

History of the State of California Industrial Welfare Commission

The California Industrial Welfare Commission (IWC) was established in 1913 by the California Legislature to regulate minimum wages, maximum hours of work, and standards for working conditions for women and minors. California was the ninth State to create a commission to protect the welfare of working women and minors. Gov. Hiram W. Johnson appointed the five members of the commission on September 16, 1913. The commission consisted of two members from industry, two from labor, and a fifth from the general public. At least one member was required to be a woman. These members were: Albert Bonnheim, A.B.C. Dohrmann, Katherine P. Edson, Walter G. Mathewson, and Judge Frank J. Murasky.

The commission first met in San Francisco on October 6. Permanent offices were opened in San Francisco on January 2, 1914. Later that year, offices were established in Los Angeles. A small staff provided the IWC with investigative and administrative support.

The IWC targeted industries that employed the most women, including canning, agriculture, mercantile, laundry, manufacturing, telephone and telegraph, and hotels and restaurants. Investigations involved on site inspections and reviews of pay roll records. Studies determined the average cost of living for a woman in the State. The estimate for a woman to support herself in 1914 was \$9.62 a week. At the time, more than half the women working in major industries made less than \$10 a week.

In 1916, the commission issued its first wage order, setting the minimum wage rate at 16 cents an hour for the fruit and vegetable canning industry, with pay of one and a quarter of minimum after ten hours, a limit of 72 hours a week, and improved sanitary conditions. A few years later the commission reduced the maximum hours to 8 hours a day and 48 hours a week. By 1918, nine orders were in effect, eight establishing minimum wages and conditions in different industries and one setting sanitary conditions. Apprentices, called "learners," were regulated under these orders, and like minors, were paid at a lower rate. By 1920, the minimum wage was raised to \$16 a week.

Three of the original members served for over ten years on the commission. These were Katherine Phillips Edson, well known suffragist and responsible for pure milk initiatives in Southern California; A.B. C. Dohrmann of San Francisco, president of the Emporium department store and shareholder of the Yosemite Park Company; and Walter G. Mathewson, secretary of the Building Trades Council of San Jose, representing labor. Judge Frank J. Murasky was forced to resign as chairman in 1919 due to a ruling that a judge could not also hold a non-judicial state office. Albert Bonnheim, a dry goods merchant from Sacramento, died in 1916.

The IWC was considered one of the most effective government agencies of its type in America. In the Commission's early days, Edson proved to be the driving force for the Commission. She worked 16 hour days and traveled extensively throughout the State. However, it took the entire commission working together to reduce conflicts between labor and industry interests, bring non-complying owners in line, improve working conditions for women and minors, and generally avoid litigation.

The commission experienced a number of setbacks in the twenties. In 1923, the US Supreme Court ruled that the minimum wage law in the District of Columbia was unconstitutional, putting at risk similar laws in all states. The commission continued to enforce the California minimum wage for women and minors by following a strategy of avoiding legal actions and working closely with both industry and labor. In 1937, after a challenge to the Washington state minimum wage law, the Supreme Court reversed its decision.

Another setback took place in 1922 when the commission lowered the minimum wage for the needle industry, based on studies showing a decrease in the cost of living. Labor organizations initiated a law suit. While investigating the actions of the commission, the attorney general determined that all the wage orders created by the IWC were invalid due to a technicality, as each order had not followed the required 14 day notice. Subsequent reports showed that the cost of living was rising. The new order reinstated the \$16 a week minimum wage.

In 1927, a reorganization of state government placed the IWC under the Department of Industrial Relations. The IWC continued to regulate wage orders while the Division of Industrial Welfare (DIW) provided enforcement. In 1975 the DIW merged with the Division of Labor Law Enforcement and became the Division of Labor Standards Enforcement.

Since its inception, the IWC followed a set pattern of proceedings with few modifications. The commission conducted a review of the minimum wage every two years. If the commission found that the minimum wage did not provide an adequate cost of living, an advisory wage board was convened. The wage board consisted of an equal number of employer and employee representatives and a chairperson, who held hearings and met for a few days until they completed their recommendations. The commission reviewed the wage board's report and other evidence and then submitted its own decision.

In 1976, the legislature added a provision that if at any time the state minimum wage fell below the federal minimum wage, the IWC could follow an abbreviated procedure and skip establishing a wage board. The commission could also set a higher minimum wage than that established by the U.S. Congress, as exists in 2005 with a federal minimum wage of \$5.15 an hour and a state one of \$6.75.

The IWC called a wage board review if it found that hours or conditions of labor seriously impacted the welfare of employees in any industry. During its history, many different industries and occupations were reviewed and included in the orders, ranging from motion picture extras in the twenties to software programmers and shepherds in 2000.

World War II created new challenges for working women and the IWC. As women began performing work previously only done by men, the commission had to adjust its regulations and assure sanitary conditions were met. Margaret L Clark, chief of the Division of Industrial Welfare, wrote in the 1940-42 Biennial Report, "At a time when the worker in the plant is as important as the soldier on the front in the fight for spreading democracy, and with the established fact that seven productive workers are needed to supply one man in military service,

the safeguarding of these workers has passed the stage of sentimentality and has become a concrete weapon in the winning of the war.”

By the sixties, the IWC faced ongoing legal challenges to its orders, especially over the issue of regulations only for women. In *Rosenfield vs. Southern Company*, the federal court ruled that Rosenfield had been denied a promotion due to the state’s laws limiting the hours of employment and the amount of weight a woman was allowed to lift. This ruling cited the provisions of the Civil Rights Act of 1964 as prohibiting this kind of separate regulation. Similar findings led to the legislature extending the commission’s powers to include men in 1973.

Throughout the next decade orders received greater scrutiny and were often under contention, usually based on whether IWC procedures were properly followed. All 1968 orders were invalidated due to maximum eight hour day for women. All 1974 orders were invalidated due to procedural grounds. Court challenges blocked enforcement of five of the 15 orders in 1976. Three other 1976 orders were not enforceable due to certain sections. Ultimately, courts found that there was an inadequate statement of basis for orders 9-76 (transportation) and 10-76 (amusement and recreation) but all other orders were found valid. Fifteen revised orders were issued in 1980, for the first time protecting both men and women. These were challenged but found enforceable.

During the eighties and nineties the commission faced conflicting issues over standard work weeks and daily overtime. In May 1997 funding for the IWC was removed, a political response to the decision of the commissioners to change from requiring overtime pay after eight hours in any day to overtime only after 40 hours in one week. When the legislature restored the daily overtime practice two years later, Gov. Gray Davis reinstated the commission. The IWC remained in operation until July 2004, when its funding was again eliminated from the state budget. The responsibility for setting the minimum wage and other workplace regulations was assumed by the state legislature.