

Curb on Packers by Government

A Washington dispatch, dated August 8, says: Investigation of the packing industry of the country by the federal trade commission culminated today in an announcement that the commission had recommended to President Wilson that the government commandeer and operate for the public benefit stockyards, cold storage plants, warehouses and refrigerator and cattle cars. Monopolistic control of the essential food supply not only of the United States and its army and navy, but also of the entente countries, was charged by the commission against the five great packing companies—Swift, Armour, Morris, Cudahy and Wilson. The last named company, the commission's report said, is controlled by three of the strongest banking groups in the United States—Kuhn, Loeb & Co., Guaranty Trust company and Chase National bank.

Further affiliation between the packing industry and financial interests was reported. The commission said that in the great financial centers the packers had representation on the directorate of large banks through members of the individual families, or through officers, directors or confidential employes.

No Comment at White House.

The commission's report on the packing industry was the third made in its general investigation of food supplies ordered by President Wilson and congress last year. The report was made public through the white house without further comment than that it had been presented July 5 and had not before been made public because the President desired first to get full information.

Basing its statement upon a great volume of evidence examined, the commission said the power of the five packing companies "has been and is being unfairly and illegally used" to:

- Manipulate livestock markets.
- Restrict interstate and international supplies of food.
- Control the prices of dressed meats and other foods.
- Defraud both the producers of food and consumers.
- Crush effective competition.
- Secure special privileges from railroads, stockyard companies and municipalities.
- Profiteer.

"While we have found," said the commission's report, "an intricate fabric of monopolies, controls, combinations, conspiracies and restraints which would seem to indicate legislative or administrative remedies, we believe that an adequate remedy may be more simply arrived at.

"We believe that if the fundamental and underlying evils are rooted out the whole structure of conspiracy, control, monopoly and restraint must fall.

"If these five great concerns owned no packing plant and killed no cattle and still retained control of the instruments of transportation, of marketing and of storage, their position would be no less strong than it is."

What Commission Recommends.

The commission then recommended:

- (1) That the government acquire, through the railroad administration, all rolling stock used for the transportation of meat animals and that such ownership be declared a government monopoly.
- (2) That the government acquire, through the railroad administration, the principal and necessary stockyards of the country, to be treated as freight depots and to be operated under such conditions as will insure

open, competitive markets, with uniform scale of charges for all services performed, and the acquisition or establishment of such additional yards from time to time as the development of livestock production may require. This to include customary adjuncts of stockyards.

(3) That the government acquire, through the railroad administration, all privately owned refrigerator cars and all necessary equipment for their proper operation, and that such ownership be declared a government monopoly.

(4) That the federal government acquire such of the branch houses, cold storage plants and warehouses as are necessary to provide facilities for the competitive marketing and storage of food products in the principal centers of distribution and consumption. The same to be operated by the government as public markets and storage places under such conditions as will afford an outlet for all manufacturers and handlers of food products on equal terms. Supplementing the marketing and storage facilities thus acquired, the federal government establish, through the railroad administration at the terminals of all principal points of distribution and consumption, central wholesale markets and storage plants with facilities open to all upon payment of just and fair charges.

International in Scope.

"Out of the mass of information in our hands," the report continued, "one fact stands out with all possible emphasis. The small, dominant group of American meat packers are now international in their activities while remaining American in their identity. Blame which now attaches to them for their practices abroad as well as at home inevitably will attach to our country if the practices continue. This urgently argues for a solution which will not diminish the high regard in which this people is held in international comity."

The commission says the five packing companies either separately or jointly own or control more than half of the export meat production of Argentina, Brazil and Uruguay and have investment in other surplus meat producing countries, including Australia, as well as Branches in Great Britain, France, Italy, Germany, Canada, Denmark and Paraguay.

"Under present shipping conditions, the report adds, "the big American packers control more than half our meat upon which the allies are dependent."

Of the difficulties which the packers threw into the way of the commission's investigators, headed by Francis J. Heney, the report says:

"The commission, through Mr. Heney, had to meet deliberate falsification of returns properly required under legal authority; we had to meet schools for witnesses where employes were coached in anticipation of their being called to testify in an investigation ordered by you (the President) and by the congress of the United States.

Every Effort Made to Impede.

The commission's staff, the report declared, have met and overcome every obstacle that "ingenuity and money could devise to impede them." The President's attention was called to the work of Mr. Heney, "whose conduct of the case, because of its success, has met with condemnation, misrepresentation and criticism."

The commission reports that the packers not only control the meat supply, but a "countless number of by-products industries" and have invaded allied industries and even unrelated ones. This control has extended now to the principal substitutes for meat, such as eggs, cheese

and vegetable oil products, the commission says, and rapidly is being extended to cover fish and nearly every kind of foodstuff.

This control is made possible, says the commission, by the advantage obtained in market places and means of transportation. The commission dismisses the claims of the packers to legitimate competition among them by saying that some of the competition "is staged" but that it is superficial.

After detailing the control of the five companies over the meat and allied industries, the commission says this control rests in the hands of a small group of individuals—J. Ogden Armour, the Swift brothers, Morris brothers, Thomas E. Wilson, acting under the veto of a group of bankers, including the Chase National bank, Guaranty Trust company, Kuhn, Loeb & Co., William Salomon & Co., and Hall Gerten & Co., all of New York, and the Cudahys.

What the Packers Say.

A Chicago dispatch, dated August 8, says: Protests against the recommendations of the federal trade commission that the government assume control of the packing industry were made today by some of the heads of concerns in the Union stock yards, while others expressed much interest in the proposal. J. Ogden Armour, president of Armour & Co., after pointing out that the government had been in control of the packing industry since November 1, 1917, said that the statement made by him at the beginning of the war, that "the United States government can have Armour & Co., and every employe and official thereof, if need be," was reiterated "a thousand times more emphatically."

Edward Morris, president of Morris & Co., said that the commission evidently desired to place the entire stockyards and packing industry in the hands of the railway administration. He added that with profits limited to not over 9 per cent on the capital invested, "we can not see

where conditions would be improved."

Thomas E. Wilson, president of Wilson & Co., said that if any new methods for the benefit of the public can be worked out, "we will welcome them and co-operate to the fullest extent."

Louis F. Swift, president of Swift & Co., while expressing willingness to co-operate with the government, said that "we do not believe that the taking over of branch houses and storage houses would be practical."

THE NEBRASKA STATE FAIR

The semi-centennial Nebraska State Fair, which will be held in Lincoln, September 1 to 6, has based its program upon a desire to be of service to the government. It will preach and teach increased food production and conservation of available stores as it never has before. It will also show a large exhibit prepared by the United States government planned to give the people a better understanding of how the war is being fought. Stress is being placed on features that tend to develop better citizens and thereby better Americans.

The importance of the canning of fruits and vegetables will be fully stressed in the boys' and girls' canning club activities and in the exhibits of the domestic products class. Canning, as a means of conserving food was never so important as this year. With our food reserves still low and with tons upon tons of fruits and vegetables going to waste in the fields each year there is need of a new interest in canning. Last year a great deal of comment arose out of the demonstration at the state fair of a community drier for the preservation of fruits and vegetables and the demonstration was responsible for a drier being used in a good many communities.

This year's Nebraska State Fair will be up to its usual high standard in all departments. Unusual features have been provided for the entertainment and comfort of its guests, and all railroads have granted reduced rates to fair visitors.

Cost or Investment

Do you say life insurance costs too much? If you should buy a piece of property and in one, three or even ten or fifteen years sell it for two, four or sixteen times what you paid for it, would you consider you had made a bad bargain?

If the premiums have been paid on a life insurance policy, there is bound to be a return either to the insured or his beneficiary. If to the beneficiary, the amount received is always more than the insured paid the company; and if to the insured, it may be less or more, according to the number of premiums paid, the kind of policy, and the length of time it was in force. If you never make a worse investment than a policy on your life, you will stand out prominently as a shrewd and careful investor.

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