

BIG BUYERS ARE SLOW IN GETTING ONTO THE MARKET

John Fitz Roberts Testifies Before Heney That Policy Pur-sued in South Omaha Scares Shippers.

William H. Wood, Gene Melady and John Fitz Roberts, members of the Omaha Live Stock Exchange, at the packing house investigation held Wednesday afternoon before Francis J. Heney, of the Federal Trade commission, testified to what in their opinion was neglect on the part of the Union Stock Yards company of Omaha, adequately to provide yard and weighing facilities for cattle.

These men were members of a committee of the exchange which presented this matter to R. J. Dunham, president of the yards company. They were outspoken in their comments against the stock yards company and Mr. Heney made the most of the opportunity.

Asked if he had any recommendations to offer in connection with the situation, Mr. Roberts replied: "I think it would be a grand thing if the yards could be separated from the packing house."

"Give us your opinion as to the necessity of more yard room," asked Heney.

"Well, they have world's of room properly located and it could be used."

"To do what do you attribute the failure of the yards company to enlarge the cattle facilities?"

"I might surmise, but I don't want to get myself any more unpopular than necessary with the yards."

"What about the price paid by the yards for dead animals?"

Price is Ridiculous.

"The price is ridiculous. They pay \$5 for a dead steer and I know of one case where \$7.50 was paid. A good steer that dies on the way to the packing houses will sell for \$25 to \$28 but if it dies at the yards it will bring only \$5."

The witness stated that the big buyers are sometimes slow coming into the market in the morning when the run is heavy and thus the tendency is to depress the market by scaring the shippers.

In connection with the alleged policy of the yards management not to encourage any more buyers, Mr. Roberts stated that the superintendent of the yards told him that he was instructed not to look for any more big buyers; that they had enough. This line of investigation by Heney was to show that control of the yards by the big packers tended to discourage any more competition in the packing industry at South Omaha.

Wages Not Commensurate.

Mr. Wood testified that it was the general opinion of commission men at South Omaha that the wages paid employees of the yards was not commensurate with the services performed. He also charged lack of weighing and pen facilities for cattle marketing.

"We have been urging for three years to get them to build more cattle pens. We heard of improvements being made at the Denver yards and we were wondering whether they were going to divide our territory," Wood stated.

"Did it ever occur to you that there are only two big packers in Denver and they do business on a 50-50 basis, and there are four in South Omaha? That may make a difference," was comment by Heney.

Heney—"What is your opinion as to whether control of yards by the packers is good for the live stock industry?"

Wood—"I have been hampered in extending my business."

Swift and Armour Control.

Heney—"It is generally observed that when Swift and Armour get control of a stock yards, that ends the giving of bonuses to get other plants to locate. There has not been a new plant located in South Omaha since the Armour plant was established there, has there? Is there any suggestion you would like to offer?"

Wood—"We want to buildup this market at Omaha. We feel that cattle facilities have been neglected and producers must be provided with facilities."

Mr. Melady stated that he shared the opinion of the committee of the Live Stock exchange, that needed improvements have been neglected at the yards for years.

Heney—"Have the commission men made any efforts to get other packing plants to locate here?"

Melady—"We have been agitating that for years."

Heney—"What do you think of the future of this market?"

Melady—"I think we would have the greatest market in the world if we had facilities at the yards. We have been losing much business here."

Heney—"How does this market compare with Chicago?"

Melady—"It is usually under."

Heney—"Do you have any trouble with the big buyers holding back?"

Melady—"Sometimes when the market is heavy."

Heney went into such matters as speculating and buying on odds and the encouragement offered to those who feed cattle for the market.

Swift's Control Extends Even to Politics of City

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son of big packers establishing concentration plants and buying hogs at Chicago prices without freight? What are you afraid of? Can't you help us in this investigation? We are here to help you. Can't you help us? Are you afraid of the big packers?"

Price Scared Them.

"I want to see what is being done in way of eliminating the small packers," stated Heney. "Have you had the matter of purchase of your plant up with S. & S.?"

"Yes, but the price was so high that we scared them."

"You didn't want to sell, did you?"

"What was the proposition with S. & S.?"

"They wanted us to go in with them and start stock yards at Sioux Falls."

Foster admitted that his hog-buying territory had been reduced by

PRODUCERS NEED SCANT SYMPATHY, ASSERTS MURPHY

M. R. Murphy, general superintendent of the Omaha plant of the Cudahy Packing company, who was the principal witness at the federal investigation Tuesday, made the following statement Wednesday morning in response to a question as to whether or not it was true that he had tried to hold down prices as charged by Mr. Heney:

"Yes, I did make his statement. In fact I feel that live stock prices are altogether too high, especially hogs. Producers are constantly harping on the high priced corn they are compelled to feed stock, when the facts are that practically 75 per cent of the stock that has been fed this winter has been fed on soft corn, and if they didn't have the stock to feed it to, would practically go to waste on account of the enormous quantity of it. In some instances I have heard of this corn selling for as low as 30 to 50 cents a bushel, and experienced feeders have informed me that three bushels of this low grade corn is equal to about two bushels of grade corn for fattening purposes."

"As regards feeding cattle, it is true that they are probably losing money on it, especially those that got in early in the game and paid 12 to 14 cents a pound for their feeders. This was caused largely also by the big demand early in the season by parties who had low-grade corn to feed, and by feeding it to live stock was the only way that they could realize any decent figure for it."

"On the whole I feel that the producers, notwithstanding their constant harping, need little if any sympathy. The government has fixed a minimum of 15% cents for their hogs, but they have not fixed any 15% cents for pork chops for the poor consumers."

Reason of the concentration yards established at Creston and Burlington by the big packers.

Made Price Attractive.

"What inducements are offered to hog raisers to ship to Creston instead of shipping to your plant at Ottumwa?" asked Heney.

"They made the price attractive."

"I might surmise, but I don't want to get myself any more unpopular than necessary with the yards."

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Sioux City was discriminated against by Illinois Central in matter of refrigerator service.

Armour Factor.

"J. Ogden Armour is a factor in the Illinois Central. It is as interesting to note how the small packers were not encouraged to grow in Sioux City as it was to note the bonuses given by the Union Stock Yards company of Omaha," was a comment by Heney.

Letters exchanged by F. L. Eaton, president of Sioux City Stock Yards Company, and Sioux City Terminal company, and L. F. Swift were read to indicate the close relations of the Swifts in Sioux City affairs. These letters related principally to purchase of the Hurni plant.

Heney read the following letters into the records to show the working relations between Eaton and L. F. Swift:

Hurni Track Matter.

"Referring to your letter of November 17, there is no change in the situation in the Hurni track matter. The council has not acted upon the ordinance, and Hurni does not seem to be pushing it as far as we can find out. I was told confidentially by a lawyer here in town who happened to hear something from Hurni's lawyers that they were trying to claim that we had no rights to the streets and alleys in the property north of the stock yards, which we call vacated."

"I went to Mr. Milchrist with the statements made by this attorney, and Milchrist has again looked up the matter and says he does not think there is anything that they can do. Moreover, Hurni himself is using some of the streets and alleys, and his title is based on the same transactions as ours. Will keep as close to the situation in the council as possible and do not think any action will be taken without we are first duly advised."

"When the Thompson bill was before the legislature, Mr. Statter was its most ardent supporter, and his attorney, Mr. Salinger, had more influence than any other person from Sioux City. It looked very doubtful as to our ability to kill this bill because the sentiment had been worked up among the commission men that Statter and Hurni were not being allowed to grow, and that same argument was used in Des Moines. We were able to curtail the activities of the Hurni people, but in the case of Statter we found it necessary to make the plain statement in Des Moines before the committee that, if Mr. Statter needed more ground to grow upon, we would be glad to let him have it, because we wanted more business, and finally with that assurance upon our part Statter and his attorney, Salinger, withdrew their support of the bill, and it died in committee."

"That is correct."

Hogs Double-Decked.

"What is the practice at concentration points like Creston to through rates?"

"I understand that the hogs are double-decked and reshipped on basis of through rates from original point of shipment. I know that is true with the Burlington."

"I think that is true of all of these concentration points. Does the Creston concentration yards draw from same territory as you do?"

Packers Heavy Holdings.

Mr. Heney read the following report relating to the activities of big packers in Sioux City:

Holdings of the packers in Sioux City—W. L. Frost, president of Sioux City Real Estate board, stated that the following companies are owned and controlled by the packers in Sioux City:

Armour & Co.

Cudahy & Co.

Swift & Co. (Hurni plant).

Sioux City Stock Yards company.

Sioux City Terminal Railway company.

Sioux City Live Stock Record (and printing plant).

Purity Serum company.

Sioux City Serum company.

Sioux City Exchange building.

Sioux City Traction company (street car system).

Sioux City Service and Electric company.

Riverside park, 800 acres. (Inter-state fair grounds.)

Hawkeye Land company (about 160 acres of Sioux City residence property).

Yankton, S. D., feed yards. (Owned by Sioux City Stock Yards company.)

Live Stock National bank and Sioux City Cattle Loan company.

Iowa Horse Commission company.

He also stated that the Riverside park property, about 800 acres, was held by the Sioux City Traction company and that the packers were trying to sell this property to Sioux City as a park.

Banker Is Witness.

George L. Parker, president of Packer's National bank, Sioux City, testified that Swift and Armour companies are interested in his institution.

Eugene Powell, rate expert for the Nebraska State Railway commission, in answer to a request of Mr. Heney for profits made by the stock yard's company, submitted the following figures:

HAT AND GRAIN.

1915.....\$25,581.26

1916.....22,062.97

1917.....48,148.86

1918.....60,919.17

1919.....63,589.94

1920.....61,728.40

1921.....59,148.45

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