

Cudahy Defendants.

Corporations.	Individuals.	Corporations.	Individuals.
Cudahy Packing Co. (Me.) ..	Edward A. Cudahy, sen.	Nagle Packing Co. ..	E. A. Strauss.
Cudahy Packing Co. (Neb.) ..	Edward A. Cudahy, jun.		Frank E. Wilhelm.
Cudahy Packing Co. (Ala.) ..	Guy C. Shephard.		George Marples.
Cudahy Packing Co. Ltd. (La.)	John E. Wagner.	Western Meat Co. ..	Nevada Packing Co.
Nagle Packing Co. ..	A. W. Anderson.	Oakland Meat and Packing Co.	F. L. Washburn.

Under this decree the defendants and each of them either as corporations or as individuals, are compelled, in brief—

- (1.) To sell, under supervision of the United States District Court, preferably to the live-stock producers and the public, all their holdings in public stockyards;
- (2.) To sell, under the same supervision and in like manner, all their interests in stockyard railroads and terminals;
- (3.) To sell, under the same supervision and in like manner, all their interests in market newspapers;
- (4.) To dispose of all their interests in public cold-storage warehouses, except as necessary for their own meat products;
- (5.) To forever disassociate themselves with the retail meat business;
- (6.) To forever disassociate themselves with all "unrelated lines," including wholesale groceries; fresh, canned, dried, or salt fish; fresh, dried, or canned vegetables; fresh, crushed, dried, evaporated, or canned fruits; confectioneries, syrups, soda-water-fountain supplies, &c., molasses, honey, jams, jellies and preserves, spices, sauces, relishes, &c., coffee, tea, chocolate, cocoa, nuts, flour, sugar, rice, and cereals (with an exception to be noted), bread, wafers, crackers, biscuit, spaghetti, vermicelli, macaroni, cigars, china, furniture, &c.
- (7.) To forever abandon the use of their branch houses, route-cars, and auto-trucks, comprising their distribution system, for any other than their own meat and dairy products;
- (8.) To perpetually submit to the jurisdiction of the United States District Court under an injunction forbidding all the defendants from directly or indirectly maintaining any combination or conspiracy with each other or any other person or persons, or monopolizing, or attempting to monopolize, any food-product in the United States, or indulging in any unfair and unlawful practices.

The decree further provides that jurisdiction is perpetually retained by the Court for the purpose of taking such other action, or adding at the foot of the decree such other relief, if any, as may become necessary or appropriate for the carrying-out and enforcement of the decree, or for the purpose of entertaining at any time hereafter any application which the parties may make with respect to this decree.

Immediately upon Mr. Palmer's becoming Attorney-General, in March, 1919, he personally took up the charges against the packers, and special assistants were asked to study the investigation of the Federal Trade Commission, all hearings before Congressional committees, and to conduct independent investigations. After eight months of exhaustive work, and the placing of one branch of the matter before a Chicago grand jury, the results were ready to be placed before a United States grand jury sitting in New York for the months of November and December. Before the opening, however, of the hearings before that grand jury Mr. Palmer was notified that the defendants would submit to all proper requirements of the Government under the law.

Mr. Palmer was convinced that in order to prevent the parent companies and subsidiary defendants, acting by and through their principal officers, from dominating, controlling, and monopolizing a very great proportion of the food-supply of the native nation, and thereby building up an unlawful monopoly and control over divers and sundry products and commodities necessary to the life, health, and welfare of the people of the United States, and by similar methods attempting to increase and extend said monopoly, and attempting by these means to artificially control the supply and prices of the food of the nation; and that in order to put an end to any and all monopolies which the defendants had created or obtained in inter-State trade or commerce in live-stock, meat-products, and substitute food, and to prevent the continuance of any unlawful monopolies by the defendants in such trade or commerce in the products and commodities described; it would be necessary to—

- (a.) Place these defendants under the jurisdiction of an injunction decree in the United States District Court in relation to all unfair practices or attempts to monopolize;
- (b.) Deprive said defendants of certain instrumentalities, facilities, and advantages which they might use to more effectively perfect their attempts to monopolize;
- (c.) Compel the defendants to desist from dealing in certain of the substitute foods and certain of the unrelated commodities;
- (d.) Limit the interests which the individual defendants might have in corporations handling certain substitute foods and unrelated commodities;
- (e.) Dissolve any and all contracts, combinations, and conspiracies in restraint of trade or commerce between the several defendants;
- (f.) Prevent said defendants from maintaining such contracts, combinations, or conspiracies with each other, or from entering into further contracts, combinations, or conspiracies with each other or with other persons.

FIRST ALLEGED EVIL—STOCKYARD OWNERSHIP.

The principal business of each of the parent companies, conducted by each company directly or through its subsidiaries, is the slaughter of live-stock, consisting of cattle, hogs, sheep, and calves, the dressing of the carcasses, and the distribution of the dressed meat in inter-State commerce through various means by which the dressed meat reaches the retail butchers and is by the retail butchers sold to the consumers. Each of these concerns is the successor or natural outgrowth of concerns of many years' standing. In their inception these concerns devoted themselves exclusively to the slaughter of live-stock, the dressing of the carcasses, and the sale of the dressed meat to retail butchers or consumers.

The stockyard was, and is in theory, a public market-place to which all who wish to either buy or sell may have free access and the right to trade. The stockyards offer to the native cattle-raiser the opportunity to dispose of his live-stock for an immediate cash price. Contiguous to such stockyards, commission men, dealing exclusively in the sale of live-stock, locate themselves. These commission men attend to the care of the live-stock upon its arrival, effect the sale of the stock so consigned, attend to its weighing, collect the proceeds of the sale, and remit to the consignor after deducting customary commissions.

Stockyards render certain services to the shipper for which they make charge, to wit: Yardage (furnishing the facilities and performing the services of placing and keeping the animals in pens and watering them), feeding, and selling food, weighing, dipping, bedding cars, and often loading and reloading.

The yardage charges are ordinarily based upon an arbitrary charge per head for each kind of stock, but in some instances it is based upon the hundredweight. The charge for feeding is fixed by the stockyards, and includes the services rendered in feeding. The amount of the charges made or to be made for the other items of services or materials furnished is also fixed by the stockyards or those who are in control of the yards.

In connection with each stockyard there is a need for certain facilities and conveniences for the benefit of either the shipper or the buyer of the live-stock. The stockyard, by reason of its dominating position, controls these conveniences and facilities.

In furtherance of the tendency to centralize the market it became of advantage to establish slaughterhouses and packing-plants, either within or adjacent to the stockyards. The stockyard companies generally own or control all the available land within the yards, and at most of the important yards the land surrounding the yards is owned by companies controlled by the stockyards company or its principal stockholders. In fact, new companies as a rule can secure desirable packing-sites only from the stockyard companies or from these land-development companies. The owners of stockyard companies are therefore in a position to determine what packing companies, and how many plants, shall be established at the yards.

The cattle-raiser is in many instances dependent upon banks or loan companies to finance him in the rearing of his live-stock and until such time as the stock shall have been sold. In the nature of their business, it is a great advantage to these banks to locate in or near stockyards. It therefore lies within the power of the owner of the stockyard company to designate how many and which banks or loan companies may establish themselves at the yard.