

# Strawbridge & Clothier Have This to Say About the Present High Cost of Living

Touching Upon the Causes and Possible Remedies, With Assurances to the Fair Price  
Committee of Our Hearty Co-operation, in Their Earnest, Practical Efforts to Benefit the Public

## Commerce the Foundation of Civilization

Food, clothing and shelter are all that mankind actually needs to sustain life, and the source of supply of all these is the soil. Primitive man, by his own labor, wrested from the earth the means of subsistence, but not until he learned to TRADE the product of his own toil for the things which his neighbor excelled him in producing, did he begin to rise out of his elemental state. The history of progress is the history of COMMERCE. It has been the chief inspiration in the development of man and all his marvelous works.

Since the merchant adventurers of centuries ago risked their capital, and even their lives, in strange lands and upon uncharted seas, the largest contribution to comfort and enjoyment of life has come through Commerce.

The modern retail store is a necessary factor in distribution, bringing the goods of the world from where they are made to where they are needed. But, as it is the retailer who comes into direct contact with the consumer, it is a somewhat natural habit, when prices are high, to lay the blame at his door.

## The Reputable Merchant Is Not a "Profiteer"

Prices are very high, but an analysis of the conditions will show that the retail merchant, whose reputation depends upon retaining the confidence of his customers, is not responsible for the prevailing high prices.

It will be seen from the following list of articles in constant demand how COSTS TO US have increased in five years. The comparisons are of the same grades at the different periods, and as nearly accurate as they can be made. In most instances, these are popular or medium grades:

### Cost at Mill or Factory

|  | April, 1915 | April, 1920 |
|--|-------------|-------------|
| Men's Ready-to-Wear Suits.....             | \$13.50     | \$38.00     |
| Suits-to-Measure, materials and labor..... | 16.38       | 42.25       |
| Boys' Blue Serge Norfolk Suits.....        | 3.75        | 11.00       |
| Women's Serge Suits, blue or black.....    | 7.50        | 23.50       |
| Women's Taffeta Silk Dresses.....          | 9.00        | 22.50       |
| Women's Washable Dress Skirts.....         | .75         | 2.00        |
| Women's Coats, of fancy mixtures.....      | 5.50        | 10.50       |
| Women's Silk Coats.....                    | 10.00       | 25.00       |
| Women's White Cotton Waists.....           | .75         | 1.62½       |
| Women's Crepe de Chine Waists.....         | 2.25        | 5.75        |
| Women's Fur Coats (Winter, 1915).....      | 100.00      | 300.00      |
| Men's Soft and Derby Hats.....             | 2.00        | 5.00        |
| Men's Straw Hats.....                      | .87½        | 3.00        |
| Men's Percule Neglige Shirts.....          | .42         | 1.50        |
| Men's Woven Madras Shirts.....             | .71         | 2.00        |
| Women's Cotton Union Suits.....            | .37½        | 1.25        |
| Women's Lisle Stockings.....               | .32         | 1.25        |
| Women's Cotton Stockings.....              | .17         | .51         |
| Women's Silk Stockings.....                | .67         | 2.25        |
| Women's Low Shoes.....                     | 2.25        | 6.50        |
| Women's Fine Low Shoes.....                | 4.25        | 13.50       |
| Men's Oxfords, tan or black.....           | 4.50        | 15.00       |
| Women's French Kid Gloves.....             | 1.03        | 3.23        |
| Men's Cape Gloves.....                     | 1.36        | 3.50        |
| Silk (a standard grade) per yard.....      | 1.50        | 3.25        |
| Woolen Dress Goods.....                    | .42½        | 1.62½       |
| All-wool Broadcloth.....                   | 1.15        | 4.15        |
| Standard Dress Gingham.....                | .15½        | .57½        |
| Printed Cotton Goods.....                  | .08½        | .35         |
| Bleached Muslin (a standard grade).....    | .07½        | .42½        |
| Bleached Cotton Sheets.....                | .61         | 2.35        |
| Standard Grade Sheetting, 9-4 width.....   | .20½        | .82         |
| White Blankets (part cotton).....          | 2.87½       | 7.75        |
| White Bed Spreads.....                     | .80         | 2.45        |
| Scarlet Flannel, wool.....                 | .32½        | 1.35        |
| Linen Table Cloths.....                    | 1.76        | 16.41       |
| Linen Table Damask.....                    | .65         | 6.24        |
| Cotton Felt Mattresses.....                | 7.50        | 16.85       |
| Rugs of a standard grade.....              | 22.50       | 85.50       |

These figures show the Manufacturers' Prices at the different dates. During this period we have sold these goods at a fair, legitimate retail profit, just as we have done for the past fifty-two years. While costs have been rising we have sold millions of dollars' worth of goods at about replacement value, and often at less than we could have bought them for at date of sale.

The fact is, our average net percentage of profit, after deducting Government taxes, was less in 1919 than in many of the former years in the history of this Store.

Governor Coolidge, of Massachusetts, appointed a committee to investigate the charges of retail profiteering, and a few days ago he stated in the *Dry Goods Economist*: "This committee made a thorough investigation of

various towns in the State, and I think I can safely say there is no profiteering among the merchants in Massachusetts. Occasionally there may be a merchant who will charge a little more for a certain article than it should bring, but as far as general profiteering is concerned, it does not exist."

We believe the above statement is true, and that it could be made with equal truth as applied in the same general way, to Philadelphia.

Governor Coolidge also quotes George Washington as having said, "It is utterly impractical to try to regulate prices for, or the distribution of, merchandise by law"; and he adds—

"The law of supply and demand is the only law that can regulate the price and the distribution of merchandise."

This general truth, however, does not alter the fact that the Government can and should regulate unfair or wasteful practices, exacting excessive prices, any attempt to monopolize or hoard necessities, or the wilful or preventable destruction or deterioration of articles required for daily use; and the HANDS OF GOVERNMENT AGENCIES SHOULD BE UPHOLD in their efforts to accomplish these ends.

Nevertheless, if we can find the reasons for the disparity in amount produced and amount needed, we have discovered the principal reasons—

## Why Prices Are High

We are not among those who attribute high prices wholly to widespread extravagance since the war. Undue extravagance is practiced only in exceptional instances. Many whose incomes have greatly increased do demand fine things and luxuries which they could not afford before the war. But the average citizen and his wife find it none too easy to buy all they need, of the quality they long ago learned to appreciate. Nevertheless, the natural human desire for better things, among those who make more money than formerly, may be one of the many causes underlying higher prices.

The "profiteering" and the high-price era began with the absolute necessity for speed in the enormous and marvelous WORK OF EQUIPPING OUR ARMY AND NAVY. Big profits and unheard-of wages had to be granted to get quick action. Afterward came the utter depletion of surplus goods and CURTAILMENT OF PRODUCTION due to the diverting of most industries to producing war materials.

After the armistice there was a somewhat general tendency toward caution and conservatism, and a belief that prices would fall. Some folks forgot that inevitable law of SUPPLY AND DEMAND. Some merchants stayed out of the market for awhile, and here and there early in 1919 manufacturers began to quote prices a little lower. But the great consuming public was asking for merchandise. Retailers had to order goods. Soon notifications began to come that orders would be delayed or only partially filled. Demand exceeded supply. Prices, instead of falling, continued to rise. Labor demanded higher pay, and got it—got it again and again. And there's no immediate sign that prices are going to drop.

## The Square Deal

We are protecting our customers to the utmost of our ability. A prominent American merchant who has built up a great business in London, a few years ago said, "It is not only possible to be honest in business, but it is the height of unwisdom to be other than honest."

The same merchant (in London), a few days ago, said: "The public has been made to feel, through occasional ill-advised Government action, and by unfortunate newspaper articles, that nearly everyone in business is making undue and unfair profits. No consideration has been given to the vastly GREATER CAPITAL REQUIRED, the GREATER RISKS, the enormously increased expense, etc. The fact is, as far as our observation goes—and this extends in detail over a very wide area—the distributors of merchandise, the big stores and shops, are not getting as much average gross profit per cent. as before the war or up to 1918. Instead of being guilty of that easily spoken word, 'profiteering,' they are paying their greatly increased taxes with a smile, and assuming their obligations as 'the wage-earners of the state' with just that earnestness and feeling of patriotic responsibility which the most severe critic would wish."

## A Much Abused Word

The word "profiteer" is applied recklessly and indiscriminately to honest and conscientious merchants, who must bear the odium along with the comparatively few who are taking unfair advantage of the present situation. In some lines there is undoubtedly a cornering and manipulation of raw materials which make prices exorbitant. Wages are high, and should be high; but certain workers are now in a position to demand more than their share as compared with others in lines where there is no pronounced scarcity of labor. A few retailers may be gouging; but retail profits cannot, as a rule, be excessive, because the scarcity of goods is not so acute as to eliminate COMPETITION as a factor.

## Labor and Materials

We hold no brief for the manufacturers, but we believe most of them are as anxious as the retailers to restore normal conditions, and in many cases almost equally helpless in controlling cost of production.

In 1914 you were asked to "buy a bale of cotton" at 10c a pound (when the market price was 6½c). Now the price is about 40c—and some of the growers are talking of holding it for 60c. Furs for men's hats are ten times as high as before the war. Raw silk is approximately four times as high as before the war, and most other raw materials are proportionately higher. According to an expert, the cost of men's clothing fabrics has increased, on the average, 275 per cent. in five years; buttons and trimmings, 242 per cent., and labor (counting advanced wages and shorter hours) has increased 225 per cent. over 1914.

The president of the Inter-Racial Council says that IMMIGRATION has fallen off in the past few years to such an alarming extent that there is at present a shortage of four million immigrant workers; also that five times as many foreign laborers left this country as came in, from November, 1918, to October, 1919. And some one has estimated that the production of the necessities of life is reduced at least 20 per cent. by shortage of labor.

Thirty-four million working days were lost through STRIKES in England during 1919. No total figures are available here, but a well-known business writer estimates America's loss as double that number. Think of what sixty-eight million days' work would have added to production!

Strikes surely add to the price of commodities—and it is sincerely to be hoped that a less wasteful method be found for settling disputes between capital and labor.

A very serious factor in the H. C. L. situation is the curtailment in many industries of PRODUCTION PER MAN PER DAY. It is not the high wages paid, but the lesser amount of work performed that is the unnatural and dangerous barrier to regaining a normal balance.

A BIG DAY'S WORK FOR A BIG DAY'S PAY should be our slogan just now.

## Effect of Heavy Exports

This country's exports of manufactured woolen goods increased nearly 1300 per cent. in the seven months ending January 1st, 1920, over the seven months ending January 1st, 1914.

There has been an enormous increase in our exports of manufactured silk and cotton goods since the beginning of the war. Our exports of shoes are about five times as large as before the war. This tends to make prices higher on all these goods sold in this country.

On the other hand, LINEN PRICES are very high because of a falling off in IMPORTS from more than eighty million yards in seven months of 1913, to less than nine million yards in 1919.

## Our Inflated Currency

We read that we have in this country five and one-half billion dollars in circulation—two billion more than in 1913; and that bank deposits have increased from thirteen to twenty-five billion dollars in the same period. Prices are high, but money, as measured by goods, is cheap.

After all, were it possible to go back to primitive methods—trading wheat and potatoes for shoes and dry goods, or labor directly for merchandise—might it not be seen that the real inequities are not so great as appears, with our fixed idea of the value of a dollar in mind?

The great war debt must be paid, and HIGH TAXES are another important factor in high prices. Whatever form taxes may take, they are ultimately paid by the consumer, and able arguments are advanced in favor of substituting for the heavy tax on profits (which large business must anticipate and which adds to the risks of business) a small direct tax on sales.

Former Collector of Internal Revenue Roper says the excess profits tax has outlived its usefulness, and is one of the causes of the high cost of living, which should be eliminated.

## The Lowering of Prices Is Everybody's Problem

If we are extravagant—perhaps some of us are—LET US BUY ONLY WHAT WE NEED, AND BUY CAREFULLY, from houses of known integrity. GREATER PRODUCTION is the crying need of the day. Let us WORK, WORK, WORK, and there will be plenty for us all. But to stop buying altogether would cause further curtailment of production, and any temporary drop in prices would be followed by a rush for goods and that in turn by a still higher price wave.

Merely waiting for prices to fall will not make them fall, because the shortage of goods is real, and the need for them is real. The average family has been using not more but less in quantity for three or four years, and their need will only become more pronounced the longer they wait. TO BUY WHAT YOU NEED AND NO MORE is assuredly a wise policy.

As the president of the National Commerce Chamber said the other day: "Only work and time can restore the balance between production and consumption."

OUR GOVERNMENT cannot control natural laws by man-made laws; but it may regulate tendencies toward monopoly, over-capitalization and restriction of output, pass scientific tax laws, exercise a moderate restraining supervision over exports of necessities, and perhaps make a careful study of economy in Government itself.

## Overall Clubs and the Dress Suit Ban

Overall Clubs are not likely to have any appreciable influence on prices—except overall prices, which have already gone higher. Producing overalls for those who do not need them is economic waste, diverting productive effort, and adding a bit to the cost of the woolen suits that all men do need. Such clubs, however, may be only a manifestation of the American propensity for getting a little fun out of our troubles.

As for the ban on the evening dress suit, it was estimated a few years ago that only about two per cent. of the men in the United States owned one, and the average life of this kind of suit is estimated at twenty years. Therefore, the average cost of evening clothes per year for the 20,000,000 men in the country is six cents per man! So, discarding your dress suit will not reduce prices to any great extent.

## The Remedy is Work Reasonable Economy and Careful Shopping

Is it not time to stop the loose and indiscriminate use of the epithet "profiteer"? It cannot be justly applied to any merchant of established character and reputation, who has no more power to reduce prices than his customers have—except in so far as he is willing to help relieve the situation by SACRIFICING PROFITS to which he is legitimately entitled—AND THAT IS EXACTLY WHAT THIS FIRM HAS DECIDED TO DO to a very considerable extent during the next several weeks, as it has done in the past week.

STRAWBRIDGE & CLOTHIER