

# **PROFITS, WAGES, AND PRICES**

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Profits, wages, and prices by David Friday

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**DAVID FRIDAY**

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AND PRICES**



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BY

DAVID FRIDAY

PROFESSOR OF POLITICAL ECONOMY  
UNIVERSITY OF MICHIGAN



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## FOREWORD

IN the autumn of 1916 my attention was first attracted to the enormous growth of profits which resulted from the business activity induced by European war demands. It has fallen to my lot since that time to collect a considerable amount of material on profits, wages, prices and related subjects, most of which is today not readily available except to the specialist. This little book has no more pretentious ambition than that of presenting these facts briefly and in such form as to make them comprehensible to the general reader.

The statistical material in this volume, essential though it be, will probably be more abundant than the general reader will have the patience to follow in detail. Nor is it necessary that he should do so in order to get the point of view of the book or the gist of the author's conclusions. Though all of the chapters hang together, the meaning of almost any one of them may be grasped when taken by itself.

The facts concerning profits, wages and prices do not indicate disintegration or economic weakness in America, although they have created end-

less confusion in the public mind. What they do show is that the productive resourcefulness revealed by the war gives a substantial basis for social and economic optimism.

DAVID FRIDAY.

*Ann Arbor, June 25, 1920.*



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# PROFITS, WAGES, AND PRICES

## CHAPTER I

### THE CURSE OF PEACE

WHEN one compares the tone of American life during the spring and summer of 1918 with the state of public opinion and industrial activity of 1920, he wonders whether peace is really a blessing. Edwin Cannan tells the story of a charwoman who remarked to a charity worker: "This war has made many a happy family, sir." She seems to have been a person endowed with acute powers of observation, and something of a prophetess as well. Her paradoxical remark applied quite as much to America as to England. Not only the young men who were eager for an excuse to go in quest of adventure and the women suffering from ennui who had found relief in work were happy with the war. The whole nation had for once an end so direct and straightforward, so stimulating to the imagination, that it found itself possessed of a unity of purpose which led to satisfying activity. On the side of industry