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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1922.

No. 795 and No. 796.

JESSIE C. ADKINS, *et al.*, Constituting the  
Minimum Wage Board of the District  
of Columbia,

*Appellants,*

vs.

THE CHILDREN'S HOSPITAL OF THE DIS-  
TRICT OF COLUMBIA, a Corporation.

JESSIE C. ADKINS, *et al.*, Constituting the  
Minimum Wage Board of the District  
of Columbia,

*Appellants,*

vs.

WILLIE A. LYONS.

**BRIEF ON BEHALF OF  
INDUSTRIAL WELFARE COMMISSION  
OF THE STATE OF CALIFORNIA**

**INTRODUCTORY.**

Almost ten years have elapsed since the enactment of the Minimum Wage Law for women and minors in industry in the State of California. The value of the law has come to be recognized by all sections of our people, employers and employees alike. With the successful, practical operation of the act, no organized opposition to its continuance is known to exist in this State. This brief is confined to a statement of the results of actual experience in the State of California with this legislation. In the face of this experience it would seem clear that such legislation is not arbitrary or spoliative of constitutional

rights, but, indeed, highly essential for the protection of women and children in industry. This brief is filed because of the interest of the State of California in the continued safeguarding of her future motherhood by minimum wage legislation.

#### HISTORY OF THE MINIMUM WAGE LAW IN CALIFORNIA.

In 1912 certain investigations made by the California Bureau of Labor Statistics as to wages paid to women in the industries of the State, revealed the fact that many women were living below any normal standard, and that such subnormal living was having a most disastrous effect on the health and morals of the women workers.

During 1913 the Legislature of California passed a minimum wage law and created an Industrial Welfare Commission to determine the cost of living and to fix the minimum wage, maximum hours of labor and the proper conditions for women and minors in industry. The same Legislature also submitted to the voters of the State in 1914 the following amendment to the State Constitution, known as Section 17½, Article XX:

The legislature may, by appropriate legislation, provide for the establishment of a minimum wage for women and minors and may provide for the comfort, health, safety and general welfare of any and all employees. No provision of this constitution shall be construed as a limitation upon the authority of the legislature to confer upon any commission now or hereafter created, such power and authority as the legislature may deem requisite to carry out the provisions of this section.

This amendment was carried by a majority of 84,000 votes.

In 1914 careful studies of the cost of living proved that \$9.63 was the minimum cost of proper living. It was also shown that 58.2% of the working women in the major industries of the State received less than \$10.00 a week.

In 1915 an exhaustive survey was made of the fruit and vegetable canning industry which showed that this industry employed, during the canning season, the largest number of women workers in any industry in the State. The survey also revealed the fact that wages as low as 10¢ per hour and working days of from 12 to 15 hours prevailed. Following the survey the Commission, in February, 1916, fixed a minimum wage in the fruit and vegetable canning industry of 16 cents an hour for all work performed up to 10 hours a day and 20 cents an hour for all work after ten hours per day. It also fixed a minimum piece rate for the preparation of certain products.

In 1917 and 1918, the Industrial Welfare Commission established a minimum wage of \$10 per week in the mercantile, laundry, fish canning, fruit and vegetable packing and canning industries, for general and professional offices, unskilled and unclassified occupations, and the manufacturing industry. Sanitary regulations were also issued to cover these industries.

In 1919 an exhaustive study was made of the cost of living and it was found that \$13.57 per week was the least amount that would provide the necessary cost of proper living for a woman worker. During 1919, orders were issued fixing a minimum wage of \$13.50 per week in all industries employing women and minor workers, except telephone and telegraph operators whose schedules of wages were then in excess of the minimum wage fixed by the State.

In 1920, as a result of a new study of the cost of living, a \$16.00 minimum wage was established in all industries employing women and minors with the exception of the telephone and telegraph industry. Investigations carried on in the latter part of 1922 have resulted in the re-affirming of the \$16 a week minimum wage by the Industrial Welfare Commission, and the Commission is now calling a wage board in the telephone and telegraph industry, with a view to issuing a wage order.

## I.

SUFFICIENCY OF STATISTICAL DATA HEREIN-  
AFTER USED AS BASIS FOR DEDUCTIONS  
AS TO THE EFFECT OF MINIMUM  
WAGE ORDERS\*

The Industrial Welfare Commission has in its records information gathered over a period of four years and covering from 43,658 women in 2,491 establishments in 1919 to 59,036 women in 4,350 establishments in 1922. In view, therefore, of the large number of women in this survey, this information may be considered conclusive.

A. THE SUB-STANDARD WORKER WHO  
THROUGH PHYSICAL INFIRMITY OR OLD  
AGE MIGHT NOT BE KEPT EMPLOYED AT  
HIGHER RATES, HAS BEEN TAKEN CARE  
OF BY THE ISSUANCE OF INFIRM WORK-  
ERS' PERMITS TO WORK FOR LESS THAN  
THE MINIMUM WAGE.

To prevent women handicapped by physical infirmity or age from being excluded from industry, the Industrial

\*The special attention of the Court is also directed to the data prepared from the Twentieth Biennial Report of the Bureau of Labor Statistics of the State of California by Louis M. Bloch, Statistician of the Bureau of Labor Statistics. See Appendix, pp. 16, 17.

Welfare Commission, in conformance with the law, has issued infirm workers' permits to women to work for less than the legal minimum wage.

During 1922 the Industrial Welfare Commission issued to handicapped women 127 permits to work for less than the minimum wage, in three major industries. This is only twenty-two one hundredths of one per cent of the 58,957 women employed, thus showing that there has been no abuse of this privilege but that protection has been afforded these handicapped workers. There has been no tendency to substitute these workers for workers of ordinary ability at the minimum wage.

**B. THE EXPERIENCE OF CALIFORNIA PROVES THAT A WAGE SYSTEM BASED UPON UNREGULATED "COMPETITIVE ABILITY" IS NOT JUST AND LEADS TO SUBNORMAL LIVING.**

In California in 1914, under a wage system "based on competitive ability", 58.2% of the women workers of the State received less than \$10.00 a week, the minimum cost of living at that time.

**C. THE EXPERIENCE OF CALIFORNIA HAS DEMONSTRATED THAT A FIXED MINIMUM WAGE DOES NOT IN "THE LAST ANALYSIS BECOME A FIXED WAGE" OR A MAXIMUM WAGE. SCHEDULE I.\***

Table I, covering 52,326 employees shows that—

1. Only 8.2% of all wage earners included in this table received rates less than \$16.00 per week. This group represents the registered apprentices.

\*See Appendix, p. 13.

2. 32.9% of all wage earners included in this table received the weekly minimum rate of \$16.00.
3. 58.9% of all wage earners included in this table received rates more than the legal minimum rate of \$16.00 per week.

D. THE EXPERIENCE OF CALIFORNIA PROVES THAT AN EMPLOYER WHO IS COMPELLED TO ADVANCE THE WAGES OF CERTAIN WORKERS DOES NOT "EQUALIZE THE COST OF OPERATION" BY LOWERING "THE WAGE OF THE MORE COMPETENT TO THE COMMON BASIS." SCHEDULES II AND III.\*\*

In 1917, four months before the \$10.00 minimum wage became effective, 41.4% of the women and minor workers in the mercantile industry received less than \$10.00 per week, and 14.5% received \$16.00 and over per week.

In September, 1917, in the month when the minimum wage of \$10.00 became effective payroll studies show that the number receiving less than \$10.00 a week had been reduced to 20.3%, while the group receiving \$16.00 and over remained practically static, i. e., the wages of those in the groups receiving the minimum and above, were not advanced, but, on the other hand, there was no lowering of the wages in these groups to equalize the cost of operation. However, in each succeeding payroll study it was found that the per cent of women in the higher wage groups constantly increased and there was a corresponding decrease in the per cent of women in the lower wage groups, showing that a complete upward re-

\*\*See Appendix, pp. 14, 15.

adjustment in the wage scale was effected with each advance in the minimum wage.

In March, 1919, three months before the minimum of \$13.50 became effective, we find that 22.7% of the women workers received \$16.00 and over per week. In July, 1919, the month in which the \$13.50 minimum became effective, 26.8% of the women received \$16.00 and over per week, an increase of 4.1%.

From payrolls gathered in the Fall of 1920, immediately after the \$16.00 minimum became effective, we find 86.9% of the women receiving \$16.00 and over per week, and 46.9% receiving over the minimum wage. In March, 1922, 93.9% received \$16.00 and over a week and 61% received over the minimum wage.

In further proof of the statement that "an employer who is compelled to advance the wages of certain workers *does not* 'equalize the cost of operation' by lowering 'the wage of the more competent to the common basis'", the following excerpt from the verbatim report of a public hearing held in San Francisco on December 14, 1922 is given as the view of a large employer of women:

Question: What, generally, is the effect in an industry such as you are familiar with, of any change in the minimum wage scale in the State of California? When a minimum wage is changed, does it merely change the status of those people directly affected, or is it reflected throughout the industry?

Answer: I can give you the exact effect upon two occasions. The first minimum wage advance that was made in our own establishment meant an immediate increase in wages—I don't remember just how much. The indirect advances we found were in exactly the same sort of proportion.

Question: And why were the indirect advances made necessary?



Answer: For this reason: if you are a superior and I am a subordinate, and you are getting \$10 a week and I am getting \$9, and the law raises my wage to \$11, you, as a superior, aren't going to stand for \$10 very long. It means a complete readjustment in any organization where there is organization.

Question: Is that readjustment due to the fact that costs generally are changing and known to be changing, or that there has been some change merely in the minimum wage?

Answer: That is due entirely to the change in the minimum wage.

Question: Taking an institution where the minimum wage does apply, and not your own, where you are paying more than the minimum, and let us assume that there is no addition of cost generally, it is apparent that that one thing has caused a readjustment. But let us say that the minimum wage were adjusted either upward or downward, would that be reflected in that organization or institution, would the amount of those people who would be directly affected affect the situation generally?

Mr. Lubin: It would, absolutely, for the reason I gave, that you have a scheme of organization there, and a relationship of wages. When you raise the lowest, then the lowest is no longer the lowest, and the other fellow goes up. It practically changes your scale of wages, your whole institution, with the exception, maybe, of your highest salaried individuals.

Thus we find from the experience of California, that the opinion delivered by Justice Van Orsdel that—

“A wage based upon competitive ability is just, and leads to frugality and honest industry, and inspires an ambition to attain the highest possible efficiency, while the equal wage paralyzes ambition

and promotes prodigality and indolence. It takes away the strongest incentive to human labor, thrift and efficiency, and works injustice to employee and employer alike, thus affecting injuriously the whole social and industrial fabric. Experience has demonstrated that a fixed minimum wage means, in the last analysis, a fixed wage; since the employer, being compelled to advance some to a wage higher, than their earning capacity, will, to equalize the cost of operation, lower the wage of the more competent to the common basis."

is not sustained by the facts.

## II.

### THE EFFECT OF CAREFUL ADMINISTRATION OF MINIMUM WAGE LEGISLATION HAS BEEN TO DISARM ANY OPPOSITION AND BRING THE ACTIVE CO-OP- ERATION OF ORGANIZED EMPLOYERS.

Since 1913, six Legislatures have convened and at no time has any bill been introduced to repeal the Act or materially curb the powers of the Commission. At the present time the Industrial Welfare Commission knows of no organized opposition to this legislation. On the contrary, at public hearings held in San Francisco and Los Angeles in December, 1922, representatives of the largest employers' organizations in the State expressed their entire satisfaction with the existing minimum wage rates and officially requested the Commission to maintain the minimum wage of \$16.

The following excerpts are taken from the official stenographic report of the hearings:

MR. I. H. RICE: I appear as spokesman for the Merchants and Manufacturers Association of Los Angeles and the Employing Printers Association of Los Angeles. What I am about to say is the result of my very careful consultation with a great many manufacturers, which is that, as a matter of fact, we have no objection to the present minimum wage. As a further matter of fact, we have very little consideration for the matter of the minimum wage as a dollars and cents proposition, except that we want every working woman to have enough to live on decently and respectably and as an American woman should live. We believe, very sincerely, that our policy of good industrial relations and sound management will overcome many of the difficulties of dollars and cents in the wages paid; and I think I can speak very confidently of the feeling of a large percentage of the manufacturers of the city of Los Angeles when I say that the question of a minimum wage, being largely theoretical, must be established in the best judgment of the duly constituted body for that purpose. It is the law that it must be established, and we are quite willing that it should be established within all reason; and we would like to see it just a little bit more than liberal. That is my message from the Merchants and Manufacturers Association and I think I speak for almost one hundred per cent of the manufacturers of the City of Los Angeles.

MR. W. L. STEVENS, President of the Laundrymen's Association of Southern California: I beg permission to speak for the laundrymen, not only of Los Angeles but of the entire southern part of California, from Fresno to San Diego. We feel that the present minimum wage is as low as it should be under present conditions. I am delegated to state to your honorable Commission that the laundrymen

are one hundred per cent opposed to any reduction of the minimum wage at this time. We feel that the increased wages we are now paying over the wages once paid in the laundry industry are more than made up by the increased efficiency of our people and the type of people we are able to attract to our industry. As a matter of fact, we are paying considerably above your minimum wage now. Our average wage for female labor is way above that. But, for the sake of a few who might seize that opportunity if you lower the minimum, and bring in unfair competition, we hope in your best judgment you will not lower the minimum wage for the women in California.

MR. WM. FRANCIS IRELAND: I represent the cafeterias and bakeries and cafes of Southern California. The cafes, restaurants and cafeterias are well satisfied with the present scale as a minimum. We find since the minimum was put in effect that better wages have been paid and that it has brought a better class of working women into our employ, and we have no desire to break down a proper living scale.

MR. E. A. HOLMES, Secretary of the Associated Apparel Manufacturers: We feel the investigation of your Commission shows that approximately the same cost of living prevails today as did at the time when you fixed the scale at \$16 a week minimum, and we do not feel at the present time that there should be any reduction or any change in that minimum. I wish to say that in our industry, which includes the manufacturers of men's, women's and children's apparel, including some seventy leading manufacturers of this city, approximately eighty-five per cent of all the women employees, receive much more than that minimum, in fact in many instances fifty per cent more.

MR. ALFRED E. ADAMS, of the Retail Dry Goods Merchants Association: I desire to echo in substance

all that has been said by the previous speakers, and to declare at this time that the members of the Retail Dry Goods Merchants Association have no desire whatever to see the minimum wage lowered.

The reason for the active cooperation of the employers of the State is that they fully recognize the justice of this legislation. Moreover, a large number of employers believe that the operation of the minimum wage law has put competition on a higher basis of business morality and prevents the cutting of wages by unfair competitors.

This law which sets the wages of women and minors at a level below which no employer may pay has had the effect of stimulating management to make economies in production and distribution instead of trying to reduce costs by lowering the wages of women and minors.

#### CONCLUSION.

California has set her face squarely against the exploitation of her future motherhood, believing she cannot hold her pre-eminent place as a great progressive State if her citizenship must come from depleted and exhausted mothers. California's experience has justified her action.

Respectfully submitted,

On behalf of

the Industrial Welfare Commission  
of the State of California.

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