

PACKERS WOULD CONTROL FOOD SUPPLY

THE TIMES PUBLISHES IN FULL THE REPORT OF THE FEDERAL COMMISSION TO PRESIDENT WILSON EXPOSING THE SCHEME OF THE MEAT TRUST TO CONTROL NOT ONLY THE BEEF MARKET OF THE COUNTRY AND EXTEND THEIR ILLICIT COMBINATION INTO OTHER FIELDS.

Warning of an approaching domination of the nation's food supply by the Big Five Chicago meat packers, the Federal Trade Commission has made public Part I of its report to the President on its investigation of the meat industry, bearing on "Extent and Growth of Power of the Five Packers in Meat and Other Industries."

"An approaching packer domination of all important foods in this country and an international control of meat products with foreign companies seems a certainty unless fundamental action is taken to prevent it," the report says.

"A fair consideration of the course the five packers have followed and the position they have already reached must lead to the conclusion that they threaten the freedom of the market of the country's food industries and of the by-product industries linked therewith."

"The meat packer control of other foods will not require long in developing."

Declaring "the history of the packers' growth is interwoven with illegal combinations, schemes and with an extensive control of corporations," the report also urged the importance of full publicity of corporate ownership for all industries. "As to devices for secret control, there does not exist adequate law. In its absence unfair competition may run its course through stock ownership, representation on directorates, and in other ways, with numerous banks and trust companies. Mr. Armour, Mr. Swift, Mr. Morris and Mr. Wilson are directors of banks affiliated closely with those who are strong at the sources of credit in the United States. Being thus allied with the powerful interests at the sources of credit, the packers' power is great, not only for financing their own national and international operations but for effecting, for good or for ill, the credit of cattle producers and of competitors or customers in any line."

EXTENSIVENESS OF ACTIVITIES.

Pointing out that the Big Five packer jointly or separately wield controlling interest in 574 companies, minority interest in 95 others and undetermined interest in 122 companies of 142 companies that they produce or deal in some 775 commodities, largely food products, the report gives this picture of growing packer invasion into related and unrelated industries:

"In addition to meat foods, they produce or deal in such diverse commodities as fresh tomatoes and banana strings, leather and cotton-seed oil, breakfast foods, vin, fish, curried hair, pepan, and washing powders. Their branch houses are not only stations for the distribution of meat and poultry, but take on the character of wholesale grocery stores, dealers in various kinds of produce and jobbers to special lines of trade.

"They have interests large enough to be a dominating influence in most of the services connected with the production and distribution of animal foods and their by-products, and are reaching out for control, not only of substitutes of animal food, but of substitutes for other lines into which the integration of their business has led them. They are factors in cattle loan companies making the necessary loans to growers and feeders of livestock; are interested in railways and private car lines transporting livestock and manufactured animal products, in most of the important stockyards companies—the public market for the bulk of food animals; and in live-stock trade papers on which growers and feeders rely for market news.

"They are interested in banks from which their competitor packers borrow money; in companies supplying machinery, ice, salt, materials, boxes, etc., to themselves and their competitors; they are principal dealers on the provision exchanges where future contracts in such cured animal products are determined; they or their subsidiary companies deal in hides, also, fertilizer material, and other crude animal by-products; purchase from other packers these crude by-products and themselves carry the manufacture thereof to a further stage than most of their competitors.

"They are important factors in the leather industry, in oleomargarine and lard substitutes, in cotton-seed oil in fertilizer, in soap, in glue, etc. Their vast distributing system, with the advantages arising from the control of private cars, cold storage, and a network of branch houses, has enabled them to extend their activities on a large scale into poultry, eggs, cheese, butter, brick, breakfast foods, canned vegetables, soda fountain supplies, and other lines.

"From rendering edible fats from what would otherwise be wasted in their own factories, the packers went on to secure for rendering the waste fat and bones of local butchers in large sections of the country, and in some instances are interested in companies contracting for the disposal of garbage of large cities.

"The Armour family are owners of grain and elevator companies, and J. Ogden Armour and the president of one of the Armour subsidiaries are important stockholders in a company producing from mineral machinery corporation. Its majority stock is in the United States. It is a subsidiary of commercial fertilizers.

ence posts, wire fencing, builders' hardware, binding twine, lumber, brick work, cement, lime, plaster, mill, sand and gravel and roofing.

In the manufacture of breakfast foods, and stock and chicken feeds, the Armour Grain Company, says the report, "is expanding especially in the line of producing retail brands. Within four years, it has undertaken the manufacture of Armour's Oats, but taken over the Buffalo Cereal Co. with its many brands of cereal foods and animal feeds, and in 1917 took over the Maple Flake Mills, of Battle Creek, Mich."

SUBSTITUTES FOR MEATS.

"The reason why the packers are seeking control of the substitutes for meat—the foods that compete with meats—is obvious," says the report. "If the prices of substitutes for meats are once brought under packer control, the consumer will have little to gain in turning to them for relief from excessive meat prices." An Armour advertisement in the New York Daily Mail, December 31, 1917, said in part:

"The intelligent housewife has come to realize that the Armour name is synonymous with virtually every food she needs for her table—practically everything for every meal in the week, including the staples—Day's Soups, fish, vegetables, fruits, condiments, beverages—she can obtain them all under the guarantee of the Armour name."

POULTRY AND DAIRY PRODUCTS.

"Judged conservatively by trade estimates, the Big Five handle at least half of the poultry, eggs and cheese in the main channels of interstate commerce," the report states. "Most estimates place the total production in dressed poultry and eggs controlled by the packers at a higher percentage."

Practically all estimates received stated the packers handle 75 to 80 per cent. of all cheese produced in Wisconsin alone where 55.6 per cent. of the entire country's cheese was made in 1917. The packers also handle the entire country's butter, according to the census in 1914. All of the Big Five are distributors of cheese and all except Wilson & Co. own and control large cheese companies.

The packers are also important factors in condensed milk, and are rapidly increasing their proportion. Wisconsin is covered by their creameries, condenseries and buying stations, and a similar process of concentration and control is evident in the other principal dairy states.

Swift & Co. is the largest single butter distributor in the United States, handling in 1915 approximately 50,000,000 pounds of butter, or 45 per cent. of the combined sales of the two largest non-packer organizations; and the butter department was pushing for a 25 per cent. increase in 1918 over 1917. Swift & Co. alone, has creameries, collects cream in Arkansas, California, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Mexico, Ohio, Oklahoma, Texas, Wisconsin and Wyoming. Companies owned or controlled by it, such as W. F. Priebe & Co., Western Meat Company, Union Meat Co., and Libby, McNeill & Libby, obtain milk and cream in still other States.

"Armour Co. in 1916 handled in its branch houses alone over 28,000,000 pounds of butter. Most of its creamery butter was manufactured by the Eau Claire Creamery Co., Eau Claire, Wis., which is controlled by Armour, the Kentucky Creamery Co., Louisville, owned entirely by Armour; Oakland Creamery, Oakland, Cal.; A. S. Kinnimith Produce Co., Winfield, Kan., and the Michigan Ice & Cold Storage Co., operated by Armour, and the Armour plant in Rochester, Ind.

"Morris & Co. operates no creameries but controls Sherman, White & Co., Port Wayne, Ind., and buys large quantities of butter manufactured by other concerns. Cudahy owns the D. E. Wood Butter Co., Evansville, Wis., and the Sunlight Produce Co., Sioux City. Wilson & Co. owns no creameries but purchase outside."

The Big Five, the report shows, sold in 1916 through their branch houses alone nearly 60,000,000 pounds of poultry, 90,000,000 pounds of butter, 75,000,000 pounds of cheese and over 135,000,000 dozen eggs.

PACKERS IN CANNED GOODS.

"Fruit and vegetable canning are remote from slaughtering and meat packing, but the big packers, through their branch house system of distribution possess special advantages in this field of industry, the report says. "The Big Five's advantage rests not so much on their ownership of canning factories, although in some branches their output amounts to more than a quarter of the total for the United States, as upon their rapidly growing control of the whole distribution of canned goods. Armour & Co. increased its canned goods sales from about \$6,500,000 in 1916 to \$16,000,000 in 1917, whereas the combined sales of these products of Austin Nichols Co. and Sprague, Warner Co., two of the largest independent wholesalers, amounted to only some \$6,000,000 in 1917. Although distribution is the point at which the packers have acquired the greatest control, they are nevertheless entering the field of manufacturing."

Swift & Co., the report pointed out, through Libby, McNeill & Libby, has become a factor of considerable importance, canning tomatoes, beans, peas, beans, cabbage, spinach, asparagus, corn, pears, apples, cherries, grapes, berries, plums, prunes and pineapples. "Libby, McNeill & Libby (Maine) owns 98 per cent. of Libby, McNeill & Libby (Itd.), of Honolulu, engaged in raising and canning pineapples, 100 per cent. of the Ahimau Pineapple & Ranch Co.; 100 per cent. of the Thomas Pineapple Co.; and 50 per cent. of the Stinson & Ellison Co., engaged in canning.

"Armour, Wilson and Morris have likewise entered the manufacturing phase of the canning field through acquisition of ownership or control of canning companies.

dealing in various staple groceries and vegetables, such as rice, potatoes, beans and coffee, and increased their sales at such a rate that in certain lines they have become factors of great moment.

"Armour's drive into the rice market in a single year is perhaps the most striking instance of their potentialities in this direction. Early in 1917, Armour & Co. first undertook the handling of rice, and in that one year control of the substitute for pounds of rice, thus becoming at a single move, on the statement of the vice-president of the company, 'the greatest rice merchant in the world.' During this period the wholesale price of rice advanced 45 per cent. "Even the oldest and most strongly established wholesaling houses find that line after line of their merchandise is being absorbed by the packers' branch house system. First the packers encroached on the handling of butter, eggs and cheese, then on cannot goods, and on various kinds of 'package goods'; and now are handling increasing quantities of rice, coffee and other staples.

In 1917, the Big Five combined sales of meats and all other commodities totaled \$2,127,245,000; in 1918 they were over \$3,000,000,000.

DOMINATE MEAT INDUSTRY.

The Big Five in 1916, according to Commission figures, slaughtered 82.2 per cent. of all cattle slaughtered by interstate slaughterers; 85.4 per cent. of all sheep; 76.6 per cent. of all calves; and 61.2 per cent. of swine.

"As to both cattle and sheep," the report states, "the percentage of control by these five concerns constitutes a monopolistic position, considering the harmony with which the five work together in their purchase of animals and in the distribution of their distributing systems. These combined percentages of control indicate a potential degree of influence over the price paid to the producer and over the price paid by the consumer, sufficiently extensive to increase the large share of the suspicions and complaints that have arisen over the meat industry."

The explanation of the 81.2 per cent. slaughter of hogs lies, the report states, in the fact that the packer to utilize by-products most efficiently has less scope in hog slaughter because only some 10 per cent. of the live hog goes to by-products, against 20 per cent. of cattle. Also, the packers have the special advantage of their highly developed refrigerators and private carline systems, since cured hog products do not require refrigeration in shipping. The independent slaughterer, report stated, nearly all the independent interstate slaughterers confine their interstate trade to cured hog products; and in fresh meats do principally a local business.

"The ability of the large packers to underbid the independent slaughterer," says the report, "is a potent weapon, even if unused, to keep him from undertaking any aggressive campaign to increase his business. The branch houses and 'peddler cars' of the Chicago packers cover the country with such a network that the local slaughterer realizes that he cannot maintain himself against their distributing system if he should attract their unfavorable attention by prominently trying to increase the volume of business. The local packer, though able to compete in the local market, fears to exert his full powers. His strong tendency is to come in 'under the umbrella' of big packer prices and to accept the terms of a modest share of the near-by business. Evidence on this point and on competitive conditions generally is given in other parts of the report."

Average monthly holdings of non-packer hogs in the independent slaughterer's report shows, were for the Big Five as against all other interstate slaughterers: of frozen beef, 95.0 per cent.; of smoked ham and bacon, 64.1 per cent.; of dry salt pork, 69.8; pickled pork, 79.5; total meats from swine, 79.9.

CONTROL GREAT PACKING CENTERS.

The Big Five control interstate slaughter at the 12 packing centers—Chicago, Kansas City, Omaha, St. Louis, New York, St. Joseph, Port Worth, St. Paul, Sioux City, Oklahoma City, Denver and Wichita—was during 1916, 84.4 per cent. of cattle; 83.1 calves; 84.3 sheep and lambs; and 81.3 hogs.

REFRIGERATOR TRANSPORTATION.

The Big Five on December 31, 1917 owned 83 per cent. of the 16,600 refrigerator cars operated by interstate slaughterers; 20 per cent. of the 7,892 ventilator cars—used principally in fruit and vegetable traffic;—and 92 per cent. of the 24,592 total refrigerator cars of interstate slaughterers.

Of all refrigerator cars in the United States, the Big Five owned 91 per cent. of beef cars; other interstate slaughterers 7 per cent. private car companies, 2 per cent.; Big Five owned 1 per cent. of ventilator cars, other interstate slaughterers 1 per cent., private car companies, 5 per cent., and railroad interests, 86 per cent.

PEDDLER CAR ROUTES.

The Big Five in 1918 had 1,120 branch houses throughout the United

States, 83 per cent. of the total of all interstate slaughterers. They maintained 1,297 peddler car routes, listing 58,990 towns—including duplications on lists of the different peddlers—on 2.2 per cent. of car routes of all interstate slaughterers.

"The branch houses," explains the report, "which are located in the cities and large towns, are supplied by a wide-reaching 'peddler' system which consists of refrigerator cars loaded with meats and provisions operating over what are known as car routes. These peddler cars are in effect miniature branch houses on wheels, reaching thousands of small communities where trade is insufficient to justify the investment in a branch house." Branch house car route sales of the Big Five for 1916 were 58.2 per cent. of their total sales for that year, or over 32 per cent. of the total sales of the Big Five sold through these means some 6,500,000,000 pounds of commodities, or something like 65 pounds per capita for the entire population of the continental United States; or 156 pounds per capita of population living in cities or towns of over 8,000 inhabitants.

Branch house sales of fresh and cured meat by all interstate slaughterers in 1916 showed the Big Five sold 92 per cent. of fresh meat, 86.3 per cent. of cured meat, and 92.3 of fresh and cured combined.

The 1,120 Big Five branch houses represented in 1916 a book value of investment of \$30,275,550, with sales of \$73,343,649. As to branch houses with both land and buildings were owned, the investment was \$20,184,427 and sales \$23,856,158—an investment per dollar of sales of six cents.

IN SOUTH AMERICA.

From establishment of a single plant in Argentina in 1907 by Swift & Company, the American Packers, Swift, Armour, Morris and Wilson, had developed by 1917 until for that year they exported 57.4 per cent. of all exports of frozen and chilled beef slaughter plants from Argentina and Uruguay.

"It is significant of their power and the rapidity of their action," says the report "that in 1916, three years after the entrance into the River Plate (Argentina) field, they had secured control of over 40 per cent. of the trade in that field, and had substantially 65 per cent. and their weighted average control during the eight years from 1910 to 1917 was 55 per cent. In this period they exported nearly 22,000,000 quarters of beef from these two South American countries, which represents well over 5,000,000 head of cattle."

The American packers control or are associated with 17 meat companies or holding companies in South America, according to their reports to the Commission.

CHRONOLOGICAL GROWTH.

Commenting on an elaborate table of "The Packers' Progress 1857-1917," the report says: "The financial history of the packers is a record of outward change would be an undertaking replete with human interest. There can be little doubt that such a history, if it could be written, would reveal imagination, foresight, shrewdness, and indomitable determination on the part of the founders of these great slaughtering companies, but would also reveal, even if obscurely, a background of wreckage brought about by unfair and oppressive methods followed by these packers in their progress toward their goals."

From four slaughtering plants in the decade, 1858-1867, the Big Five had built or acquired by 1917, 91 plants—22.5 times the number in 1867. In the ten years from 1908 to 1917, their number of slaughtering plants increased 60 per cent.

Swift, Morris and Armour increased their cattle slaughter from 2,580,492 head in 1896 to 5,157,830 in 1916, doubling their kill in those 18 years. From slaughtering 74.9 per cent. of cattle slaughtered in interstate commerce in 1907-1908, the Big Five jumped to 80.8 per cent. by 1916-1917. During this period, in calves in 1916, from 62 per cent. to 75.8; from 71.4 to 80.2; and from 53.2 in swine to 69.2. In the face of this nine-year growth of the Big Five, the independent interstate slaughterers' lost ground in actual number of head slaughtered as well as in their proportionate shares. In 1907-1908, all interstate independent slaughterers slaughtered 1,786,129 cattle and by 1916-1917 had dropped to 1,732,518—their interstate slaughter cut down proportionately one-fifth in nine years. During this period, the Big Five slaughterer grew from 5,320,155 head to 7,615,971. In sheep, the independent fell off from 2,753,458 to only 1,524,517; while the Big Five increased from 6,949,087 to 9,818,801. The independents lost over one-half in sheep and lambs; three-tenths in calves and over one-seventh in swine.

FIUME POSTERS DISPLAY SLOGAN ITALY OR DEATH

Vienna, Saturday, July 12.—(By Associated Press)—Fiume, recently the scene of disorders between Italian and French troops, is reported quiet with the Italian provost marshal maintaining order. Few Italian soldiers and Carabinieri are seen on the streets. The French remain in their barracks and come out only to drill. Two French and two Italian warships are anchored in the harbor. The city, it is said, is plastered with handbills reading "Italy or death!" Signs on buildings and streets in the Slavo-Slav language have been removed. Three American relief officers are in the city.

The Italians, the reports add, have been claiming for months that the French were meddling in their affairs, declaring that if the Italians had meddled in Alsace and Lorraine or elsewhere it would have been looked upon as presumptuous by the French.

SANDERSON IS DEAD.

London, July 11.—Sir Percy Sanderson, British consul-general at New York from 1894 to 1897, died at his home in Reading today.

AMERICANS ARE GIVEN 2ND PLACE IN PARADE; JOFFRE LEADS FRENCH

A MILLION PEOPLE GO WITHOUT SLEEP IN THE CITY—PICKED YANK TROOPS MARCH UNDER THE ARCH DE TRIOMPHE—GUNS SALUTE.

Paris, July 14.—The triumphant march of Allied and American troops through Paris began at eight o'clock this morning. The brilliant weather was more like October than mid-summer. A thousand wounded soldiers with crutches or in wheel chairs, and clad for the most part in civilian clothes, led the parade, preceded by a drum corps.

Guns began firing at minute intervals as President Poincare placed a wreath at the foot of the Cenotaph at the Arc De Triomphe. This empty casket placed in memory of the Allied dead was decorated also by other wreaths, these being placed by Premier Clemenceau, a French soldier, a French sailor, an Alsatian girl, a girl from Lorraine and Colonel Edmund Gros. This last tribute was in memory of 72 members of the Lafayette Escadrille who lost their lives during the war.

General Pershing, with a number of American generals, came next in line and was received with equal enthusiasm. Forty American organizations, soldiers and marines, marching with wonderful precision, were greeted by a sea of waving handkerchiefs and flags and with deafening cheers.

It is estimated 1,000,000 people went sleepless in Paris last night, three-quarters of them from choice and the others because they failed to obtain shelter. The railroad stations disgorged upon the already overcrowded city thousands of arrivals bearing loaves of bread and victuals. While the crowds on the boulevards were as dense as on an armistice night the spontaneous enthusiasm of November 11 was missing. Groups were dancing, singing and striving hard, almost painfully, to enjoy themselves, but the majority of the people were present from mere curiosity. The presence everywhere of legless, armless and blind soldiers proved a deterrent to the enthusiasm of the throngs.

General Pershing rode at the head of the American troops, which were formed from the French by a space of 200 yards. General Pershing's personal flag, a scarlet field with a row of four white stars, was displayed for the first time. It was borne by a mounted sergeant riding directly behind the American commander in chief.

Behind General Pershing rode Major General H. G. Harber, chief of staff, followed closely by three aides, Col. George C. Marshall, Jr., Col. John C. Quekemyer and Maj. Thurston Hughes. Behind these rode two army corps commanders, Maj. Gen. Henry T. Allen and Maj. Gen. John L. Hines.

Next came four rows of American officers, General Brewster, Langfitt, McGlaughlin, LeJeune, Howze, Hersey and Laffite. In the second row were Brig. Generals Poore, Russell, Biddle, Harts, Marshall, Rice and St. Julien. In the third row were Brig. Generals McIntyre, Walker, Crubb, Shank, Connor, Mall, Craig, Davis and Booth. In the fourth and last row rode Brig. Generals Mosely, Neville, Parker, Bamford, McCoy and D. P. Craig; and Colonels John T. Knight and Collins.

Colonel Babcock commanded the detachment of American troops that followed. The American military band was composed of 125 men. The American troops in line consisted of a composite battalion selected in four companies. The first two American army of occupation, formed 44 companies. The first two companies in line were separate companies of the 1st and 2nd regiments of men carrying 40 regimental flags. The color bearers and guards numbered altogether about 200.

Last in the American section of the procession were the companies of 150 marines commanded by Lieut. Meyer. Altogether there were in line a few less than 1,500 Americans. The marchers used the so-called "triumphal marching step" by direction of Marshal Foch. This calls for 128 steps to the minute. The parade was viewed from advantageous points by about 3,000 American army officers and enlisted men. During the parade the roof of a house on the Boulevard St. Martin collapsed. Eighteen persons were injured.

2,200,000 ITALIANS DEMOBILIZED

Rome, July 14.—Nearly 2,200,000 soldiers of the Italian army have been demobilized since the armistice, according to a statement just issued by the government through the Stefaneschi agency. The remaining officers in service approximate 2,000,000.

BLIMP DELIVERS U. S. PAPER TO KING

London, July 14.—Photographs taken recently in the United States and brought to England by the dirigible R-34 and to London by airplane from Fulham are published by the morning newspapers. This is looked upon as the first step toward the prediction by Viscount Northcliffe that a quick interchange of New York and London newspapers and photographs by aerial post was a possibility of the near future.

EFFORT TO FORCE REPEAL OF DRY LAW IS FAILURE

Washington, July 14.—An attempt to force a vote on repeal of war-time prohibition failed today in the House. On a point of order raised by Chairman Volstead, of the judiciary committee, an amendment to the pending prohibition amendment bill proposed by Representative Isaac Demeral, Missouri, was ruled out of order.

IRISH SOLDIERS ASSERT THEIR RIGHTS IN CORK

Prevent Appointment of German Professor to Music Committee.

GAELIC PLAYERS BAN SOLDIERS

President DeValero Credits Soldiers for Fighting for Irish Freedom.

Dublin, July 14.—(Correspondence of The Associated Press)—The returned Irish soldiers are organizing themselves as a profession except that to be heard. In Cork it was proposed by the local Municipal Music Committee to appoint as professor of traditional Irish music a German musician. There was no personal objection to the professor except that he was a German, but the soldiers would not have it. Four hundred of them turned out in a body and prevented the appointment. The secretary defending their conduct in the press writes:

"We are faced with a grave trouble in the people who yesterday were badly misled by hopes of German victories and who have now taken a definite stand against us. Without friends on any side and left to our own resources we find that in our country we are unwanted and insulted. Only recently a member of the Cork Board of Guardians proposed that no demobilized soldier or sailor get employment from that Board. The Gaelic players have seen fit to ban us from their games. These and many similar incidents are not likely to improve our temper.

"To understand the feelings of our men these people should have a heart to heart conference with some of their countrymen who spent three or four years in German prison camps. This is not a time to set Irishmen flying at each other's throats over a job for a German professor."

The attitude assumed by Eamon De Valera, president of the Irish republic, towards the returned Irish soldier, has not been one of hostility. He gave them credit for fighting for what they believed to be the right cause and the one they thought most likely to save Irish freedom.

Tom Mix was the only motion picture actor who has the distinction of leading a division of cowboys in the parade in honor of the American Ace, Captain Eddie Rickenbacker, in Los Angeles. The Fox star led a party of fifty cowboys and received quite an ovation from the hundreds of thousands of admirers of Captain Rickenbacker who watched the parade and who recognized the actor.