

Compliments of—
S. D. McCormick

✦AN ADDRESS✦

DELIVERED BEFORE

THE ANNUAL CONVENTION

OF THE

Butchers' National Protective Ass'n,

MAY 28th, 1890.

BEING A REVIEW OF THE CATTLE INDUSTRY, AND
SHOWING THE SPOILIATION OF THE
CATTLE POOL,

BY

S. D. MCCORMICK,

Author of "Spoliation, or the Follies of a Nation."

PUBLISHED FOR FREE DISTRIBUTION, BY ORDER OF THE B. N. P. A.

[ALL RIGHTS RESERVED.]

try. The prerogatives as exercised by monopoly, rest only in part upon franchise. The trusts have organized behind the tariff wall, and from this legislated intrenchment they spoliage the citizen. The combines or pools have, with audacity, seized upon power, and through the abuse of our governmental ideal—liberty—they have usurped rights which, by reaction, threaten to enslave a people.

In other words, the primary cause of our national distresses arises in the economic legislation which has given us confined and overstocked markets, and hence demoralized values; and, on the other hand, have doubled the cost of living through the very tariff laws which have destroyed values to producers—thus visiting a two-fold penalty upon the country.

The secondary cause of the destruction of values is to be found in the *pools* and *trusts* which have emerged from the restrictive legislation and corporate franchises of thirty years, and which to-day arbitrarily control and dictate values upon every product grown in the United States; and with as fatal power dictate prices upon all articles of consumption. Still, I would impress this truth upon you, that where the *spoliation of the trust is hundreds, the spoliation of the tariff is thousands*. But, gentlemen of the convention, I am aware that I am not expected to address you upon economic questions in general, but rather upon a single despoiling agency at work in the United States, to-wit: The *cattle-pool*, and how the cattle industry is to be rescued from the domination of a combine.

THE ISSUE STATED.

However, I will say this: Your battle is only a part of the great struggle about being inaugurated in the civilized world, and now fairly begun in the United States, between the principle of concentration, or industrial co-operation, or centralization on the one hand, and of competition upon the other. The issue is clearly defined. On the one hand, the struggle is to preserve the principle of competition; on the other, to kill it off. It is a contest of economic forces. The one wants no competition in trade; wants society reorganized, and in the great trusts and pools, which, in anaconda folds, *compass* the business of the United States, is represented this idea; and in the masses—a few years ago prosperous and happy and contented, with open and competitive markets at home and abroad, now selling their products and buying their supplies in confined and controlled markets—is traced the desolating effect and destroying force of this principle as placed in successful operation. The question may be aptly asked, can competition be revived or restored to the trade of our country? Its answer involves an interesting problem. A man is no longer considered a shrewd business man unless he can corner a commodity, or squeeze or rob his neighbors. This is now called business tact. It is the “sine

qua non" (or indispensable condition) of success. In honest days, such a man was recognized as a Robin Hood or a freebooter; but now he is known as a Napoleon of commerce, or as the manager of a trust.

The struggle to obliterate competition is as diversified as our industries. Wheat, corn, hay, cattle, every product of our country, is cornered and bought from the producer at an arbitrary price; our bread-stuffs, provisions, supplies and necessaries of life charged for on a non-competitive basis.

Pools dictate the purchase price; pools decide the sale price. It is true in every direction, and the masses of our country, once called free, are now shackled and chained before the wheels of the Juggernaut car of monopoly.

Again, then, we recur to the inquiry, what means the Butchers' Protective Association? It is only an honest protest against the control of markets by a monopoly. It sees in the cattle pool a spoliating feature of the trust; an active principle which means disaster to the producers of cattle, and slavery to every butcher of the United States. More than this: a principle, which, if successful, levies an arbitrary tax upon all. If the combine triumphs, it means one purchaser and one seller of cattle for an entire nation. One bid to producers; one price to consumers. Competition wiped from the boards, and a collar placed upon the neck of every butcher of the country. This, in terse language, is the meaning.

You stand here, then, in the name of justice, in the interest of the consumer and producer, and in the higher interests of public health, to demand what? A system by which your freedom as men may be preserved; the rights of a great industry vindicated; wholesome meats guaranteed the public through sanitary regulations; and the principle of competition preserved to the cattle industry. For it should be plain to you, that the great cattle industry of the United States is destined soon to disappear, unless the principle of competition is preserved; and I take it, to reduce your councils to a sentence, you are here to devise means for the preservation and life of the cattle interest. Its very existence is at stake; for I charge it, as a demonstrable proposition, that the cattle interests of the United States can not survive if the butchers of the country go into the combine. This step means the elimination of the principle of competition; it means one bid for cattle, and this bid regulated by the selfishness of conspirators; it means one price to consumers, and this price regulated by the same *yardstick of commerce*. When this results, it means that cattle production will cease, for cattle producers will cease when cattle buyers cease, and in a few years—like England—the United States will be importing its beef and provisions from foreign countries. I will not detain you to speculate upon

conspiracy, the railways associating with them any agencies which were unscrupulous enough to carry out a pre-arranged programme. This arrangement soon doubled the receipts of cattle at the Chicago yards. In the meantime the dressed beef monopoly had risen to a commanding prominence, and begun to exert its power and to antagonize the Eveners, which latter combination only extended to the eastern railroads. The new combination aspired higher, and demanded that all the roads centering at Chicago should combine. Their object was to nationalize the Eveners' arrangement; to have all the roads co-operate; a wholesale discrimination in favor of their market; a thorough domination of values, and a wholesale robbery of the cattle industry. Nelson Morris was drawn out of the Eveners into the new combine, and on the ruin or displacement of the Eveners' conspiracy, arose, Phoenix like, the most crushing monopoly of any age. The cattle refrigerated and canned in Chicago for 1878 were 413,578; in 1889 they were 2,140,702. The cattle receipts had risen from about 500,000 in 1870 to over 1,000,000 in 1878, and to 3,146,000 in 1889. As I have shown in "Spoliation, or the Follies of a Nation," this was accomplished through the manipulation of the railways, their interest appearing in the fact that they secured a double haul: first, freighting the live-stock to this central market, and then the dressed beef from this radiating centre. It was a daring scheme which no set of men would have ventured had not the railroads been silent partners, or their interests so apparent that their full co-operation could be relied upon. I doubt if, in the records of any civilization, there has ever been formed a combination so destructive; so relentless; so grasping; so indifferent of the rights of others, and which carried down, along with the ruin of a single industry, so many *subsidiary* and *dependent* interests.

REVIEW OF THE CATTLE INDUSTRY.

To estimate the extent of their spoliating influence, let us briefly review the cattle industry. A few years ago, from the Atlantic Ocean westward, covering hill and dale, were seen evidences of a great industry. Millions of cattle were breeding and growing over this immense area. The country was prosperous, and this particular business recognized as our leading national industry. In every city were the local butchers, and in every county a home market. Competition was rife, and to own a matured bullock was from \$100 to \$120 cash in hand. The value of the steer upheld the value of corn and hay, for the Central States had become a great system of feeding pens for the western ranches. The farmers throughout the corn belt had an assured market for their produce, for the herds of the grazing sections were matured in the corn sections of the Union. What have a set of spoliators accomplished with this great industry on which de-

pended so many subsidiary interests? They have scaled values until no sane man, unless he buys his cattle for nothing, dares longer to feed; until the corn in the great corn belt is worthless and left in the pens to must; until hay is no longer worth charges to central markets, and until the cattle themselves are scarcely worth their hides. When I say this, I speak advisedly, for, by the time the feed and grazing and attention is bestowed upon a steer to bring him in a fit condition to the shambles, many a feeder has found he would have been profited to have taken the hide instead of the animal to market. In the "Follies of a Nation" I have estimated the annual levy made by the railways and combine upon the cattle industry at \$200,000,000. I say to you to-day, it is nearer, in my judgment, \$300,000,000 a year. I do not charge that the manipulators have appropriated the whole of this immense sum, *for they could not*; but by demoralizing trade, destroying competition, and the incidental losses inflicted upon the dependent industries, the loss is probably greater than even this estimate. The census of 1880 shows less than six per cent. of corn exported, *including bread-stuffs*. The amount consumed as human food in this country is also comparatively insignificant. Hence, the value of the corn crop is dependent principally upon its value fed into live stock, and it follows, as you depreciate the latter, you depreciate in the same ratio the value of corn. The corn crop of the United States for 1889 was, estimated into bushels, 1,754,861,000. Its value is not yet estimated, for it is not yet sold. I venture to say, in not a state of our great corn belt was the expense put upon the crop (including rentals, wear and tear, interest upon stock, etc.), returned to the farmer. According to the State Board of Agriculture of Illinois, the net loss upon this, the greatest corn State of the Union, was \$10,000,000.

The commercial value of this crop, as stated, should be measured by the valuation put upon cattle and hogs, as it is clearly a dependent industry. The spoliation inflicted upon live stock through the leagued interests of "The Great Market of the Lake" must have approximated \$200,000,000 as shown in the *Follies of a Nation*; while the indirect or incidental loss put upon the corn and hay production for the year is inestimable, as it resulted in over-stocked and glutted markets; an unmarketable surplus; and a wholesale decline in prices, as demonstrated when the feeding section of the United States threw its excess of production upon the southern market. This latter market and our cities could not accept one-half of the offerings, and our *corn burners* had an excellent opportunity to study the effect of our foreign policy, or our restrictive legislation, which practically confines us to home markets.

OVER-PRODUCTION AND OVER-MARKETING.

The pool and its *apologists* ascribe this wholesale destruction of values and the low prices of beef cattle to over-production. Mr. Vest meets this defense and establishes, that the ratio of increase of population and the ratio of increase of cattle show the reversé to be true. His deductions are based upon official estimates and cannot be doubted. I have already answered the claim in *Spoilation*. As to over-marketing, the *Senate Report* also gives some valuable statistics, showing that receipts do not and have not regulated prices. There has been undoubtedly some over-marketing, though the receipts at Chicago furnish little criterion, for as these receipts have multiplied other markets have declined. Still, if there has been an over-marketing, it is only effect following cause, and must have been anticipated in the scheme of spoliation. The *leaguers*, or the pooled interests at Chicago, embarked in the conspiracy to break values. To centralize trade they had one object: that object was to dominate the trade and to depress prices. To depress values meant and led to over-marketing; if it did not, the very object of centralization was negatived or thwarted. This is the only defense which has ever been offered the country; a defense which is specious; which is a pretext; a mockery; and a result which was expected and planned; and, unless it had resulted, their very scheme would have proven abortive and a disappointment to them.

OVER-STOCKED MARKETS.

Their scheme meant concentration of trade or centralization. A centralized market becomes naturally a destination or final market. A final market is liable to become an over-stocked or glutted market, and subject to manipulation and control. The extent of the manipulation depends upon the honesty and ability of the clique who control, and their manipulation is governed by the conditions of the trade. In other words, if three or four years ago the cattle men of the West had foreseen and could have calculated the ruin now put upon cattle values, they would have rebelled instantly and repudiated this clique, and the market and the railways which conspired with them. It was therefore the policy of the combine to destroy the market gradually, else the producers would have organized for self-protection, and devised some plan of rescue, as ultimately they will be forced yet to do. At any time the pool could have forced values to where they have been for the past twelve months, but the policy was preferred to gradually destroy the trade, until destitution should confront the ranchmen, when the domination of the league became more fixed and certain and absolute. Hence we perceive the finesse and management of this clique, who would have the country believe that low prices have resulted from over-production, when it is demonstrable that they have resulted from manipulation.

DOMINATION OF THE POOL.

The power of the pool is such that to-day they can depress prices at will, although they have the value of an animal cut half in two. This domination results from several causes. They have killed off opposition whenever and whenever it has developed — the only opposition to-day organized against them being the remnant of the butchers' organization of which you are representative. The whole cattle industry is cowed. The humiliating fact is apparent that ranchmen, commission men and butchers each wear a collar upon which, in justice to the world, should be branded "Armour's Slave," — "Swift's Liegeman," — "Morris' Yaller Dog."

THE COMMISSION MERCHANT.

The function of the commission merchant is to receive consignments of cattle; to represent the shipper or consignor, and to uphold values upon live-stock. It is unnecessary for me to tell you that in many cities he is "*functus officio*;" that his calling is a fraud, and that his success and prominence as a merchant is measured by his *ready* capacity to accept the bids of the Big Four. In no cattle yard in the United States can you find a half dozen independent and fearless men. In submissive acquiescence, they accept the bid of the combine, for they know to reject it — on certain lines of cattle — means a lower bid, if it does not go further and visit upon them a permanent boycott as commission men. They are the worst whipped soldiers who ever survived the privations of a campaign, or the issue of a disastrous battle. They are so demoralized that, like the whipped spaniel, they lick the hand which *smites* them, so that they excuse the league, and go upon the witness stand to give it *absolution*. In despotic Russia, no subject of the Czar was ever so cowed as is the average commission merchant of the country to-day. No slave ever served a southern master as do they their masters — *the four* — and yet their fight is, as yours; their interest, yours; their freedom is at stake; their profession or occupation at stake; for you may count upon your fingers the months that commission men will be known in the cattle yards should the butchers of the United States go into the combine. Their accredited business is to uphold competition. If the butchers go into the combine, there is no competition to maintain; so the ranchmen and feeders will consign directly to the abattoirs, and, like abandoned sign-boards, the commission trade will mark the track of a past civilization, or (perhaps it might be more appropriately said, of) an advancing spoliation.

THE RANCHMEN.

The ranchman is another pitiable slave. He, too, fears a boycott. He knows how relentless, how remorseless, how unscrupulous, are the

methods of the combine. He has felt or seen the effects of a boycott. He trembles when he looks out upon his thousands of cattle, and fears to whisper the anathemas which he would like to *hurl* at the combine. His herds are now worth their hides and perhaps a little more; he fears if he is indiscreet, that when he consigns his cattle, his commission merchant will draw on him to cover shortage and charges. The railway and stock-yard charges are, like death, inevitable; and they cannot be ignored, for they are a part of the combine, and come in for no inconsiderable slice of the proceeds upon every consignment; — sometimes absorbing the entire proceeds upon low grade shipments. The result is that the ranchman is, through necessity, silenced, for he knows there is but one bidder in the United States, and that this bidder must not be offended. His real interest is like the butchers' and like the consumers'; but such is the despotism of monopoly that many of them champion the very agencies which have wrecked the cattle industry. It is unnecessary to tell you that the feeder is similarly situated.

THE EFFECTS OF CATTLE POOL UPON THE PRODUCERS.

To fully and properly estimate the effect of the combine upon producers or cattle-growers, let us imagine for a moment that the butchers should determine to enter the league. The supposition is not an unnatural one. It is a proposition which has been made you hundreds of times; it is one that some are to-day considering; and which has advocates in every city which you represent. Suppose, to-day, that you, the last representatives of liberty and freedom in the cattle industry, should decide to enter into the combination; should say: "We conduct a thankless fight, and will end it by an ignominious surrender." Suppose you should decide to wire the combine: "We have decided to kill no more cattle, but to let you slaughter, and we will, in future, handle dressed meat," and associate our fortunes with the *leaguers on the Lake*. We are prepared — under this supposition — to estimate the effect of the pool upon cattle production. 1. It would completely centralize the trade in one yard, and achieve at one blow the purpose of the league. From New England to New Mexico, every hoof would ship into these abattoirs, there to be slaughtered, and the dressed carcass shipped back to feed and supply those distant points. This would be the culminating blow—the parting knell to the life of our once greatest industry; for such an act would create a centralized and controlled market; would achieve the primal object of the combine, and throw the entire industry under their absolute control. 2. It would destroy the home or local market, which is now only dominated. The New England, the Southern or the Western farmer can no longer sell at home, but must ship hundreds of miles to the great abattoirs. The farmer once had

a home market, and a set of local butchers, who would buy his sheep, cattle and hogs; but now the home market is gone and he must ship over arbitrary lines of railways to a great market, ruled by a clique, where he is lucky, frequently, to get back with his grip or his pocket-book; or he must sell to some traveling agent of the combine, who may order him boycotted, if he refuses a bid of one-half the actual value of his herd. It needs no prophet to tell you the finale of such a step, as a wholesale surrender by the butchers. Look to-day at agricultural New England; her deserted farms; her profitless fields; her tenantless country homes. This desolate picture presents a fearful satire upon American economy; it ought to be hung at the foot of Pennsylvania Ave.; under the very arches of the capitol; and around it in living characters should be traced: *Tariff Laws — Cattle-Combine — Trusts.*

THE EFFECT UPON CONSUMERS.

Should the butchers enter the league, let us next consider the effect of the monopoly upon the consumer. 1. Our cattle, hogs and sheep, which formerly were killed and marketed at home, must be sent across States and sections of States to these great central abattoirs, there to be slaughtered and dressed, and with a double set of transportation charges, commissions and intermediate expenses, the dressed carcass is to be returned and put upon the local stands for consumption. The anomaly will be presented of towns and cities in New England and the Gulf States, shipping their stock 1,000 miles to be dressed, and with a set of return charges upon the dressed meat shipped back for consumption. Is this country so assinine as to believe that they will not pay for this? That the pool will not make a profit; the railways two profits, the commission men and shippers a profit; the stock-yards a profit; and the butchers a profit? Believe me, the world does not so scheme and plan for glory—it is for the *guinea*. When the competition of the butcher is removed, it means a permanently increased cost of living in the United States, which costs are already suicidal to prosperity through tariff laws. 2. It gives the consumer, in return for his home market, or stock killed at home, a nondescript and unclassifiable quality of food that he can tell nothing about; it may be horse, mule or bullock; his trust must be in Providence, or some agent of the monopoly, that it is straight goods. If wholesome or healthy, he must guess, and with a doubt on his mind, he sits down to his board to meet tired nature's demand upon his stomach. The meat is tender, it is true; but the oldest ox or the poorest ranch-cow is tender, if the flesh is refrigerated thirty days. But you might just as well fill your stomach with woody fibre, for there is nothing strengthening in it. It is notorious that nearly every slop-fed steer or distiller in the United States is shipped to the dressed beef monopoly; there

it is refrigerated or canned; and yet your Fifth Avenue nabob, or your Broadway millionaire, who eats his porter-house at home or his hotel, would have been horrified a few years ago if his butcher had killed a sloped animal. But his millionaire western friends, Armour and Swift, do it, so the force of the objection is lost. 3. As to the consumer, should the butchers enter the league, it would not only permanently increase the cost of living, but it would place prices on the daily supply of meats in the absolute control of, and subject to, manipulated markets. Any railroad strike would send meats from 10 cents to 30 cents per pound; a snow-blockade, or a short run of cattle, or any whim of speculators, could double the cost at will. If the league should wish to compete for the English, or German, or Levant markets, they could simply order the United States consumers charged enough additional to cover the costs of any industrial war, just as our iron manufacturers can do through their pools, aided by protective laws. The whole interest would be pooled.

THE PROFITS AND POWER OF THE POOL.

As to the profits of the pool, I have treated in "Spoliation," as has also Mr. Vest in the Senate Report. A comparison of their financial status to-day and fifteen years ago is a sufficient answer, and particularly significant when you recall the fact that, during the entire period, they have been waging aggressive commercial war against the butchers of our cities. As to their power, the butchers have felt it as well as seen it, and the public will soon have a manifestation of it. It is a humiliating confession, an avowal of the weakness of our governmental system, a reflection upon the political honesty of the age. I refer to the probable fact that the people of the United States will see little in future of George G. Vest in their national councils. Mr. Vest is politically doomed. His ability, his advocacy of the masses, his fight against monopoly, constitute his political weakness and his greatest fault. These are the sins charged against him, but they are errors for which he will be held responsible. He has had the manhood to challenge our greatest monopoly, to invalidate the sworn testimony of the league, to expose their methods; and for this temerity, he is to fall. Mark this prediction—Vest will never return as United States Senator from Missouri. The edict—in my judgment—has gone forth. Every Democratic nominee for the Legislature will be secretly polled before the 2nd of next November, and if the poll is found *uncontrollably* for Vest, then, mark this further prediction, there will be put enough money into the Missouri campaign to seat a Republican Legislature. Such men as the cattle combine take no chances. They fight, not to cripple, but to annihilate. The grave, or hopeless insolvency, covers the fate of such as have dared to antagonize them. Dead men tell no tales; the ruined man is crippled before an Amer-

ican public. Their revenge is relentless, and along their victorious and mysterious track—to find their victims—you must hunt the registers of the Black Fridays, when financial crash overpowered scores of men, who went down around McGeoch; or, perhaps, it is surer to read the records of suicide, or bankruptcy, or the *tombstones* of men like J. T. Alexander. It is a pitiless record, but a consistent one, and the contest over the issue as to who shall succeed to the Senatorial Toga from Missouri is liable to develop all the lights and shadows—the mockery and satire of Republican government.

THE REMEDIES DISCUSSED.

In the limited time allotted to an address, I have reviewed the cattle industry and its dangers from the domination of a great monopoly. I pass now to the great problem which interests you all; which interests, alike, producers and consumers; which has puzzled and perplexed the country, and upon which have been ventured scores of costly experiments. I refer to the question of remedy; to the question of restoration of cattle values, of a revival of competition and of combatting concentration. As I have shown all through "The Follies of a Nation," it is the destruction of the principle of competition which is fatal to American industries; its obliteration from trade, which has wrecked markets and destroyed values—and the thoughtful man must perforce acknowledge that the cattle industry is no exception to the rule. It is the competition of rival buyers, which gives value to products offered for sale; it is the competition of rival sellers which gives the finished product cheaply to consumers. Before entering the gist of the great question, let us enumerate some of the remedies which have been suggested.

LEGISLATION RECOMMENDED BY THE CATTLE COMMISSION.

As to the legislation recommended by the Senate Committee, the bill relating to ocean transportation, exclusive contracts and to clearances, appears a most excellent suggestion, and its effects will be to restore competition upon export and shipping grades of cattle. This forms no inconsiderable part of the cattle trade, and the enactment of such a law will place cattle raisers under a debt of gratitude to their national legislators. Also the legislation recommended upon railway discriminations, which, affecting our common carriers, can and should be made operative. The Senate Trust Bill, which is referred to in the report, is, in my judgment, a mere pretence, as penal laws will not "imprison men for establishing arbitrary prices; nor can or will our courts of judicature compel a man to pay the intrinsic worth of live cattle. Legislation cannot, nor has it ever succeeded in any civilization in regulating value. The world's market regulates so-called market value. When this market is manipulated and con-

trolled by cliques, pools, trusts, and option speculators, of course values become the shuttle-cock of gamblers.

"The policy of the commercial or trading world is always to buy a product on the cheapest basis, and to sell it on the highest. The commercial world, from considerations of policy, is generally ready to align or range itself behind a pool or person who will accept the odium and responsibility of declaring spoliating prices. Any person can take or assume this responsibility, and accomplish it in almost any line of business. The only difficulty is to find *the man*. It would be an act of super-erogation to state that in the cattle industry *the man has been found.*"*

The idea of punishing a man or a set of men for buying within an agreed price, or selling up to an agreed price, is positively absurd. The proof could never be found, and, if found, the monopolists are rich enough to influence or elect our judiciary. Already their influence is seen in every convention wherein judicial nominations are made; while it is a matter of notoriety that no legislative lobby serves such wines, cigars and entertainments, or is represented by such suave advocates—even to *fair ladies*—as the lobby sent by our railways or cattle syndicate.

INSPECTION LAWS.

My time will not admit of a discussion of the needs of inspection laws. Their necessity is apparent. Yet, I feel impelled to say this: The laws of hygiene and the obligations of government to society require that the citizen may be guaranteed sound and wholesome food. If the laws of trade and commercial dealing will not prescribe to a combination or monopoly, that it is their interest to slaughter only healthy animals for human food, then the laws of the land should see to it with vigorous enactment, and no uncertain penalty, that only wholesome meats shall be canned or otherwise offered for sale.

COUNTER-ORGANIZATION.

In introducing the subject of the remedy, I called your attention momentarily to an abstraction; to a principle vital to the cattle industry; to wit, *competition*. The plan which I purpose presenting holds this as the central idea, for I maintain that the whole future of the cattle industry depends upon the preservation of the principle. In other words, if the butchers of the United States go into the combine, then falls forever the greatest of our industries, for it will pass into the hands and under the complete domination of a monopoly, which has already given proofs of a despotic and wanton power. *A monopoly* which is not satisfied with robbing producers of their hard-earned profits, but would absorb the profits and the

*Spoliation, or the Follies of a Nation, p. 224.

stock in trade itself. *A monopoly* not satisfied with the hair, skin and muscles of a trade, but shows a disposition to take heart, entrails, life, and the very marrow from its bones. Such is the great "Market upon the Lake."

The remedy which I propose is not revolutionary in character; it means simply the organization of those interests which are dependent upon our live stock market. A remedy which means the co-operation of the industrial classes of our cities, the producers of the country, and the *free* butchers of our cities. A decision to support home markets, and sustain in each county of the United States its fundamental industry, the interest upon which hangs suspended the farmers' prosperity, which latter is conceded to be the corner-stone of all national prosperity.

The remedy proposed contemplates that producers and consumers shall extend a preference in trade to the butchers who antagonize the combine. A preference not only upon sales of live stock, but upon the purchase of the dressed meat. A determination to support the independent butchers of every city; and in pooled cities, free butchers should be put into their stands, backed by an organization, pledged to sound and home-inspected meats; to support a trade which in turn supports the city, and to preserve in each city a vital industry, which retained, so richly pays back the outlay upon investment. In other words, the plan proposes competition in trade. Will or can this plan be supported?

THE FARMERS' ALLIANCE, ETC.

The third party now organized in the United States seems honest and willing to co-operate in any plan which will tend to a redress of grievances—especially those among them who believe that the organization should be conducted upon an industrial basis. I am not of them, nor can I speak for them, though it seems to me that they would hail as a revelation a plan which insures them competitive, in lieu of arbitrary markets. This is what your proposition offers; for the moment that a decision is reached to sustain the local or home butchers in all the cities, that moment the producer can put the bid of 30,000 butchers against that of the combine, and he can ship into competitive rather than into pooled or arbitrary markets. So I repeat: If they are honest, which I do not doubt, they could not reject your proposition; for it is addressed to the restoration of values upon their greatest industry and its dependent industries; a proposition which asks them to oppose a *hydra-headed monopoly*, whose hostile step has already mortgaged thousands of their homes; and, leagued with its companions—the *trusts and tariff*—has changed our great West into a condition of tenantry, giving the new world an illustration of down-trodden Ireland.

In short, the proposal represented in the contest which you wage is

fundamental, and preservative of that vital issue, *competition in trade*, and is *silently* worth all the political isms and financial heresies which are now their watchwords.

FEASIBILITY OF THE PLAN.

The feasibility of the plan will be perceived when I state:

1. The Butchers' National Protective Association have appointed a National Conference Committee to confer with like committees from other industrial organizations.

2. They have adopted a national trade mark.

3. There will soon be erected a great system of abattoirs.

It would be a simple process for these conference committees of the various industries to section the country and let each section support its local interest. It is not difficult to find the total live-stock consumption or requirement for any given city. The conference committees might adjust or recommend, not only the disposition of live-stock and the supply of markets; but go further, and regulate or declare what would be a fair price both upon the live-stock and the dressed product, or the retailed meats. Our cities are beginning a vast system of abattoirs, *i. e.*, wholesale slaughterers for the retail butchers of the cities. These should be supported, as they give producers competitive markets, and they give the cities and country decentralized markets. Every prominent city of the country is interested in this movement for abattoirs. It retains in each city a ranking industry, instead of permitting it to fade away. It secures to each city home-inspected and home-slaughtered meat; it retains in each city a free competition in trade. It effectually prevents a great central market and city from monopolizing profit, which should be *distributed profits*, and benefitting the localities where the meats are consumed. In short, it opposes concentration. Why should Cincinnati, Indianapolis, Louisville, St. Louis, or any city, surrender the interests built up in live-stock, to see this business centralized, and each of said cities in turn to become merely distributing centres? Why should the live-stock trade of these cities be allowed to centralize, and these cities robbed not only of permanent investments, but the trade which follows this great industry to be centred elsewhere? One law of trade is a maxim; it is undeviating, and natural: *Men buy where they sell.*

Hence it is easily demonstrable that it is the interest of each and every city to support only free butchers, and those who can show the national trade-mark.

THE NEED OF ORGANIZATION.

If you will have the patience to follow me just a little longer, I would like to present a few reasons showing the need of organization, and that it is

necessary for the country to take some steps for the preservation of the cattle interest. It is idlest assumption to conclude that values will return unaided. This might be true if we had competition left; but with the market in the hands of an industrial monopoly "it may rally and advance under manipulation brought about to induce shipments," as says Mr. Vest; but the grip of monopoly is on the throat of this great industry, and when its hold voluntarily relaxes, the carcass which they leave may be denominated as *dead*. Already supply and demand have nothing to do with establishing values; if the butchers enter the combine, whenever the market advances at all, the advance will be promptly and doubly charged up against consumers. The necessity of organization is not only apparent in the restoration of normal values upon live-stock, but its needs ought to be considered from a *hygienic standpoint*.

We all know that diseased stock is shipped upon markets; destined at times for the glue factories, or soap factories, or fertilizing companies. It is obvious that on a centralized market this diseased stock necessarily comes more or less in contact with the healthy stock. No practical shipper and no butcher can controvert the proposition. This diseased stock frequently infects the healthy stock, sometimes hundreds of miles before they reach the central abattoirs, and with incipient or developed disease they are rushed to the shambles. There are proofs of infected meat, offered as human food, lying upon your desks; that proof was never challenged and must pass as admitted. But this leads us to the discussion of inspection laws, with which I am not dealing, for I wish to explain to this convention and the country

THE SCOPE AND PRACTICABILITY OF THE PLAN.

The butchers who kill their own meat should be sustained, and in cities where they have entered the combine, new butchers should be encouraged, supported and patronized. For to be effective, the determination to restore values, and the scope of the organization, must be *national*, or even *inter-national*. No partial attempt can succeed, as you can perceive by studying the principle of the trust. The contest must be waged at all points at once, else the combine will pool profits from one quarter to fight you in another.

You have information enough in your hands, as a convention, to arouse the traveling public, and have every hotel and public house boycotted which uses dressed meats. The laws of hygiene, together with the desire for permanently cheaper meats, will attract consumers to your trade-mark; for everyone wants some option or selection when he supplies his table. Besides, it will be a sad hour for the people of the United States, when the provision and meat-stands of our cities are in the hands of a monopoly, which can increase the charges at will upon necessities.

Why the producer is interested primarily is that he is secured a local or home market. Take, for illustration, a city like Fort Wayne or Sedalia; at each point there was spent thousands of dollars each year to the neighboring stock-growers. How is it now? Every hog or sheep or steer must be sent to the combine, and a substitute shipped back to feed the local population. The farmer has lost his home market and his business languishes; the merchant depends upon the farmer, and when this latter interest is hurt, the dependent interests suffer. There is an inter-dependence between the country and the city, and hence, both are interested in preventing the destruction of values upon a fundamental industry. With every market like Boston, Washington, Fort Wayne, Sedalia destroyed, has increased the power and domination of the pool; for, as these local markets have disappeared, the concentration or centralization of the Chicago market has intensified, and a more complete control given to values, until the time has come when all subsidiary interests, as the feeders, have suffered, and in many sections abandoned. To repeat: The bankers, the merchants, and every commercial interest of the town or city, at last traces to the farm. If there is uprooted or torn from the business of a country its live stock interest—or if it is depreciated—the recoil hurts the farmer, for the value of his corn, hay and pasturage is correspondingly depreciated—a result already so far accomplished that the profits of the farm are now absorbed in the expense account. Hence, the struggle, or the issue, interests every trade, every profession and every business of our country.

JUSTIFICATION OF THE PLAN.

Before closing, that you may fully appreciate the necessity and justification of these suggestions, it would be well to understand fully the principle of the trust. When manufacturers combine into a trust, it means simply that they pool issues. The legal interest disappears, but really the same interests still live, though now held as equitable stock-certificates. The losses of all plants, which may stand idle or conduct a commercial war, are first adjusted, and then the net profits of the pooled plants are distributed among these equitable share-holders. Thus a single plant, delegated to destroy some legitimate but competitive business, apparently may lose hundreds of thousands of dollars—bidding up the raw product, and selling down the finished product against a commercial rival—but the losses of this particular one are paid out of the profits of the plants not so engaged, and these latter have simply assessed the people of the United States in non-competitive points, enough to pay these losses, and still declare their annual or semi-annual eight per cent. dividends on their equitable stock-certificates.

The Senate Report shows clearly that the cattle pool have adopted

the principle of the trust, and that they bear in rotation the costs or losses of the commercial war, which they wage with the butchers. The losses which they apparently sustain in St. Louis or Detroit, they recover in Boston or Washington, and other points where they exercise control, by a simple fiat which tells their butchers to add one or two cents to the cost of each pound of dressed beef sold. This is done to make Boston meet the expense of destroying the butchers of Detroit. This is why and how one of these conspirators has stated that he would supply St. Louis dressed meats and coerce its butchers, if it cost him \$2,000,000. Is it not patent to this convention and to the world, that this \$2,000,000 would only be loaned? That it would be reassessed, and place that *city at the mercy of a spoliator?*

Some are optimists enough to hope for relief from the English syndicate now arranging to ship refrigerated meats from Texas. Permit me to say to you, if the Chicago syndicate will spend \$2,000,000 for the St. Louis, that they will spend ten or twenty million for the English market; and that they will simply assess the American consumers to pay the charges of this foreign industrial war. Just as our iron manufacturers sell American iron in foreign ports cheaper than the English competitor, while they charge the losses against the American consumer; or our machinists who sell self-binders \$40 per implement cheaper to the Canadian than to the Ohio farmer. Such are the beauties of our governmental economic system, which evolves trusts and pools to flourish upon the spoliation of home industry, of home competition, and of the unprotected masses of our country.

Gentlemen, a sad day has at last dawned in American politics when our legislation—state and national—is dominated, and guided and controlled by monopolistic influence. This is my justification for the recommendations offered; this is my apology for my earnestness; for when the representatives of our people refuse us redress, my motto is to seek it for ourselves. If this be branded as revolutionism, then, in the words of Patrick Henry, "Let them make the most of it." Let me say to you, finally, the plan suggested will revive competition, the sole support of values in any industry. This principle is now dead in the cattle yards, in many of our cities, in many towns; and here within these four walls are contained the representatives of the only organized opposition in the United States, to-wit, the butchers. This is why the alliances and producers, and the industrial classes of our cities, will rally to your support. All the question needs is intelligent leadership and ventilation; for, let me tell you, the industrial war in which this country is to-day engaged, is more serious and threatening to the liberties of a nation than was the struggle of our forefathers 100 years ago. The struggle then was against the domination and

the taxing right of a foreign country; it is now against the domination and taxing power of co-operative industrial monopoly.

The following is the resolution of conference:

WHEREAS, It is important to sustain many of our languishing industries — particularly the cattle industry; and

WHEREAS, This Convention is ready to cooperate with any fair plan which shall organize and utilize the opposition to monopoly;

Be it resolved: That this Convention appoint a Committee of not less than five or more than nine, which shall include the President, and that this Committee shall be known as the National Conference Committee of the Butchers' National Protective Association. The object of this Committee is to further the organization and the advancement of the interests of the Butchers' Association; to confer with other industrial committees; and to devise ways and means to sustain the Live-Stock Markets of the United States. To this end, this Committee is hereby armed with plenary powers to reassemble this Convention at any time; to treat with all similar committees appointed by other representative industries; to receive suggestions; and to aid all just efforts tending to build up our interests in pooled cities — or any places where competition is now destroyed; and to devise some concert of action between cattle producers and consumers — especially in counties or cities threatened by the combine.

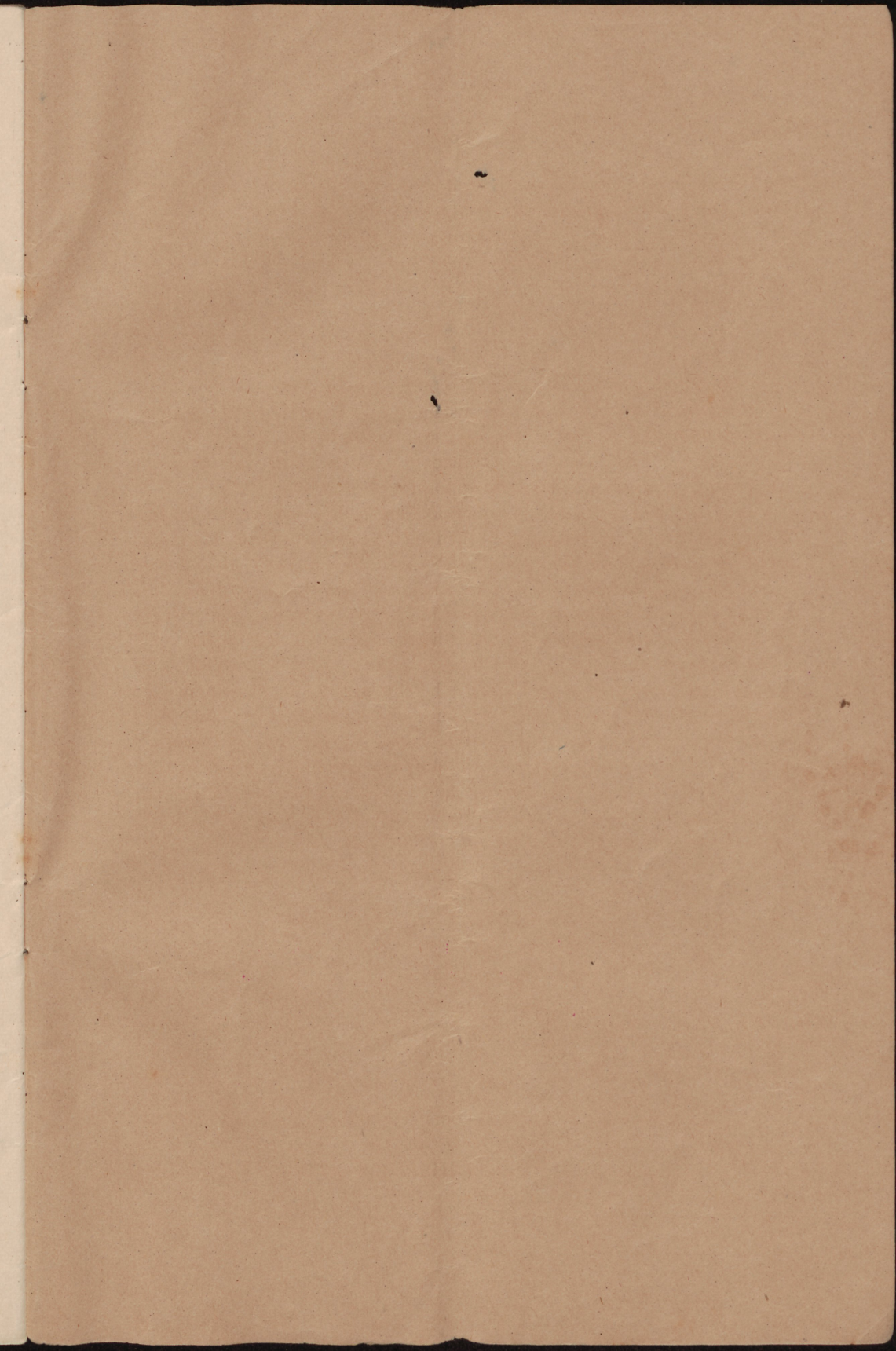
"Spoliation, or the Follies of a Nation."

CAN BE ORDERED AT ANY BOOK STORE THROUGH

JOHN P. MORTON & CO.,
LOUISVILLE, - KY.

N. B. Communications from other industrial associations may be addressed to

CHRIS. BROKATE, *Sec'y,*
 St. Louis, Mo.



"Spoilation, or the Follies of a Nation."
CAN BE ORDERED AT ANY BOOK STORE THROUGH
JOHN P. MORTON & CO.,
LOUISVILLE, KY.