

Are the Packers Profiteers?

Plain Facts About the Meat Business

The Federal Trade Commission in its recent report on war profits, stated that the five large meat packers have been profiteering and that they have a monopoly of the market.

These conclusions, if fair and just, are matters of serious concern not only to those engaged in the meat packing business but to every other citizen of our country.

The figures given on profits are misleading and the statement that the packers have a monopoly is unsupported by the facts.

The packers mentioned in the report stand ready to prove their profits reasonable and necessary.

The meat business is one of the largest American industries. Any citizen who would familiarize himself with its details must be prepared for large totals.

The report states that the aggregate profits of four large packers were \$140,000,000 for the three war years.

This sum is compared with \$19,000,000 as the average annual profit for the three years before the war, making it appear that the war profit was \$121,000,000 greater than the pre-war profit.

This compares a three-year profit with a one-year profit—a manifestly unfair method of comparison. It is not only misleading, but the Federal Trade Commission apparently has made a mistake in the figures themselves.

The aggregate three-year profit of \$140,000,000 was earned on sales of over four and a half billion dollars. It means about three cents on each dollar of sales—or a mere fraction of a cent per pound of product.

Packers' profits are a negligible factor in prices of livestock and meats. No other large business is conducted upon such small margins of profit.

Furthermore—and this is very important—only a small portion of this profit has been paid in dividends. The balance has been put back into the businesses. It had to be, as you realize when you consider the problems the packers have had to solve—and solve quickly—during these war years.

To conduct this business in war times, with higher costs and the necessity of paying two or three times the former prices for livestock, has required the use of two or three times the ordinary amount of working capital. The additional profit makes only a fair return on this, and as has been stated,

the larger portion of the profits earned has been used to finance huge stocks of goods and to provide additions and improvements made necessary by the enormous demands of our army and navy and the Allies.

If you are a business man you will appreciate the significance of these facts. If you are unacquainted with business, talk this matter over with some business acquaintance—with your banker, say—and ask him to compare profits of the packing industry with those of any other large industry at the present time.

No evidence is offered by the Federal Trade Commission in support of the statement that the large packers have a monopoly. The Commission's own report shows the large number and importance of other packers.

The packers mentioned in the statement stand ready to prove to any fair-minded person that they are in keen competition with each other, and that they have no power to manipulate prices.

If this were not true they would not dare to make this positive statement.

Furthermore, government figures show that the five large packers mentioned in the report account for only about one third of the meat business of the country.

They wish it were possible to interest you in the details of their business. Of how, for instance, they can sell dressed beef for less than the cost of the live animal, owing to utilization of by-products, and of the wonderful story of the methods of distribution throughout this broad land, as well as in other countries.

The five packers mentioned feel justified in co-operating with each other to the extent of together presenting this public statement.

They have been able to do a big job for your government in its time of need; they have met all war time demands promptly and completely and they are willing to trust their case to the fairmindedness of the American people with the facts before them.

Armour and Company
Cudahy Packing Co.
Morris & Company
Swift & Company
Wilson & Company

DORENA.

(Special to The Sentinel.)

July 10.—Miss Nora Ward has been quite ill with measles. Her brother, Challice, is also ill with them.

Mr. and Mrs. Glen Jennings and baby son returned to their home at Leona Saturday.

Mr. and Mrs. Chas. Teeters and three daughters, accompanied by Dr. and Mrs. H. H. Petrie, Mr. and Mrs. Horace Conner and children, of Cottage Grove, and Miss Lily Conant, of Veneta, went on a short camping trip up the middle fork of the Willamette last week.

Mr. and Mrs. John Kirk and daughter Bertha, Miss Rebecca Bales and Miss

Faye Jennings spent the Fourth in Eugene.

The farmers are harvesting grain. The Dorena people enjoyed a picnic up Rat creek the Fourth.

John Holstrom and family, Bertha Kirk and Doris England went up the McKenzie river Saturday and spent the week-end camping out.

Among Cottage Grove visitors from here Saturday were Mrs. Lee Thomason, Miss Rebecca Bales and Mrs. Henry Mendell.

Mrs. Roxy Bennett and daughter, Georgia Summers, of Eastern Oregon, visited relatives here last week.

Miss Lottie VanSchoinck has been engaged to teach the Wright school below Walker.

LORANE.

(Special to The Sentinel.)

July 8.—Miss Pearl Ashby, who was staying with Mrs. Ralph Lynch, has returned to her home at Silk Creek on account of sickness.

John Gilbert, of Cottage Grove, spent several days visiting relatives on the Siuslaw river last week.

Lawrence Leff, of Glendora, celebrated the Fourth with friends and relatives here.

Mr. and Mrs. Elmer Crowe motored to Elmira Friday.

Miss Eva Wentworth arrived here last week to spend the summer at home.

Quite a number from here motored to Eugene the Fourth.

Mr. and Mrs. George Hawley and Mrs. R. White spent the week-end at Eugene.

The Hadleyville and Lorane Red Cross served a picnic dinner here on the Fourth.

Mrs. O. C. Davis and daughter Velma are visiting relatives and friends at Silk Creek.

Several from the Grove attended the dance at the grange hall on the Fourth.

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