

WAGES AND PRICES

NEW YORK, Jan. 2.—The very heart of any economic problem is wrapped up in the cycle of wages and prices, and thoughtful people today are paying a good deal of attention to trends in both fields. Those trends, in some cases, are not in harmony. There are instances in which there is every reason to believe that higher wages must necessarily mean higher prices, but there are others where wages have been lifted since the beginning of recovery while the prices of the products of those very industries have come down.

There seems little doubt that labor whether organized or not, entertains the belief that it had much to do with the return of the Roosevelt government to power at the November election. These same elements feel that they were largely responsible for the return of an increased Democratic majority to Congress. It is a natural sequence of such an attitude that these labor elements should expect the second Roosevelt administration to be well disposed toward the desires of labor in the way of legislation and administration of laws.

It is an old experience that, once an administration is returned to power, it is not so keen about doing favors for an electorate which it will not face again if the third-term tradition continues to be effective. Against this must be placed the fact that the President and most of those around him seem fundamentally well disposed toward labor regardless of the labor vote. Measures to improve the wages of labor and to increase the social security of working people were proposed and carried into operation when, it might be argued, it was politically unnecessary to take such action.

It may be true, as Rudyard Kipling said, that "no man knoweth the mind of the king," yet all the evidence, so far, is to the effect that the President still is strongly in sympathy with labor and will forward legislation in favor of the working man, whether laborer, mechanic, or white collar employee.

On these premises it seems fair to assume that a number of bills, having administration support, will be offered in Congress at the session about to convene, designed to better the lot of labor. They are expected to have to do with minimum wages, with maximum hours, and with general working conditions. Although the general social security legislation covers a vast number of workers, it is possible there will be additional retirement legislation proposed. Some classes of workers are not included in the social security legislation moving into effect. It would not be surprising if special measures should be proposed to meet their case.

What seems to be of special importance is that the wage-price relation almost certainly will have an effect on the continued movement of recovery. Should the demands of labor for higher wages increase the costs of production to a large extent, reducing profits even though raising prices, recovery might receive a definite check. There would be a slowing down of new enterprises with the profit incentive reduced, and this could mean a reduction in the volume of employment or, at least, a static condition which would leave large numbers unemployed. It must be remembered that while there has been extensive re-employment, additional hundreds of thousands, even millions, are coming into the employment field with the natural increase in population. Many new enterprises and the ex-

pansion of old ones are necessary to the absorption of these workers.

One need but refer to official census bureau figures to find full illustration of the situation. In 1930 the census showed 48,000,000 gainfully employed in the United States. In 1920 there were 41,000,000 gainfully employed. In 1910 there were 33,000,000. The period of the great depression showed that figure of 48,000,000 for 1930 materially reduced, certainly to not more than 40,000,000. So the recovery had to take into account not only the reemployment of those but the natural increase in need for employment which occurs with each year.

Another angle is this: if wages of labor mounted to so high a point that it should prove necessary to increase prices far above the accustomed level labor could not afford to buy any more than formerly. The standard of living would presumably not be bettered.

It would cost a man, conceivably, a dollar for as much bread as formerly he was able to buy for 50 cents. No gain for labor exists here.

Such a cycle of events need not materialize. It is likely that the basic steel industry will be forced to raise prices to keep even with wage payments. Indeed, one large company already has announced an advance of from \$2 to \$4 a ton on finished steel effective early in 1937. The makers of raw material steel—that is, finished steel to be further fabricated into products for ultimate consumption—have shown a tendency to hook up wages and prices closely. Another large company which already has granted a ten per cent increase in wages has announced that a further wage increase will follow upon a rise in the federal government index of the cost of living. Yet it follows that prices must go up too.

There is one notable exception to any such rule which is found in the largest user of finished steel, the automobile industry. In the companies of that large group wages have been raised to the 1929 level, which then was regarded as the wonder of the world. No workers in any country received such princely pay. Nevertheless the prices of automobiles are lower than they were in 1929. Moreover, it is generally conceded that the cars being turned out are products of finer quality. Further, dividends to automobile stockholders have been huge since the upturn. There is a trend exactly in reverse.

The explanation, of course, is greatly enhanced efficiency in the manufacturing process. The automobile industry, since the inauguration of the mass production methods, has been especially notable for its steady increases in efficiency. So has the automobile tire industry. The man-hour productiveness has been increased tremendously. If, let us say, a man working for a given wage not long ago turned out a certain quantity of products and now turns out four times as much, the employing company could afford to double his wages and still be far ahead of the game.

Many other industries have displayed the same ability to meet wage increases with larger production if not always with lower prices. A possible difficulty here is that production might become top-heavy with more products than the market could absorb. This might mean unemployment. On the other hand were wages to keep a differential well above prices, then consumer absorption would be greater, creating a constantly expanding market.

These things cannot surely be foreseen. It is practically certain that one measure taken to meet the situation will be the lessening of the work day without decrease in wages.—Frederick J. Haskin.

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SUMMARY OF MARITIME TUXIS AND OLDER BOYS' PARLIAMENT

Wolfville, N.S., Was Scene of Interesting Sessions Last Week -- Fredericton Representatives

The Parliament was under the direction of Ralph C. Young, Maritime Boys Work secretary, assisted by Rev. Waldo C. Machum and J. Lloyd Jess, acting as clerk.

Stewart MacLeod, Kentville, N. S., leader of the Construction party was Premier; Fred Blizzard, Saint John, leader of Reconstruction party was leader of the Opposition; Victor Morfarty of New Glasgow was appointed speaker and Lawrence Hall of Fredericton was Dep. Speaker; Douglas Snair, Kentville, acted as Sergeant-at-Arms.

On Wednesday afternoon the House was officially opened by the Lieutenant-Governor—Rev. Dr. W. N. Hutchins reading the Speech from the Throne. The motion in reply to the speech from the Throne was moved by Roy Lake, Sydney, and seconded by Arthur Sewell, Fredericton. Then the Debate on the speech from the Throne, which was followed by the Oath of Allegiance.

Resolutions debated upon in both Wednesday's sessions were regarding: A well balanced Tuxis programme; expansion of the program; also a resolution pledging support to all temperance societies.

The formal sessions of Thursday opened at 3:30 p.m., at which time resolutions regarding inter-city and town competition in Bible study, basketball, debating and etc., which was debated upon and passed. Then a resolution to encourage the National Athletic Contest was also passed. The evening sitting of the House commenced at 7:30 p.m.; a resolution to give greater publicity to the Tuxis programme was passed; followed by a keen debate on Boys attitude to war, after an amendment was brought in, debated upon and defeated; it was decided not to partake in any war.

At 2:30 p.m., on Friday the Parliament resumed its formal session with resolutions regarding Model Parlia-

ments and duties of Cabinet Ministers which were adopted. Then the Parliament desolved itself into a committee of the whole to discuss the Finance bill and also a bill for the promotion of the Upward Trail, the Parliament paper.

In the evening a resolution was introduced pledging support to all Acts and Bills passed in the sessions of Parliament, also a Bill for the promotion of Camps and Conferences. The final resolution of the Parliament was an Act pledging support to Christian Forces and loyalty to Him. Parliament was then prorogued by the Lieutenant-Governor and votes of thanks were offered to all that helped to make the 1936-37 Parliament so great a success.

At midnight Friday a very impressive Devotional Service was held at which time the Boys told what the Parliament meant to them.

The Construction Party appointed Ralph Woodman, Kentville, as their leader for next year, with George Piercy, Halifax, alternate. Allison London, Saint John, will be the leader of the Reconstruction Party with Neil Ganter, Woodstock, alternate. Donald Rice, Sussex, was elected Speaker.

The Parliament was greatly honored by having its last year's Speaker, Henry D. Hicks, appointed Rhodes Scholar for Nova Scotia in 1937.

Representatives from Fredericton—Robert Watson, Arthur Sewell and Lawrence Hall. Neil Ganter and Berf Gardner were representatives from Woodstock. Dalton Rideout represented Hartland.

Every morning an hour of Devotion was held followed by a Leadership Training Course, immediately after which party meetings were carried on.

The Parliament was a great success. So to the Tuxis Boys of the Maritimes the Parliament throws the challenge: Let's Go!

EDWARD, DUKE OF WINDSOR'S PAST CONTRIBUTION TO EMPIRE TRADE

This is the third in a series of articles on the Duke of Windsor, written by H. M. Paint, of The Daily Mail staff. Others will follow.

On March 5th, 1931, Edward together with his brother Prince George opened the British Empire Trade Exhibition at Buenos Aires in the Argentine. He delivered his speech in Spanish to the enthusiastic crowds. Very few people knew that but a few months before he had been unable to speak Spanish. But expert tuition, application and determination had worked wonders.

The idea of holding the Empire Trade Exhibition to regain a falling South American trade had been eagerly seized by British manufacturers. Edward was asked by a committee to represent them at the opening.

The result of his trip proved that theirs had not been a haphazard choice. British manufacturers knew that he had studied world conditions at first hand. They knew that he had made an extensive study of political economy, under one of the foremost European experts and had provided a keen and apt pupil. He was thoroughly competent to acquire and transmit knowledge from the contacts that he made with Spanish business men in South America.

When asked to represent British manufacturers Edward asked if it would stimulate trade and give employment to British labor. Being satisfied on this point he accepted the task. He prepared himself thoroughly for the trip. He learned to speak Spanish, read South American newspapers to gain a proper background, and issued an invitation to all prominent merchants with South American connections to call on him with suggestions and trade data.

He brought back with him on his return many valuable suggestions in the realm of trade and finance.

He indulged in some plain speaking on his return when addressing the Birmingham Chamber of Commerce. He said many changes were necessary to retain and increase South American trade for the British manufacturer.

N. B. As an illustration of the pitfalls awaiting the ignorant manufacturer in South American trade the following will serve. Among the mountainous countries of the East Coast, i.e., Peru, Bolivia, Ecuador and parts of Chili and Columbia the llama is the main beast of burden for mountain travel. The maximum load this beast can carry is about 100 pounds. A 98 pound bag of flour is a load. A manufacturer who ships his flour in barrels to these countries does not get a repeat order.—Writer's note.

In his address Edward said in part: "It was a very serious industrial

crisis in our country which led me to go to South America, this winter to study the openings offered us as manufacturers in that country. I returned home to find the situation even worse than when I left . . . I am sorry to say that as a nation we are very far behind as regards advertising. That is one of our national characteristics. We do great things and invent great things which are of great value to the world but we never let the world know what we have done."

He told the British manufacturer that they were exporting pre-war styles of manufactured goods that "used to sell." He said changed methods must be introduced to suit a changed world.

The improved condition of British trade in the succeeding years resulted largely from his suggestions and efforts.

Influential foreigners and diplomats were impressed by his knowledge of their own lands. His eager interest in their affairs changed financiers industrial magnates and ambassadors into friends of Britain and things British.

Canadian Curlers Beaten By the U. S.

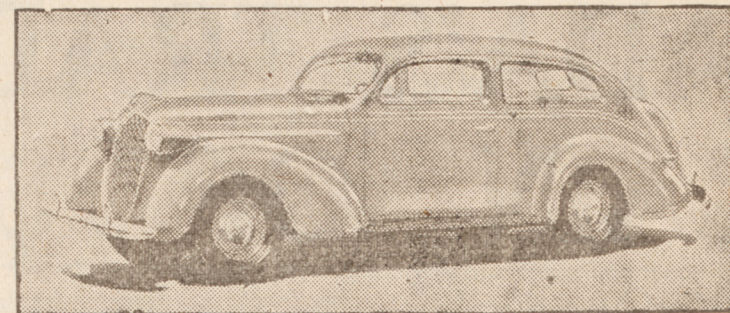
NEW YORK, Jan. 4.—Highlights of 1936 in curling were the successful defense of the Gordon International Medal by the United States, the victory of the Utica Curling Club over the defender, Schenectady, in the Gordon National Medal and Brookline's retention of the Stockton Cup. In the international event the United States turned back the bid of Canada, 228 points to 118, winning ten out of the thirteen matches, which were played at Utica. At Schenectady the Utica team, skipped by Robert L. Davies, defeated Schenectady in the final of the national tournament, 20-15.

The Brookline Country Club rink, skipped by Everett S. Litchfield, retained the Stockton Cup, beating Schenectady on its home ice, 16-14, in a hard-fought match. Brookline gained the final by conquering Ardsley. Brookline also took the Windler Cup.

Utica listed the Douglas Medal among its triumphs along with the Allen and Mitchell Medal events, while Caledonia captured the Utica Cup in a tournament at Hastings.

WASHINGTON, Jan. 4.—Responding to representations by the United States, Spanish government authorities have ordered the release of a \$400,000 United States cargo which was aboard a Spanish steamer drafted suddenly into the government service.

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