This letter. I cannot is for you alone. The main point is the necessity of saving wheat. Also saving coal. Also saving nos.

COUNCIL OF NATIONAL DEFENSE
WASHINGTON

July 27th, 1917.

My dear Miss Tarbell:-

This is in answer to your letter of the 24th.

There is undoubtedly a good deal in the argument you have sketched out in reply to the no-returns plan, but I doubt whether we should undertake to say either that the baker will or that he will not be in a position to make a closer price on bread because of the stopping of returns. Certainly he is not so much better off, as some of the people would make out. As you point out, the returns he accepted were not a total money loss to him, although I am not quite sure you are right in saying that the price he received for them covered their cost. (We have never gathered any data on the prices received for stale bread). Furthermore, the baker sells less bread under the no-returns plan, and is likely for awhile, therefore, to have a larger per loaf cost of production.

The point I tried to make while you were here the other afternoon was, that wherever the baker is in a position to make a closer price, he is fairly sure to do so because of competition. In ordinary times we rely on competition to adjust the prices of such things as bread, and in ordinary times competition spends itself partly in the efforts of bakers to outdo one another in service, such as the allowing of the return privilege, etc. Now that such service is limited, there is likely to be a keener competition in prices, tending to make just prices more certain than in ordinary times.

Of course food prices will be checked up carefully when the Food Administration gets its authority. If there is any over-charge on bread, it cannot continue long. In the meantime, the main purpose, namely, the saving of wheat, is being accomplished.

This will also acknowledge your letters about Miss Ruth Morgan and about the Philadelphia situation, for which I am much obliged. I will see that you are reminded, after a few days, of the cooperation that was promised on Miss Morgan's behalf.

Sincerely,

Miss Ida M. Tarbell,
1814 N St. NW.,
Washington, D. C.

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