RECTIFICATION OF INDUSTRIAL RELATIONS

STATEMENT OF PRINCIPLE. June 10th, 1920.

By Earl Dean Howard, Labor Manager for Hart Schaffner & Marx.

Highly-developed modern industry is necessary to maintain and improve the economic life of the people. The system of industrialism (interdependent agriculture, manufacture, commerce and finance) accomplishes this purpose just so far as coördination of human effort and material resources and equipment can be achieved. Industrial disintergration (MARKEd by strikes, congestions, inefficiency of labor and financial stringencies) is the direct consequence of impaired coördination.

Industrial coördination is achieved by obtaining the coöperation of the persons necessary to the functioning of industry (managers, workers, proprietors, capitalists). This is industrial government or management in the larger sense.

Coöperation is a matter of the human will which is governed by the individual's concept of his interests. Coöperation, therefore, is secured thru persuasion or coercion by offering an opportunity for advantageous action, either the gain of something desirable or the avoidance of something disagreeable. Industrial government is successful to the degree in which it is able to obtain coöperation by harmonizing human wills and interests.

The human will and concept of interests are governed by moral judgments or ideas of right and wrong, good and bad. The integrity and efficiency of industry, so vital to human welfare in our densely-populated civilization, rests upon moral judgments and industrial statesmanship deals ultimately with moral judgments.

Moral judgments are derived from the individuals' beliefs and convictions concerning his relation to his environment and to his fellow creatures; in short, largely from his religious ideas, using the term "religion" in its broadest sense.

Religion of conduct or ideas of righteousness, affecting moral judgments and thru these the human will and concept of interests, the spirit of coöperation, the coördination of human effort and interests in industrial organization, is thus demonstrated to be directly related to the general economic welfare and to the danger of industrial disintegration.
RECOGNITION OF INDUSTRIAL RELATIONS

STATEMENT OF PRINCIPLE

By Earl Dean Howard,

The growing consciousness of the worker's needs and aspirations is leading to a new approach in the industrial relations field. Modern management recognizes the importance of establishing a two-way communication system between management and employees. This system is designed to ensure that both parties are aware of the other's needs and expectations. It is through this cooperation that the smooth operation of the industrial relations system is maintained.

Cohesion is the key to success. Cooperation between management and employees is essential for the effective functioning of any industrial relations system. The labor-management relationship is not only a matter of mutual respect but also a matter of mutual benefit. Both parties must work together to achieve common goals.

The mutual interests of employees and management are best served through cooperation and communication. Effective cooperation requires a willingness to listen and understand the concerns of the other party. It is through this process that trust and respect are built, leading to a more harmonious working relationship.

In conclusion, cooperation and communication are the foundation of a successful industrial relations system. By working together, management and employees can create an environment where mutual respect and understanding prevail, leading to a more productive and harmonious workplace.
Fortunately, there is fairly general agreement among religionists of all creeds as to the meaning of righteousness in human relations - The Golden rule, brotherly kindness, justice. Our difficulties have arisen and this harmonizing principle has failed of effectiveness because of lack of faith, lack of expediency in the interpretation and application of the principle of righteousness in contradictory political and economic theories (particularly of materialistic origin), and belief in a necessary conflict between individual and social interests.

The industrial problem is too fundamental to yield to superficial treatment, panaceas merely obscure the case. When conflicts of interest generate hatred, particularly when incorporated in class consciousness, the disintegrating poison can be expelled only by a general application of the principle of righteousness, following a renewal of the minds of men.

Faith in righteousness and in industrial plans and policies expertly derived from the principle of righteousness suggests itself as a practical and adequate means of dealing with the situation. Faith may be defined as a willingness to accept a principle or proposition as a working hypothesis until experience can demonstrate its truth or falsity.

Righteousness is not revolutionary; it does not gamble with the well-being of the people. Its methods are evolutionary and experimental, a step at a time but always in the direction of its ideal. The acceptance of righteousness as the guiding principle transforms the minds of men so that they are alert to see and choose the better way which is the way of gentleness and patience rather than violence. It propagates itself thru imitation as violence begets retaliatory violence.

The labor of translating the principle of righteousness into specific plans and policies of action must be the joint work of the experts in ethics and religion and in industrial management. The industrial world is already a vast laboratory of experiments in economic justice and practicable schemes of cooperation. Research will bring them to light while scientific study will interpret and adopt them to wider use.

Faith in righteousness, strong enough to govern conduct, comes only by education and enlightenment. When men are sufficiently dissatisfied with and fearful of things as they are, the time is ripe for creating a faith in things as they might be. Every solid achievement was in the beginning a matter of faith. Materialism with all its philosophy has brought the world to a pitiable condition; may it not be the spiritual principle of righteousness that will redeem the world?
For the purpose of this report, the term 'benefit' shall be defined as the net gain or advantage resulting from the application of a particular policy, strategy, or practice. The concept of 'benefit' encompasses the economic, social, and environmental implications of a given action. It includes the identification of both intended and unintended consequences of policy implementation. The assessment of benefits should be comprehensive, taking into account various dimensions such as economic efficiency, social equity, and environmental sustainability.

The importance of benefit analysis cannot be overstated. By carefully considering the potential benefits of any policy or intervention, stakeholders can make informed decisions that align with their objectives. Benefit analysis also helps in identifying potential trade-offs and in allocating resources more effectively. It is crucial for decision-makers to understand the potential positive outcomes before committing to any action. Benefits can manifest in various ways, such as increased productivity, enhanced public health, or improved economic growth. Therefore, it is essential to conduct thorough analyses to ensure that the benefits achieved are significant and sustainable.

In conclusion, a comprehensive benefit analysis is a critical component of effective policy-making. It provides a framework for evaluating the potential impact of different strategies and helps in prioritizing efforts that will yield the greatest returns. By focusing on benefits, decision-makers can align their actions with broader goals, ensuring that resources are used in the most efficient and effective manner.
PROFESSOR HOWARD:

Very naturally, since this question arose some time ago, the labor managers have been giving to it very close and careful thought, and I think that we can be of material assistance to the Board, especially in presenting certain facts with the interpretation that might be placed upon them, and that we can help clear the picture. The labor managers naturally have an interest that is somewhat different from that of the workers and from that of the manufacturers. We all of us are primarily interested in this matter in the stability and success of this experiment of which we are a part. We think that this viewpoint is closer, perhaps, to that of the Board of Arbitration than any other, and we justify our viewpoint on the grounds that what is good for the industry in the long run is good for every individual manufacturer and is also good for every worker in the industry. And it becomes, then, a question of looking at the thing from a broader viewpoint than the immediate interest involved on either side, and perhaps in what we say we can contribute something to that end.

I shall hope very briefly to indicate what work we have done, and especially what facts and documents we expect to submit to the Board, in order that they may be fully equipped with all that is necessary to make an award which can be justified on the face of it to all parties and interests and to the public, because after all that seems to me to be the chief responsibility, as Mr. Myer said this morning. The award must be such that it will carry conviction and that it accomplish the objects for which we are all striving. Mr. Hillman, I am afraid, perhaps unintentionally left an impression that Chicago in some way was less liberal than other markets—that Chicago had been perhaps more narrow-minded, and was not able to see the thing liberally enough so that we could adjust this matter without resort to arbitration. Of course the Chairman knows very well what has taken place. We have not resorted to arbitration offhand. We have made a very great effort to see with Mr. Hillman and his associates in this matter so far as we could in a
Very particularly since this chapter relates more than any other to the larger questions of the social order. I think that we are impressed with the importance of the concept of organization in the social structure. We feel that we are not alone in the world. We feel that the social and economic order and the political order are not merely institutions but are also vital factors in the matrix of human existence. We feel that we are a part. We think that we are important to others, to society.

When we make a map. When we frame our vocabulary, we try to choose words that are significant to the whole of the American experience. We try to choose words that are significant to the whole of the human experience. We try to choose words that are significant to the whole of the natural world. We try to choose words that are significant to the whole of the universe.

I feel that I have a duty to investigate what work we have done and what I have found. I want to make sure that we have not neglected to consider the potential for growth and development. It is my hope that this work will be useful and that it will be relevant to others. It is my hope that this work will be used and that it will be relevant to others.

So far as the work of the writer is concerned, it is a matter of personal conviction. It is my hope that this work will be useful and that it will be relevant to others. It is my hope that this work will be used and that it will be relevant to others.
common way so that we might expect to make an adjustment by common agreement. A
great many committee meetings have been held, a great many hours spent, in an
earnest effort to thrash this thing out, and I believe we may say that the main
difficulty we encountered was the fact that the workers' minds had been set,
crystallized, upon a certain demand. This occurred, perhaps unavoidably, before
the joint council met, and I think that that was the reason largely for the diffi-
culties which the joint council encountered. We were met with conditions which
were inflexible in the workers' minds, and Mr. Hillman could not be as free in
adapting his thought to the conditions as he might have been if that had not
occurred. The conditions at that time made it unavoidable. There were some features
and demands which could not but be considered unreasonable; but the thought was
that other markets had done the thing, and it is inevitable that in Chicago it
should be done, notwithstanding the different conditions. I am not now speaking
about the amount of the demands, but of certain features connected with them—
-scales, and certain other things which we believe will mean in the future harm
to the industry and harm to our relationship; particularly the scales which are un-
accompanied by safeguards and standards of output. We believe thoroughly in the
piece-work system, or in a system by which the wages and earnings that are given
the worker are offset by a definite performance by him. The manufacturer has just
as much right to claim something standardized from his agreement as the worker has
to expect unvarying real dollars that are not subject to change. As a
matter of fact, that is the only way business can be done. We hope to be working
in that direction, and we believe that if we can accomplish something of that kind
it will lead to the stability of our relationship. It is particularly on that
point that I believe we have found a real difference of opinion that is practically
irreconcilable, and that, as I have said, was caused by the crystallizing of these
demands and leaving them so inflexible that they could not be changed—leaving us
in a position where it was merely a chance of giving without having a chance to
modify them in view of conditions.
A common way to start a project is to make an outline of the main sections you want to cover. This helps to organize your thoughts and ensure that you don't leave any important points out.

What many companies do is to set up a project plan and then work on it. This involves breaking the project down into smaller tasks and assigning them to different team members.

One common way to approach a project is to work on a schedule. This helps you to keep track of your progress and to ensure that you are meeting your deadlines.

Another important aspect of a project is to communicate with the team members. This helps to ensure that everyone is on the same page and that there are no misunderstandings.

In conclusion, the key to success in a project is to have a clear plan and to communicate effectively with the team members. This will help you to stay on track and to complete the project on time.
With regard to Mr. Hillman's points:— Some of these points might, if unchal-
lenged or not discussed, have left an impression which would introduce error into
our calculations. He spoke of the mounting cost of living as if that were some-
thing that is absolutely certain to occur. Nothing is more difficult, of course,
than to prophesy. I should like to speak on that point a minute. After the war
a great many people expected an immediate change, which they called deflation. They
thought a process of deflation of values and wages would immediately occur. Because
the opposite occurred, a great many people thought that the reasoning was wrong,
and that there would not be such a condition. Now we all know from economic
history that usually things are postponed, and sometimes postponed for quite long
periods of time beyond the time when it was expected, but we also know that it is
inevitable that they should come some time. After every disturbance there is likely
to follow a period of great instability. Values and relationships are thrown out
of equilibrium. But nothing is truer in history than that reaction follows. After
a period of inflation, a period of deflation follows. A great many people have
said that ordinary economic law has been set aside in this case, and that business
is going to go on in this speculative extravagant way. It seems to me that that
position is not well taken. I believe, and I believe I have the authority of the
best economists, that our expectation of a great export trade is likely to be
very much disappointed. While it is true that there is a great lack of all kinds
of goods in Europe and even in this country, we cannot export anything without
getting something in return. Goods are not sent over there without payment. It
is unthinkable that we should be paid in gold, and the conditions of the foreign
exchanges show how impossible it is to be paid in credit. These conditions are
going to make it impossible for us to be paid for goods, and it is my conclusion
that we are not going to export. What we shall see, in my mind, are very great dis-
turbances abroad, and very great depression. I am not saying this in a spirit of
With regard to all matters pertaining to the "Yellow" portion of the document.

I enclose a copy of the first part of the draft of the document for your consideration. In case of any changes or additions, please let me know.

It is important that we reach a decision on this matter as soon as possible. After all, we are time-bound to act.

The current situation is critical, and we must act swiftly. Your prompt response would be greatly appreciated.

Thank you.
pessimism, but I think that for our own future we must face this situation deliberately and every act must be done with a clear view of its effects in the future. I believe that we are going to experience here a period of great deprivation—a period when purchasing will be enormously curtailed. We have not paid for the war yet, and a country as well as an individual pays for a great waste which occurs by doing without. We all know that we are consuming our capital, capital which must be replaced. We are devoting our resources and energies to making consumable goods instead of replacing our railroad equipment and other capital. The waste of the war has not been made up. We are going to make it up soon. That means that every person must do without food and clothing. Our eyes are so filled with this condition of prosperity, as we call it, that we have been misled.

In view of that, what should be our attitude? First of all, I think it occurs to all of us immediately that every industry should take in sail. If we are going to have a storm, we ought to get ourselves in a condition of being as well prepared, as stable, and standard as possible, so that we will not find ourselves, when adversity comes, in a position where we will lose the gain we have made. For the past eight or nine years Mr. Hillman has been working \*\*\*\*\* toward creating a situation by which the workers as well as their employers in the industry have been trying to stabilize conditions. For a brief time we are being imitated, and it would appear to the superficial mind that New York and Rochester are now on the same basis that we are on. That is a very superficial view. I believe that the stability of which we are speaking can only come from a growth over a period of time. It cannot be done in a short time. This market has the advantage of that. Chicago is quite a different market from any other in this country, and we are in a position \*\* of stability and in a condition of preparation for whatever may come in the future. Now let us not hazard that position, which after all is of supreme importance to us. Suppose we are misled by other markets and that we join them in this extrava-
I think that I can only imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining. How can we ever imagine a future when the light of the day is dim and the stars are shining.
raising of values and get on this flimsy basis, which is not one of equilibrium and stability, but one from which stability has disappeared. I can imagine no greater difficulty in which a board of arbitration such as ours could be placed than to have to take from the people something which they had gained in the past. There is a certain satisfaction in knowing that we are going ahead and that each step we take is a permanent one—that we won't have to go backward. Suppose that adverse conditions should have to be met. The Board may find itself in a position where, in order to meet the conditions, to get into a state of equilibrium, they may have to reduce wages—and I hope the time will never come when that will have to be done; but we are quite sure that the higher up you get and the farther away you get from your base of equilibrium, the farther you will have to come down and the surer it is that you will have to do so. The Board should be very careful to see that whatever is given should be given with the idea that it is to be permanent. We have had arbitrations very recently. We know the tendency of the times. We have had the stockyards arbitration, which has just concluded, and we can be quite sure that Judge Altschuler spent many hours of deliberation and many days listening to all viewpoints, and that the award given there was his natural conclusion from all the testimony that he had heard. Wherever a board has had the opportunity to go deeply into questions, their conclusions (especially in the case of Judge Altschuler, who is more than any other arbitrator a representative of the government) ought to be taken into account, and it ought to be carefully studied whether or not those conclusions were based upon a deliberation and a study of facts which were, perhaps, even deeper than we can enter into here.

We will have placed before the Board complete statistics which our committee of auditors has prepared showing the wages which are being paid in all branches, and also the comparative wages before the war. Now, the Board, if it takes those figures without any interpretation, is likely to be misled on one point. Those figures will represent the actual advances given, which will be shown to cover the increased
cost of living, according to any of the bases taken; but they will not show the
increases which have been given unofficially, or perhaps not in a collective way.
Every labor manager and every auditor knows that if we gave say 20% in June, that
was only the basis of the increase. I have heard it estimated very carefully by
others in some houses that the increase was actually 30%, and unless the award is
so given at this time that it will satisfy conditions, it may be expected that there
will be further increases of wages and cost beyond this award. That has always
occurred in the past. We may be able to so adjust it this time that it will be
stable, but I know from the experience of Hart Schaffner & Marx that in the past
the increase has been very much greater than has been shown by the figures given.
The advances, when they are taken as advances of earnings of individuals, have been
very much greater than the formal advances which have been recorded: instead of
100%, they will be 200 to 300% to the individual. The figures which you will have
before you will represent the 44-hour week. For the last year, we all know, but
perhaps do not realize, the increase of wages which has come to the workers as
overtime. That is their share of this speculative era we are in, but ought to be
taken into account when studying the condition of the worker.

We will also have figures in other industries to show the condition of the
workers in this industry relative to the condition in others, and there again, in
making these comparisons, we must be on our guard for one thing. The clothing
market in Chicago is somewhat peculiar. Only a fraction of the workers represent
heads of families with dependents. Mr. Myer has been so engrossed in the packers'
arbitration that he has come to look at wages as wages of the head of the family.
It is assumed that the wage of an individual should be enough to support a family.
We will place before you figures which will show that a small proportion of our
workers only are heads of families. Over half are persons without dependents,
largely youthful female workers. To compare the average worker in this industry
with the workers in the building trades, mining, stockyards and other industries,
would be extremely misleading. Furthermore it is misleading when compared with New York, because that is largely a male market, with a large proportion of males who have dependents.

Professor Hotchkiss has made a study of the comparative wages of other markets, as compared with Chicago. Chicago is an entirely different market from New York, particularly, which represents the other extreme. Chicago is an institutionalized market. The clothing business here is more of an institution. Of course we have contractors and small irresponsible houses, but in the main the bulk of the business is institutionalized and more or less standardized. There is responsibility of the manufacturers, which is not present in New York. New York is primarily a contractors' market. They think there only of to-morrow; they do not think about a year hence. They depend upon the contractor, who is a very efficient instrument, if conditions are right, for extracting from labor the very greatest output. We are very likely to be deceived by the fact that during the last few years the conditions have been unfavorable to the contractor and to that kind of a market. When there is a shortage of labor, the contractor loses his power to get from the worker a large production at low cost. But those conditions will recur when the shortage of labor has passed. Here the employer is responsible; what we do, we standardize. This speculative flurry began in New York with the uniforms. The making of uniforms on the government contracts, which offered enormous profits, demoralized the labor market. When that was over, there immediately ensued a great demand for ordinary clothing and that same shortage of labor continued to exist and the consequences continued to be present and are now present in New York--completely abnormal, and certain to cause a reaction, because, being abnormal, they are unstable. For that reason if we, with our standardized institution here, should be influenced to follow them, we should have to expect that we will come to grief as they inevitably will.
...want to extensively investigate. Furthermore, it is interesting to note that New York became the largest single market with a large proportion of sales...and have limitations.

Progress reports have shown a change in the competitive market with an increase in Chicago's market. Chicago is now a significant competitor for the entire market. The situation becomes even more intriguing when we consider the full potential of the...market continues to expand, the new market may in turn influence the market. New York leads in terms of...marketing...which is not unexpected in New York. New York is the primary...market. They think large only of New York, they do not think about a larger...market. They think large now the competition...and the new market. We continue to note a slight increase in Japan the new market continue...and very likely to be reviewed by the fact that we have learned...market. New...have shown limitations to the competition and the result is that...market. China to a market of Japan the competition loses its power to...a larger proportion of the new. But these limitations will remain even the...market. Have the option to...market. The...with the marketing...term in the common sense. When the...Japan market. When these are not...immediately even a great demand for...have a strong competitive advantage of Japan. Japan continues to be...may not breech in New York. A competitive advantage in the...and may continue to cause a competition. However, we find...that some are more...to follow from our analysis here...will come to...very interesting.
The impression was created by Mr. Hillman that New York had given a $5 increase. That deserves a little explanation. I have had correspondence and personal interviews with the men who were closest to these adjustments, and I found that their statements are just about the same as those given in the Daily News Record, which I have before me. In New York it was the intention of the impartial chairman not to give increases, but in his statement, which is a presentation of the agreement to the public, he stated that the conditions which he confronted were such that it forced their hand to a certain degree. The coat makers were given nothing in the award. It is true that they had been able, by taking advantage of the weakness of the contractors, to force advances in spite of the collective agreement, and it was advised that inasmuch as some of them had yielded, they would all have to yield. The pants and vest makers were given $5 a week only for the skilled labor—the unskilled got $3 a week. The cutters got $6 a week.

As for the settlements in other markets: In Baltimore, where conditions were very upset because of their lateness in getting any kind of an organization, and the fact that they were considerably below New York and even below Chicago, and having to compete with New York, they did give the piece-workers 20%, 25% to those earning under $20 a week; but of course if there was a large percentage of those, it merely shows how low they were. It is true that they made scales in that market, but that was due also to their very loose management and the lack of any piece-work standards.

In Rochester the award was 20%, but there again we have a market that is very much below Chicago, and these advances were coupled with certain specifications of production which will result, if they are carried out in good faith and efficiently, in very much less than a 20% increase in the cost of production.

Another point is this: While an award given at this time by this board might be calculated to result in a certain increase in cost directly, the indirect effects
are likely to be very much greater. We all know the effect that the award which is published in this market will have upon all other industries. It will spread in ever widening circles, and it would be very wrong to calculate only the direct effect and say that that was the effect upon the cost of living. We have to take into account the intangibles, or we will come very wide of our mark.

To recapitulate: We believe these statistics show that the workers are already receiving an adequate wage --

(1) The wage already has met the cost of living, which is more than the workers have a right to expect. I believe that the average amount of consumption which the person in the future in this country may have a right to expect will be very much lower than existed before the war. That is to say, the average man in the United States must expect to have less, to consume less, because of the lack of things to consume. We have to pay for the war. If any class, workers or other class, in the future are able to consume as much as they did before the war, it will be at the expense of other classes in the community. The workers must, within the next five years, come to realize that the expectation of going on and increasing the consumption of every person and class is a fallacy, although it is a fallacy which appeals to human nature. It is a well known fact that the better conditions are, and the more consumption takes place, the more people are confirmed in the idea that it is a permanent thing and will keep on going. In the worst times, on the other hand, people are most pessimistic and expect the least from the future. The sequel is just the opposite. When things are the worst, you can always expect the better. Therefore I say that it is natural for the citizens to expect better things in the future; but now is the time to expect just the opposite, if history has taught us anything. And if the workers or any other class are in as good a position now as before the war, and hope to maintain the position they had at the beginning of the war, they certainly have an advantage over the other classes of the community.
We firmly believe that the allocative process works best when we value economic freedom and respect the rights of all individuals. It is important to recognize that the economy is not a zero-sum game, meaning that if one person gains, it does not necessarily mean that another person loses. Our goal should be to create an environment where everyone can thrive and contribute to the overall well-being of society.

In this context, we call for a reconceptualization of education. We believe that our educational system should prioritize the development of critical thinking, problem-solving skills, and a deep understanding of the economic principles that govern our society. By fostering an environment where students are encouraged to question authority and explore new ideas, we can help create a more dynamic and innovative workforce.

Moreover, we argue that our current system of taxation and resource allocation is fundamentally flawed. It is time to reassess our approach and consider alternative methods that might better align with our collective goals. We believe that a significant portion of the wealth generated by our economy is not being distributed equitably, leading to significant disparities in wealth and opportunity.

To address these issues, we propose the following recommendations:

1. **Redistribution of Wealth**: Implement progressive taxation policies that ensure a fair distribution of wealth. This would involve increasing taxes on the wealthy and corporations, while providing targeted benefits to those in need.

2. **Investment in Education**: Increase funding for public education, particularly in underserved communities, to ensure that all students have access to high-quality education.

3. **Support for Small Businesses**: Create policies that support small businesses and encourage entrepreneurship, which can help create jobs and drive economic growth.

4. **Infrastructure Development**: Invest in infrastructure projects that will benefit the community as a whole, such as affordable housing and public transportation.

5. **Environmental Sustainability**: Encourage businesses and individuals to adopt environmentally sustainable practices, recognizing the long-term benefits for the economy and society.

By putting these recommendations into practice, we can work towards a more equitable and prosperous future for all. It is our collective responsibility to ensure that our economy is built on a foundation of fairness, opportunity, and shared prosperity.
We want to maintain what we have got. We want to maintain the standard of living. It is very much easier to increase the standard of living than to decrease it, and it is very much better not to have reached a high standard than to have to lower it. All the worker's calculations and mental attitude toward life are adjusted to that standard, and it does a great deal of harm to take off from that standard. Let us not get this industry in a position where we will have to require the worker to reduce his standard of living.

(2) In comparison with other industries, the workers in our industry have prospered certainly as well, and we believe very much better, than others in the same situation in life.

(3) We want to call attention to the advantages which workers have gained in wages and also in hours, which is of substantial benefit to them and which ought to be taken into account. If they now work 44 hours instead of 54, that is something they have received from the manufacturers, and should count to the credit of the manufacturers.

(4) The security of employment which has come out of this system, which the manufacturers have helped to create, ought to be taken into account when we are comparing the situation of the worker now with what it was in the past.

(5) We all know that the increase of wages in the past has increased tardiness and absence from the job, all of which have created waste and decreased production. The Board is already acquainted with such conditions; especially in the trimming room, where there is a scandalous waste due to under-production. There is a deliberate wasting of a large part of the resources because, as they say, they want work for more men. We believe that the Board should take this into account. To reward the workers for their delinquencies breaks down their morale. And this condition is bound to spread from one department to another. If one worker who is working diligently sees his neighbor doing the opposite, he will soon be affected by that.
We want to maintain the image of being a modern society. It is only through mutual understanding and cooperation that we can achieve progress and development.

The following measures and procedures are being implemented:

1. Increase public awareness and education on environmental issues.
2. Promote sustainable practices in daily life.
3. Encourage the use of renewable energy sources.
4. Implement stricter regulations on industrial emissions.

Let us not forget the importance of protecting nature with care and responsible action. Together, we can make a difference.

[Signature]

Date
(6) We are embarking upon an experiment in this market. A portion of the market has been under this arrangement only for a few months. Previously it was Hart, Schaffner & Marx alone. There are now a great many manufacturers concerned. The essential thing in this agreement for the prestige of our Board and the future stability of the Board is that no person shall feel a sense of injustice or shall have a grievance. It must be an appeal to the justice of every person affected by it. This is just as true from the standpoint of the manufacturers and the public as from the point of view of the workers. If the manufacturers feel that this situation is doing injustice to them, it will result in indifference or perhaps hostility. It will be influential in undermining the foundations of our agreement.
We urge caution when interpreting the data presented in this report. A portion of the market...

The recent surge in market sentiment has led to a new consensus. The optimism is unwarranted. The rapid inflow of funds into the market has encouraged speculative buying. However, the underlying fundamentals do not support such a high level of activity.

It's important to take a closer look at the data presented. The figures do not reflect a healthy trend in the market. The upward trajectory is driven by short-term speculative buying.

We must be cautious in our interpretation of the data. The market conditions may not be as strong as they appear.

In light of these observations, it is crucial to remain vigilant in monitoring the market trends and to exercise caution in decision-making.
FACTS THAT CAN BE SUBSTANTIATED.

(1) The agreement with the union was made in May 1919 and followed by a 30% increase in wages in the following July, after the manufacturers had sold their product for Fall 1919. Manufacturers stood back of the prices they had already fixed and bore the entire cost of this increase.

(2) Retailers and the buying public felt this increase for the first time in Spring 1920. This was augmented further by the second increase in wages in December, 1919, and an immediate resistance against buying followed. The wearing old-clothes movement, the overall craze, the misleading statement in the press about the coming decline in prices and the false propaganda of the Department of Justice all evidence this state of public opinion. Poor business in April and May 1920 was the direct result. The public refused to buy clothing at the prevailing prices and retailers failed to move their stocks. Business had to be stimulated; the break came and a wave of cut-price sales swept the country and still prevails.

(3) Business, consequently, became demoralized; merchants would not accept goods that had to be sold at cost or less, back orders were cancelled and goods returned in great quantities. Manufacturers in turn accumulated large surplus stocks which had to be sacrificed. This added fuel to the cut-price sales which the press is today reflecting in startling clothing advertisements. Clothing is actually sold at less than wholesale cost to the great loss of both manufacturer and dealer.

(4) The fall season of 1920 opened up about two weeks before the break in retail prices occurred. Fall prices fully reflected the 50% increase granted to labor in the previous July and December and were at least 10% higher than the previous spring season. When spring goods failed to sell and the break occurred, naturally merchants regarded fall prices as beyond their reach and business immediately suffered a serious decline. Orders already placed were cancelled, some totally, some 50%, others in part. Orders placed subsequently showed a material decline, the number of garments purchased being far less than the previous fall season. Many merchants refused to buy at all, claiming it impossible to sell merchandise at prevailing prices and that they had sufficient for their needs.

(5) A general movement on the part of the retailers to obtain a reduction in fall prices is today confronting the manufacturers. Letters are daily received from all sections of the country imploring the aid of manufacturers to that end. Merchants are carrying large stocks which cannot be absorbed on account of the lateness of the season. They hesitate to accept the merchandise they have on order under these conditions, to say nothing of the fact that their credit has been impaired by their failure to liquidate. There are many cases where extension of time to meet obligations has been granted, and the excellent condition in which merchants found themselves six months ago is rapidly disappearing.
(6) A further increase in wages under the prevailing conditions can only result in a further contraction of business. This means lessened production, decline in earnings and unemployment. The mere consideration of demands for increase in wages will be viewed as connivance, and an actual increase would be suicidal.

The public beyond any doubt believes that clothing prices based on the present cost of production are beyond its reach. It has shown its resistance, and manufacturers and retailers are using every resource to bring prices to lower levels. To take any steps that will lead to higher prices, is inconceivable in the light of these facts. Not only is it folly, - it is sheer madness and can only lead to the downfall of the industry and the workers who are most concerned.

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A further increase in wages and the prevailing conditions can only lead to a further contraction of business. This means increased production, growth in customers and employment. The wage earner's aspiration of genuine but limited increase in wages will be viewed as continuous and as such increase would be unfavourable.

The report bearing your company's name and address may be found in the reference. Any reference to lower prices to lower levels will lead to higher prices if the same price is not higher. An increase in the price of goods only if justified. It is hoped, however, that any increase in the price of goods will be lower if the company's letterhead and the company are lower.