

also pointed out that we find a smaller and smaller number of people engaged in production and a constantly increasing number in distribution. I think that is a natural development of our method of production and of the handicaps attached to the methods of distribution. We have been able by increased efficiency in machinery to create mechanical men who produce very much more quickly and efficiently than humans, but we have not been able to find robots to do our distributing. We still must use for that service humans who can cover only a certain amount of ground per day.

Mr. Borsodi stated that it took only three and a half days of work to support the population during the thirteenth and fourteenth centuries. We have to take into consideration, however, the difference in standards between those days and today. If any of us were asked to live under the conditions that even royalty endured in those days, I think we would revolt.

Daniel M. Bates.¹ I have been intensely interested in these two papers. As regards the first one, I think there is no conflict between the points of view of Dr. Nystrom and Mr. Donaldson. The doctor's paper deals very clearly with the analysis of the situation at any given time, while Mr. Donaldson, the dynamic head of a great New York business, is thinking of what is going to become of the increase in this country's income during the next six months and the next year. In other words, at any instant we are static, but we are constantly moving on to larger income.

As an ultimate consumer, rather than an industrialist, I should like to make a plea to Mr. Donaldson and to the chairman of the meeting—to all the heads of great distributing agencies, in fact—to spare us a little. I live in Philadelphia, and if I wish to gaze out of the train window as I travel between that city and New York or Baltimore or Washington, I find it impossible to get a decent view of the landscape. It is all boarded up with advertisements of this and that. And the morning mail is full of junk which takes a large proportion of a secretary's time to weed out. Mr. Hoover and Mr. MacDonald have been in conference over some sort of truce in naval armaments. Would it not be possible to get together for some sort of a truce in advertising? Some of you leaders have a

¹Bates Incorporated, Philadelphia, Pa.

great opportunity to get the idea to the consumer that you are going to be the first to save him some of this distribution expense and give it to him in lower prices. We ultimate consumers are paying for having our landscapes made ugly and for tearing up and throwing into our waste baskets this incessant importuning to buy.

I should like to take the viewpoint of the manufacturer for a moment. As Vice President of Day and Zimmerman, Inc., in charge of industrial reports and industrial management, it has been my privilege for a number of years, and still is under Bates Incorporated, which has grown out of the industrial side of Day and Zimmerman, to manage a plant which bleaches, dyes and finishes cotton cloth. Probably few of you here realize that competition in this field has become so keen that an eighth and even a tenth of a cent is important. This plant which we took over six or seven years ago was at the time chiefly dependent on what is called "pajama checks," the raw material for union athletic underwear suits for men. Perhaps you ladies do not know it, but the present fashion for men is the knitted running shirt, which not only has no sleeves but very little sides, and printed running pants. If our business had gone along with pajama checks we would have been sunk long ago, but we went into other things, such as rayon striped shirtings, handkerchief cloths and broad cloths. The point I am making is that the price of pajama checks has been beggared down first to one and one-eighth cents, then to one cent, then to seven-eighths of a cent. It took three yards of goods or less to make a suit of men's underwear of pajama checks. In other words, the difference between the living price of a cent and a quarter, or even a cent and an eighth, and the price that is driving a lot of bleacheries to the wall is only a little more than a quarter of a cent a yard, or three-quarters of a cent a garment.

I am making a plea for the manufacturer, but there are also the converter, the jobber and the retailer, all of whom have to get their profit. By the time the goods reach the consumer the price is about double the price of the goods leaving the converter. In other words, if an article costs fifty cents, you men and women pay one dollar for it. That dollar is paying for all sorts of describable and indescribable things, among them advertising. We of the National Association of Cotton Finish-

ers, of which I happen to be an officer, are trying, without any contravention of the Sherman Law or any of the other anti-trust laws, to support the market so that an established price may be set up for the manufacturers in this industry, just as there is an established price for certain types of insurance. This will mean that a fair proportion of the industry can live, instead of being driven to the wall by this competition. The consumer gets his benefit in service. One of the things that this particular association has accomplished through its support of a fivable trade situation is the Nafel fast-color label. This is being put into all fast color goods and shows that a sample has been tested for color fastness, in accordance with the regulations of the Bureau of Standards in Washington, at the Pease laboratories here in New York. This means that the women of the country and the laundries can depend on the color of these materials. This is a constructive thing that is going to save waste all along the line. As a manufacturer, I plead with Mr. Donaldson, in addition to planning what share of the increase in the income of the country he is going to get, that he plan what additional goods he will sell to the men and women of the country out of the savings made in distribution. In other words, if you can save them twenty-five cents on every dollar they have to spend, we will let them spend that twenty-five cents in your store. I think this a vital matter, and I hope and pray for an easing up on advertising.

I have had an experience somewhat similar to Mr. Milner's and I want you all to picture the difficult position in which the engineers of the country are placed in making industrial investigations. In inflation times we have been approached a half dozen times by a group of plants wishing us to make a report on a consolidation. Tremendous pressure is brought to bear to get a favorable report which can be broadcasted and used as a basis for financing a new undertaking. We have to maintain the impartiality of the Supreme Court. Many times we have had to lose thousands of dollars because we have had to make an adverse report for which our client declined to pay.

My experience has been chiefly in the management of small businesses and I think there is much to be said in favor of them. What Mr. Milner's paper gave to me above everything else was that there is a personality in every business

that must be cherished. It has been my job as an industrialist to get into unprofitable businesses and to try to make them profitable. The same bricks and mortar have brought profit where they were bringing loss. It is the human touch that is essential. A man who has failed under one management may blossom out and succeed under another. He needs understanding and sympathy and access to those in charge of the business. By developing the feeling of interest that exists in every plant I have had the greatest possible help from the personnel of all the plants I have worked with. It is not necessary to start firing and rehiring. Mr. Milner brought out the evils of the sort of wholesale jamming together and firing that take place in the case of many of these mergers. No matter how efficient large-scale production may become, there will always be a place for the small concern because there are people who want to feel that they can get in active touch with the person at the head of the organization. This personality factor will gain economic recognition. We do not want too much mass production, too much standardization. I believe that there is going to be a reaction from this intense mass production, this overadvertising; and that there will be a demand here in America, as in Europe, for more individuality and personality in business life. We need a new impulse to revive the old-time workman's interest in his craft or trade guild.

Mrs. Elizabeth Macdonald.² Petticoats have entered into the discussion today. I am emboldened to stand up because I have lived long enough to have worn four at once and am contemplating going back to another next season. It seems to me that the final test in this matter of the satiety of a market lies in the admiration-commanding index of any product that you can call a consumer's good. The market is not satiated until the admiration-commanding index number has begun to drop. In making the sort of truce that has been suggested here, it might not be so fantastic as it would seem at first blush to set up some sort of a Hoover conference that would work out a definitely recognized series of admiration-commanding index numbers for the home purchaser.

²In the market studies of today, it seems to me
²Educational Director, Laundry Owners' National Association, Hyde Park, Mass.