MURPHY ADMITS PACKERS SPLIT **GROSS PROFITS**

Agreement Allowed Certain Percentage of Hogs to Be Bought by Each Company in Omaha.

why you have stopped tell them we have under consideration the plan of building an entire plant somewhere

Plans Dropped. "Did yod carry out that little plan?"

isked Heney. "I guess not," Murphy replied. The "stopping" referred to was renodeling work.

Heney read another letter, written by Arthur Meeker, vice president and general manager of Armour & Co., stating that Wilson Bros. had been buying hogs surreptitiously at South Omaha through "Red" Murphy. who purchased through speculators and had them shipped to nearby junctions for reconsignment to desired destinations. This was facetiously referred to by Heney as the Wilsons "butting in."
"Have you ever heard of the Stock

Yards company here offering the Wilsons a bonus to come into this mar-ket?" asked Heney of Murphy. "I have not," witnessed replied.

Figures Per Cent. With letters and statistical information Heney reinforced his point that in the hog-buying pact the Cudahys percentage at South Omaha was 30 "These per cent and he inquired why that company had fallen a little below

that figure during the last few years. "Because the prices were not right; that is the reason," Murphy replied. Hency read another letter from E. A, Cudahy at Chicago to Superintendent Murphy, expressing anxiety about getting the Omaha market into Low Hide Market.

Heney—"Do you have anything to do with hides? Do you know whether there were more hides on hard last

Murphy-"We had more hides, a!

Heney-"Have your observations with other plants been the same?"
Murphy-"Yes."
Heney-"Have you sold your

Murphy-"Most of them, at 6 or 7 cents less than top.

Heney—"Didn't Mr. Cudahy break into the market when it was high?"
Murphy—"I don't know as to that."
Heney resumed reading more Cudahy-Murphy letters into the records.
Mr. Heney read documentary evidence to show that the big packers at South Omaha hold to an agree-

at South Omaha hold to an agreement in the purchase of hogs. Commenting on this alleged situa-tion to Superintendent Murphy of the Cudahy plant, he said he did not think this was very lively competition

Murphy testified he had charge at Omaha, Kansas City, Sioux City and Wichita.

Heney: "Wo you know whether from 1898 to 1902, every Tuesday in Henry Veeder's office in Chicago, rep-

resentatives of Cudahy, Arm ur, Swift, Morris & Co. and S. & S., met to agree on prices and quantities of stock to be purchased in respective districts"
"Not to my knowledge."

No Agreement.

"Was there any agreement entered into during 1903 by the packers I mentioned?" "Not to my knowledge."

"Did it come to your knowledge in June, 1902, that Cudahy & Co. was party to an agreement by which Cudahy, Swift, Morris, Armour and S. & S. plants were to merged into one company. "It did not."

"I do not know of such an under

"Isn't it understood between the big packers as to the relative pro-portion of hogs each shall buy?" "I don't know. They do not take me into their confidence."

"You say you buy hogs you are entitled to. How do you arrive at

"We buy according to the supply.
Last Saturday are bought 100 hogs at
Sioux City and our competitors
bought 6,000."

"Trying to keep the market down?"

"We thought they were too high."

"Were there days here when recipts of hogs exceeded capacity of
your plant and when you did not

your plant and when you did not buy to capacity?" 'There were some."

No Fixed Quantities.

"There is not."

Heney read a letter said to have Mr. Murphy, indicating that 30 per cent of the hcg supply was agreed as Cudahy's proportion and other packers as follows: Armour, 30 per cent; Swift, 25 per cent; Morris & Co., 15

A. "It is generally understood that Armour controls the Omaha market."

"Did you receive that letter?" "If it was signed by Mr. Cudahy, there is no doubt that I received it." "It is not a fact that you arrived at 30 per cent of hogs at South

"Yes, we usually bought 30 per

"And your company buys 50 per cent at Sioux City?"

"No, hardly ever more than 40 per cent."

"Isn't it a fact that at Sioux City Andrew buys hogs on one day and Bill on the next day and so on?"

"I understand so. 'That isn't very lively competition,

Well, there isn't enough there for

& Co. controlled Sioux City, "politi-cally, I mean," he added. He read hog purchases at various packing centers

PAGE COUNTY, IOWA, LAD

KILLED IN FRANCE to show that the big packers hold close to their alleged agreed percentages in hog buying.

Lose Both Ways. A letter dued in 1913 read in part: "This hog business is a pretty hard proposition, but I don't know what to recommend to improve the situation. If we don't buy hogs we lose money, and if we do buy them, we are sure to lose. There is no use being very aggressive about our percentage as long as there is a loss in the hogs." Another 1913 letter: "We are get-

ting into the egg business in pretty fair shape. Our aim is to handle this extra tonnage without additional expense. The next letter was dated April 12, 1913, and stated that "We should not be very aggressive about our percentage if hogs are up." Also, "When Omaha gets too high we can let up

and buy hogs at St. Joseph and ship them to Kansas City.' Heney read a lot of statistics of the operations of Armour, Swift, Morris, Cudahy, S. & S. and Hammond plants, for 1909, 1910 and 1911, showing only small fractional differences in the respective buying for these

centage agreement among the pack-Tells of Deal.

periods, this to show the alleged per-

An extract from another Cudahy letter from Chicago read: There isn't any doubt that Swift, Armour and Morris have made some deal with Kansas City Stock Yards company. They have also made a similar deal here (Chicago) so now they are in control of all of the stock yards excepting Wichita."

Heney read a letter writeen by Nelson M. Barrett, special agent for the federal trade commission, dated ital; all water or increased invenat Lincoln, November 21, 1917, tothe secretary of the commission as

"These large earnings (referring to Omaha Union Stock Yards company) have made it possible to give away valuable real estate to the big packers, build plants for them which were subsequently sold to them at cost, or give to them huge blocks of stock for nothing, or at 50 cents on total of \$5,912,000 of capital stock had the dollar, charge large amounts to been issued withou maintenance, profit and loss and new total of \$7,500,000. construction, give \$1,000,000 in new stock as a stock dividend, and yet, all of this time, pay dividends and bonds regularly. The complaint in Nebraska is that these earnings were wrung from shippers in both good and bad years by unjustifiably large charges for yardage and feed." Not His Line.

At the close of yesterday's session Jerry Howard asked Heney if he would take up wage and working conditions of the packing house workers, but the federal trade commission attorney stated that the line of investigation suggested was not within his jurisdiction.

The investigation in Omaha will be concluded today. Mr. Heney stated that he would hold a night session if necessary, as he is due to be in Kansas City on Thursday morning.

Sioux City witnesses have been supoenaed for appearance here today. 'I had a call from your neighbor and we agreed that we are paying too much for hogs at Omaha and Sioux

City," he read.
"Don't you recall going to see R. C. of buying for his company's plants Howe of the Armour plant on that

"Mr. Howe and I don't agree," Mur-The next Cudahy-Murphy letter was dated May, 1912, where in the writer referred to Allen, South Omaha heg buyer, holding off too long on buying, or else being nervous about not getting his number. "All we are entitled to is 30 per cent," the letter stated.

Heney—"Apparently the hog mar-market is right from the packer's standpoint when each holds to agreed percentage. Is that your understand-

Murphy-"It would seem so from the correspondence." A. F. Stryker, secretary of the Live

stock exchange, the first witness called, was examined along lines which indicated that Heney was en-"Isn't there a general understanding between the four big packers as to what receipts of hogs each plant should receive?"

"Isn't there a general understanding deavoring to establish the extent of influence exerted by the packers over the market by reason of their ownership of stock in the yards company. Color Reports.

"Suppose the big packers wished to depress the market, would not your market quotations which are received, as you say from Chicago, be colored accordingly and would not the de-sired results be obtained?" asked Heney of the witness.

"You are leading me far afield. We aim to keep posted on the market conditions of the points with which we are mostly interested-Chicago Sioux City, Kansas City and St. Jo seph. We receive information three times a day and this information reflects the general tone of the market," Stryker replied.'

Admits Understanding.

Q. "Is there any understanding be tween cattlemen, feeders, producers and other in the business as to wheth-"What I want to get at is whether er the yards at Omaha, Kansas City, there is any percentage of hogs you St. Louis, St. Paul and Sioux City are the company, and the latter are of aim at here during a year?"

St. Louis, St. Paul and Sioux City are the company, and the latter are of course owned and controlled by Arof the big packers?"

A. "I think it is safe in saying that

Armour controls the Omaha yards, and I distinguish between yards and

In Other Cities.

market.

Stryker, responding to inquiries, stated that Swift controls Sioux City and St. Paul, Wichita is divided between Cudahy and Doan, Oklanema City by Morris, Fort Worth and Denver by Swift and Armour, Kansas City by Morris and Chicago by Ar-

"Is there any understanding yards company: that the control of the yards in eny way affects the amount of cattle purchased by packers supposed to con-trol these yards?" and thereby hangs another tale which will be unfolded at another time and trol these yards?" "I dislike the idea that anyone place."

A. "I dislike the idea that any controls the purchase of cattle "What is your idea as to the DAYLIGHT BILL have no figures."

"Well, there isn't enough there for both packers every day."

"And going along, year after year, the packers manage to buy about the same per cent as before 1902 when there was a pool?"

"Not exactly. We have had considerable competition here."

"And by sticking to their percentages at various points, the big packers can do much to control prices, can't they?"

"We don't consider ourselves as one of the big packers."

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"We don't consider ourselves as one of the big packers."



Fred C. Brummett, 19 years old son of Mrs. Derushia Brummett of Clarinda, Ia., is the first Page county department advised the mother. Brummett was a member of Company F of Villisca.

last year. When he read the 1908 dividend he commented. "There had been added an extra million to cap-

"In order," he continued, "that the real earnings may become more apparent I will read into the record a list of bonuses granted by the Stock Yards company to the packers." Assails Yards Method.

Inferentially Hency assailed the financial methods of the Union Stock been issued without cash out of a

"Most of the stock came out of earnings paid for by the producers or else my political economy is all wrong," was one of his side remarks. He read a report of bonuses granted by the stock yards company to packers. An abstract follows:

1886-Fowler Bros., free switching, water and taxes; eight acres of land, 1.000 shares free and 1,000 shares at \$75 each, valued at \$100 each. 1884-To Hammond, "undertook" to grant free water and ice and free use of \$64,000 building for three

1886-To Lipton, a contract to erect a plant worth \$50,000. Gave Swift Shares.

1887-Gave Swift and Company 1, 000 shares free, sold 1,000 shares at par, built for them \$100,000 plant, which later was sold for \$65,000 with eight acres of land.

1887-Agreed ot sell to Armour-Cudahy company the Lipton plant for agreed to donate 1,500 shares and sell \$50,000 and 10 acres of land and it connected with the British line and bardment. Six thousand shells were 1,000 shares at par. ((He read this note: "2,500 shares given to Swift, attacking force. Such operations which the Americans are stationed, a Armour and Cudahy were not written off the books as a loss, but went to increase the value of real estate. Goodwill of the company was enhanced as a result of fact that Armour and Swift were induced to establish plants.")
1897—Armour given land valued at

\$50,000 and 7,500 shares of stock free. Capitalized those donations. 1903 - Gave Armour additional bonus of \$32,500.

Show Stock Increases,

Heney showed the successive capi tal stock increases from \$1,000,000 in 1886 to \$7,500,000, the last increase being from \$6,000,000 to \$7,500,000 in 1903, on motion of Samuel Makoberts, referred to by Heney as Armour's representative on the Union Stock Yards company's board. He stated that the company claimed a book valuation of \$8,250,000 in 1913. and he referred to an "inflation of values" by not striking off donations made to packers.

"The inter-relation of the Transit Stock Yards company of Courcil Bluffs, the Union Stock Yards company of Omaha and the South Omaha Land company could not be determined to my satisfaction. Some men who were among the most influential members of the Union Stock Yark company were members of the South Omaha Land company," was another comment by the man who is on the trail of the packers.

Few Stockholders Present. The report read by Heney showed that at the 1916 annual meeting of the Union Stock Yards company R. J. Dunham, E. Buckingham and J. C. Sharp voted as proxies 45,482 shares of a total of 56,474 voted. Other stock voted was: L. C. Swift, 736 shares; E. F. Swift, 1,020.

"As a rule," read Heney, "only some stray stockholders are present at an annual meeting outside of officials of

annual meeting, outside of officials of mour. E. Buckingham owes his po-sition, paying \$10,000 a year, to R. J. Dunham, who is confidential man for the Armours.

List of Stockholders.

He read the following as being among the stockholders in the stock yards company in 1917: J. O. Armour, Malvina Armour, Lolita Armour, Philip D. Armour, Lester Armour, Edward F. Swift, L. F. Swift, E. A. Cudahy, Catherine M. Cuhady and Mary T. Cudahy.

W. B. Tagg, president of the Live Stock exchange, was examined briefly.

Stock exchange, was examined briefly regarding feeding and loading condiions at the yards. Heney injected this little byplay into the proceedings while reading the financial history of the stock

"Armour and Swift own 18,000 acres of land in north Kansas City,

Friends of Richard G. Ellis, Crete, Concerned Over Report of His Death

The Omaha friends of Richard G. | brother of the Omaha boy wrote Ellis, who enlisted last summer from that his mail had always been opened Crete, Neb., in the Unided States before he received it by a sergeant by the same name of Richard Ellis in his regiment, and since this letter the the report in the causalty lists of brother had not written of his proyesterday of the death of Sergeant motion, to the rank of sergeant. He Richard H. Ellis of Meningitis, in France. Ralph Ellis, his brother, who is employed by the Platner Lunber company, who lives at the Sanford hotel, said last night that he believes the Richard Ellis who is a salvation. The was well, at that time. Richard G. Ellis, who is known in Omaha, is a member of the 9th company of the sixth regiment of United States marines abroad. His father is Mis believes the Richard Ellis who is re-ported dead to be a seargeant in his brother Ollie Ellis was formerly in charge of freight business of that prother's regiment. In a letter dated February 7 the company in Omaha.

Allies Mass Big Armies to Carry Out New Tactics

offensive, would undoubtedly accompany or precede the main thrust. Will Tantalize Enemy.

Tht pooled allied reserves, under direction of the supreme council, would make possible a campaign boy to be killed in action in France. of such nature designed to keep the His death occurred March 9, the War German command perplexed as to German command perplexed as to which assault would be driven home. In that position, adequate German forces of selected troops necessarily would be held ready to support either line, and they must be held someportation available in either direction. of them of Irish descent. The theory of pooled general reserves under command of the supreme

> the explanation of what has been said in parliament. The practical question of how much such a grand reserve may be handled appeals to army officers as the most nteresting question of the day.

> Mobilization of a new inter-army of attack does not seem feasible it s said. It is pointed out, however that the report of Sir Douglas Haig on operations in 1917 shows that his scheme of operations was upset to some extent when he was compelled to take over an additional section of the French front, freeing a large French army for participation in the French offensive of that year. This suggests that a similar prac-

tice might be adopted for obtaining an army of an attack on any front. Americans May Expand.

If the assault were to be made in Flanders, the French reserves could take over trenches now held by the British except on the sector of operations. British troops thus released would be available for purposes of attack with their comrades in that sector. If additional reserves were late Saturday night and continued it necessary, General Pershing might until yesterday. A vigorous reply was expand his front on the right flank, made by both American and French shifted to the French left flank, where the brunt of a portion of the bomtransport and supply lines.
It is conceivable to army officers

that the armies sent to support haly in its time of peril, are included in the forces now under direct control of the supreme war council. Certainly, it is pointed out, they are not in a position to be supervised by Generals Haig and Petain.

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U. S. TROOPS BLOW **UP FOE BATTERY**

German Gas Bombardment Meets Spirited Response From Sammies, Who Send More Than They Received.

With the American Army in France, Monday, March 18 .- It is now permissible to announce that American artillery in the Luneville sector has located and blown up a battery of mine throwers, one of which a few days ago obtained a direct hit on a dugout in which were where in Germany with ready trans- a number of American soldiers, most

The battery has been causing a great deal of trouble for several days, war council has already appeared in and the Americans were determined the British press to some extent as to put it out of action. It was located after considerable trouble and the artillery concentrated high explosives on it.

Irish-Americans in Action.

Yesterday-St. Patrick's day-Irish of a certain regiment serving in the Luneville sector held an appropriate celebration. The men had entertained hopes that something would develop which would enable them to lay low or capture some Germans by way of celebration, but nothing out of the ordinary happened.

Last year on St. Patrick's day these men held their celebration in and yesterday the remark most frequently heard was something like this: "Well, this day last year I was strolling down ----. Now I am strolling down the narrow way of duckboards in the mud.

Germans Use Gas. Yesterday extraordinary artillery activity developed in the Chemin-des-Dames sector, where some troops from New England are in training. The enemy began a gas bombardment where he is now gradually taking batteries, which gave the Germans over the American sector. The about four times as much as they French troops released then could be sent over. Massachusetts troops bore would involve no intermixing of large portion of them being gas

> Military Warrant Makes Long Trip Back to Nebraska

(From a Staff Correspondent.) Lincoln, March 19 .- (Special.) -A Nebraska warrant was returned to State Treasurer George Hall today, which had been the rounds of the camps, crossed to waters into France

the Mexican border who lost their citizen clothes, and was for \$25. Endorsements on the back showed that it had been cashed at the Young Men's Christian association at Brest, France, gone through a Paris bank with little opposition.

regiment, with headquarters at

Omaha. It was made out from the

fund appropriated by the last legis-

lature for the payment of soldiers on

and came back through the New York February 19, 1918 and finally landed in New York through a bank in that The warrant was made out to city from which it was sent the The warrant - was made out to Francis Webster, a member of com-pany B of the old Fourth Nebraska

South Dakota Solons

Ratify Dry Amendment Pierre, S. D., March 19 .- The South Dakota senate today ratified the federal prohibition constitutional amondment without a dissenting vote. The measure is under consideration in the house, where it is expected to meet

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Silk hose, black and white lisle tops and soles \$1.50 Pure thread silk, lisle tops and soles in black, white and fash-

ionable colors \$2

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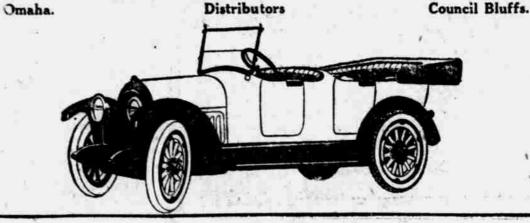
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pletely dissolve and entirely destroy every single sign and trace of it, no matter how much dandruff you may You will find all itching and digging of the scalp will stop instantly, and your hair will be fluffy, lustrous, glossy, silky and soft, and look and feel a hundred times better.—Adv.

or four more applications will com-

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