

How Food Prices are Made

By Allen L. Benson in Pearson's Magazine

NOTE:—Between the producer and the consumer stand a vast army of middlemen, some of them bereft of all sense of honor, who plunder the public at large. The producer and the consumer each pays his toll into the coffers of these middlemen who are not content to simply make a living but swell their profits by selling their honor. Many are the traps that have been set to catch them. As yet they have dodged them. Mr. Benson in this article lays bare the plunderers' schemes, with a view of stirring both producer and consumer to a sense of the wrongs to which they are subjected. When this sense of wrong is fully realized a storm of indignation will sweep over the continent that will do away with the nefarious system.

THE tale is told of a miser old, who lay down on his bed to die. Oh, but he was sad. Talk about your mispent lives! He felt as if every day of his seventy-six years had been as hollow as a balloon. In early life, he had begun to save. In order that he might save more rapidly, he had avoided matrimony as he would have a cross between bubonic plague and yellow fever.

Every day he had worked hard. Every time he got a dollar that he could spare, he had put it under a big flat stone in the front yard. It seemed to him to be the safest place. Robbers might rummage through the bedticks, but they would never think of that stone. Yet, every time he had put a dollar under the stone, it disappeared within twenty-four hours. He had set a circle of yawning steel traps around the stone—steel traps almost big enough to snap off a man's leg—but he had never caught anything except a few dogs and his own cat.

No man likes to die with an interrogation point as tall as a hall-tree at the foot of his bed. This gentleman didn't. Before he passed out he was determined, if possible, to know how his money had disappeared. For forty years he had known who was taking his money. His neighbor, old Bill Smith, was the man. But how Bill turned the trick upon the steel traps was more than he could tell. In a way, he had a great admiration for Bill.

About two days before the miser was scheduled to die, Bill called to pay his farewell visit, and the old man asked him about the money, promising, if told, to carry the secret with him to the grave. "On these yere conditions," said Bill, "I'll tell ye. I adius took the money while you was asleep. Simply lifted up the stone and took it."

"But why didn't the traps get ye?" almost shrieked the old man, rising on his elbow.

"Why didn't you hide your money under another stone?" asked Bill, by way of Yankee answer. "Traps," he added, with a little scorn, "didn't I know them traps was there?"

For some reason this sweet story out of the past comes to me as I am about to tell the story of how Beef Trust "Bill" and the other "Bills," big and little, fleece the American people of their bills. In many points there is a striking resemblance between the pathetic story I have told and the more pathetic story I am about to tell.

For many a long day the American people have known who were robbing them. For many a long day the American people have known who were the biggest robbers, though they have overlooked some pretty big second and third raters. They know the trusts are the biggest robbers.

They have set traps to catch the trusts in the nation the great four-ply, ball-bearing, steel-jawed Sherman Anti-trust Law-trap! In almost each of the States, a smaller trap of the same design. But, though the Sherman trap has now been set for twenty long years, it has never caught anything but cats and dogs, though one or two of the big "Bills" have had to crawl out of their clothes to free themselves; and the little State traps have caught nothing but flies.

It is not given to the goat to know what its master thinks of it for standing so still while the milk is taken that should suckle the goatlets. Nor do we know what the big "Bills," deep down in their hearts, think of us for standing so still while they plunder our premises. On this subject they do not talk—for publication. But, if they were to talk, who can doubt what they would say? They would say—

with scorn, too—"Why don't you hide your money under another stone?"

Really, it must sometimes seem monotonous to them, always to have to take the people's money in the same way. It must seem like shooting a bear chained to a tree.

How the Meat Trust Buys

This is the way the Meat Trust takes the people's money, the incident that illustrates the first step in the game being an actual occurrence.

A Western gentleman's dear friend had the misfortune to die. The Western gentleman was appointed administrator of his dear friend's estate. Part of the estate consisted of a large herd of beef-cattle.

The administrator, who knew no more about cattle-selling than a garbage man knows about the perfumery trade, sought to convert the herd into money. He put the cattle on the cars. He took a Pullman himself, and beat the beasts to Chicago. And, being a good business man, though not a cattle-man, he determined to look around a little among the buyers to learn who would offer the highest prices.

On a pleasant afternoon he sauntered into the office of Armour & Company. A gentleman who was as pleasant as the afternoon listened to his statement that he had cattle to sell. The Armour man asked from what state the cattle were coming. The State was named.

With the naming of the State, the deal was off. Armour & Company were not buying any cattle from that State. Only Swift & Company were buying.

So he went swiftly to Swift's. Swift's sent a man to look at the cattle. They were cooped up on the cars, eating their heads off, but they looked fine. Big, handsome steers, any of them fit to decorate a tobacco sign. How much would Swift's man offer for them?

A price was named. Oh, only that much? The Western gentleman was astonished! He couldn't think of accepting such an offer. It would be like standing by and seeing his friend's widow robbed. He would go elsewhere—yes, sir, go elsewhere.

Then Swift's man made a few coherent remarks. He wished it understood that the offer he had made stood good only for the moment. If it should not be

accepted on the spot, it would be withdrawn and not repeated. The Western gentleman, if he believed he could do better, should try. If he failed he might come back, if he cared to. But he was warned that if he should come back, the second offer would not be as good as the first.

As it takes something like four acres and a shotgun, all exposed, to make a Western man throw down his hand, this gentleman decided to stay in the game. He began making the rounds of the cattle buyers, each of the buyers, as soon as he learned the State from which the cattle came, halted proceedings and told him to go to Swift.

In desperation the administrator turned liar. The next time a buyer asked him what State his cattle came from, he named a State that his steers never saw. The lie went directly over the plate without the batter hitting it. He only asked the next question.

"What is the brand on your cattle?" The correct brand was given. The buyer drew from his pocket a little book, ran over the leaves until he came to the right one, and then ran his finger down the column. Halting his finger a moment he said:

"You are mistaken in the State from which your cattle come. You will have to see Swift & Company. They are the only ones who are buying cattle from the State in which your brand is registered."

Sadly, but not swiftly, the man went back to Swift's. The same man whom he had seen before came out to see him.

"You may have my cattle at the price named," said the Western man, with the mournful little air that an appendix person uses when he tells the attending surgeon that he may begin the operation.

"I won't give you that price now," flared back the buyer for Swift. "I told you I wouldn't repeat that offer. Your cattle have been here several days, and they haven't improved any. I will now offer you a cent and a half a pound less than I offered you the other day, and you can take it or leave it. This offer won't be repeated, either."

It didn't need to be. The deal was closed on the spot.

This simple tale gives the first clue to the means of erecting a Meat Trust fortune at the expense of the public. It is not a tale of brains or skill. It is

merely a tale of cold-blooded robbery. It takes some brains and a good deal of money or criminality to monopolize a great business in the land where the law says monopolies shall be killed and monopolists put in prison; but, given the monopoly, it is a simple matter for a few meat-packers to apportion the country among themselves, no one competing with another, and say to cattle-raisers: "I'll offer you so much—take it or leave it. This offer will not be repeated." Yet it is this sort of brainless bullying that has kept the price of cattle down so low that Secretary Wilson was moved to say in his last annual report that the farmer is receiving barely as much for his raw stock as he did nine to fourteen years ago.

How the Meat Trust Sells

The process of robbing the public in the price of meat is as simple as the process of robbing the farmer in the price of cattle. So far as the wholesale price of meat is concerned, fourteen Meat Trustmen tell you what must be paid for meat. None of the men, in himself, is so very wonderful. If their names were to be printed here, you would not recognize some of them. Ogden Armour himself is not so very wonderful. Deprive him of his fortune, prevent him from exercising his knowledge of how to operate a great machine like the Meat Trust, and it is doubtful if his knowledge of the legitimate part of the meat business would enable him to earn \$25,000 a year. His present income is a good many millions a year. But he and his thirteen associates in the National Packing Company determine the wholesale price of meat. They determine it because they are at the levers of a great machine and have \$900,000,000 behind them. Give \$900,000,000 to any man who is not an absolute ass and he will determine a lot of things. Give him also a good grain of greed, and a howling vacuum where his sense of justice ought to be, and he may astonish the nation.

The main cylinder of the Meat Trust machine is the cold storage warehouse. If it were not for artificial refrigeration, the trust might fleece the rancher all of the time, yet not be able to fleece the consumer any of the time. Without cold storage a meat trust would be like a burglar without tools.

The reason is simple. Meat and heat don't go together. When heat comes meat goes. If temperatures could not be kept low, prices could not be kept high. The entire dressed meat crop would always be on the market. Meat would be sold for what it is worth. An excessive supply of any kind of meat could not be prevented from forcing prices downward.

Artificial temperatures in the warehouses enable the trust to produce artificial prices in the market. Meat is never low. If the hog crop is big, as it was in 1907, the consumer never knows it. The excess is put in storage, or exported. The farmer knows it because the price of hogs is cut to pieces; but pork is doled out to the consumer at top-notches, as if the supply were all but exhausted.

That is the policy of the Meat Trust—dole everything out.

Make the public believe there is not much of anything left.

Bolster up the shortage feeling by whooping up prices every little while.

If denounced as an extortioner, deny everything.

Blame "natural conditions." Blame the farmers. Blame anybody. Keep on pleading "Not guilty." And, if any numskull is foolish enough to ask whence relief may be expected, the Meat Trust rolls its eyes and looks to the Lord!

The time may come when it will need to look to the Lord, with rolling eyes.



Laurier and the Farmer