

cost per head being \$48.58. The cost of operation and administration at the packing plants averaged \$1.90 per head, making the total cost \$50.48.

The weight of the beef derived from these cattle was equal to 55.68 per cent of the live weight, or 609 pounds per head. The average net selling price of the beef was \$6.47 per hundredweight, or \$39.32 per head. The net value of by-products from the cattle was \$11.96 per head, making the total proceeds \$51.28 per head. This showed an average profit of 80 cents per head, or 13.1 cents per hundredweight of dressed beef.

For the year from July, 1903, to June, 1904, the computation covered 2,013,658 cattle. The average live weight was 1,115 pounds, and the average cost at \$4.15 per hundredweight was \$46.23 per head; the total cost, including killing, etc., being \$49.19. The average selling price of the beef was \$6.25, or \$39.26 per head, the average dressed weight being 629 pounds. The net value of by-products was \$9.75 per head, or more than \$2 per head less than in the preceding year. The total proceeds of the beef and by-products were \$49.01, leaving a profit of 82 cents per head, equal to 13.5 cents per hundredweight of dressed beef.

In addition to the average profits just indicated are the further profits arising from elaboration of by-products beyond the first marketable stage, and from car mileage, which, as already stated, may together add not more than 50 cents per head to the average profit of 99 cents just given. The additional profit derived from elaborating minor by-products is over and above their value as raw material, which is already included in the profits of the beef business.

The great packing establishments have numerous auxiliary departments, some of which are virtually distinct industries, not strictly belonging to the packing business. The profit on private refrigerator cars is that derived from the mileage paid by the railroads, which roughly speaking, averages slightly more than three-fourths of a cent per mile for every mile traveled by refrigerator cars, whether loaded or empty. The average distance which beef is transported from the packing house before consumption does not exceed 800 miles. The gross mileage received by the owner of the refrigerator car would therefore be roughly \$12 per round trip.

Estimating that a car of dressed beef weighs not less than 20,000 pounds, the gross mileage receipts would not exceed 6 cents per hundred pounds of beef. Of these gross mileage receipts fully one-third is absorbed in the cost of maintaining equipment, including allowance for depreciation, thus leaving not more than 4 cents per hundred pounds of dressed beef as the net return derived from the ownership of private cars handling that product. This is equivalent to about 25 cents per head of cattle.

The statistics of margins between prices of cattle and prices of beef since 1898 are shown on the basis of the live cost of all cattle at four plants in different packing centers, as compared with the average price of beef sold by a leading packer in nine important cities. On this point the report says:

"The average margin for the whole period from January, 1898, to June, 1904, was \$2.62; the lowest margin was in the first half of 1903, namely, \$2.21, and the highest margin was in the last half of 1902, namely, \$3.02. The margin in the last half of 1902, instead of

In planning your California trip, see that your ticket reads via The Colorado Midland Railway. This means that you will enjoy a day's ride through the heart of the Rockies. Ask your local agent about colonist rates, effective March 1 to May 15, or write C. H. Speers, G. P. A., Denver.

being exceptionally high, was below the average, as also the margin for the first half of 1904. The year 1903, instead of being characterized by unusually high margins had, in fact, the lowest average margin for the whole period for which a reliable record is obtainable."

In comparing the margin between prices of cattle and prices of beef, exhaustive study was made of the value by by-products, and since the difference between the maximum and minimum value of such products per head during the past two years has much exceeded the total profit of the packers, this has been a most important feature of the investigation. Thus the price of hides, the most important by-product of cattle, after reaching a maximum in 1902, declined sharply in 1903 and 1904.

The average price received for all hides sold by the Armour, Swift and Schwarzschild & Sulzberger companies from ten packing plants fell from 11.8 cents in the second half of 1902 to 9.7 cents in the second half of 1903, this representing a decline in the net value of the hide per head from \$6.93 to \$5.79. Prices of oleo oil and stearine likewise reached their highest level in 1902, and fell rapidly in the summer of 1903, partly as the result of anti-oleo-margarine legislation, causing a loss of over \$1 per head in the value of fat. These are the principal by-products of cattle. The others together are worth only a little more than \$1.50 per head, and their values have not varied sufficiently to seriously effect the margin between the price of cattle and beef.

The error which would arise from consideration of the margin between the price of cattle and beef as an indication of profits is well shown by the fact that the true average margin between the live cost of all cattle killed by the Armour, Swift and Schwarzschild & Sulzberger companies at their leading plants for the year 1903-4 was 8 cents per hundred pounds greater than during the preceding twelve months, \$2.10 as compared with \$2.02. As a matter of fact the computations of the bureau showed that there was virtually no change in the profits of the business between these two periods, the profit being 13.1 cents per hundred pounds of dressed beef in 1902-3 and 13.5 cents in 1903-4.

As already stated the bureau has made its computations from the records of the companies. The bureau has had access to all the price records of the leading packing companies and also to all the accounts and records, excepting car line accounts, which determine the profits of packers of beef and its by-products. Owing to the fact that the records of Morris & Co., the Cudahy Packing company and the national Packing company did not adapt themselves to the methods followed the detailed computation of profits was made for three companies only, Armour & Co., Swift & Co., and the Schwarzschild & Sulzberger company.

The computation made covered ten plants, killing upward of two million cattle and were based on the total number of cattle killed, the absolute figures of live weight, the live cost of all dressed beef cattle (together with a moderate number of inferior grades). The actual cost of operation and administration of the various departments was ascertained from the bookkeeping records and actual quantities and values were taken for the leading by-products items.

The actual quantity of dressed beef derived was ascertained directly from the killing records, and actual amount received for such beef was also taken from the books. True averages were then determined with the results already indicated. An examination of the actual bookkeeping profits was made for Morris & Co. and the Cudahy

Packing company, as well as for the three companies named. Extensive statistics of prices of cattle and beef and other matters were also taken from all five of these packers and from the Hammond company as well.

As stated, the results of the bureau's investigation indicate that the larger packing companies especially considered are not over-capitalized. Presumptive evidence in favor of fair capitalization is found in the very concentrated holdings of the stocks of these companies, nearly all of which, with the exception of Swift & Co., are held by the packers themselves and their families. In the case of Swift & Co. the entire thirty-five million dollars of capital stock and five million dollars in bonds were paid in cash and at par.

The conclusions of the report in regard to the operations of private car lines are approximate. The bureau arrives at an average cost for a refrigerator car of \$1,000, an average yearly cost of maintenance of \$115 per car and a net profit from the mileage alone—as already stated—of from 14 per cent to about 17 per cent.

A statement submitted by one company—the Cudahy Packing company—shows an actual net profit on the original investment in its cars of 22 per cent in 1902, of 20 per cent in 1903 and of 17.7 per cent in 1904. These profits are entirely derived from the mileage allowed owners of private cars by railroad companies. For refrigerator cars this mileage is generally three-fourths of a cent, but for a considerable part of the country is one cent per mile traveled.

The National Packing company, mentioned above as one of the "big

six," is a merger of various packing plants, particularly the so-called Hammond and Fowler properties, and is controlled by the Armour, Swift and Morris interests, who constitute its board of directors. Except for the National Packing company, however, there appears to be practically no general inter-ownership of stock among the six principal companies.

#### An Old Tree

An old yew tree stands in the churchyard at Fortingal in Perthshire, which De Candolle, nearly a century ago, proved to the satisfaction of botanists to be twenty-five centuries old, and another is still standing at Hedsor, in Buclas, which in 3,240 years old. How De Candolle arrived at an apparently correct estimate of the enormous age of these living trees is a simple thing, and the principle is doubtless well known today to all. The yew, like most other trees, adds one line, about the tenth of an inch, to its circumference each year. But the oldest living thing in the world today, so far as known, is a cypress tree in Chapultepec, Mexico, that is 6,260 years old.—Kansas City Journal.

#### CHRONIC HEADACHE

You can depend upon Dr. Miles' Nerve Cure to cure chronic headache, because it removes the cause, by feeding and building up the nervous system. It makes no difference whether it be sick, bilious or periodic, all headaches yield readily to its soothing influence upon the nerves. The first bottle will benefit, or you can have your money back.

## UNDER OTHER FLAGS

### MR. BRYAN'S NEW BOOK TRAVELS, SPEECHES, LECTURES.

SINCE Mr. Bryan's European tour a year ago he has been besieged by requests for copies of letters describing his travels abroad. These letters together with a number of his lectures and other public addresses, have been gathered together and published in book form. The European letters contain Mr. Bryan's account of what he saw and learned while in Europe, and present interesting views of Ireland, England, Scotland, France, Switzerland, Germany, Russia, Holland, Belgium, and the Netherlands, together with a description of his visits with Count Tolstoy and Pope Leo. His Thanksgiving address, delivered before the American Society in London, 1903, is also included. In this volume appear Mr. Bryan's accounts of his visits to Cuba and Mexico, and he writes entertainingly of the "Birth of the Cuban Republic." He also included his lectures on "A Conquering Nation," and "The Value of an Ideal," both of which he has delivered a number of times before Chautauquas and other gatherings.

Other articles in the volume are his address on "Imperialism," delivered on the notification of his nomination in 1900; "The attraction of Farming," written for the Saturday Evening Post; "Peace," the address delivered at the Holland Society dinner in 1904; his St. Louis convention speech seconding the nomination of Senator Cockrell. "Naboth's Vineyard," "British Rule in India," the address at the grave of Philo Sherman Bennett, and an account of his recent trip to the Grand Canyon entitled "Wonders of the West." The book is illustrated, well printed on good paper and substantially bound.

One of the features of "Under Other Flags" is the "Notes on Europe," written after his return from abroad, and giving in brief form a resume of the many interesting things he saw.

NEATLY BOUND IN CLOTH 400 PAGE OCTAVO

UNDER OTHER FLAGS, Postage Prepaid, \$1.25  
With THE COMMONER, One Year, \$1.75  
CASH WITH ORDER, Drafts and P. O. Money Orders are safest

.....AGENTS WANTED.....

Address, THE COMMONER, Lincoln, Neb.