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Prices and Wages

There is at last a well-defined movement for reduction of prices in many commodities. Henry Ford's substantial reduction in the price of motor cars has been followed by similar reductions in the case of most other makers. Although the use of the motor cars is rapidly extending they can hardly yet be important to the mass of the people. To the great majority the question of the price of automobiles is of no consequence. Nevertheless, Mr. Ford's step is having considerable bearing on the price of things in which the mass are more interested. It is a recognition, by one of the greatest manufacturers of the day, that the period of inflation is at an end and that from this time forward there must be a movement, perhaps not rapid, but unmistakable, towards something like normal conditions. Hence the price cutting is extending to fields far removed from the garage. The consumer may find less evidence of the reduction than he desires, for it often happens that reductions which are easily apparent in the higher fields of business are slow in getting down to the retail shop in which the householder's transactions occur. Reasons—some of them good reasons—can be given for this slowness of the process which is to reduce the much complained of high cost of living. The retailer who purchased his stock when prices were high will naturally desire to sell at corresponding prices. But these are temporary conditions. The price-cutting movement in many commodities is distinctly seen and it will ere long get down to the ordinary consumer.

There is one commodity however—one that is a commodity and something more—in which there is no reduction movement, one as respect which the parties most concerned are resolved that there shall be no reduction. We refer to labor.

War-time conditions advanced nearly all forms of labor, manual labor especially, to prices previously unknown. Never before did those who are commonly spoken of as "the working classes" receive such high wages as during the past three or four years. Whether, in view of the high cost of living, the workers at the higher wages were any better off than in former times

is a question much debated. Workers who had but little responsibility of a financial character have had an opportunity to lay up some money against the rainy day. Those who had families to maintain have found the sources of supply in the form of wages no more than equal to the demands of the household. Any suggestion of wage reduction will naturally be unwelcome. Some of the leaders of organized labor have already gone on record against any reduction of wages. Organized labor will strenuously resist any such movement, and the resistance is not unlikely to lead to friction between the employer and the employee.

Wage reduction is not desirable, but can it be avoided? There is no probability of any return in the early future to the low schedules of wages of by-gone years. Nobody will expect or desire a return of the days when a dollar was deemed a sufficient wage for the ordinary laboring man. Time has brought about a higher standard of living and the workers will properly desire to maintain it. But will it be reasonable to expect that common labor can continue to command \$3.50 and \$4 per day and skilled labor the wages of today? Labor forms a large part of the cost of commodities. How that cost can be materially reduced without any reduction in the price of labor is not easily seen. If Mr. Gompers and those who agree with him that there must be no wage reduction can show how wages can be kept up and the cost of commodities brought down, they will render a very valuable service.

The Presidential Campaign

The Presidential campaign in the United States is now in full swing, the interest in it increasing as the day of election in November approaches. The opinion of impartial observers continues to be that the prospects of the Republican ticket are better than those of the Democratic candidates, but it is admitted that the vigorous work of Mr. Cox is giving him a fighting chance. He is making a whirlwind tour of the country and speaking to large audiences. Mr. Harding is making but few excursions from the porch of his home in Marion, but the party managers are making an energetic