

WHOLESALE ON WITNESS STAND AT STATE PROBE

Vice President of McCord-Brady Co. Gives Opinions on Reducing High Cost of Living.

(Continued From Page One.)

ers in California and they have an organization that fixes the prices of dried fruits. We have kept off of dried fruits this season on account of the high prices," he further testified.

Explains Sugar Shortage.

"Why is sugar short in Omaha at this time?" was another question. "There is a shortage of ships. There is plenty of sugar."

"Is it a fact that sugar which was contracted for by Omaha jobbers was resold in eastern markets?" "I don't think so. We have refrained from making such a profit. There is not much hope of sugar being stored here until the new crop comes in. The sugar shortage is greater in the east. In Chicago it is very short. There is no sugar now in storage here."

Growers Hold Up Price.

He attributed the shortage of coffee in this country to a disposition on the part of coffee-growing countries to hold up prices. He asserted that wholesalers figure on 10 per cent gross profit on coffee. One of the factors of the high price of coffee, he added, was a general demand for the best grades in packages. He said the demand for bulk coffee has almost disappeared.

"There has been some agitation recently against the packers distributing canned goods direct to retailers, hasn't there?" asked Attorney Munger.

"There has been a feeling that the packers have been going into the wholesale grocery business by distributing canned goods in the same cans with their meats," he replied.

Defends Present System.

In defense of the distributing system which uses the jobber as the middleman between producer or manufacturer and the consumer, Mr. Brady stated the manufacturer using such a system understands that he can distribute his goods in a more economic manner by eliminating thousands of accounts and many selling agents. He stated that the manufacturer works on a smaller margin of profit of 5 to 7 1/2 per cent, because he is able to sell in carload lots. The wholesale, he added, figured on 10 to 15 per cent, gross profit and he believed that the average retailer figures on the average gross profit

of 25 per cent. to run a conservative business.

Gives Access to Books.

Mr. Brady wished to explain the average dealer's net profits were no more today than they were before the advent of high prices. He also stated that the credit losses of his business last year amounted to 1-10 of one per cent. on a business of approximately \$7,000,000 a year. The net profits of the company were more in 1917 than in 1918, due to the rapid increase of stocks on hand. Mr. Brady invited the state officials to visit the McCord-Brady establishment and make any book examinations they wished.

Explains Government Prices.

"Mr. Brady," asked George A. Williams, chief of the state bureau of markets and marketing, "a soldier friend of mine told me that at one of the government stores he was able to buy a standard bar of toilet soap for 6 cents, as against a general prevailing price of 12 cents in a nearby town; and that coffee which was sold for 45 cents a pound at the retail stores could be bought for 25 cents per pound at the commissary. How do you explain that?"

"The government bought the soap in large quantities and probably did not add transportation charges to the selling price, and probably bought the coffee at the seaboard price."

Buyers Extravagant.

S. Beninato, manager of the fruit department of the Central Market, 1610 Harney street, testified:

"There is a tendency among people of moderate incomes to be extravagant in their buying. Recently I observed wage-earners buying strawberries at 60 cents a box, a price that caused many persons of wealth to hesitate."

The examination of retail grocery and meat dealers yesterday morning did not bring out any salient facts in solving the high cost of living. The only evidence of the morning session that went beyond the commonplace was the testimony of William Hykel, retail dealer at 424 North Sixteenth street, who said:

"A friend of mine brought in four carloads of potatoes from Kearney. He sold two cars to one of the commission men and offered me a car for \$3.20 per 100 pounds. The commission men were charging 4 and 4 1/2 cents a pound here last week. I went down to look at the car and while I was there, my friend's partner met Jacob Adler of the Peddlers' union. Adler, who has been selling stuff to me, was sore because he saw that I was trying to buy potatoes direct from the track instead of through a commission man."

Will Investigate Story.

The state officials are not ready to attach any particular significance to Hykel's story, but they intend to probe further along this line to determine whether there is any system used to discourage buying from sources other than through the commission men themselves.

One of the witnesses testified that he has never heard of any attempt to restrict the dealings of retailers

with producers. Another retailer testified that he bought within the last few days tomatoes at 60 to 65 cents a basket and retailed them at 7 1/2 cents a pound. The general complaint of the retailers was that the handling of perishable fruits and vegetables is attended by more grief than gain.

Some Price Cutting.

Tuesday's evidence tended to show that at least Trimble Bros. and B. Blotcky, members of the pool, are cutting each other's prices on peaches. A witness testified that one day last week he found Trimble Bros. underselling Blotcky 10 cents a case on peaches, and a few days later Blotcky was quoting 10 cents lower than the Trimble Bros.

Questions referring to the Retail Grocers' association elicited replies which indicated that the association is more of a social organization for the holding of picnics, banquets and food shows.

A. W. Robertson, clerk for Wilke & Mitchell, grocers, Fourth and Farnam streets, was the first witness called yesterday. He estimated that prices of fruits and vegetables in Omaha this season are nearly 100 per cent more than prices four years ago.

Demand Not So Great.

"What is the relative demand for fruits in Omaha this season?" Attorney Munger asked.

"The demand has been materially reduced during this and last season," he replied. "The high prices of fruits and sugar have reduced canning this season. I have heard women say it would be cheaper to buy canned fruit than to do their own canning this year."

Mr. Robertson stated that his store has been unable to obtain sugar during the last two weeks.

H. Milder, grocer at 4910 South Twenty-fourth street, testified that his observations have been that prices of the independent wholesale fruit and vegetable dealers are invariably lower than those of the so-called pool.

"We can buy peaches, grapes and other fruits cheaper from the Peddlers' union or Levinson's than we can from members of the combination."

He asserted that cost and selling prices are small consideration at his store.

"We bought 200 cases of peaches at \$1.20 and sold them at \$1.19," he testified. "We are even underselling the government by selling army bacon at 29 1/2 cents."

Don't Discuss Prices.

Hyman Osoff, grocer, 506 South Tenth street, admitted that he was a member of the Retail Grocers' association.

"What matters are discussed at the meetings of your association?" Attorney Munger asked.

"We discuss holding a banquet, picnic or food show," witness replied.

"Do you ever discuss prices at your meetings?" was the next question.

"We do not," Osoff added that the Grocers' association does not issue a list of prices for the guidance of members.

POOL DEFENDED BY WHOLESALE AT FOOD PROBE

Manager of Fruit Company Declares Plan Used Economic and Permits Buying at Low Prices.

Lincoln, Aug. 26.—(Special.)—Continuation of the probe on the H. C. of L. was resumed at the state house this morning, with E. T. Scott, manager of Stacy Bros., wholesale fruit dealers, on the stand. Mr. Scott said that he wanted to correct some statements made yesterday, or rather qualify the same, regarding the handling of produce between the east and west.

He said that buyers in the east simply sell produce for the growers on a commission basis, in most cases about 10 per cent, and have no interest in the cost of the same. He said that Nebraska and western jobbers generally purchased outright and sold the same way. Orders are taken some time in advance, for instance, holiday goods, such as cranberries and the like, using a great deal during the festival season, the price was set by the growers at the time of shipment and the jobbers had to take them regardless of the cost.

Lemons came the same way, but the price was set by the producer the day the shipment reached Lincoln, based on the demand.

He blamed high prices partly upon increased wages, freight rates, packing material, but mostly to the willingness of the people to pay the price regardless of the cost. "It is simply a mad scramble and the people gobble it up no matter what the price. In fact," said Mr. Scott, "money seems to be the cheapest commodity on the market today."

Profit 30 Per Cent.

The firm of which Mr. Scott is manager aims to do business on about an 18 per cent profit. They turn their stock over every five days and their capital stock 10 or 11 times a year, said Mr. Scott. On a capitalization of \$100,000 last year, a 12 per cent dividend was paid, and an 18 per cent surplus laid by, and would make about 30 per cent profit for the year, which he considered about a fair return on the investment, taking into consideration what they might lose sometimes.

George F. Burt, manager for Grainger Bros., was the next man to testify. Much of his testimony was along similar lines to that given by Mr. Scott and confirmed what the latter had said regarding the buying and shipping pool. He said that he did not think it destroyed competition. He said that he was selling peaches to the trade today for \$1.40 a crate but that Stacy Bros. was getting \$1.25, he had un-

derstood from the salesman. Then asked by Attorney Devoe how his firm could sell for more than Stacy he said that his firm had about sold out while he understood that Stacy Bros. had quite a supply on hand.

Critics Applaud Growers.

Mr. Burt did not like the way that Nebraska apple growers packed their apples. "He said they put the good ones at each end of the barrel and the poor ones in the center and then, too, they didn't fill the barrel full. He called it 'plugging' and not conducive to good business principles.

However, he said that while it was true that Nebraska apples went largely to the east, his firm handled quite a large quantity and that generally speaking Nebraska apples were better than those grown in the east.

He was asked by Mr. Devoe how it was that the price of apples went up as soon as they were out of the growers' hands. He asked him if it was not true that as soon as the apples got in the hands of some one between the producer and the consumer that the price went up to about all the traffic would bear and Mr. Burt said he thought that was not true. He afterwards said that the price originated in Chicago and New York and that Nebraska jobbers based their prices on these markets.

Will Continue Hearing.

Asked again by Devoe if it was not true that he did not base his price on what he paid for the apples, Mr. Burt admitted that this was the fact.

Grainger Bros., the firm with which Mr. Burt is connected, has a capital surplus of something over \$1,000,000 according to Mr. Burt and made a net profit last year of \$142,500 which, however, was less than in 1917. He denied that Lincoln commission merchants tried to stop merchants from buying direct from the grower with the threat that they would refuse to sell them other stuff if they did.

The hearing will continue tomorrow at 10 o'clock.

Yankee Soldiers to Study Methods Used by French Farmers

Paris, Aug. 26.—Sixty-three American soldiers—officers, non-coms and men—have just completed a course in farming and gardening at the French national horticultural school at Versailles.

By arrangement with the Franco-American war commission, M. Boret, minister of agriculture, approved this plan of giving the Americans the best possible insight into French methods of land culture. The class worked in the old kitchen garden of Louis XIV laid out as "Le Potager du Roy" by La Quintinye, in 1678.

Aided by interpreters, professors of the national horticultural school gave practical demonstrations of fruit and vegetable growing and periodical visits were paid to the famous state and municipal nurseries in and around Paris.

The class was under the control of Lieutenant Hildreth and consisted of 10 horticulturists, 20 farmers, 15 students, two chemists and 16 of various occupations. "They were exceedingly apt and enthusiastic pupils," said the director of the school, and we hope they will be able to introduce our methods in their own farms and gardens with profit to themselves. Rank did not count in the class; a Red Cross colonel and a captain were quite ready to shovel and wheel away soil in teams with private soldiers."

Shopmen Take Ballot on Wilson's Proposal

(Continued From Page One.)

whom have made or will make demands for more money, would include the shopmen, and they were told not to forget that a strike now meant that the shopmen were striking alone to force an increase for the entire 2,000,000 railroad employees. Strike benefits, it was said, would not be paid beyond the limit of funds now available.

Contents of Letter.

The letter sent by the committee of 100 to the various unions, is as follows:

"Practically every class of railroad employees have now submitted requests for very substantial increases over existing rates of pay. It is well that our members give very serious consideration to this fact if there is to be any additional general increase in the wages of railroad employees, the federated shop trades will receive the same consideration. Don't fail to give this statement careful thought and don't forget that if the federated shop trades become involved in a strike now, you are striking alone to force an increase for the 2,000,000 railroad employees.

Must Vote on Strike.

"In view of the foregoing facts, the statements contained in the president's letter and the responsibility that must be assumed, if a suspension of work is to take place, your executive council has decided that it would fail in its duty were it to authorize a strike until the membership have had an opportunity to decide their course of action on this proposition. It is not our intention to shirk any of our responsibilities as executive officers and the wishes of a constitutional majority of the membership, expressed by their vote as hereinafter directed, will be carried out."

Miners to Lose Charter if Strike Doesn't End

Springfield, Ill., Aug. 26.—Orders telegraphed today from state miners' headquarters to secretaries of all coal mine locals in Illinois said charters of all locals which persisted in the present strike on or after Saturday, August 30, would be revoked.

Atlantic City Chosen for Next Rotary Meeting

Chicago, Aug. 26.—Atlantic City was selected by the board of directors of the International Association of Rotary clubs as the meeting place for the 1920 convention. The directors, meeting here, named June 20-25 as the time for the sessions.

THREE AIRMEN REACH GOAL IN AERIAL DERBY

American Air Service Flyers Complete Round Trip Between Mineola and Toronto.

Mineola, N. Y., Aug. 26.—Three entrants, all American air service flyers, had finished in the international aerial derby between Mineola and Toronto at 6:44 o'clock Tuesday night, Lieut. M. J. Plumb and C. W. Maynard completing their round trips here and Maj. R. W. Schroeder, ending his at Toronto.

Lieutenant Plumb was the first to finish, landing at Roosevelt field at 5:30 p. m. after a gross time of 26 hours, 38 minutes, since his start here Monday afternoon at 3:12.

Major Schroeder, the second to finish, started from Toronto Monday at 12:45 p. m. and ended his journey this afternoon at 5:52, consuming a gross time of 29 hours, 27 minutes.

Maynard Finishes Third.

Lieutenant Maynard, third to finish, alighted at Roosevelt field at 6:44 p. m. after the elapse of a gross time of 26 hours, 41 minutes, since his start here Monday afternoon at 4:03.

In announcing the first three racers to complete their trips, the American Flying club stated that actual flying time would not be known for many hours, when all stations along the route had reached arrivals and starts at their points. The winner of the derby will not be known until officials' reports are all in, it was added.

Lieutenants Plumb and Maynard both used DeHaviland "four" machines with 400-horsepower Liberty motors. Major Schroeder used a Vought.

Planes Faster on Return.

It took Lieutenant Plumb 20 hours and 15 minutes to reach Toronto from Roosevelt field on the first half of his flight, arriving at 11:27 a. m. Tuesday. He made the trip back in five hours and 50 minutes, starting from Toronto at noon, he said.

Major Schroeder consumed about six hours and 52 minutes in reaching Toronto from Mineola, getting away from the local field at about 11 a. m. today, after spending the night here. He arrived at 7:22 last night, six hours and 57 minutes after he left Toronto.

Lieutenant Maynard took 20 hours and six minutes to make the flight to Toronto, arriving there at 12:09 p. m. today. He started back at 12:39, taking six hours and five minutes to get back on the second half of his round trip.

Investigation of Print Paper to Start Soon

Washington, Aug. 26.—Investigation of the print paper situation will be conducted by a subcommittee of the senate manufacturers committee with Senator La Follette of Wisconsin, as chairman, it was decided today. Chairman La Follette announced that the committee first would devote its attention to the examination of information secured by the federal trade commission, after which hearings would be held.

Four Units on Guard.

Raleigh, N. C., Aug. 26.—Four companies of state troops were ordered today to Charlotte, where disorders in connection with a street car strike resulted last night in the death of at least two persons and the injury of a dozen others.

Aluminum Ware Sale Wednesday at Harper's.

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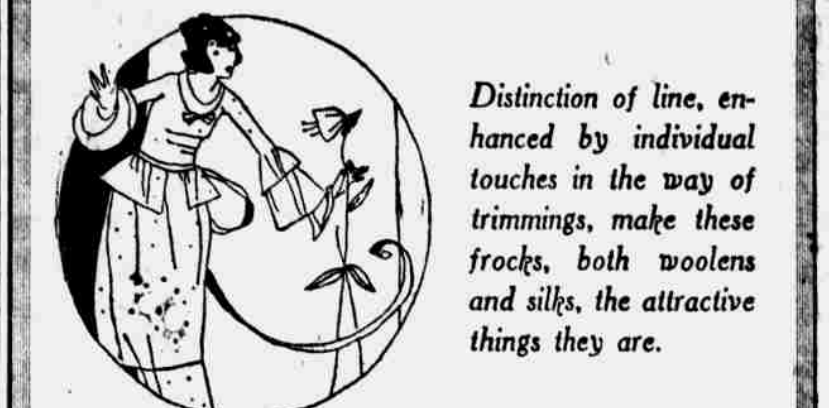
Anti-Red Army Advances Along Entire Front

London, Aug. 26.—The war office announced this evening that on the western front of General Denikin, the anti-bolshevik leader in southern Russia, the advance is continuing with great rapidity along the entire line.

Belgian Senate Ratifies Treaty With Germany

Brussels, Aug. 26.—The Belgian senate Tuesday unanimously approved the peace treaty with Germany. The Chamber of Deputies ratified the treaty August 8.

Thompson-Belden & Co. The Fashion Center for Women



Fall Dresses

Distinction of line, enhanced by individual touches in the way of trimmings, make these frocks, both woolens and silks, the attractive things they are.

The materials are rich and all new weaves are represented—in woolens, tricotine, duvedelaine and Poret twill—and in silks, meteor, pebblette, tricotelette, Georgette and satin.

The group of especially fine dresses for \$98.50, as well as models for either more or less, are well worth viewing.

Sorosis Shoes for Autumn Wear

The new Sorosis shoes in black and dark brown, have very graceful lines, long, slender vamps and dainty Louis heels. Prices are very reasonable, lower, in fact, than they will be later in the season.

Children's School Hose

Pony hose, fine ribbed, with triple knees, heels and toes, either white, black or brown. Small sizes, 55c; large sizes, 65c a pair.

Boys' medium weight Pony hose, in small sizes, 55c; large sizes, 65c a pair.

Misses' shaped lisle hose in black or white, with garter top and double soles. Lisle, 75c; silk lisle, \$1 a pair.

Fan-ta-si Crepes

Several new fall shades in this heavily creped silk have arrived, especially fine for separate skirts.

Woolens...

New broadcloths, tricotines, poplins and invisible checked effects may be had now for over \$1 less than prices later in the season.

For years manufacturers have been trying to duplicate the delightful flavor and fine texture of

POST TOASTIES

Their failure is best shown today by the fact that Post Toasties are

The Most Popular Corn Flakes In America



NEBRASKA TELEPHONE COMPANY