

WOULD EXTEND WAR CONTROL OF ALL FOOD

That, and Provision of Penalties for Profiteering, Advocated by the President.

TO FORCE SALE OF SURPLUS

In Address to Congress the Chief Executive Makes Assertion That We "Are Dealing With Very Critical and Difficult Matters."

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

He spoke practically 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 would be most effective in controlling it and bringing it down.

The prices the people of this country are paying for everything that 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.

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 proceeded against. But others have not yet been brought under the law, and should be dealt with at once by legislation.

With the increase in the prices of the necessities of life come demands for increases in wages—demands which are justified if there be 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 increase, 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.

The laborers who do not get an increase in pay when they demand it are likely to strike, and the strike only makes matters worse. It checks production; if it affects the railways it prevents distribution and strips the markets; so that there is presently nothing to buy, and there is another excessive addition to prices resulting from the scarcity.

Conditions Not "Natural." These are facts and forces with which we have become only too familiar; but we are not justified because of our familiarity with them or because of any hasty and shallow conclusion that they are "natural" and inevitable, in sitting idly by and letting them work their fatal results if there is anything that we can do to check, correct or reverse them.

We must, I think, frankly admit that there is no complete immediate remedy to be had from legislation and executive action. The free processes of supply and demand will not operate of themselves, and no legislative or executive action can force them into full and natural operation until there is peace.

Must Know Terms of Peace. There can be no confidence in industry, no calculable basis for confident buying or systematic selling, no certain prospect of employment, no normal restoration of business, no hopeful attempt at reconstruction or a proper reassembling of the dislocated elements of enterprise and peace has been established, and so far as may be guaranteed. Our national life has no doubt been less radically disturbed and dismembered than the national life of other peoples whom the war more directly affected, with all its terrible ravaging and destructive force, but it has been nevertheless profoundly affected and disarranged, and our industries, our credits, our productive capacity, 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 stuffs and materials of every sort; but this is no index of what our foreign sales will continue to be or of the effect the volume of our exports will have on supplies and prices. It is impossible yet to predict how far or how long foreign purchasers will be able to find the money or the credit to pay for or sustain such purchases on such a scale, how soon or to what extent foreign manufacturers can resume their former production, foreign farmers get their accustomed crops from their own fields; foreign mines resume their former output, foreign merchants set up again their old machinery of trade with the ends of the earth. All these things must remain uncertain 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 to restrain profiteering and put the life of our people upon a tolerable footing will be makeshift and provisional. There can be no settled condition 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 other governments of the world.

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 is for her chief question upon which her quiet mind and confidence of purpose 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 because of divisions of opinion among the powers associated against Germany, it is idle to look for permanent relief.

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 in private hands will be drawn out of storage and put upon the market. Fortunately under the terms of the food-control act the hoarding of foodstuffs can be checked and prevented, and that with the greatest energy. Foodstuffs can be drawn out of storage and sold by legal action which the department of justice will institute wherever necessary; but as soon as the situation is systematically dealt with it is not likely that the courts will often have to be resorted to. Much of the accumulating of stocks has no doubt been due to the sort of speculation which always results from uncertainty.

Would Have Prices Plainly Marked. I would also recommend that it be required that all goods destined for interstate commerce should in every case when in 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 bear a 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 confine ourselves to 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 a national way. 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 the conditions under which 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; but for the moment I confine my recommendations to the object immediately in hand, which is to lower the cost of living. We are dealing, gentlemen of the congress, 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 amidst which we act. There is no ground for 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 of all peoples can 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 the distressed nations on the other side of the sea.

Other Side of the Sea. But we may be involved in their distresses unless we help, and help with energy and intelligence. 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 date 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.

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 better it and 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 these prosecutions 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 materially affected by forms 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 spared 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.

Department of Commerce. The department of commerce, the department of labor and the federal trade commission can do a great deal toward supplying the public systematically and at short intervals, with information regarding the actual supply of particular commodities that is in existence and available with regard to supplies which are in existence but with regard to the methods of price fixing which are being used by dealers in certain foodstuffs and other necessities.

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 is for her chief question upon which her quiet mind and confidence of purpose 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 because of divisions of opinion among the powers associated against Germany, it is idle to look for permanent relief.

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 in private hands will be drawn out of storage and put upon the market. Fortunately under the terms of the food-control act the hoarding of foodstuffs can be checked and prevented, and that with the greatest energy. Foodstuffs can be drawn out of storage and sold by legal action which the department of justice will institute wherever necessary; but as soon as the situation is systematically dealt with it is not likely that the courts will often have to be resorted to. Much of the accumulating of stocks has no doubt been due to the sort of speculation which always results from uncertainty.

Would Have Prices Plainly Marked. I would also recommend that it be required that all goods destined for interstate commerce should in every case when in 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 bear a 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 confine ourselves to 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 a national way. 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 the conditions under which 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; but for the moment I confine my recommendations to the object immediately in hand, which is to lower the cost of living. We are dealing, gentlemen of the congress, 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 amidst which we act. There is no ground for 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 of all peoples can 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 the distressed nations on the other side of the sea.

Other Side of the Sea. But we may be involved in their distresses unless we help, and help with energy and intelligence. 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 date 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.

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 better it and 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 these prosecutions 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 materially affected by forms 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 spared 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.

Department of Commerce. The department of commerce, the department of labor and the federal trade commission can do a great deal toward supplying the public systematically and at short intervals, with information regarding the actual supply of particular commodities that is in existence and available with regard to supplies which are in existence but with regard to the methods of price fixing which are being used by dealers in certain foodstuffs and other necessities.

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 through the agencies I have mentioned, to supply the public with full 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.

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 provision against hoarding should be made to apply not only to food but also to feed stuffs, 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

charged by the retailer are not justifiable, each factor in the industry adding to the burden he had to bear before he passed it on to the next.

Means for reducing the present high prices are recommended by the commission in this paragraph: "Some relief from the intolerable prices paid by consumers for shoes may be had by (1) a rigid enforcement of the laws against monopolistic control of commodities, (2) legislation forbidding producers of hides engaging in the tanning business,"

The federal trade commission has found that the high price of shoes cannot be justified by underlying economic conditions. The commission after exhaustive inquiry into the price of hides, leather and shoes, is reporting to congress that the larger packers control the hide supply and have taken excessive profits and passed increased costs to subsequent steps in manufacture and distribution; that the tanner has taken exceptional profits; that the manufacturer of shoes has taken unusual margins, and the prices

charged by the retailer are not justifiable, each factor in the industry adding to the burden he had to bear before he passed it on to the next.

Means for reducing the present high prices are recommended by the commission in this paragraph: "Some relief from the intolerable prices paid by consumers for shoes may be had by (1) a rigid enforcement of the laws against monopolistic control of commodities, (2) legislation forbidding producers of hides engaging in the tanning business,"

The federal trade commission has found that the high price of shoes cannot be justified by underlying economic conditions. The commission after exhaustive inquiry into the price of hides, leather and shoes, is reporting to congress that the larger packers control the hide supply and have taken excessive profits and passed increased costs to subsequent steps in manufacture and distribution; that the tanner has taken exceptional profits; that the manufacturer of shoes has taken unusual margins, and the prices

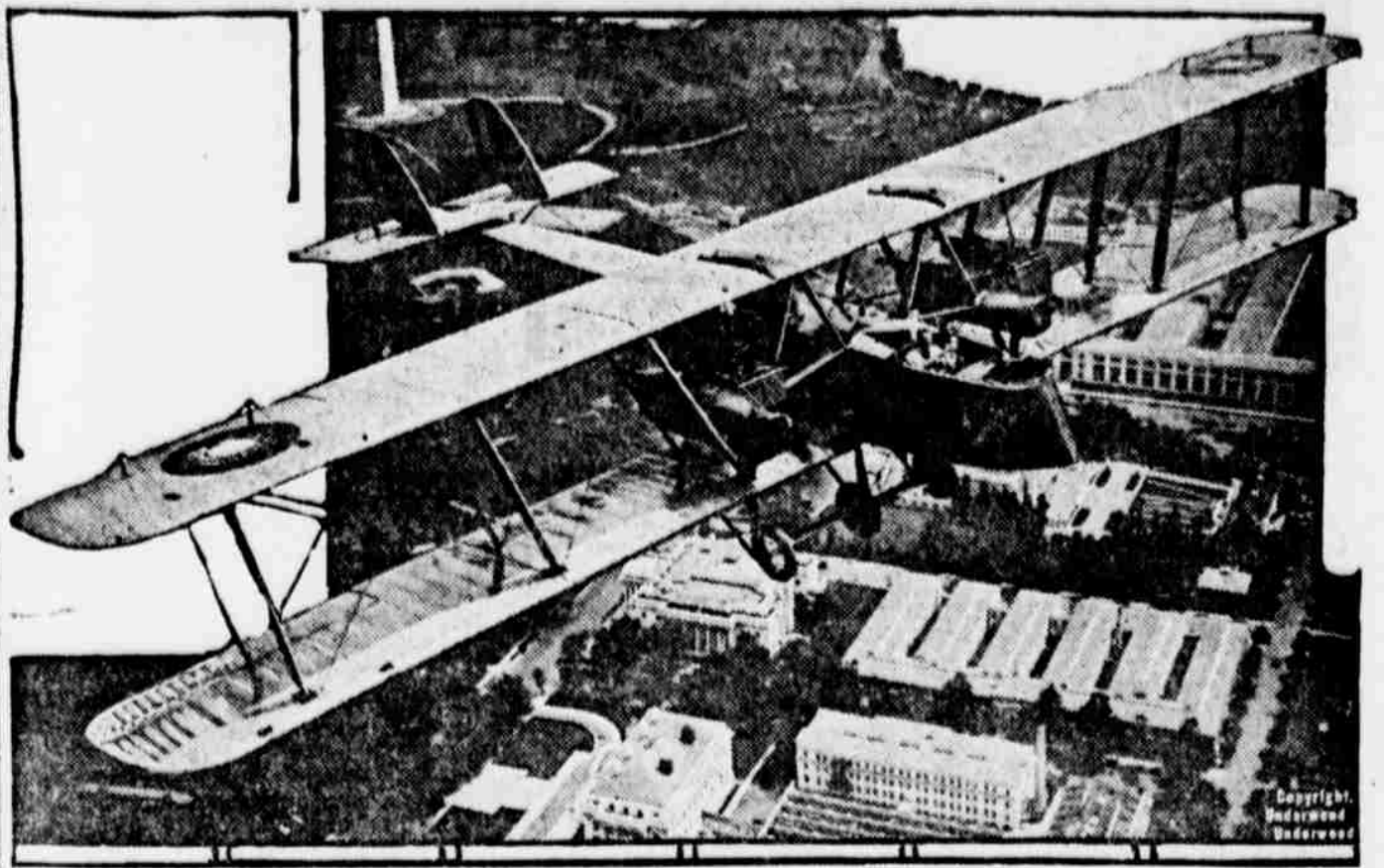
charged by the retailer are not justifiable, each factor in the industry adding to the burden he had to bear before he passed it on to the next.

Means for reducing the present high prices are recommended by the commission in this paragraph: "Some relief from the intolerable prices paid by consumers for shoes may be had by (1) a rigid enforcement of the laws against monopolistic control of commodities, (2) legislation forbidding producers of hides engaging in the tanning business,"

The federal trade commission has found that the high price of shoes cannot be justified by underlying economic conditions. The commission after exhaustive inquiry into the price of hides, leather and shoes, is reporting to congress that the larger packers control the hide supply and have taken excessive profits and passed increased costs to subsequent steps in manufacture and distribution; that the tanner has taken exceptional profits; that the manufacturer of shoes has taken unusual margins, and the prices

charged by the retailer are not justifiable, each factor in the industry adding to the burden he had to bear before he passed it on to the next.

MARTIN BOMBER FLYING OVER WASHINGTON



View taken from another airplane showing the Martin bomber which has started on a trip around the United States, passing the Washington monument.

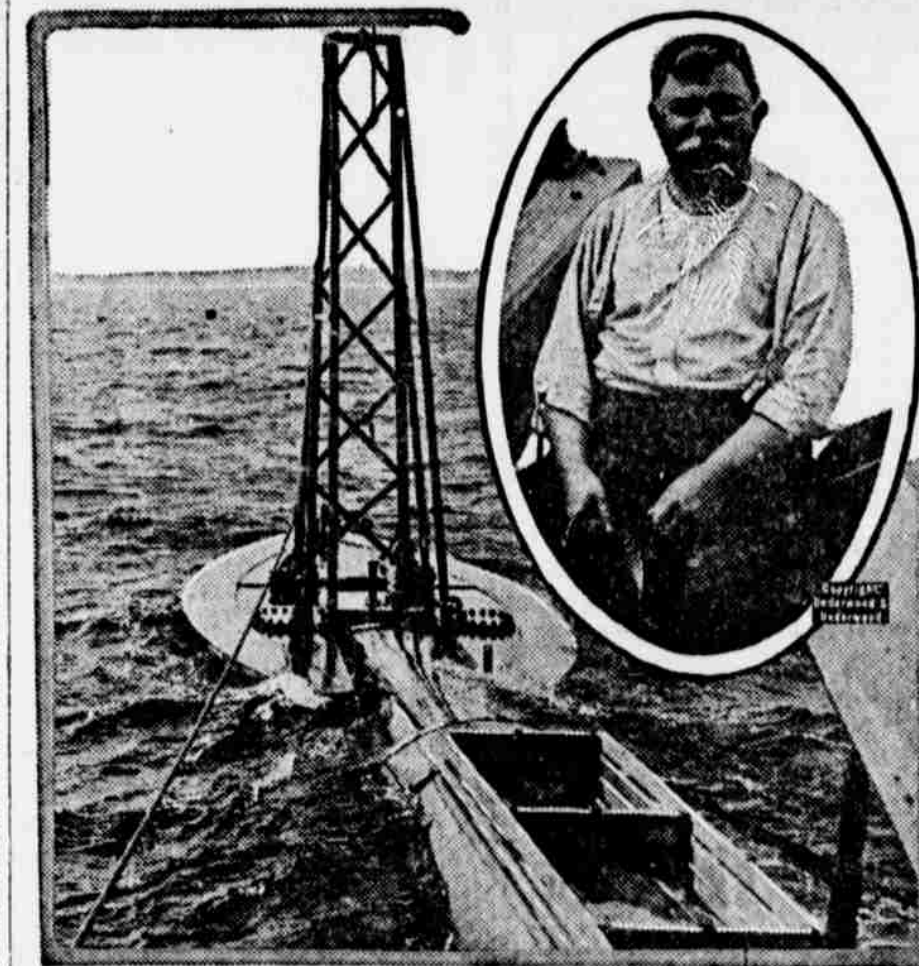
CLEARING AN AERIAL MAIL FIELD WITH DYNAMITE



At Newark, N. J., a small army of men is busily engaged in clearing Heller field which, when completed, will be the first United States aerial mail landing field in the country. Our photograph shows the moment of detonation of a charge of dynamite beneath a mighty tree stump, which is torn from the grounds, roots and all.

SIMON LAKE'S NEW SALVAGING SUBMARINE

HAS MET 20 PRESIDENTS



This new salvaging submarine, designed by Simon Lake, permitting men without divers' costumes to walk on the bottom of the ocean, was put to a severe test in New York harbor over the wreck of a government boat sunk during the war. At the right is a photograph of Mr. Lake.



BIDDING THE YEOMEN (F) FAREWELL



This photograph shows the yeomen (F) and marinettes of the United States navy being mustered out on the grounds of the White House. To the strains of jazz, reviewed by Secretary Daniels and naval officers, and with moments interspersed with wit and sorrow, the farewell was picturesque in its setting. They will be retained for clerical service in the navy department, assuming civil status.

ALL TAKE EXCESSIVE PROFITS

Federal Trade Commission Makes Public Facts Concerning Present High Prices of Shoes.

Washington.—The federal trade commission, which recently conducted an investigation into the leather industry, inquiring especially into the prices of shoes, made public a summary of its report to congress.

In its introduction to the summary the commission says:

"The federal trade commission has found that the high price of shoes cannot be justified by underlying economic conditions. The commission after exhaustive inquiry into the price of hides, leather and shoes, is reporting to congress that the larger packers control the hide supply and have taken excessive profits and passed increased costs to subsequent steps in manufacture and distribution; that the tanner has taken exceptional profits; that the manufacturer of shoes has taken unusual margins, and the prices

When President Wilson shook hands the other day with Mrs. H. W. Somers, wife of General Somers of Civil War fame, he was the twentieth chief executive of the United States to whom she had been introduced. Mrs. Somers made her debut at the White House on the arm of Daniel Webster when William Harrison was president. The aged lady declares that since that time she has attended many of the social functions given by presidents and that she was intimately acquainted with many of the executives. Washington has been her home for 90 years. Despite her advanced age she is very active and in the stormiest or hottest weather can be seen among her wards—the poor.

Heard at Longwood. "So Blank, our old hard bitter, doesn't play any more. Is he recalled to married life?" "I guess so. The other morning I saw him sifting ashes through his old tennis racket."

On the Beach. "This seashore resort reminds me of Sunday morning." "So quiet, eh?" "Not that. The belles are peeling, don't you know?"—Boston Transcript.