

**KEEP DOWN THE COST SAYS ROGER BABSON, WIZARD**

Statistician Warns Against Fixing of Wages at the Top of the Wave

Wellesley Hills, Mass., Dec. 23, 1922  
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Commenting on the present scarcity of skilled labor in certain lines, Roger W. Babson today issued a distinct warning to both executives and investors who would base future plans on present conditions.

"The last six months of 1922 have been marked by a scarcity of labor in many lines," says Mr. Babson, "particularly common labor and the skilled building trades. Employment conditions the country over have improved in these months. There has, therefore, been a general tendency on the part of labor to seek increased wages, and on the part of employers, even when they did not see the way clear to raise wages, to consent to their stabilization at the present or preceding levels. This situation is likely to continue for the first six months of 1923, going far enough to cover the usual wage settlements which come up in the spring.

"Employers, therefore, are going to be confronted with demands which, if granted, will of necessity mean increased production costs. In 1917 and 1918 we were in a similar position. Labor was getting scarce; business was running along briskly, and the demand for increased wages was insistent. At that time, my advice to business men was, that they should make terms with labor as quickly as possible so as to keep their factories running and turn out the stuff. The costs were to be charged up to the consumer. This advice, the business men of the country cheerfully took, even to the extent of improving upon it.

"At the present time my advice is exactly opposite. Under no conditions should wage rate be increased, if it is at all possible to avoid it. A wage rate, once established, is a millstone about an employer's neck. The fundamental long swing tendency of wages and commodities is downward. This present stiffening of conditions is but an eddy in the main stream. A year from now, perhaps, the lower price tendency will again be resumed. The employer who has allowed himself to be weighted down with increased wage rates will find himself at a disadvantage when the

downward tendency is again resumed.

"If, therefore, you must pay more for your help, in order to secure labor and keep the peace," continued the statistician, "do it by some kind of a bonus which will be eliminated automatically when the turn comes. In 1917 and 1918 you could pass the cost on to the public, but that time has gone. The public is not looking for goods at any price; it is looking for goods at a lower price, and if your goods are put on the market on the basis of increased production costs, they will not find a ready sale.

"Furthermore, investors are going to be extremely cautious about putting their funds into industrial enterprises. They are going to ask a great many perplexing and embarrassing questions. First among these is going to be the question as to how far the particular plant has got its production down to a permanent level. These questions are going to be asked strictly from the dividend paying basis. On all sides the profit-making possibilities of productive enterprises are going to be curtailed. Your normal margin of profit in the years just ahead of us is going to be very much less than it has been for the last five years. Any element, therefore, which tends to increase the production costs is going to add to the embarrassment of your company.

For this reason, investors are going to look beyond the advertisements as to the assets and income and things of like kind. They are going to ask to see your wage sheets and to demand information as to how the wage levels under which you are operating correspond with those of six months ago and a year ago. This is a perfectly legitimate question and upon the answer to it will depend not only the profits which you will make

**NEWSY NOTES FROM LISLE AND BELMONT**

CONGREGATIONAL CHURCH  
A. L. Allison, Pastor

Services for Sunday, Dec. 24:  
Sunday School at 10:00 a. m.  
Morning worship at 11:00.  
Evening services at 7:00.  
Sermon themes: Morning: "Because Christ Has Come." Evening: "Our Gifts for Christ and God."  
Prayer meeting Wednesday 7:30 p. m.  
A hearty welcome for all who attend.

A. L. ALLISON, Pastor.

Mr Henry Fackey of Elgin spent Saturday and Sunday of last week with his uncle and aunt, Mr and Mrs D W Moulin.

Mrs McGinnes of Aurora was the guest of Mrs D W Moulin Sunday.

Mrs Joe Ljss went to Chicago last week to get acquainted with her little new nephew.

Be sure and attend the program at the Lisle church, Dec. 26th.

The Ladies Aid Society will meet

in 1923 but also the difficulties which you will meet in obtaining money to finance your operations."

General business according to the index of the Babsonchart has sagged slightly from exact normal reached last week. The current reaction of 2 per cent is due to increase in failures.

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**GIRL SCOUTS IN SPECIAL MEETING NEXT WEDNESDAY**

Troop to Be Officially Recognized and Members Receive Tenderfoot Badges

The next meeting of the Girl Scouts will be on Wednesday, December 27, at 2:30 p. m.

This is to be the first Investiture Service of the troop and Miss Gertrude Jackson, organizer from headquarters in Chicago, will be in charge. At this time the troop will be officially recognized and all scouts who have passed their tenderfoot tests will receive their pins.

This will be an open meeting and all the parents of the Girl Scouts, as well as their friends, are cordially invited to attend.

at the home of Mrs Arthur Porter Thursday, Dec. 29, at 2 o'clock.

Edgar Boss, who was hurt by an automobile, is able to be up again.

Leslie Plumb is the possessor of a new Ford.

Rosella Porter took part in the program at the reopening of the M. E. Church at New Buffalo, Mich., Friday evening.

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We trust that in our business relations the measure of YOUR satisfaction has been as large as ours and that the future of our relationship may be limited only by the lapse of time.

We wish you and all in whom you are interested, the merriest of Christmas Days and a Happy and Bountiful New Year.

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