \$48



Over \$48



Each complete  1½ million dollars

CHART 3.—How the various areas rank in regard to net sales of different priced hats.

[Each complete unit=\$100,000]

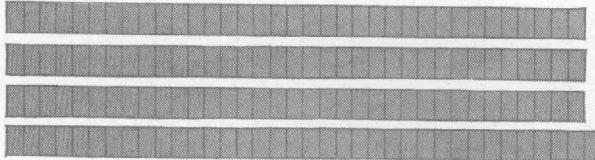
Wholesale price
of hats per dozen

NEW YORK CITY

\$7.50
and below



Over \$7.50,
including
\$13.50



Over \$13.50,
including
\$24



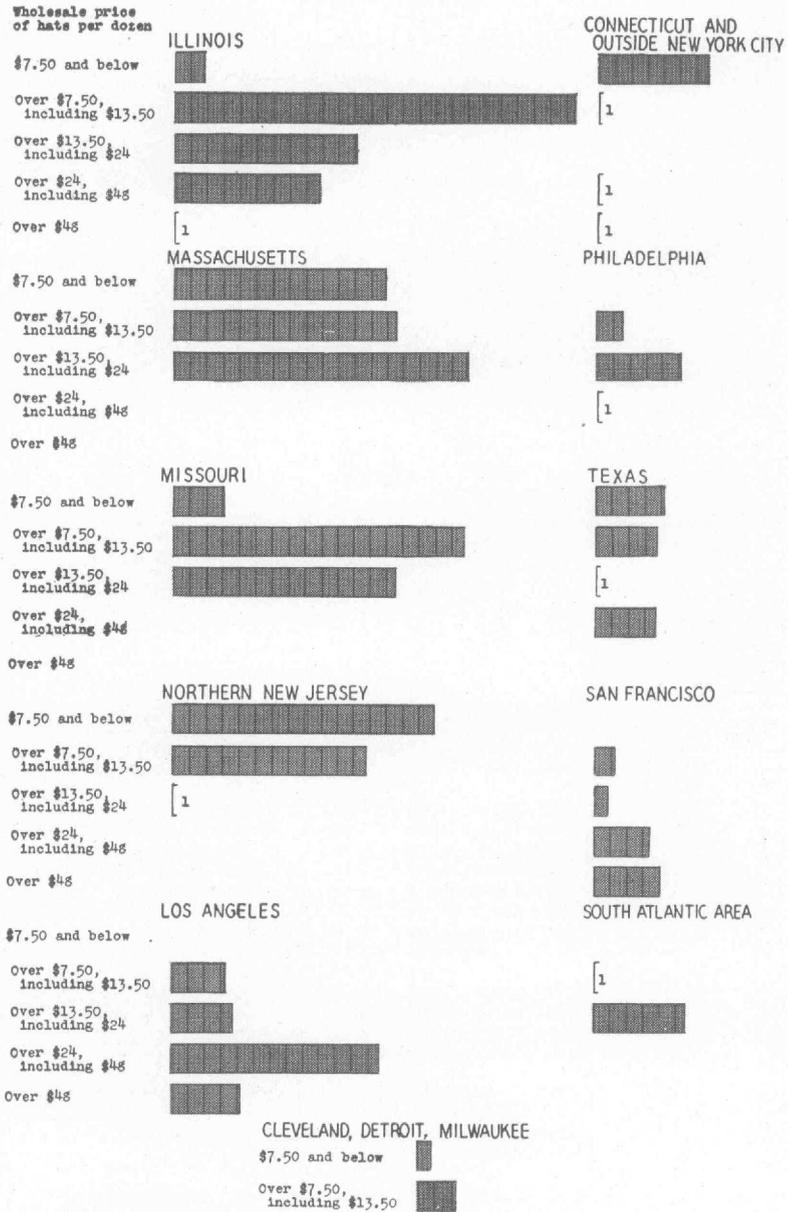
Over \$24,
including
\$48



Over \$48



CHART 3.—How the various areas rank in regard to net sales of different priced hats—Con.
 [Each complete unit = \$100,000]



1 Amount too small to show in diagram



How do the most important millinery production areas compete with each other?

Not all in the same way. Some specialize in certain kinds of hats. The tailored-felt-hat industry is predominant in Connecticut and is quite different from the straw-hat industry that began in Missouri a generation ago and is still centered there. The industry in New Jersey, where the cheapest hats predominate, is different again from that on the Pacific coast, where specially designed or other higher-priced hats are more important.

In regard to volume of sales, New York City manufacturers sell about three-fifths or more of the hats in each wholesale price group but that above \$13.50 and including \$24 a dozen.

As their markets are Nation-wide, all other production areas making hats at a specific price in any volume may be considered potential competitors of New York City as well as of each other.

Competitors with New York City are:

For the lowest-priced hats, as given in chart 3, northern New Jersey, Massachusetts, Connecticut together with an area of New York State outside New York City, and Texas and Missouri to a minor extent.

For the hats priced next to the lowest, Illinois, Missouri, Massachusetts, northern New Jersey.

For the hats next higher in price, Massachusetts, Missouri, Illinois.

For the hats at still higher prices, Los Angeles, Connecticut and Outside New York City, Philadelphia, Illinois, San Francisco.



How do various jobs rank in regard to opportunities for men and women employees and total numbers of workers?

In general almost 2 in every 3 workers are women. This proportion varies from area to area, depending on kinds of hats made, and the ratio in each craft also varies according to locality.

The blockers comprise men only, whereas the trimmers, much the largest occupational group, are all women.

Cutting, which gives employment to comparatively few workers, is done very largely by men. The same is true of shipping, whereas office work is performed to a great extent by women.

The machine operators, next in numerical importance to trimmers, consist, for all areas combined, almost equally of men and women. The proportion of each sex so employed varies greatly in the different areas. In New York City men are employed almost exclusively, but in all other localities women outnumber men in this occupation.

Among the other factory workers, ranking third in regard to numbers, are found more women than men.

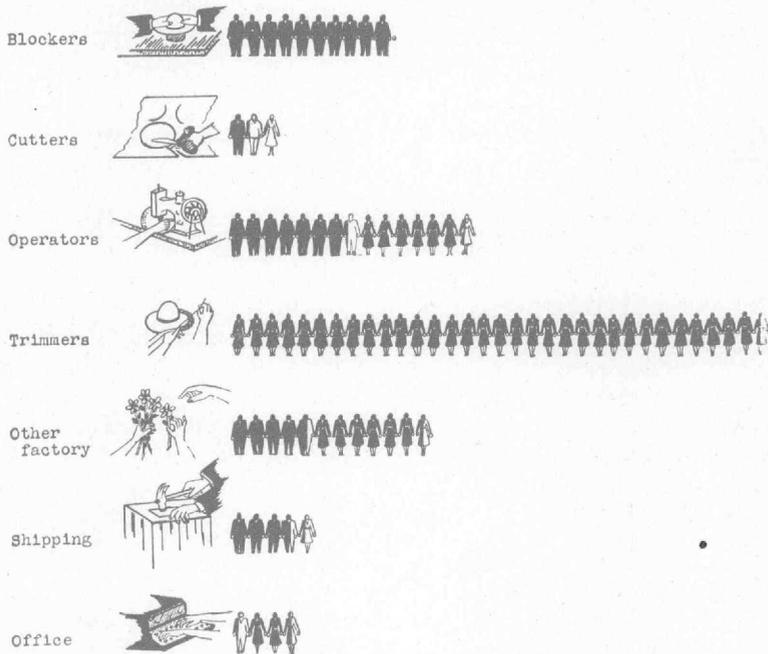
Analysis of the 1937 figures shows that—

The average number of workers of each craft in every 100 employees, all areas combined, was:

- 48 trimmers and milliners (who make and trim hats);
- 19 sewing-machine operators;
- 15 blockers, who block hats into shape by hand and machine presses;
- 14 other factory workers such as girls who assemble materials, inspectors, foremen;
- 2 cutters, who cut out fabric hats and cut off surplus from brim or crown;
- 2 designers, who make up samples or plan the trimming of hats.

Chart 4 shows the number and proportion of men and women in the various occupations in all areas together.

CHART 4.—Number of men and women in each occupation.



Each solid figure = 200 workers



What did the Bureau find to be the major ills?

In a nutshell these are:

Due to external causes.

1. The seasonal factor.
2. The style factor.
3. The price factor.

These are imposed by general economic and social conditions beyond the control of individual firms.

Due to internal causes

1. Poor business methods.
2. Excessive competition.
3. Oversupply of workers.

These are related to the structure of individual business operations and can be corrected by individual and joint action.



What is the importance of the seasonal problem?

The seasonal factor plays havoc with the earnings of workers and manufacturers.

The seasonal factor ³ means—

For the manufacturers

Meeting each year the problems of uncertainty as to seasonal variations due mainly to weather conditions.

Making enough in the busy weeks to carry the firm and its overhead during the dull weeks and some part of the transition period.

For the workers

Earning enough in the busy weeks to carry them through the dull weeks when they have no work or have greatly reduced earnings.

Shifting from one employer to another in search of work, though such shifting is not usually successful because of work being slack for most employers at one time.

In 1937 the year comprised:

24 busy weeks (15 before and during the spring, 9 in the fall).

14 definitely slack weeks (5 in the summer, 9 in the winter).

14 transition weeks with production below average just before and after the busy seasons.

³ For detailed information see part II.



How important is the style factor?

The style factor is the axis on which the whole industry revolves. But based on the uncertain quantities of beauty and change, which in turn are based on the fancy of women, this factor, if not controlled, keeps the industry in a chaotic state. Retail merchants, preferring to test each style of hat against women consumers' demand, tend to keep hat orders small and call for immediate delivery.

The style factor, because not adequately controlled, means—

For the manufacturers

Production chiefly on receipt of orders. Purchasing hat materials on a hand-to-mouth basis, preventing development of bargaining power.

Starting manufacture on a style idea with no assets and no adequate knowledge of business methods.

For the workers

Demand for many workers for short periods.

Failure of varying piece rates, though continuously adjusted, to yield the same regular earnings.

Bearing the brunt of manufacturers' inexperience and losing jobs when firms go into the red and out of business.

In New York City only 8 percent of the firms buy the bulk of their materials in advance of production. Of firms in all other areas, about half make at least part of their purchases in advance.

Eleven percent of the firms still in business in 1938 had losses in 1937; in addition, about 100 firms went out of business.

Trimmers' average hourly earnings in 231 New York City firms in 1 week in March 1938 varied from under 40 cents in 2 firms, through every 5-cent interval, to \$1 and over in 23 firms.



How does the price factor affect the industry?

The growing demand for cheap hats, necessitating low wholesale prices and a very small profit to the manufacturer on each hat, makes for unsound economic conditions in an industry in which production remains largely on a unit—instead of a volume—production basis.

This cheap-hat trend means—

For the manufacturers

Sharp competition for orders.
Decreased bargaining powers, with syndicates and chain stores becoming powerful factors in the millinery industry.
Greater difficulty in keeping the industry on a paying basis and of earning a livelihood for themselves.

For the workers

Lower earnings per hat because cheap hats need less work and require less skilled labor than more expensive hats.
Loss of job, or less chance of employment, if the firm bids too low on orders and goes out of business.

In 1937—

The largest volume of net sales (three-eighths of all) was of hats wholesaling at over \$7.50 and including \$13.50 a dozen, with labor costs of 30½ percent and profit per hat of only 3.9 cents.

About one-fifth of net sales were of hats at \$7.50 or less a dozen, with labor costs of 26 percent and profit per hat of only 3 cents.

Another one-fifth of net sales were of hats at over \$13.50 and including \$24 a dozen, with labor costs of 29 percent and profit per hat of only 4.7 cents.

Hats wholesaling at over \$24 a dozen had average labor costs of 33 percent. Profit per hat was 15.8 cents for those up to \$48 a dozen and was more than twice that—36.5 cents—for those at over \$48.

Of gross sales made by the firms—

45 percent were to retailers.

38 percent were through syndicates that sell millinery in department stores or through chain stores with a series of outlets.

17 percent were through jobbers.



How serious is the problem of oversupply of workers?

There are many more millinery workers than are needed in the industry even in the busy season—roughly twice as many. Large numbers are extras who are unable to secure as much as 3 months' or even 1 month's work in the year.

Fly-by-night manufacturers who go out of business increase the problem of surplus workers.

This oversupply means—

For the manufacturers

Greatly increased personnel problems.

For the workers

Greater competition in finding work.

Shorter periods of employment.

The total workers employed in the peak week of 1937 averaged 35 per firm, but the total given some employment at any time during the year averaged 71 per firm, indicating an excessive oversupply of labor and short-time employment.

Not 1 in 10 employees worked in each of the 52 weeks of 1937.

Only a little more than a fourth worked in 46 or more weeks.

(For more details see part II)



What are the most serious effects of excessive competition?

Competition within the industry tends often to be of a cut-throat nature and undermines the interests of both manufacturers and workers.

Excessive competition means—

For the manufacturers

Undue influence by the less scrupulous firms in setting up unfair trade practices and labor standards.

Difficulty for the better types of manufacturers to maintain good practices and standards.

Yielding to below-cost terms of syndicates and other large distributors, in the struggle to get orders.

For the workers

Suffering from unsatisfactory conditions.

Greater struggle on the part of the union to maintain fair labor standards.

Difficulty of collective bargaining of union members with manufacturers who are not free agents because of pressure exerted on them.

Three-fifths of the firms made only one-fourth of the sales; therefore, competition among them necessarily was great. Only a third of the firms followed both the established trade and anticipation discount practices as set up by the Millinery Stabilization Commission; three-tenths of the firms allowed special discounts under special circumstances, and a third reported extra services.



What are the most conspicuous types of poor business methods?

In general, the millinery industry has not kept pace with modern trends of scientific management, mass production, and advanced technology. This is due partly to the nature of the industry and to the many manufacturers who, though knowing how to make hats, have no business experience.

The chief troubles in this respect, reported for many manufacturers, are:

Operation without adequate resources.

Purchasing hat materials haphazardly instead of as a specialized function concerned with buying at the most advantageous time and under the most favorable cost-discount arrangements.

Lack of adequate records and of cost-accounting systems.

Inefficient and wasteful running of the plant instead of careful planning of arrangements and operations.

Poor business methods mean—

For the manufacturers

No bargaining power in the purchase of hat materials, which comprise almost half of all costs and are supplied by a few well-established houses.

Little bargaining power in the sale of hats to ever-enlarging retail selling outlets.

Falling between a seller's market for supply goods and a buyer's market for trimmed hats.

For the workers

Difficulty in organizing nonunion areas because of manufacturers' effort to offset outside pressure on them by their pressure on labor. More difficulty in collective bargaining because manufacturers are not free agents and often are unable to abide by contracts with workers.

Twenty-one of the firms surveyed had no 1937 records.

One-fifth had no annual record, or a very poor one, of expenses.

Part II.—More About Busy and Dull Seasons



Are the problems of seasonality found alike in all areas?

The seasons vary somewhat in the different areas. In the metropolitan centers the problems are a shade less severe than in the areas of smaller places.

In general, in 1937 those areas with the highest peak in the spring fell to the lowest point in the summer. Connecticut and Outside New York City, the South Atlantic area, and Texas have a higher pay roll in the fall than in the spring.

Though all areas employed nearly twice as many, and some even more, in their busiest as in their slackest week, the areas along the Atlantic seaboard, except Massachusetts, showed somewhat less difference between the extreme weeks.

The Cleveland-Detroit-Milwaukee area was the least stabilized. The firms in these cities had a very small proportion of their employees at work in the middle of the summer except those on the nonproductive force.

In 1937—

In regard to average or better pay rolls, Illinois and Missouri had the worst record, with only 23 such weeks.

Northern New Jersey had the best record, with 31 such weeks.

New York City, the chief center, had 27 such weeks.



Are the problems of seasonality increased for the workers by an oversupply of labor in this industry in all areas?

An excess of available millinery workers characterizes each of the 12 important areas. However, the Philadelphia area was somewhat better from the workers' viewpoint, as it was the only center in which the number of workers available was not more than one and a half times the force employed in the busiest week—based, in both cases, on the average number per firm.

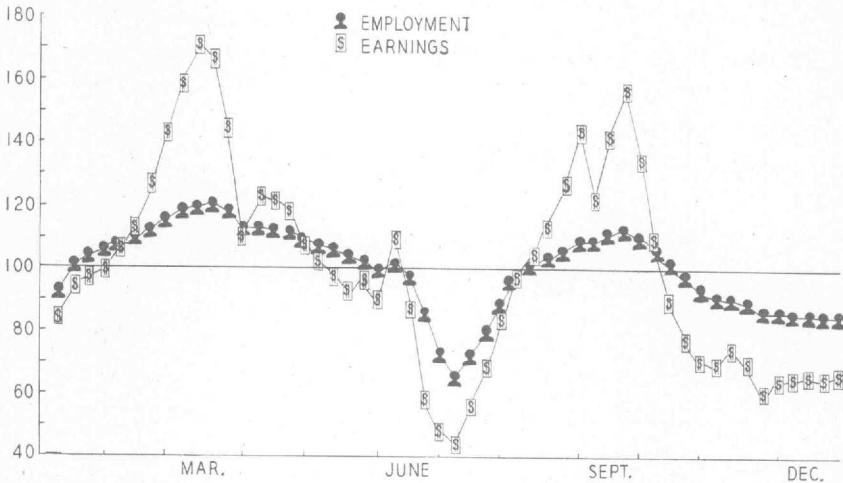
The most overcrowded labor market was in the Cleveland-Detroit-Milwaukee, the Massachusetts, and the Texas areas, each of which had over two and a half times as many workers available as were employed in any single week.



How many workers have jobs in the busy as compared with the dull seasons, and how do their earnings vary during the year?

Chart 5 shows the weekly fluctuations in the number of workers and in the total amount of the factory pay rolls.

CHART 5.—Weekly fluctuation in number of workers and in total amount of factory pay roll.



The line of heads represents the varying numbers on the pay rolls from week to week. There are great differences in the numbers employed in the busy as compared with the dull seasons. The maximum number employed in any week is 84 percent higher than the minimum number in any week. However, the employment curve is leveled out of close relation to production by the fact that in the organized shops there may be more employees on the pay roll than are actually needed, due to the trade-union contracts that call for spreading the work among all employees instead of discharging some of them.

The line of pay envelopes represents the ups and downs in earnings from week to week. Earnings fluctuate far more than employment does.

Where the earnings curve falls below that for employment, this is due to a decline in earnings because of a short week or slack work in the dull season.

In 1937—

For every 100 productive workers (based on average employment for the year) there were—

122 at the peak of the busy season—the middle of March.

63 at the low point of the dull season—the first week of July.

112 at the second, but less sharp, peak—the middle of September.

84 at the second, but less severe, low point—the middle of December.

For every \$1 a worker earned in the average week, he or she earned—

\$1.71 in the busiest spring week.

.44 in the dullest summer week.

1.56 in the busiest fall week.

.60 in the dullest winter week.



Are seasonal variations in employment and earnings found alike in all occupations?

All occupations suffer from seasonal employment, but the nonproductive workers to only a minor degree.

Because they usually work a full week even in slack seasons, and rarely receive overtime pay, the nonproductive workers individually and collectively have more uniform earnings throughout the year than have the productive workers.

Seasonal problems are especially serious for the most skilled workers (such as blockers and operators) and for the most numerous (the trimmers). These three groups comprise about three-fourths of all millinery workers.

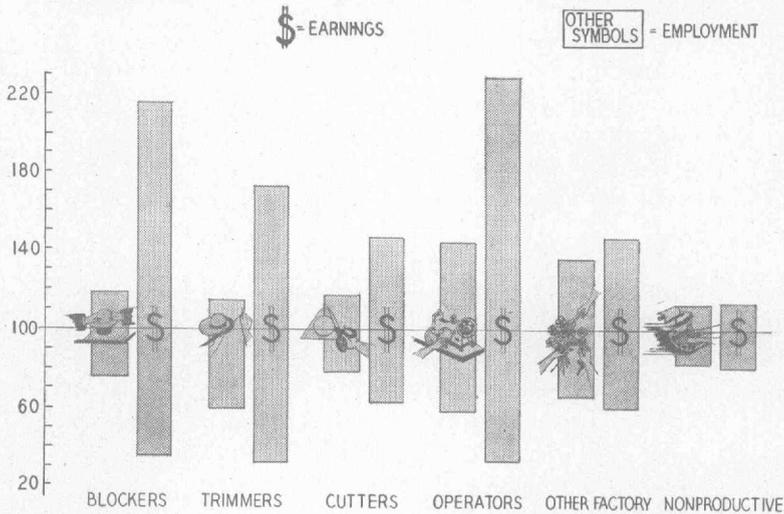
In 1937 there were employed in the busiest week as compared with the slackest week—

- Two and a half times as many operators.
- Twice as many trimmers.
- At least half again as many blockers, cutters, other factory workers, and nonproductive workers.

Operators show the greatest fluctuation in earnings. Blockers' earnings vary almost as much, though their employment is considerably more stabilized throughout the year than that of operators.

Chart 6 shows for each occupation definite fluctuations in weekly employment and earnings, from the highest to the lowest point in the year.

CHART 6.—Highest and lowest points of employment and of earnings in the year, by occupation.



Not all occupations have the fullest employment in the spring (the peak for blockers and cutters is in the fall), but all occupations experience two cycles a year, with the lowest point for each in the summer.

The fact that the peak for earnings exceeds that for employment is due to increased earnings because of full time or even overtime in the busy season.



What effect have seasonal operations and an oversupply of workers on the employment opportunities of individuals?

Because of the sharp variations in demand for labor and the ease with which employers hire and fire, many workers have very little employment in the year. The records of this study are for individual firms and do not combine the various employment periods a worker may have had with several employers. However, though the figures indicate the necessity for workers to shift from place to place if they are to have employment for a reasonable part of the year, the fact that slack seasons so nearly coincide makes it doubtful that seeking work in another millinery firm would meet with success.

Of all workers whose weeks of employment during the year were reported—

Two-fifths had worked less than 13 weeks with the firm, over half of these less than 4 weeks.

Considerably less than half worked 26 weeks or more.

Only a little over a fourth worked 46 weeks or more.

The best employment records were for blockers and cutters, more highly skilled and employed under conditions somewhat different from those of other crafts.

Blockers:

More than two-fifths had 46 weeks or more of work.

More than three-fifths had at least a half-year of work.

Cutters:

More than two-fifths had 46 weeks or more of work.

More than half had at least a half-year of work.

The poorest employment records were for—

General factory workers:

Only a sixth had 46 weeks or more of work.

Not far from three-fourths had less than 26 weeks of work.

Operators:

Only about a fifth had 46 weeks or more of work.

Nearly three-fifths had less than 26 weeks of work.

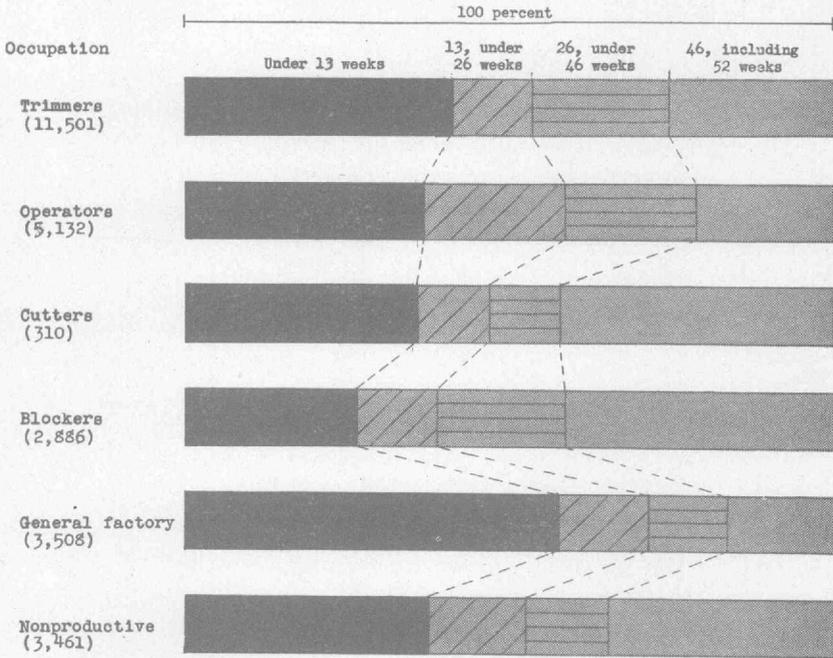
Trimmers:

About a fourth had 46 weeks or more of work.

Well over half had less than 26 weeks of work.

Chart 7 shows the proportions of workers in the various occupations who were employed specified numbers of weeks in the year.

CHART 7.—Proportions of workers in the various occupations employed the specified number of weeks in the year.



Are seasonal fluctuations reduced if the factory makes hats of more than one type of material?

Producers of hats of felt, straw, and one other material appear to have an advantage over firms specializing only in felt or in felt and straw.

Though the effect of the manufacture of three types on amount of production is not obvious, particularly in regard to the number of busy weeks in the spring and of dull weeks in the summer, some beneficial results are apparent in the transition periods and in the winter.

Fluctuations in earnings for workers were slightly less in the three-material hat firms compared with the two-material, and in the two-material as compared with the one-material (that is, felt only).

In 1937—

The normal or average pay roll was reached earlier in the year for the 3-material firms (January 11) than for the 2-material (January 25) or the 1-material (February 15).

At the beginning of the year the pay roll was nearer normal for 3-material firms (that is, nine-tenths of normal) than for the 2-material and 1-material firms (that is, two-thirds of normal).

In the winter lull, production in the 3-material firms fell to a little under three-fifths of normal for just 1 week; but in both the 2-material and the 1-material firms, production dropped to only a little over two-fifths of normal for 7 weeks.



To what extent does selling to large buyers, such as syndicates and chain stores, affect seasonal variations in the industry?

While syndicate selling may increase slightly the length of the busy periods, it has as yet done little to lessen the extremes brought about by the seasonal and fashion factors. A comparison of the amounts paid productive workers by firms selling two-thirds or more of their hats and by firms selling less than two-thirds to these large buyers shows that the peak of production is slightly higher, the slump slightly less, in the syndicate-selling firms.

In 1937—

Productive pay rolls were above the average for:

28 weeks in syndicate-selling firms.

25 weeks in other firms.

Productive pay rolls were two-thirds or less of the average for:

15 weeks in syndicate-selling firms.

14 weeks in other firms.

Part III.—Workers' Earnings



What are workers in the millinery industry paid?

Their wages vary considerably according to craft, locality, and season, and fluctuate greatly from week to week.

For the busiest week in 1937, that of maximum employment, each worker would have received \$32.55 if wages for all employees had been evenly distributed.

For the dullest week, when there were only about half as many workers as in the peak week, the average per worker was only \$15.60—less than half that of the peak week.

In 1937, averages by occupation were as follows:

	<i>Busiest week</i>	<i>Dullest week</i>
Blockers.....	\$60. 14	\$16. 57
Cutters.....	48. 11	31. 12
Operators.....	45. 36	17. 10
Trimmers.....	24. 34	8. 74
General factory workers.....	17. 32	14. 69
Nonproductive workers.....	24. 23	24. 16



To what extent can millinery workers hope to earn a living from millinery manufacture?

In most lines of employment the amount that a worker can earn in a year is an indication of his ability to get a living out of his job, but in the millinery industry the seasonal factor undermines annual earnings very seriously. Even if a worker manages to retain employment for most weeks of the year, he must earn enough in the busy seasons to carry him over the slack periods when earnings decrease so materially. And many workers, though earning fairly good weekly wages while employed, cannot find jobs in the dull seasons.

Those workers fortunate enough to be employed for 46 weeks or more in the year may be called full-time workers, and their earnings tell the story of what workers could earn if lack of work did not limit their income.



What can workers earn if employed approximately a full year?

The total amounts earned by the workers with 46 weeks or more of employment in the year varied widely for the several occupations. Cutters had the highest average, \$2,048; blockers the second highest, \$1,927; and trimmers the lowest, \$858.

However, only comparatively small proportions of the workers—from a little over two-fifths of the cutters and blockers to considerably less than a fifth of the general factory workers—had 46 weeks or more of employment.

In 1937, for the various occupations, the proportion of workers employed 46 weeks or more and their average year's earnings were as follows:

	<i>Percent of total</i>	<i>Average year's earnings</i>
Cutters	42. 2	\$2, 048
Blockers	41. 5	1, 927
Trimmers	25. 5	858
Operators	21. 1	1, 601
General factory workers	16. 5	943
Nonproductive workers	35. 0	1, 514



What can the general run of workers in the various occupations hope to earn during the year?

Not quite a fifth of all workers earned \$1,000 or more; over three-fifths earned less than \$600. Steadiness in earnings during a year varies considerably for the different occupations, as is illustrated by chart 8.

The year's earnings of blockers and cutters are the highest because their rates of pay generally are higher and their employment is steadier than in most other occupations. Over half the workers in each of these occupations earned \$1,000 or more.

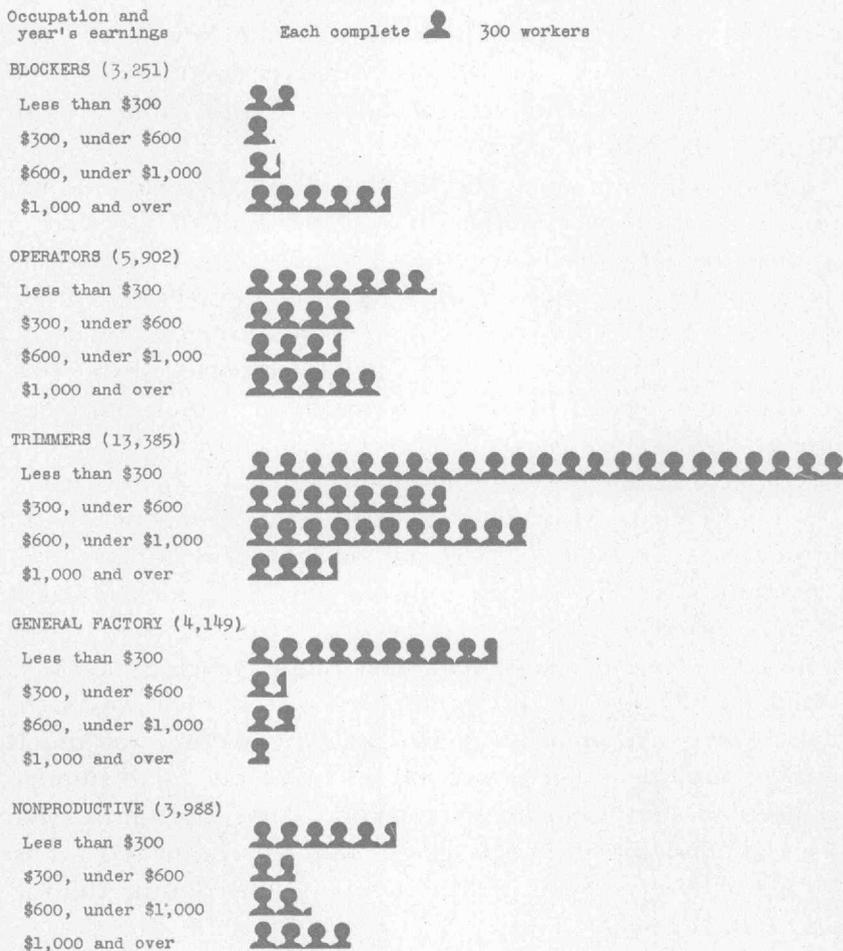
Operators, who perform skilled work with a high rate of pay, fail to earn a sufficient yearly income because of their irregular employment.

Trimmers and general factory workers suffer from low rates of pay in addition to lack of steady work.

Nonproductive workers, though averaging less a week than operators, show a better average for the year because their employment is fairly steady.

The following chart shows the number of workers in each occupation who earned amounts specified.

CHART 8.—Annual earnings by occupation.





What can workers in specific occupations in the various areas hope to earn during the year?

Blockers have their best prospects in New York City, with the average for the year 1937 of \$1,789 (1,113 employees), and their poorest prospects in Texas, with an average of \$305 (184 employees). Other areas where average earnings exceeded \$1,000 were Connecticut and Outside New York City, northern New Jersey, and Illinois. An average of under \$700 was found in Massachusetts, the South Atlantic area, Texas, Missouri, and San Francisco.

Cutters, who are much the smallest of all the occupational groups, generally work either most of the year or less than 3 months, the latter reducing the average even in the better-paying places. In New York City, where 52-week cutters averaged \$2,455, short-time employment brought down the average for all employed in 1937 (only 221 reported) to \$1,189, an amount exceeded in four areas with very small numbers. Illinois, ranking next to New York City in number of cutters, also ranked next in average earnings—\$1,154. In 3 areas—Cleveland-Detroit-Milwaukee, Texas, and Connecticut and Outside New York City—average earnings were less than \$1,000, the area last named showing only \$372 for the small group reported.

Operators, like blockers, had their highest average in New York City (\$1,005 for 1,938 employees) and their lowest in Texas, \$290. No area but New York City averaged so much as \$700, but the range was \$500 and under \$700 in Illinois, Connecticut and Outside New York City, northern New Jersey, Philadelphia, Los Angeles, and San Francisco. The average fell below \$400 in Massachusetts, the South Atlantic area, and Texas.

General factory workers had their highest average, \$670, in the Cleveland-Detroit-Milwaukee area. Their lowest average, \$154, was reported for Texas. The second highest average was \$454 in San Francisco. In all other areas the average was below \$400, though the Philadelphia area, Missouri, Connecticut and Outside New York City, New York City, and the

South Atlantic area, in descending scale, had an average above \$300. New York City, which had 1,589 general factory workers, by far the largest number, had an average of only \$313; Illinois, an average of only \$248.

Trimmers had general difficulty in earning a sufficient income, the highest average being for New York City, \$508 for the 4,743 workers. Again Texas had the lowest average, \$172. Only one other area, Connecticut and Outside New York City, had an average of over \$400, and no area but Texas had one below \$200. Illinois, with the second largest number of trimmers, had an average of \$350, and Massachusetts an average of only \$270.

Nonproductive workers had their highest average, \$972, for the small number in northern New Jersey, and their lowest average, \$595, in Texas. In all other areas the average exceeded \$700, and it was above \$900 in Missouri and Los Angeles. New York City, with almost 2,000 of these workers, had an average of only \$710.



To what extent do rates actually vary in the different areas?

Hourly earnings are the best test of the prevailing wage standards, whether based on time rates or on piece rates.

Most of the workers are paid by the piece. In San Francisco, making more expensive hats, all workers are paid a weekly rate.

Blockers usually work as a "corporation," that is, two, three, or four blockers pool their earnings, each getting a specified amount for the week. Occasionally, on fabric hats, sewing-machine operators work as a corporation.

To set fair piece rates is a complicated matter. Because orders for a particular model tend to be small, many different models may be worked on in any one week, and fair piece rates must be set for each operation on each model. Union contracts fix basic hourly rates for "average good workers," and the piece rates for each operation are set to yield these amounts.

The piece-work situation is particularly complicated for trimmers. In New York City the effort made to set rates that will give to the average worker the same earning power, regardless of the amount of work on any hat, has met with some success, average hourly earnings on the various price groups of hats, reported by 2,458 trimmers, ranging only from 76 cents to 81 cents. Such a degree of uniformity had not been attained by trimmers elsewhere. For example, in Illinois, the State with the second largest number reported, 854, the range was from 42 to 65 cents an hour.

In areas where workers are not organized and therefore are not safeguarded by union contracts, hourly earnings are strikingly lower than in centers where the union is an important factor.



How do the average hourly earnings of workers as revealed by the survey compare with the Federal 40-cent minimum?¹

In order to compare production rates of each craft from firm to firm and from area to area, the Women's Bureau in its survey asked that employees keep a record for one week of the number of hours worked each day, the number of hats worked on each day, the price paid for each pattern of hat, and the total earnings for the week.

The week selected was a busy one in the spring of 1938—in most cases the 6 days beginning with March 28. Of the 7,525 workers reporting the information, 5,408 were piece workers.

In regard to their hourly earnings, only 6 percent of all workers earned less than 40 cents an hour. Only in Texas was the average (mean) for all workers who reported below this amount; in that State it was 36.8 cents.

Thus the section with the largest proportion of workers who earned less than 40 cents was Texas, where over three-fifths of the workers received such low wages and one-fifth earned

¹ A 40-cent minimum was recommended by the Millinery Industry Committee, comprised equally of representatives of the public, the employees, and the employers, set up by the Wage and Hour Division of the U. S. Department of Labor. The recommendation was approved by the Administrator, who issued an order setting this rate as the minimum for the industry on and after January 15, 1940.

less than 25 cents. As the Texas records of hours and earnings were copied from the factory pay rolls instead of being reported by the workers themselves as in the other areas, the data on Texas are definitely authentic.

The section with the second largest group earning under 40 cents was the South Atlantic area. About one-third of the employees earned less than 40 cents, and nearly one-tenth earned less than 25 cents.

The other areas had comparatively small proportions with hourly earnings of less than 40 cents.



How much do hourly earnings vary for the three principal productive occupations?

Blockers top the list in regard to hourly earnings. Only in Texas, the South Atlantic area, and Missouri did any proportion of blockers or blockers' helpers earn less than 75 cents an hour.

Trimmers' hourly earnings were widely spread, but there were marked concentrations in Missouri at 50 and under 60 cents, in Illinois at 50 and under 65 cents, in the New Jersey area at 55 and under 65 cents, and in New York City at 60 cents and over.

Operators' earnings differed more in the several regions, though everywhere but in Texas they were relatively high in this spring week.

Average hourly earnings (mean) from data reported by workers ² for the week of March 28, 1938, were as follows:

<i>Area</i>	<i>Blockers</i>	<i>Operators</i>	<i>Trimmers</i>
New York City	\$1. 92	\$1. 54	\$0. 794
Illinois	1. 47	1. 02	. 618
Philadelphia	1. 15	. 879	. 553
Cleveland—Detroit—Milwaukee	1. 04	. 727	. 515
Missouri . . . . .	. 923	. 827	. 565
San Francisco . . . . .	. 869	. 646	. 477
Northern New Jersey . . . . .	. 838	. 879	. 596
Texas . . . . .	. 482	. 377	. 347

² Except in Texas, where firms' records were available. All figures exclude overtime.



How much do weekly earnings vary in different production areas?

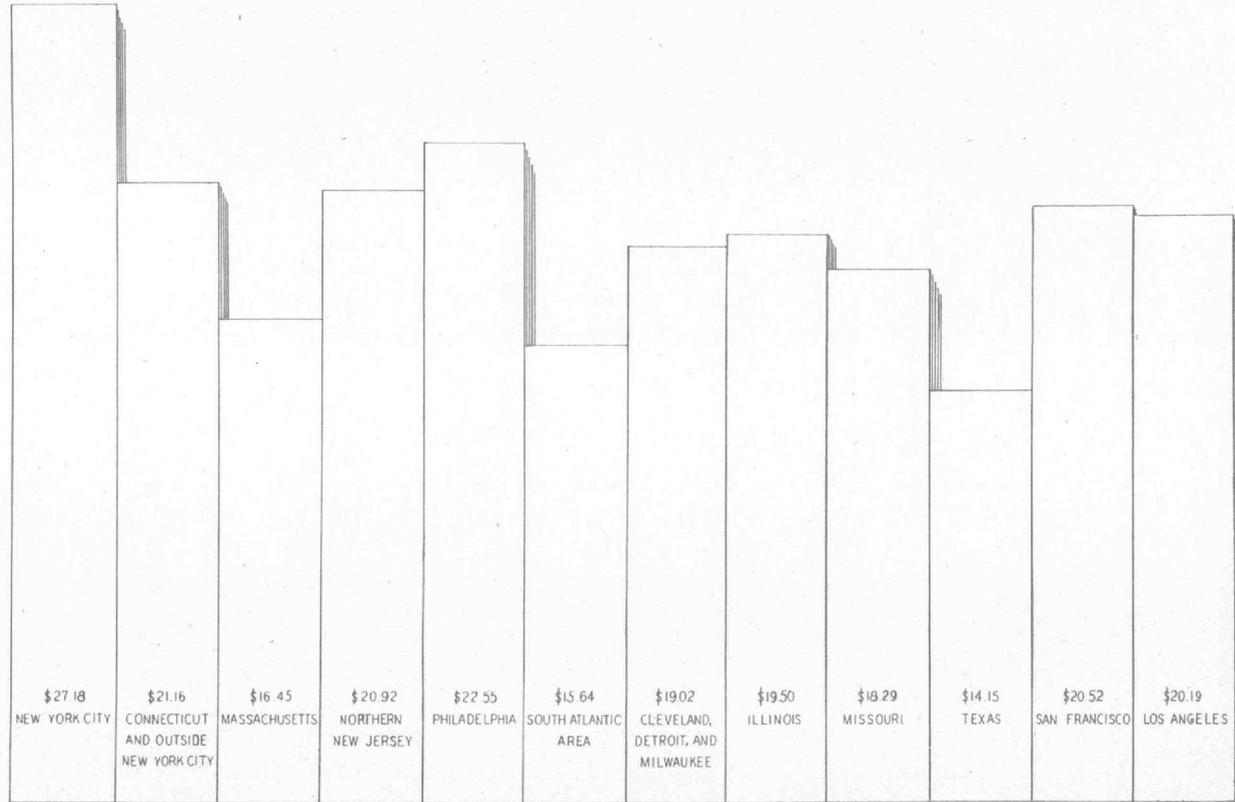
When the weekly average for a year is used as a measure, the picture given represents both the wage standards prevailing in the area and the effect of seasonal unemployment. A comparison of the areas on this basis shows New York City as a skyscraper locality towering conspicuously above all other areas.

In 1937 the weekly average for all workers in New York City was \$27.18. This was higher than the averages in other areas by 20 and under 30 percent in three cases, 30 and under 40 percent in three, 40 and under 50 percent in two, and 60 percent and over in three. The list follows:

<i>Area</i>	<i>New York City was higher by— (percent)</i>
Texas	92.1
South Atlantic area	73.8
Massachusetts	65.2
Missouri	48.6
Cleveland—Detroit—and Milwaukee	42.9
Illinois	39.4
Los Angeles	34.6
San Francisco	32.5
Northern New Jersey	29.9
Connecticut and Outside New York City	28.4
Philadelphia	20.5

Chart 9 shows the relation between the weekly average for all workers in New York City and the averages in other areas.

CHART 9.—Average weekly earnings of all workers according to area.





How much a week can men and women in the various occupations expect to earn in the different areas?

Blockers, cutters, machine operators, and trimmers had their highest weekly average over the year in New York City, but general factory workers averaged the most in Massachusetts, and nonproductive workers the most in the Philadelphia area.

Amount and area of highest and second highest average weekly earnings for the year 1937, by occupation

Blockers	\$43.27 in New York City. \$35.37 in Illinois.
Cutters	\$42.68 in New York City. \$41.12 in northern New Jersey.
Operators	\$37.43 in New York City. \$27.65 in Philadelphia area.
Trimmers	\$18.55 in New York City. \$16.67 in San Francisco.
General factory workers	\$18.37 in Massachusetts. \$17.46 in San Francisco.
Nonproductive workers	\$26.14 in Philadelphia area. \$25.90 in Cleveland-Detroit-Milwaukee.

Amount and area of lowest and second lowest average

Blockers	\$16.87 in South Atlantic area. \$17.45 in Texas.
Cutters	\$16.56 in Cleveland-Detroit-Milwaukee. \$16.97 in Texas.
Operators	\$14.14 in Texas. \$16.27 in Massachusetts.
Trimmers	\$9.35 in South Atlantic area. \$11.40 in Texas.
General factory workers	\$10.86 in Cleveland-Detroit-Milwaukee. \$11.59 in Texas.
Nonproductive workers	\$19.15 in Texas. \$20.24 in Missouri.

Part IV—Workers' Stake in the Firm's Business



How much of the income from millinery manufacture goes to employees and how much to employers?

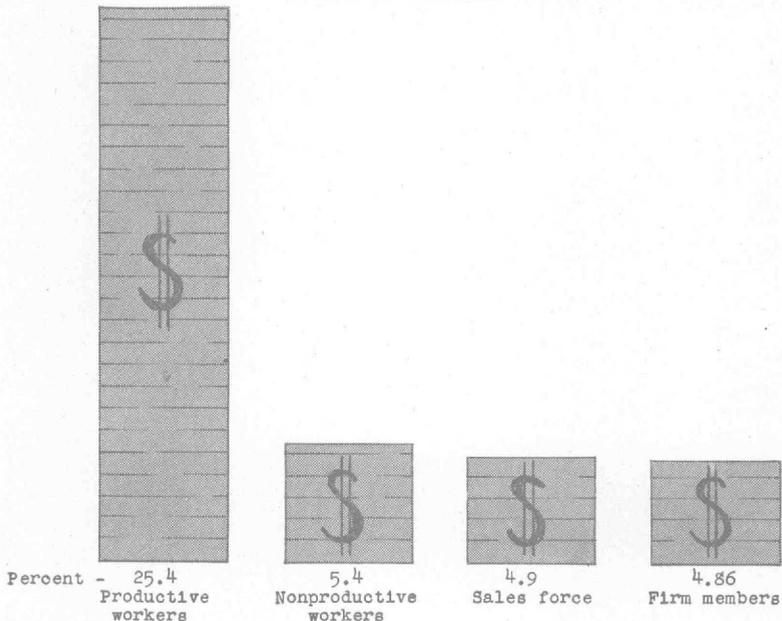
After costs of materials, supplies, and overhead were subtracted from sales in 1937, 41 cents of every dollar of sales was available for the services of employers and employees.

Of the total amount of income in 1937, the shares received by workers and employers were as follows:

	<i>Percent</i>
Blockers, cutters, operators, trimmers, general factory workers . . .	25.4
Foremen, designers, shipping force, office workers	5.4
Sales force	4.9
Left for firm members or for reinvestment (but they withdrew 5.6 percent, causing a loss to show on their books)	4.86

Chart 10 shows what proportions of the total income of the millinery industry go to workers and employers.

CHART 10.—Proportion of total income of the industry paid to workers and proportion remaining for employers.





How does the amount available for distribution to employees and employers vary?

The survey showed that this varies according to volume of business, price of hats, amount spent for other items of cost in each locality, and trade practices.

The manufacturers in this industry range from men selling less than \$50,000 worth of hats in a year to men selling over \$500,000 worth, but every firm, large or small, must meet the problem of running the business on a sound basis.

Has the worker a stake in the manufacturer's success?

The welfare of the worker is so closely related to the manufacturer's success that every employee should be interested to know how he is affected by the various factors entering into the operation of the business.



What are the costs of the millinery industry and how do the amounts spent for various items rank in importance?

The costs of running the factories and selling the hats can be broken down into several general groups:

1. *Manufacturing costs cover:* All labor, direct and indirect; hat materials bought during the year plus or minus inventory differences at beginning and end of year, purchasing discounts, and express on incoming goods; equipment, including blocks and dies, and any repairs on equipment; rent; power, light, heat, water; factory and supply insurance.
Manufacturing costs in 1937 formed 84.3 percent of all costs and included two major items: Hat materials, comprising almost half of all costs, and labor costs, accounting for about 30 percent of all costs. All the other items chargeable to manufacturing totaled only 5.7 percent, of which rent was the largest and blocks and dies the second largest expense.
2. *Selling costs cover:* Sales, salaries and commissions, advertising, travel and entertaining. These costs comprised only 6.8 percent of the total costs, the service of selling accounting for 5.2 percent, travel and entertaining 1.2 percent, and advertising 0.4 percent.
3. *Office, shipping, and miscellaneous costs cover:* Salaries in these departments, office and packing supplies, printing, various special services, transportation, communication, and so forth. These costs were 6.7 percent of the total, and again salaries were the major expense.
4. *Financial expenses cover:* Credit service (often including association dues), collection charges, interest, bad debts, taxes, life and accident insurance. These costs comprised only 1.9 percent of the total.
5. *Depreciation,* which accounted for 0.3 percent of all expenses.



How does the total of manufacturing costs per hat vary on the differently priced hats in the several areas?

For hats wholesaling at \$7.50 or less a dozen, manufacturing costs per hat were approximately the same in the four major competing areas, in spite of differences in labor costs. Of all areas, Texas had the lowest and Missouri the highest manufacturing costs. These costs were offset in total expenses by low sales and overhead costs in Missouri firms and by high sales and overhead costs in the Texas factories.

For hats wholesaling at above \$7.50 and including \$13.50 a dozen, manufacturing costs per hat were very close in the New York City, the Illinois, and the Missouri firms, but were lower in northern New Jersey and higher in Massachusetts. Massachusetts had the lowest sales and overhead costs.

For hats wholesaling at above \$13.50 and including \$24 a dozen, manufacturing costs per hat varied from \$0.82 in the South Atlantic area and \$0.87 in Illinois to \$1.22 in New York City.

For hats wholesaling at above \$24 a dozen, manufacturing costs per hat varied from \$2.02 in Illinois to \$2.36 in San Francisco.



How do the costs of hat materials differ in firms doing various amounts of business?

These expenses were strikingly similar when the various firms were grouped according to volume of sales. As already stated, they constituted by far the largest item, not far from half of the total expenses in each group of firms when classed by net sales.

Since costs of hat materials take so large a part of the budget, it is important to control expenditures for such materials through scientific buying. It is the difference of a cent or a fraction of a cent on this or that expense that makes a manufacturer's income large enough for him to stay in business or so small as to force him into bankruptcy.

The following chart shows the proportions paid for the various items according to amount of business done by the firms.

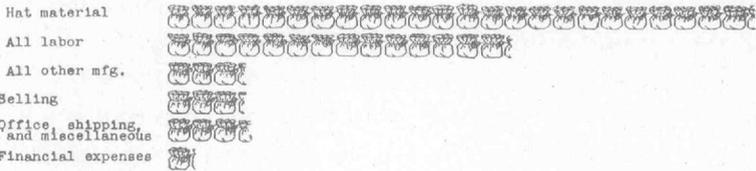
CHART 11.—Distribution of income by operating costs according to net sales of firm.

Net sales; operating accounts

\$50,000 and under

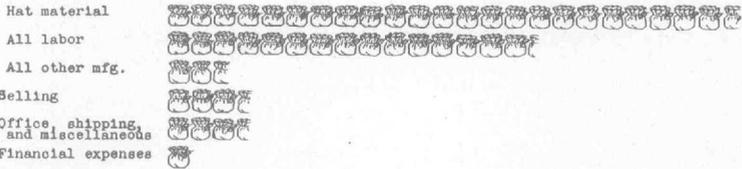
Each complete  two percent

Manufacturing



Over \$50,000, including \$100,000

Manufacturing



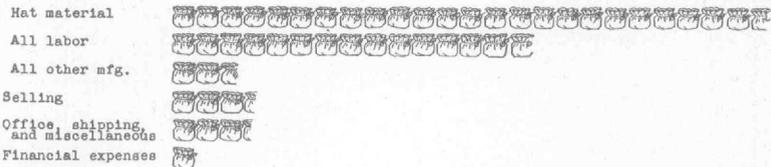
Over \$100,000, including \$200,000

Manufacturing



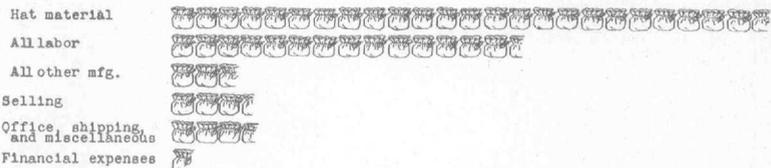
Over \$200,000, including \$300,000

Manufacturing



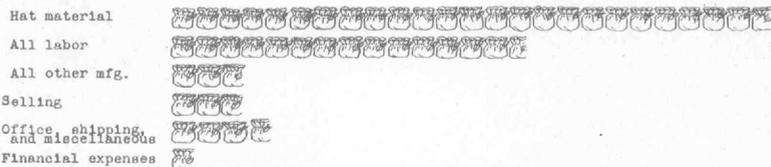
Over \$300,000, including \$500,000

Manufacturing



Over \$500,000

Manufacturing





How does the cost of labor, the second largest item, vary under certain conditions?

The price at which hats are sold has a very direct bearing on the manufacturing costs for labor, that is, productive labor, designing, and direct supervision combined. In 1937 these costs rose in proportion to the total costs with each rise in price, excepting only the line of hats priced at above \$13.50 and including \$24. The manufacturing labor costs on hats wholesaling at over \$48 a dozen and at \$7.50 and less a dozen were respectively 35 percent and 26 percent.

In 1937 manufacturing labor costs varied by area and price of hat as follows:

	<i>Percent manufactur- ing labor costs were of total</i>
<i>Cheapest hats (wholesaling at \$7.50 a dozen and below):</i>	
New York City	28.7
Missouri	24.3
Northern New Jersey	22.5
Connecticut and Outside New York City	22.4
Massachusetts	19.8
Texas	17.8
<i>Hats sold in the largest volume (over \$7.50 to \$13.50 a dozen):</i>	
Illinois	36.1
Missouri	31.3
New York City	30.9
Northern New Jersey	28.0
Massachusetts	22.9
<i>Hats sold at over \$13.50 to \$24 a dozen:</i>	
Illinois	30.2
Massachusetts	30.2
New York City	29.0
Missouri	27.6
<i>Hats sold at over \$24 to \$48 a dozen:</i>	
San Francisco	35.8
New York City	32.4
Los Angeles	32.4
Illinois	30.3
<i>Most expensive hats (over \$48 a dozen):</i>	
New York City	36.3
Los Angeles	33.8
San Francisco	31.9



To what extent does the amount left for employers vary because of other business factors?

The "income," that is, the net returns or net profit, is the amount left for employers; in other words, it is the amount left after the manufacturing costs and the sales, operating, and financial expenses have been subtracted from the net selling price.

With variations in all items and different net selling prices of hats even in the same sales range, there are considerable differences in the net returns to the firm.

A significant picture is given by comparing the net returns per hat for millinery in the various price groups in 1937. The net returns per hat were smallest for the cheapest hats—\$0.03 for those priced at \$7.50 and less a dozen—but they rose steadily as the price increased. The most expensive hats, those selling at above \$48 a dozen, showed a profit per hat of \$0.365.

<i>Wholesale price per dozen</i>	<i>Average net returns to firm per hat (cents)</i>
\$7.50 and less	3.0
Over \$7.50, including \$13.50	3.9
Over \$13.50, including \$24	4.7
Over \$24, including \$48	15.8
Over \$48	36.5

For firms showing a profit before firm members' withdrawals, such profit was 5.92 percent of net sales. It was highest among Texas firms (10.25 percent) and among Los Angeles firms (8.15 percent); it was lowest among northern New Jersey firms (4.25 percent). New York City firms' income constituted 5.79 percent of sales.



What do net selling price,¹ manufacturing and selling costs, and net returns to firm average per hat?

These items varied according to the different priced hats and the several areas. It is of most interest, perhaps, to illustrate such differences by detailed data on the cheapest type of hats (\$7.50 and less a dozen) and on hats that sold in largest volume (over \$7.50 and including \$13.50 a dozen), for the five most important areas in each case.

Hats wholesaling at \$7.50 and less a dozen:

New York City was only slightly above the average, with a net selling price of 52.3 cents a hat, manufacturing and selling costs of 49.1 cents a hat, and net returns to the firm of 3.2 cents a hat.

Northern New Jersey had next to the lowest net selling price (51.4 cents), average manufacturing and selling costs (49.8 cents), and the lowest net returns to the firm (1.6 cents).

Massachusetts had a net selling price of 55.3 cents, manufacturing and selling costs of 51.6 cents, and net returns to the firm of 3.7 cents.

Connecticut and Outside New York City had much the lowest net selling price (40.1 cents), much the lowest manufacturing and selling costs (37.8 cents), and next to the lowest net returns to the firm (2.3 cents).

Texas had a higher than average net selling price (53.7 cents), the second lowest manufacturing and selling costs (46.8 cents), and the highest net returns to the firm (6.9 cents).

¹ The net selling price is the actual amount that the manufacturer receives from sales after the deduction from the gross sales of the trade discounts, allowances, and losses due to returned goods.

Hats wholesaling at over \$7.50 and including \$13.50 a dozen:

New York City ranked neither first nor last, with a net selling price of 90.6 cents a hat, manufacturing and selling costs of 87 cents a hat, and net returns to the firm of 3.6 cents a hat.

Illinois was above average, with a net selling price of 92.9 cents a hat, manufacturing and selling costs of 88.8 cents, and net returns to the firm of 4.1 cents.

Missouri had one of the lowest net selling prices (89.7 cents), manufacturing and selling costs slightly above average (86.8 cents), and the lowest net returns to the firm (2.9 cents).

Massachusetts had one of the highest net selling prices (95.9 cents), the second highest manufacturing and selling costs (90 cents), and net returns to the firm above average (5.9 cents).

Northern New Jersey had much the lowest net selling price (68 cents), the lowest manufacturing and selling costs (65 cents), and one of the lowest net returns to the firm (3 cents).

The differences between gross and net sales were least on the lowest-priced hats, and increased with the wholesale price, in every area where such comparison was possible.



What volume of sales seems necessary for firms to earn a sufficient income?

In general, not until firms do a business of over \$100,000 does the amount available for firm members exceed materially the earnings of their full-time better-paid employees. Only then are returns large enough to pay them for their services as executives, buyers, sellers, or in other important work.

In the firms with net sales in 1937 of over \$100,000 and including \$200,000, the average amount available to be divided by the two or more firm members or to be reinvested in the business was \$7,697 for all firms combined. This was 5.6 percent of the net sales.

With net sales of over \$50,000 and including \$100,000, the average amount available to the firm was \$4,344, or 6.1 percent of the net sales.

And when net sales were \$50,000 or less, the average, though 7.5 percent of the net sales, was only \$2,284, to be divided by the two or more firm members.

Thus with larger volume of sales, though the income for firm members actually was much larger than with smaller volume of sales, the proportion that such income comprised of net sales decreased as the volume increased. This is true even when only those firms showing a net profit in 1937 are considered, as in the following:

Firms with a net profit in 1937		
<i>Volume of sales (net)</i>	<i>Amount available for dividing among firm members</i>	
	<i>Average per firm</i>	<i>Percent of net sales</i>
\$50,000 and under	\$2, 831	9. 3
Over \$50,000, including \$100,000	5, 249	7. 3
Over \$100,000, including \$200,000	9, 120	6. 7
Over \$200,000, including \$300,000	12, 077	5. 0
Over \$300,000, including \$500,000	15, 009	4. 1
Over \$500,000	33, 110	3. 9



Does a loss appearing on the books mean a real loss to employers?

Not far from two-thirds of the firms that showed a net profit had a book loss after the firm members withdrew their share of the income, because their withdrawals were out of line with the business done. Thus only 144 firms, or somewhat less than a third of all reporting their income accounts, had a book profit after the members' withdrawals.

Real losses, that is, when there was nothing available for firm members after all costs were met, were experienced by about a tenth of the firms in business for at least 11 months of 1937 and at time of survey.

While real losses occurred in both large and small businesses, they were more common among firms in the smaller-volume classes. A little over a tenth of the firms in the three lowest-volume groups, that is, those of \$200,000 and under, had actual losses. To be sure, the number of firms decreases markedly when volume of net sales exceeds \$200,000, but even in the two groups with the largest volume of sales there were one or two firms that operated at a real loss.

Operation at a real loss was reported in all areas but the small-production areas of Connecticut and Outside New York City, Philadelphia, and Cleveland-Detroit-Milwaukee.

Operation at a real loss was reported by firms in each grade of hats but those of highest price—over \$48 a dozen.

Part V.—Organizations of Employers and Employees



To what extent are manufacturers and employees in the industry organized to help work out their problems?

Altogether there were 12 different organizations of employers in 1938, but even these did not include all manufacturers. There is no strong national association, Nationwide in its membership—the type of organization necessary to enable employers in all areas to cooperate in the solution of problems and to work with the organized employees to their mutual advantage. There is, however, a growing interest in a National Council of Millinery Associations and in the effective educational work of the Millinery Stabilization Commission (see below).

There is a strong union in the industry—the United Hatters, Cap, and Millinery Workers' International Union, to which over four-fifths of the employees in the industry belonged in 1938. The union is making constant effort to organize all the important areas and to bring all workers into its ranks.

The Millinery Stabilization Commission is an unofficial, impartial body, whose personnel is agreed upon by representatives of employers and workers in the industry, and whose purpose is to investigate the ills of the industry and to initiate a campaign of stabilization. It has served as a voluntary cooperative agency to promote the interests of the industry, chiefly in the New York City and New Jersey centers. Its principal functions thus far have been the development of fair commercial practices; the introduction of cost-accounting methods; trade promotion; and the education of manufacturers, raw-materials supply houses, and wholesale and retail distributors to the importance of cooperation in putting the industry on a sound economic basis. The Commission issues a consumers' protection label, sewed into hats to show consumers that the article has been produced under fair trade practices and established labor standards.

Part VI.—Rehabilitation of the Industry



How can the industry be put on a sounder basis?

There is no single remedy as there is no single cause of the trouble. The disorders are the result of a combination of factors. Some of these—part and parcel of the present economic system and the result of Dame Fashion's decrees—are exceedingly difficult to control. But there are other factors for which forces within the industry are largely responsible and which can be adjusted and controlled by the industry itself. Many of the detrimental effects of such factors can be eliminated through the cooperative efforts of organizations of manufacturers and workers. For the solution of other problems, the cooperation of retailers and of consumers with the manufacturing branch of the industry appears essential.

Certain desirable and possible procedures are suggested as follows:

1. The economic equilibrium between millinery manufacturer, materials supply house, and millinery purchaser (retailer) can be attained and maintained by intelligent effort and mutual confidence within the manufacturing branch itself.

The strength of the manufacturing branch must be built up to equal that of the branches that service it and that it services, if control is to be gained over the destroying force *within* the industry.

Adequate control of forces within the industry is possible through cooperative and systematic effort of employers and employees.

Effective cooperation is possible only if employers build up a strong association to cooperate with the strong union that already exists. By this means the groups may work together through a voluntary organization representative

of all parts of the industry and all areas, to promote their common interest in the welfare of the industry.

2. The development of scientific business organization and use of good business methods is essential. Many ills arise from attempts to operate without adequate resources and without knowledge of sound business methods or market conditions. A program to correct this must include the following functions:

To secure credit from legitimate sources at legitimate rates.

To interpret price trends and market conditions in order to negotiate to best advantage with hat-materials dealers. As materials comprise almost half of all costs, the purchasing of them should be put on an efficient and scientific basis.

To plan each season's production with the aid of style research agencies, and to avoid flooding the market with freakish models, unacceptable to large proportions of the consuming public.

To calculate costs of manufacture, including allotment for factory management, selling, and overhead charges on each type of hat. The saving of a fraction of a cent at many points makes for profit.

To carry on manufacture under efficient management, with careful planning of equipment, arrangement, operations, and employment.

To negotiate sales on the basis of preliminary designs as far as possible in advance of delivery.

3. Development of larger markets for millinery is desirable and possible. The best potential market today is among women of 30 to 55 years of age. If the 2,500,000 women of these years engaged in business and the professions bought three or four hats a year, and home makers of the same ages bought two hats a year, the sales of millinery would be materially increased. It should be possible to expand the hat market at present prices by at least 50 percent.

A part of the oversupply of workers could then find employment, and it would be possible to assess the number of new workers that could be absorbed and to adjust training facilities accordingly.

4. Women consumers' aid can be enlisted to lengthen seasons and to steady style caprice so as to aid the industry to increase sales, plan for changes, lengthen production seasons, and give better values because of better plans.

Closer contact between women consumers and the manufacturers is necessary and may be established through consumer style appraisals for four seasons each year before hats are offered to the retailer.



WOMEN'S



BUREAU