

“ Mr. Heney : Do you recall anything in regard to that telegram ?

“ Mr. Armour : I never happened to have seen the telegram, but I guess it is likely that happened.

“ Mr. Heney : Do you remember that the banks and the Chambers of Commerce and commission men around in the various stockyards centres were importuned by Armour and Co. and Morris’s representatives, and Cudahy and Wilson ?

“ Mr. Armour : I do not know, Mr. Heney, that it was so, but I would think it quite likely to do so, because we would do what you or any other person would do that you could do legitimately. We are not asking for investigations, naturally, and I see nothing wrong about carrying out any of those provisions.”

Now, the point I wish the Committee to consider is where the laughter could come in unless there was a suspicion or a certainty in the minds of the Congress Committee that these telegrams were bogus telegrams emanating from the same source, and that it was necessary to vary the language in order to conceal the fact. At all events, I want to point out to the Committee that this telegram and the use that was made of it was very far from being in accordance with the lofty ethics professed by Mr. Armour. Now I pass on to the other point—namely, as to whether there was or was not any combination between the packers. I may say that the most careful perusal of these two books of evidence has convinced me that the evidence is overwhelming that there was constant collusion and combination between the packers, of which Mr. Armour must have been very well aware. I will try and give some conclusive evidence of that. On page 9 appears the following :—

“ Senator Norris : Mr. Heney, the Bill that we have formally before us is known as the Kendrick Bill. There is pending also in the Inter-State Commerce Committee the Bill that was submitted, as we understand, by the Federal Trade Commission to the President. Now, you were connected with the investigation made by the Federal Trade Commission, and we would like to have you go ahead in your own way, perhaps later referring to these Bills, by pointing out to us what in your judgment the conditions are, and what remedy ought to be applied in the way of legislation, if any.

“ Mr. Heney : I can summarize it by saying that the evidence gathered by the Federal Trade Commission convinced me that the five large packers—Armour and Co., Swift and Co., Morris and Co., Wilson and Co. (Inc.), and Cudahy and Co.—have what is in effect a monopoly of the meat business of the United States, and have it so entrenched by similar control over other meat-producing countries that are tributary to the United States—I refer particularly to South America—that they are able to absolutely overturn the natural law of supply and demand in fixing the prices to the producers as well as in fixing the prices to the consumers.”

Then, on page 10 we have the following :—

“ Senator Norris : Mr. Heney, when they ship frozen meat in the refrigerator cars and put the local fellows out of business, you say they sold it at less than cost : do you mean at less than cost to them ?

“ Mr. Heney : Oh, frequently, yes. And to-day they are doing exactly the same thing. If a co-operative establishment or any independent establishment looks as if it might eventually amount to something substantial, Armour, Swift, Cudahy, Morris, and Wilson will take turns at selling meats below cost in the vicinity of the customers of this concern : one will sell below cost one week, and another will sell below cost another week, and another one below cost another week, and so on—they take turns at it. In that way they make it a losing proposition for even the raisers of beef, hogs, or sheep to do their own slaughtering through co-operative arrangement. They make less money, so that the producer gets less for his animals than he could get by selling to the packers direct ; and naturally they have kept down the tendency towards co-operation, and have destroyed those who did get into it, or else kept them from becoming of any importance by size.

“ Senator Norris : And when they put them out of business they put the price up ?

“ Mr. Heney : Oh, yes, invariably. It does not result in any gain to the consumer in the long-run. Not only that, but Swift and Co. adopted the policy—and I think it has been the policy of all of them in different sections of the country, but it was particularly noticeable in the New England States of killing off local production, say, of sheep, where in New Hampshire—I am not so certain about Vermont, but I think Vermont also—and Massachusetts, where they raise sheep, Swift, who gained the great ascendancy in the New England States, probably as a matter of pride, because he had come from there originally, got control of all the New England States, and he put the price of mutton so low that he drove most sheep-raisers out of business in the New England States.

“ Senator Norris : Are they still out of business ?

“ Mr. Heney : Yes.

“ Senator Norris : Well, that meant, did it not, that to that extent there was a shortage in the supply of those food products ?

“ Mr. Heney : Certainly ; and the idea was not to permit them to be grown or raised in the vicinity of the large cities where Swift and Co. were selling this refrigerated meat killed in Chicago, because the sheep-raiser could afford to sell his meat to local markets, and they in turn to slaughter them and sell them at a price lower than Swift could slaughter them in Chicago and refrigerate them and send them to New England.”

Then, at the bottom of page 11 we have the following :—

“ It is admitted—shown by the evidence and conceded by the packers—that for many years they did have the benefit of railway rebates.”

This, however, does not concern us very much in New Zealand, because our railways are under Government control, but it shows they were getting the advantage of benefits when they had the power. Continuing the same statement Mr. Heney goes on to say :—

“ They had such an economic advantage by the rebates and refrigerator cars that they gradually forged so far ahead of their other competitors that there was no chance for the others to catch up ; and then, in 1902, while there were still a dozen good packing plants in the country, and at a time when