garment industry and its workers. It has been a mechanism for shifting production from one area to another in quest of competitive advantage, particularly labor cost advantage, and has thus been a factor in the geographic instability of the industry. It has had the effect of lowering the capital investment required for going into the apparel business by making it unnecessary for entrepreneurs entering it to own their own plant and equipment and hire their own workers. This has facilitated the flow into the industry of small investors, contributing to the cut-throat competition and instability traditionally associated with the industry. The contracting system, moreover, has stimulated strong downward pressures on wages and working conditions by permitting jobbers and manufacturers to play off against each other the contractors, who typically are more numerous and economically weak and ready to underbid each other to get work. Then, in order to produce the garments at the reduced bid prices, the contractors, in turn, shift the pressure to their workers by reducing wages and cutting labor standards. "When work is scarce, as it usually is, except for a few weeks in the season," stated a report of the Governor's Advisory Commission investigating the women's coat and suit industry of New York, "the workers are told that in order to meet the exigencies of price competition and to bring some work into the shop they must enter into secret arrangements contrary to the minimum labor standards which have been agreed upon."

The average establishment in the industry is small. This can be readily seen from Annex B which shows that in mid-March 1966, the average