

**P**RICE deflation, though here and there, from one cause or another, it may be temporarily retarded, is now definitely under way in Canada, in respect of very many of the necessities of life. How is that going to affect the question of wages? Are high wages to be maintained when the price of most commodities falls? A prominent official in one of the largest manufacturing concerns in Montreal to whom I put these questions, the other day, said that to answer the latter in the affirmative would be to ignore the law of Supply and Demand.

"The general deflation of prices now in evidence", he proceeded, "must inevitably reduce the cost of living. To contemplate the maintenance, in its entirety, of a wage standard expressly established to cope with an abnormally high cost of living, when the cost of living is reduced to much more moderate dimensions, is to expect the impossible. Unemployment too, is growing. During the war, there was an artificial shortage of labor. For one thing, the total number of labor units in the country was reduced owing to the withdrawal from productive labor of hundreds of thousands of workers and their transference to military service. For another thing, while the war was on, speedy delivery became the prime consideration, and the cost of production, for the time being, became almost of secondary importance. These considerations are no longer operative. Instead of an artificial shortage of labor, there is, at the moment, a very real surplusage. With a surplusage of labor and falling prices, the law of Supply and Demand must inevitably operate in the direction of a reduction of wages—at any rate, in many lines."

#### Present Wages Insufficient.

With that view of the case, organized Labor, as represented by Mr. J. T. Foster, president of the Montreal Trades and Labor Council, is by no means in accord. In the course of a talk I had with him on the subject I put this question to him: "Suppose rent, food and clothing, the three chief items in the budget of the average worker's household, should all go down substantially in cost—say thirty per cent in the total of the three items—should not wages also go down?"

"Speaking generally," replied Mr. Foster, "I answer that question in the negative. In the majority of industries, the wages which the worker is receiving do not suffice to enable him to meet his necessary household expenses, otherwise than with great difficulty, at present prices. It is generally agreed by those who have made a study of the matter that the cost of living, as estimated by the prices of the staple commodities most in use in the worker's household, increased somewhere between 115 to 120 per cent. during the war. In the same period the general average increase in wages to the workers in the various trades was only a fraction more than 57 per cent. This shows conclusively that the average worker did not receive an increase in wages commensurate with the increase in the cost of his living."

## Labor, Wages and Deflation

**Will High Wages be Maintained along with Falling Prices?—Some Views of Capital and Labor in this and Cognate Subjects.**

BY A STAFF CORRESPONDENT.

"Hence it follows that, in his manner of living today, the worker has had to reduce his pre-war standards. Now, we are constantly told that there is no desire on the part of anyone to reduce wages to the pre-war level,—in fact, it is almost common ground that the workers are entitled to a higher standard of living than that to which they were accustomed in pre-war days. But wages are worth only what they will purchase. And it is obvious, on the face of things, in view of the percentages I have quoted in regard to the average increase in wages and the increase in the cost of commodities respectively, that instead of the workers' average standard of living being higher, it is actually lower, than in the days before the war. Prices will have to drop very considerably before the increased wages will permit the average worker to live up to his pre-war standard. And, as I have pointed out, he expects, and has been led to expect, that he is to enjoy a better standard of living than was his before the war."

#### Continuous Work Needed.

"At any rate, it is an absolute impossibility for the workers generally to accept a decrease in wages, so long as those wages do not suffice to meet their necessary requirements at prevalent prices. And that, generally speaking, is the case at present."

"It is a fair statement to make that in this city of Montreal not more than 30 per cent of the workers are employed much more than nine months, in the year. This means that in those nine months, the worker has to earn sufficient to support himself and his family for twelve months. If some means could be found of ensuring for the general body of workers a certainty of continuous employment, then possibly, the question of wages would have to be viewed another angle."

"The uncertainty of the tenure by

which the worker holds his job is a very serious detriment to him in very many ways. To-day, in Canada, the minds of the workers are in a condition that can almost be described as chaotic. A couple of months ago, the call was for greater production. The newspapers friendly the capitalistic interests and government officials alike joined in the cry. Today the talk is of big stocks on hand, and the workers, ready to produce, are now told that their production services are not needed. They wonder what has brought about this sudden change. They are not in a position to know the reason for it—for they don't run the business. But many of them are inclined to believe one or two things—either that the captains of industry have fallen down on the job, or else that the aforesaid captains are making some strategic move."

#### The Garment Workers.

An officer of a clothing manufacturing concern in Montreal, which whom I had a talk, told me that the wages among garment workers had become inflated, possibly to a greater degree than those in any other trade, and that they would have to come down. Incidentally, I may mention that I have heard various members of other Trade Unions in Montreal express the opinion that, as regards increases in wages, the garment workers have "gone the limit"—that, in short, this class of workers has succeeded in getting increases out of all proportion to the production skill required in the industry. Among some of these members the opinion was freely expressed that the garment workers, and, indeed, the whole garment industry, had profited to an unreasonable extent in recent years, that the whole industry had got to be put on a different price basis, and that, as part of such readjustment, wages would have to be reduced. It is difficult to avoid the conclusion that

many of the workers feel that the high price of clothing, which is one of the main reasons for their insistence on no reduction in their own wages, would be very materially reduced if the garment industry, and the wages paid therein, were readjusted.

#### "Hiring and Firing".

"But not only will wages have to be reduced in certain lines," continued this clothing manufacturer, "but there will also have to be various other alterations in factories if they are to be run with such a regard to economy and efficiency as to admit of substantially reduced prices to the consumer, and, at the same time, pay the manufacturer a return on his outlay. During the war, factory discipline was a good deal too slack in a great many instances. In certain industries, too, the output of the workers was far too small. These bad habits, easy to acquire, but hard to overcome, have got to be thrown into the discard, if the industries in question are to get down to business. The era of hiring and firing has got to return. The slacker and the inexperienced man have got to be weeded out, and the effect upon the trained man will be salutary. During the war period employers, because they could not help themselves, had to tolerate much which can no longer be tolerated if our industrial machine is to function to capacity."

"At the same time," he added, "we naturally want to ensure that men are not subjected to injustice. All that the men ask is that there should be in existence some machinery to safeguard them against arbitrary dismissal. Nearly all the big industrial undertakings here have agreed to the institution of some such machinery, and, almost invariably, it works well."

#### The Apprenticeship System.

"With regard to inexperienced workers, undoubtedly the development of the skilled mechanic requires more attention than it has yet received in a country so comparatively new industrially, as Canada is. The apprenticeship system certainly makes for the enhanced efficiency of the workers. But this means that, while the apprentice is in training, he gets a mere pittance of a wage. The workers themselves must be ensured ample wages in order that they may be able to help their sons, while the latter are being trained as apprentices and have not yet arrived at earning capacity. Not only so, but interwoven with this question is that of pensions for widows. For the sons of the latter, while serving their apprenticeship, would not be in a position to contribute to their support."

#### WINTER RESORTS — PACIFIC COAST.

The fame of Victoria and Vancouver as Winter resorts is spreading every season. Splendid climatic conditions, excellent motor roads and unrivalled scenery. In Victoria, golf is an all-the-year-round game. The "Vancouver Hotel" and "The Empress" at Victoria are the last word in the way of comfort and luxury for the guests. Apply to F. C. Lydon, City Passenger Agent, 114 St. James St., Montreal, or any Canadian Pacific Railway ticket agent will be pleased to give additional information, and prepare itinerary for the trip.

#### FLOUR PRICES CALL FOR CHEAPER BREAD.

The Dominion Bureau of Statistics reports on the cost of the production of bread for the Dominion, covering the month of October, and shows the average cost of flour used in October to have been \$12.42 per barrel, an average decrease of practically \$1 per barrel from September prices. This decrease in the cost of flour, when supplemented by slight decreases in the cost of ingredients, baking, delivery, etc., works out the substantial reduction of one cent per pound and one-half loaf.

The average cost per pound for the Dominion for the month of October was eight cents equivalent to 12 cents per the twenty-four ounce loaf. As to cost in different cities, the following is the standing, beginning at the highest, namely: Calgary, Toronto, Edmonton, St. John, Vancouver, St. Catharines, Montreal, Hamilton, Ottawa, Quebec, Belleville.

A number of bakers throughout the Dominion have lowered the price of the loaf in line with November flour prices, though still lower rates may be expected on the present basis of flour costs. The drop in flour prices from the high water mark of \$14.95 per barrel Montreal during July and August last to \$11.10 on December 9, calls for cheaper bread during this present winter, the report states, and doubtless the bakers will lower their prices in line with the cost of flour.