

**OUR PAST  
20  
YEARS**

**M A Y**

**1940**

**H. T. CUSHMAN MFG. CO.**

**NORTH BENNINGTON**

**VERMONT**

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MAY • 1940

This Copy For

*John Wellington*

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**H. T. CUSHMAN MFG. CO.**

**NORTH BENNINGTON**

**VERMONT**

## COMPANY HISTORY

Many of our employees have been with us a comparatively short period, perhaps three to five years. For this reason, we feel it will be of interest to them as well as our older employees, to read a brief history of this company's development and earnings' record of a few of our employees over a period of time.

This company was started by H. T. Cushman over fifty years ago. It had to operate on a very small borrowed capital, and for a great many years, it was a severe struggle to "make ends meet". Even with a small number of employees and a weekly payroll of only a few hundred dollars, it was often a problem to meet this obligation.

Beginning in 1917 and 1918, there was a substantial improvement in national business. The salability of our line of smoker stands and smoker cabinets increased rapidly, so that in 1919 because of larger manufacturing capacity needed, the company borrowed from a private individual sufficient money to erect the first brick building next to the street.

In 1922 and 1923, a brick addition to our dry kilns at the south end of the Stone Building as well as the new boiler room and adjacent east ell were added.

The section to the south over the garage was added in 1926.

During this period, our smoker stands were considered the best selling line of smokers being manufactured in the country, and the production requirements warranted this expansion.

During this period also, practically all profits of the company were re-invested in these new buildings together with new equipment for same. This increase in plant enabled us to increase the number of our employees to more than double.

During 1927, it became apparent that the salability of smoke-stands of our competitors, as well as ours, was definitely declining. We became aware for the first time since the development of this large business in smoker stands that many of our big customers had substantial stocks left on hand after the Christmas season.

To try to offset this loss of sales, we introduced with limited success other types of goods such as Colonial reproductions, etc.

However, our sales through 1928 and even 1929 still continued to decline and when the national depression of 1930 arrived, this company had a double depression to meet, namely: the lack of salability of its merchandise and the depression existing nationally.

This resulted in severe yearly losses during 1930, 1931 and 1932, totaling nearly \$270,000 bringing this company to the verge of bankruptcy.

In order to continue operations, it was necessary for the owners of the company to personally put up life insurance as security and make a personal loan for the benefit of the company, as practically all our banks formerly granting us loans would no longer do so.

Fortunately, in the fall of 1932, we were offered by Herman DeVries, our present designer, a new type of furniture which he had already offered to two other manufacturers. Both of these had turned it down. We, however, believed we saw good possibilities in his designs and contracted with him. Thus started our present line of —

### **"CUSHMAN COLONIAL CREATIONS."**

This new line, which consisted of comparatively few numbers, was introduced at the January Market of 1933. At that time, our sales and general business took a turn for the better.

However, during 1933, even though our new line had started to sell and looked good, because of our losses in year just preceding 1933, we were unable to obtain sufficient loans from our banks to keep going. We finally succeeded, however, in making a loan at the Federal Bank in Boston, giving a mortgage on our manufacturing property as security. This year showed a small profit.

The year 1934, because of NRA and readjustments through the nation, general business was poor and for us, even with our new line, the year's results were practically the same as 1933.

The following three years were, however, sufficiently profitable to enable us to establish loan privileges from local banks.

Because of the two poor business years of 1938 and 1939 during each of which this company lost money, we have not yet been able to increase our reserves sufficiently to carry us through another depression.

In 1940, although the first few months of this year apparently have not been good for the furniture industry in general, we have been fortunate, through the results of our expensive national advertising and other special deals at reduced profits, to give more employment than last year, and even run most of our departments overtime.

Apparently in recent years every little bit of good weather seems to be followed by a storm. Business generally is slowly starting to cloud up due, undoubtedly, to the events in Europe. The value of the stock of most companies has slipped down in anticipation of a gradual let-up in business. We, however, will try in every way to keep our employment better than last year. We cannot be sure of this. We need the co-operation of every one of our employees.

## EARNINGS' RECORD

To best illustrate this company's attitude toward employees through recent years, we are giving a record beginning in 1928 which will cover average hourly base rate earnings of nine employees who were with us during this period, selected from six of our departments.

This average has been established from our payroll records. Six weeks were taken, one week from three different months in the spring, and one week from three different months in the fall.

### Summary of Base Rates and Hourly Earnings in Cents

	Average Base Rates	Average Hourly Earnings
1928	.433	.543
1929	.442	.584
1930	.446	.502
1931	.354	....
1932	.30	.342
1933 (To NRA)	.27	.32
(After NRA)	.395	.543
1934	.377	.518
1935	.377	.538
1936	.377	.529
1937 (First six months)	.416	.603
(Second six months)	.446	.651
1938	.446	.652
1939	.446	.624

## YEARLY ANALYSIS

1928—Hourly base rate average .433 Average hourly earnings .543

1929 " " " " .442 " " " .584

Reduced production requirements for 1930 caused reduction in the hourly earnings for 1930 but not in hourly base rates.

1930—Hourly base rate average .446 Average hourly earnings .502

As result of the national depression and the loss in our business for the year 1930 of \$67,000, and as our competitors had reduced wages, it was necessary for us to make a reduction in hourly base rates throughout our plant. The "hourly earnings" for 1931 are not available.

1931—Hourly base rate average .354 Average hourly earnings . . .

Loss for operations in 1931 was \$69,000 and it was necessary for us to again do, as other manufacturers had found necessary to do also, reduce hourly base rates.

1932—Hourly base rate average .30 Average hourly earnings .342

As our loss for 1932, which was the worst year of the depression, was \$134,000, we, and our industry through the country, were again obliged to reduce hourly base rates throughout.

1933—Hourly base rate average .27 Average hourly earnings .32  
(Up to NRA)

The NRA law effective July 1933 required all manufacturers to establish a forty hour week instead of their former week without reducing weekly earnings. This established a new hourly base rate and raised furniture prices throughout the country. This was necessary to cover increased cost of manufacturing. Business, however, failed to improve as was hoped as a result of this radical change.

1933—Hourly base rate average .395 Average hourly earnings .53  
(After NRA)

Because of our financial situation and general business conditions and a general reduction in wages by our competitors, it was necessary for us to reduce our hourly base rates for 1934. We were even then, however, well above other woodworking plants in this section in the average hourly earnings of all our employees.

1934—Hourly base rate average .377	Average hourly earnings .518
1935     "     "     "     "     .377     "     "     "     .533	
1936     "     "     "     "     .377     "     "     "     .529	

Because of our improved situation and what we believe to be prosperous times ahead, we of our own volition materially advanced our wages throughout our plant in January 1937.

In March 1937, the reports from ninety-six high grade Northern furniture manufacturing plants—these reports covering the principal woodworking operations—showed our plant average hourly earnings at that time to be substantially higher than their average. No Southern factories were included in this report and even today the Northern wages are averaging 40 to 45% higher hourly earnings than in the South.

In May 1937, a complete analysis of earnings in Gardner district covering twenty-five woodworking factories showed our plant hourly earnings' average to be 14% above the average on this report, and we have been advised this spring there have been only slight changes in the woodworking industry in the general wage rate since that time, although there have been advances in the metal or combination wood and metal industry.

**1937—Hourly base rate average .416 Average hourly earnings .603**  
(First Six months)

As business was good for the first half of 1937 and expected to continue, another advance was made in July, increasing further our average hourly earnings over comparisons previously given.

**1937—Hourly base rate average .446 Average hourly earnings .651**  
(Second six months)

1938—Hourly base rate average .446	"     "     "     .652
1939     "     "     "     "     .446     "     "     "     .624	

It is interesting to note that our average hourly earnings for the three years, 1937, 1938 and 1939 have been substantially

above average hourly earnings for 1929 which were the highest on record through the nation as a whole. This with approximately the same hourly base rate.

In comparing our plant average hourly earnings of September 1939 with eight or practically all of our biggest direct competitors making maple furniture in the Northeastern section of the country, we find that for the twenty principal operations in furniture manufacturing our employees were averaging in earnings 12.5% more per hour than the average earnings reported by these factories.

A survey of hourly earnings taken the first of this year 1940, through local and state woodworking industries including several bedroom furniture manufacturers, it was found our entire plant average hourly earnings were 28% above local and state manufacturers of competitive maple finished furniture.

It is interesting also to note that the first seventeen weeks' total earnings of the nine men in this report were \$3174.51 for 1939 but for this year the same period, the total earnings have been \$4050.33, or more than 25% increase. And the same comparison made with 1938, earnings are more than double or 55% increase.

## SUMMARY

We believe we have shown a consistent and fair treatment of our employees in line with our own business fortunes.

We have always felt and we still feel that a workman satisfied with his work, and feeling his pay is as good, and perhaps even better, than those doing similar work in his industry, will in turn give his employer better effort and more efficient workmanship.

With this in mind, it has always been our aim that our employees will have the opportunity to earn a substantially better week's pay than other workers in our industry in our section of the country.

This, however, can only be accomplished, as our history shows, through the success of this business, and we recognize this is primarily up to the management.

No one could conceivably claim our employees were responsible in any way for the smoker articles losing their salability or for our national depression of 1930 which resulted in a near calamity for us. It is evident the success of a manufacturing business is entirely up to the management but failure may come from conditions beyond their control.

It does, however, without doubt require, in addition to good management, the proper co-operation by employer and employee to develop and maintain any successful business. This co-operation, we feel, our employees have always given us.

The protection of all our present jobs now and in the future depends on this business being successful and building up a reserve sufficient to weather a severe financial storm which history teaches us occurs periodically. And certainly with the world in general in such an upset condition, no one can foretell the future.

## TWENTY YEARS

In looking over our figures, it occurred to us it might be of interest to realize what this business has meant to this community over the last twenty years' period.

During this time, we have paid out a total payroll of \$3,600,000.00. This does not include the salaries of the officers of this company.

We have paid total local taxes to village, school and town districts of \$76,000.00.

We have averaged yearly to give employment to 185 men who represent probably 125 families. These employees and their dependents would, we believe, total 500 people.