

### PRICES FIXED ON GOVERNMENT FOOD

FIGURES SUBMITTED FOR GUIDANCE OF PUBLIC ON SUBSISTENCE STORES.

SALES TO COMMENCE AUG. 18

Quotations Are F. O. B. at Distributing Points, the Purchaser Paying Parcel Post Rates—Orders Received Through Postmasters.

Washington, D. C.—The war department made public a complete price list on all subsistence stores available for sale to the public through the parcel post or through municipal selling agencies. Costs of the commodities to the government, the department said, had been disregarded entirely in fixing the prices of sale, which are materially lower than prevailing rates.

The prices quoted are f. o. b. from storage points in each of the thirteen districts into which the country is divided for war department subsistence purposes. The department now is re-distributing the food supplies in the thirteen areas in order that each may have its proper proportion of population of the seventy articles of food.

Buyer to Pay Postal Rate. The price tables include individual units in each case and also the price per case or larger containers. It also shows the gross weight per can and per case in order that the public may arrive at the price they will have to pay by adding parcel post rates from the nearest distributing point to the home of the consumer to the f. o. b. price quoted.

Municipal selling agencies will compute freight charges on these shipments to be added to the price quoted by the war department. On the parcel post distribution no orders will be received direct by the war department, but only through the postoffice department, which will requisition the supplies by case or larger package, the postmasters in turn breaking these shipments up into unit packages of a single can or several cans.

Municipality purchases at the new prices will begin as soon as the surplus property offices at the various zone supply offices and depots have received the quotations made public today. Sales to individuals through the parcel post will be inaugurated August 18.

Some Quotations. Quotations on some of the leading commodities are: "Bacon, \$4.15 per can of 17 pounds; corned beef, 55 cents for a can of 1.35 pounds; baked beans, 5 cents for a can of 1 1/2 pounds; sweet corn, 10 cents per 2 1/2-pound can; dry beans, \$6.49 per 100 pounds; crackers, 5 and 6 cents a pound; army flour, \$6 per 100 pounds; macaroni, 7 cents per 1 1/2 pounds; rolled oats, 12 cents per 2 pounds; seeded raisins, 10 cents per pound; rice, \$6.74 per 100 pounds; tomatoes, 9 cents per 2-pound can, and white corn meal, \$3.50 per 100 pounds."

FLOUR TO BE CHEAPER. Maximum Price Basis of \$12 a Barrel for Central West. New York.—Details of the United States grain corporation plan to sell flour at \$10 a barrel were made public by Julius H. Barnes, United States wheat director. Restrictions are placed on the price to be charged by wholesalers, jobbers and retailers.

The flour will be sold in 140 pound sacks on a basis of \$10 in the territory west of the Illinois and Indiana line and west of the Mississippi from Cairo to the Gulf of Mexico, not including the Pacific coast region, and \$10.25 in the remainder of the country. Jobbers and wholesalers must guarantee to resell to retailers at not more than 75 cents additional and retailers at not more than \$1.25 over the wholesale price for the original packages and must not charge more than 7 cents a pound for broken packages of any size.

### HIGH PRICES DECLARED TO BE ARTIFICIAL

#### President Addresses Congress on Subject of High Cost of Living.

#### LAW IS NOT ADEQUATE

Chief Executive Declares "Vicious Practices" Are Responsible for Perilous Situation Which Faces the Nation—Makes Important Recommendations.

Washington. — Addressing congress and proposing remedies to check the high cost of living, President Wilson declared that existing laws were inadequate and that high prices were not justified by shortage of supplies, present or prospective, but were created in many cases "artificially and deliberately" by "vicious practices."

The president recommended that the food control act be extended to peace time operation and that congress exclude from interstate as well as intrastate shipments goods which did not comply with its provisions. His address was as follows: Gentlemen of the Congress: I have sought this opportunity to address you because it is clearly my duty to call your attention to the present cost of living and to urge upon you with all the persuasive force of which I am capable the legislative measures which I believe to be most effective in controlling it and bringing it down.

The prices of the people of this country are paying for everything that it is necessary for them to live in order to live are not justified by a shortage in supply, either present or prospective, and are in many cases artificially and deliberately created by vicious practices which ought immediately to be checked by law. They constitute a burden upon us which is the more unbearable because we know that it is willfully imposed by those who have the power and that it can by vigorous public action be greatly lightened and made to square with the actual conditions of supply and demand.

Profiteers Lawbreakers. Some of the methods by which these prices are produced are already illegal, some of them criminal, and those who employ them will be energetically prosecuted against. But others have not yet been brought under the law, and should be dealt with at once by legislation. I need not recite the particulars of this critical matter; the prices demanded and paid at the sources of supply, at the factory, in the food markets, at the shops, in the restaurants and hotels, alike in the city and in the village.

They are familiar to you. They are the talk of every domestic circle and of every group of acquaintances. Everyone who is a matter of familiar knowledge also, that a process has set in which is likely, unless something is done, to push prices and rents and the whole cost of living higher and higher, in a vicious cycle to which there is no logical or natural end. With the increase in the prices of the necessities of life come demands for increases in wages—demands which are justified, in that there is no other means of enabling men to live.

Upon the increase of wages there follows close an increase in the price of the products whose producers have been accorded the increase—not a proportionate one, for the manufacturer does not content himself with that, but an increase considerably greater than the added wage cost and for which the added wage cost is oftentimes hardly more than an excuse.

Our economic processes are inextricably interwoven with those of other nations and peoples—most intimately of all with the nations and peoples upon whom the chief burden and confusion of the war fell and who are now most dependent upon the cooperative action of the world. Exports Greatest in History. We are just now shipping more goods out of our ports to foreign markets than we ever shipped before—not foodstuffs merely, but raw materials and every sort of commodity of value. It is impossible for us to predict how far or how long our foreign purchases will be able to find the money or the credit to pay for or sustain such purchases on a scale, how soon or to what extent foreign manufacturers can resume their former production, foreign farmers get their customers from their own fields, foreign mines resume their former output, foreign merchants set up again their old machinery of trade with the end of the earth. All these things must remain in abeyance until peace is established and the nations of the world have concerted the methods by which normal life and industry are to be restored.

All that we shall do in the meantime is to restrain profiteering and put the life of the people upon a tolerable footing while we make it our first and most important duty to settle the conditions here or elsewhere until the treaty of peace is out of the way and the work of liquidating the war has become the chief concern of our government and of the nations of the world. Until then business will inevitably remain speculative and away from this way and again that, with heavy losses or heavy gains, as it may change, and the consumer must take care of both the gain and the loss. There can be no peace prices so long as our whole financial and economic system is on a war basis.

Europe Must Know Situation. "Europe will not, cannot recoup her capital or put her restless, distracted peoples to work until she knows exactly where she stands in respect to peace; and what we will do in respect to peace; and what we will do in respect to the chief question upon which her purse depends. While there is any possibility that the peace terms may be changed or may be held long in abeyance, or may not be enforced, or may be of divisions of opinion among the powers associated against Germany, it is idle to look for permanent relief.

Points Out Present Duty. But what can we do we should do, and should do at once. And there is a great deal that we can do, provisionally at least, which will tend to stabilize and to stabilize the purchase of our wheat and which will be limited and controlled in such a way as not to raise but rather to lower the price of flour. The government has the power, within certain limits, to regulate wheat. We cannot deny wheat to foreign peoples who are in dire need of it, and we do not wish to do so; but, fortunately, though the wheat crop is not what we hoped it would be, it is abundant in the United States and in the States than in Europe, and with proper management can be kept so.

Immediate Relief Measures. By way of immediate relief, surplus stocks of both food and clothing in the hands of the government will be sold and of course sold at prices at which there is no profit. And by way of a more permanent correction of prices surplus stocks of both food and clothing will be drawn out of the market and put upon the market, provisionally under the terms of the food control act the hoarding of foodstuffs can be checked and prevented, and they will be, with the greatest energy. Foodstuffs can be hoarded, stored, and sold by legal action which the department of justice will institute wherever necessary; and as soon as the situation is systematically dealt with it is not likely that the courts will often have to be resorted to.

Conditions Not "Natural." These are facts and forces with which we have become only too familiar; but they are not justified because of our familiarity with them or because of any shallow conclusion that they are "natural" and inevitable, in sitting passively by and letting them work their fatal results if there is anything that we can do to check, correct or reverse them. I have sought this opportunity to inform the congress what the executive is doing by way of remedy and control, and to suggest where effective legal remedies are lacking and may be supplied.

Would Have Prices Plainly Marked. I would also recommend that it be required that all goods destined for interstate commerce should in every case where their form or package makes it possible be plainly marked with the price at which they left the hands of the producer. Such a requirement would bring close analogy to certain provisions of the pure food act, by which it is required that certain detailed information be given on the labels of packages of foods and drugs. And it does not seem to me that we could better serve ourselves by detailed measures of this kind, if it is indeed our purpose to assume national control of the processes of distribution. I take it for granted that that is our purpose and our duty. Nothing less will suffice. We need not hesitate to handle a national question in this manner. We should go beyond the measures I have suggested. We should formulate a law requiring a federal license of all corporations engaged in interstate commerce, and embodying in the license, or in its conditions, or in what it is to be issued, specific regulations designed to secure competitive selling and prevent unconscionable profits in the method of marketing.

Law Would Do Much. Such a law would afford a welcome opportunity to effect other much-needed reforms in the business of interstate shipment and in the methods of corporations which are engaged in it. It would prevent I confine my recommendations to the subject immediately in hand, which is to lower the cost of living.

I need hardly say, with very critical and very difficult matters. We should go forward with confidence along the road we see, but we should also seek to comprehend the whole of the scene amid which we act. There is no ground for some of the fearful forecasts I hear uttered about me, but the condition of the world is unquestionably very grave and we should face it comprehendingly. The situation of our own country is exceptionally fortunate. We most gratefully should afford to keep our heads and to determine upon moderate and sensible courses of action which will insure us against the passions and distempers which are working such deep unhappiness for some of the distressed nations on the other side of the sea.

Disregarding the surplus stock in the hands of the government, there was a greater supply of foodstuffs in this country on June 1 of this year than at the same time last year. In the combined total of a number of the most important foods in dry and cold storage the excess is quite 19 per cent. And yet prices have risen. The supply of fresh eggs on hand in June of this year, for example, was greater by nearly 19 per cent than the supply on hand at the same time last year, and yet the wholesale price of eggs was 40 cents a dozen, as against 30 cents a year ago. The stock of frozen fowls has risen more than 25 per cent, and yet the price has risen also from 34 1/2 cents per pound to 37 1/2 cents. The supply of creamery butter had increased 129 per cent and the price from 41 to 53 cents per pound. The supply of salt beef had been 100 per cent and the price had gone up from 144 to 228 cents a barrel.

Few Price Drops Not Enough. In a few foodstuffs the prices had declined, but in nothing like the proportion in which the supply had increased. For example, the stock of canned tomatoes had increased 102 per cent, and yet the price had declined only 25 cents per dozen cans. In some cases there had been the usual result of an increase of price following a decrease of supply, but in almost every instance the increase of price had been disproportionate to the decrease in stock.

Law Department Active. The attorney general has been making a careful study of the situation as a whole and of the laws that can be applied to it and he is convinced that, under the stimulation and temptation of exceptional circumstances, combinations of producers and combinations of traders have been formed for the control of supplies and of prices which are clearly in restraint of trade and against the provisions will be promptly instituted and actively pushed which will in all likelihood have a prompt corrective effect. There is reason to believe that the prices of leather, of coal, of lumber and of textiles have been artificially affected by the use of concert and co-operation among the producers and marketers of these and other universally necessary commodities which it will be possible to redress. No watchful or energetic effort will be made to accomplish this necessary result. I trust that there will not be many cases in which prosecution will be necessary. Public action will no doubt cause many who have perhaps unwittingly adopted illegal methods to abandon them promptly and of their own motion.

Publicity Will Do Much. And publicity can accomplish a great deal. The purchaser can often take care of himself if he knows the facts and influences he is dealing with, and purchasers are not disinclined to do anything, either singly or collectively, that may be necessary for their self-protection.

Retailers in Part to Blame. There can be little doubt that retailers are in part—sometimes in large part—responsible for exorbitant prices; and it is quite practicable for the government to supply the necessary information through the agencies I have mentioned. It is the duty of the government to supply the necessary information as to the prices at which retailers buy and as to the costs of transportation they pay in order that it may be known just what margin of profit they are demanding. Opinion and concerted action on the part of purchasers can probably do the rest.

Congress Must Supply Funds. That is, these agencies may perform this important service provided the congress will supply them with the necessary funds to prosecute their inquiries and keep their price lists up to date. Heretofore the appropriation committees of the house have not always, I fear, seen the full force of the inquiries, and the departments and commissions have been very much straitened for means to render this service. That adequate funds be provided by appropriation for this purpose, and provided as promptly as possible, is one of the means of greatly ameliorating the present distressing conditions of livelihood that I come to urge, in this attempt to concert with you the best ways to serve the country in this emergency.

Let me urge, in the first place, that the present foodstuff control act should be extended both as to the period of time during which it shall remain in operation and as to the commodities to which it shall apply. Its provisions against hoarding should be made to apply not only to food but also to fuel, to clothing, and to many other commodities which are indisputably necessities of life. As it stands now it is limited in operation to the period of the war and becomes ineffective upon the termination of hostilities. But I should judge that it is clearly within the constitutional power of the congress to make similar permanent provisions and regulations with regard to all goods destined for interstate commerce, and to exclude them from interstate shipment if the requirements of the law are not complied with.

I believe, too, that the more extreme leaders of organized labor will presently yield to a sober second thought, and like the great mass of their associates, think and act like true Americans. They will see that strikes undertaken at this critical time are certain to make matters worse, not better—worse for them and for everybody else.

U. S. Must Hold World Steady. We and we almost alone, now hold the world steady. Upon our steadfastness and self-possession depend the affairs of nations everywhere. It is in this unprecedented crisis this crisis for all mankind—that American must prove her mettle. In the presence of a world confused, distracted, she must show herself self-possessed, self-contained, capable of action and effective action. She saved Europe by her action in arms; she must now save it by her action in peace.

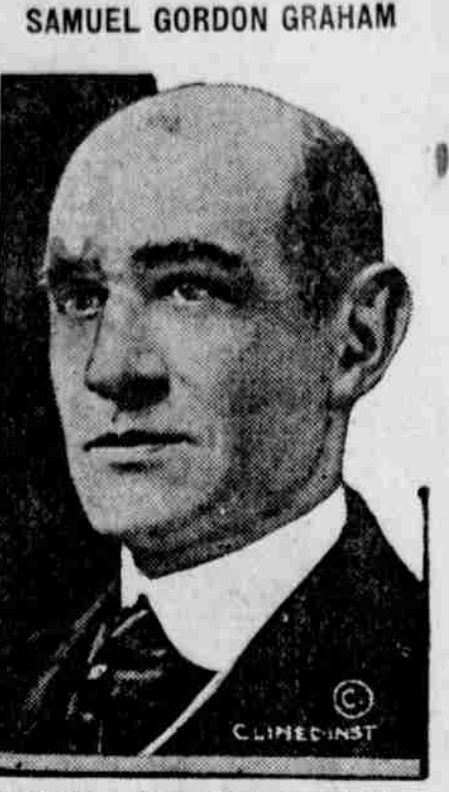
Must Be No Threats. There must be no threats. Let there be only intelligent counsel and let the best reasons win, not the strongest brute force. The world has just destroyed the arbitrary force of a military junta. It will live under no other. All that is arbitrary and coercive is in the discard. Those who seek to employ it only prepare their own destruction. We cannot hastily and overnight revolutionize all the processes of our economic life. We shall not attempt to do so. These are days of deep excitement and of extravagant speech, but with us these are things of the surface.

Sinister Influences at Work. And I enter another confident hope. I have spoken today chiefly of measures of imperative regulation and legal compulsion, of prosecutions and the sharp correction of selfish processes; and these are necessary. But there are other forces that we may count on besides those resident in the department of justice. We have just fully awakened to what has been going on and to the influences, many of them very subtle, that have been producing high prices and imposing a intolerable burden on the mass of our people.

Labor Must Consider. I believe, too, that the more extreme leaders of organized labor will presently yield to a sober second thought, and like the great mass of their associates, think and act like true Americans. They will see that strikes undertaken at this critical time are certain to make matters worse, not better—worse for them and for everybody else.

General Interest First. No remedy is possible while men are in a temper, and there can be no settlement which does not have as its motive and standard the general interest.

Must All Work Together. Threats and undue insistence upon the interest of a single class, make settlement impossible. I believe, as I have hitherto had occasion to say to the congress, that the industry and life of our people and of the world will suffer irreparable damage if employers and workmen are to go on in a perpetual contest, as antagonists. They must, on one plan or another, be effectively associated. Have we not steadiness and self-possession and business sense enough to work out that result? In the meantime—now and in the days of readjustment and recuperation that are ahead of us—let us have a more and more to frank and intimate counsel and make ourselves a great and triumphant nation, making ourselves a united force in the life of the world. It will not then have looked to us for leadership in vain.



Samuel Gordon Graham of Pittsburgh, Pa., assistant attorney general, who has been nominated by President Wilson as judge of the court of claims.

### BUDAPEST IS OCCUPIED

#### ROUMANIAN FORCES ENTER SUBURBS OF CAPITAL.

Streets Half Deserted—No Stores Open, as Communists Robbed Right and Left. Paris, Aug. 5.—Roumanian troops have entered the suburbs of Budapest, according to a dispatch received here from Vienna. Soviet newspapers in Budapest have been suppressed, according to a dispatch from the Hungarian capital received here by way of Innsbruck. The city is reported as being calm, the workmen's battalion preserving order there.

#### ACTS TO PUNISH BANDITS

Secretary Lansing Wants Mexicans Who Robbed G. N. McDonald Captured. Washington, Aug. 6.—Secretary Lansing has instructed the American embassy at Mexico City to urge the Mexican government to take prompt action looking to the apprehension and punishment of the bandits who robbed George N. McDonald, an American citizen, near his residence six miles south of Tampico on July 12. Details of the robbery were not made public. An official dispatch to the state department from Aguas Calientes, Mexico, confirmed Mexico City press reports that Lawrence L. Shipley of Nevada had been released by bandits who captured him last month. Shipley is now at Aguas Calientes.

#### FOR SALE—265 SEAPLANES

Navy Department to Give Sportsmen Interested in Aviation a Chance to Buy Aircraft. Washington, Aug. 4.—Sportsmen and business concerns interested in aviation will be given an opportunity to acquire modern seaplanes at low prices when the navy department sells 265 machines at auction in the near future. Secretary Daniels has authorized the sale of the seaplanes at public auction to the highest bidder. High speed machines of large carrying capacity, well adapted to commercial use, will be included in the sale along with faster and smaller machines. The department will later issue complete details regarding the sale.

#### COTTON PRICE DROPS \$7 BALES

Further Sensational Break in New York Market—Is 5 Cents Pound Lower Than Last Month. New York, Aug. 6.—There was a continuance of Monday's excited selling in the cotton market and a further sensational break in prices, with October contracts selling off to 30.85 during the early trading. This made a decline of nearly \$7 a bale from the closing prices of Monday and of approximately 5 cents a pound or \$25 a bale from the high level touched toward the end of last month. Raillies of several points followed, but the market remained extremely nervous.

#### Coblentz to Be Headquarters

Washington, Aug. 6.—Coblentz will become the headquarters of the American forces in Europe when American grand headquarters in Paris is closed about August 20. It became known when General Pershing arrived here.

#### Reject Wilson's Plan

Washington, Aug. 6.—Officials of the six big railway shopmen's unions told President Wilson they could not approve of his plan for the settlement of railway wage problems and asked the immediate granting of increases.