

in the City of New York 32,000 people, one-half of whom were women. These people were located in 130 clothing establishments of some character and standing, and in numerous smaller ones. The business done was in the neighborhood of \$20,000,000 a year. There were twenty houses averaging a business of \$125,000 a year, and some seventy averaging about \$40,000. The wage of cutters in those days was \$13 per week, tailors \$9 per week, and of the women in the industry \$5 per week. New York had about double the number of people that were employed in Boston, Philadelphia and Baltimore combined.

The proprietors in the industry were for the most part Jews—largely of German extraction—who had come to this country, and who, starting in a small way, had through thrift and diligence increased their capital to an extent which permitted them to purchase and cut the cloth and either manufacture it into clothes in their own establishments or let it out by contract to other smaller manufacturers or to individuals.

After the Civil War, a very great demand for clothing and a scarcity of labor induced a large immigration of Russian Jews. They came to this country because there was plenty of work for which they seemed peculiarly fitted.

There were now developing two distinct types of shops—the “inside” shop in which the clothing was manufactured completely, and the “contract” shop in which the clothing was made into coats or trousers or vests from cloth which had been purchased and cut by other merchants or manufacturers.

In 1875 the cutting machine was invented, which reduced the amount of labor necessary to cut the cloth to about one-seventh of what it had been before that time.

From 1875 to 1880 there was developed in this country what is known as the “team work” system, which resulted in the sweat-shop system. The cutting machines enabled the clothing merchant—I will not call him a manufacturer—to purchase material cut it economically, and contract it out to individuals who took the cut cloth into their own homes and there manufactured the coats, trousers and waistcoats that went to make up a suit of clothes. A team consisting of a baster, an operator and a finisher made the whole garment. This resulted, as you can readily understand, in considerable abuse. Contracts for clothing were let to the lowest bidder. There was no possibility of other than individual bargaining between the proprietor and the person who was going to make

these clothes, as to what price the maker would get. Clothing was taken into the homes and operated on by any member of a family who could run a sewing machine, ply a needle, or do any part of the work. So there grew up in the big centers this sweat-shop system to which the immigrants lent themselves. This situation was afterwards cleaned up by very drastic legislation that eliminated the sweat-shops and brought about what we now know as the contract-shop, which largely took the place of the smaller sweat-shop.

Following the assassination of Alexander II in 1881 there was a great influx of Russian Jews into New York. They took more kindly to shop work than to other kinds of city work or rural employment. Moreover a number of earlier immigrants from this race had now become clothing contractors. They could offer the newcomers plenty of work and the newcomers furnished an abundant supply of cheap labor.

The successful manufacturing concerns in the clothing industry today are the result of the thrift, economy and business acumen of the men of the last generation who managed, starting on a small scale, to build up businesses of considerable magnitude.

The clothing industry is very different from any other industry with which I am familiar. With respect to the printing industry, Mr. Kendall has made the terrible admission that they do not know all of the conditions that exist in that industry. The clothing manufacturers are obliged to make the equally terrible admission that they do not know the situation that exists in the clothing trade today. It can hardly be called, on the part of the proprietors, a manufacturing business; it is more of a merchandising proposition. I think that those who are interested in the clothing trade in almost any capacity, will admit that one of the problems confronting us is the fact that we are having to deal from the management standpoint, largely with men who are traders rather than manufacturers, and that manufacturing is more of an incident to their business than its main aim. However, we have come to the point where the sweat-shop is outruled, where the contract-shop is becoming less and less desirable, and where it is necessary to increase the number of what we call inside-shops—that is, manufacturing establishments in which all of the workers are gathered and where the processes of manufacture go through as they do in any other industrial establishment.

Since the termination of the war there have been brought into the clothing industry as consultants from

the outside, a number of men who are experts in production, and others who are interested in the matter of industrial relations. We think that in this industry, as in all other industries, we should recognize the fact that unless our industrial relations are right there is very little chance of our doing anything really successful or constructive in the industry itself.

The workers in the men's clothing industry are for the very large part members of the Amalgamated Clothing Workers of America, a secession organization from the United Garment Workers of America, which was formed in 1914. Most of the shops in the four large markets—New York, Chicago, Rochester, and Baltimore—are employing members of the Amalgamated Clothing Workers of America, and have been operating for some time under agreements with the union. These agreements in brief are to the effect that the employers shall employ, whenever possible, members of the union; that if the union is unable to furnish such employees the manufacturer is at liberty to employ whom he will; that matters of dispute in regard to wages or other conditions shall be referred to wage or trade boards, which consist of a number of employees, a member from the management, and an impartial chairman. These boards are to be used for settlements in lieu of resort to strikes or lockouts. There is a board of arbitration to which can be referred matters that have been appealed from decisions either of the trade board or of the wage board. The trade board and the wage board each have an impartial chairman whose salary is paid jointly by the manufacturers and unions. The board of arbitration also has its impartial chairman. In some of the markets, matters have never gone so far as the board of arbitration. In other markets there is a frequent bringing up of cases from what might be called the lower court, and it is necessary to have a “full time” person on this work, who is paid jointly by both sides.

The right to bargain between the union and the employers has been a settled question for some time. The clothing manufacturers have recognized quite clearly that in order to get along at all there must be some form of conference with their employees in which they would each have a voice. But that was not the great problem that the clothing industry faced. These arrangements between individual shops and their workers were perfectly satisfactory, but they led to great confusion as between different shops in the same town, and very much greater confusion as

between the different markets. So it became evident, to employers, to union officials, and to this group of engineers and other interested men who had come into the clothing industry from the outside, that there was an opportunity to take a very forward step by organizing machinery in the clothing industry which would lead to national collective bargaining between the employers and the labor unions in the men's clothing industry. A number of conferences were held at which representatives of both of these parties were present, beginning, I think, some time last May, and culminating in July of this year, when there was formed in New York City, by the manufacturers, a National Industrial Federation of Clothing Manufacturers. The purpose of this industrial federation was to have available a strong organization of the employers to deal with a strong organization of the men, not with the idea of fighting and clashing, but with the idea of threshing out all matters in a friendly way and of coming to some conclusion which would be satisfactory to both parties. Before the manufacturers had this association, the unions had their organization, which was headed by some very strong and some very far-seeing men. These people recognized the fact that for the sake of their own union organization they could do better by having a strong organization of manufacturers to deal with.

The formation of this manufacturers' federation was an interesting event. Here were the four large markets—New York, Chicago, Rochester, and Baltimore. In those markets were large numbers of individual manufacturers and contractors. In most of them they had had manufacturers' associations that had never been effective. There was distrust among the members of these various associations. In all of the markets the manufacturers—even members of the association—had not been playing fair with each other. If there was an opportunity to do something by which they could take advantage of their competitors, they would take that advantage. The problem of reconciling differences between the individual employers in all these markets presented a task that we could have worked on for years and years without any result. So it became necessary to form this federation on an entirely new basis. The approach to the manufacturers was simply this: “You are up against a distressing situation in the clothing industry; you are all at sixes and sevens; you are paying all kinds of wages; you do not know whether the wages you are paying compare favorably or unfavorably with those that your com-