

TOBACCO PROFITS LESS BUT PRICE IS NOT REDUCED

WASHINGTON. May 9.—The supreme court's dissolution of the tobacco trust has resulted in competition between the successor companies, in most branches of the industry, but has not affected wholesale or retail prices, and in general such competition has reduced the profits of the other companies.

This is the conclusion of the old bureau of corporations, now merged with the federal trade commission, in the third portion of its report on the tobacco industry laid today before President Wilson.

Extensive and largely technical, the report deals with the prices, costs and profits of the seven companies into which the federal courts divided the American Tobacco company in 1911 after the celebrated dissolution decree.

Cost is Increased

The extent of competition between the seven companies is discussed in so far as the facts regarding prices, costs and profits and changes in volume and division of business tend to show it, but not with regard to other important factors because the courts retained jurisdiction of the case and the department of justice is making its own investigations into the manner in which the dissolution decree is being observed. It points out, however, that the seven companies thus created were in their respective branches, much larger than any companies not connected with the "combination."

"For particular brands," says the report, "neither the prices to jobbers nor to consumers show important changes following the dissolution of the combination. Such competition as has developed among the successor companies did not result in price cutting."

Costs of manufacture since the dissolution were found distinctly higher because of duplication of effort, and chiefly, to advertising. Where the advertising bill for the big combination was about \$11,000,000 in 1911, the seven successor companies spent about \$23,500,000 in 1913. While there was an increase in the volume of business, the ratio of advertising expense to sales doubled between 1910 and 1913. The aggregate profits of the successor companies in 1913 were \$29,735,958, or about \$1,230,000 less than the profits of the combination in 1910, on the basis of an investment of approximately \$250,000,000.

Results of Dissolution

"In view of such a high rate of profit," says the report, "the question naturally arises: Why has there been no competition in prices? The answer to this question is partly found in the peculiar price-making conditions in the tobacco trade."

Sizes of tobacco packages, the report points out, are affected by law, and it suggests that price competition might be facilitated by amending the law to establish a larger number of sizes of tobacco packages with smaller difference between them or providing that all kinds of tobacco may be packed and stamped in wholesale quantities.

In conclusion, it may be stated that the study of prices, costs and profits in the tobacco industry, without taking into consideration other factors in the competitive situation, indicates that the decree of dissolution has resulted in the successor companies competing with each other for business in most branches of the industry, but has not affected wholesale or retail prices. The successor companies have also competed with the smaller tobacco concerns, and collectively have won business from them in some branches and lost to them in others. As a consequence of competition the rate of profit of the successor companies has been reduced, although their rate of profit is still high. In general, this competition has seriously reduced the profits of the other companies.

HOBART BOSWORTH IN "COUNTRY MOUSE." AT STAR



COURT HOUSE NEWS

Reported by Jackson County At
Sec. to Sixth and Sir Sis

Circuit

C. P. Shepherd vs. James Bailey et al., reply.

Gold Hill Bank vs. Edward J. Edie, affidavit of publication.

C. F. Young vs. Geo. F. King, amended complaint.

Aimee Chipley Dunn vs. Wilbur W. Dunn, original answer.

D. D. Hail vs. J. B. Coleman and Anna Belle Coleman, certificate of attachment.

Fiona A. Kelsey vs. A. C. Corving et al., affidavit for publication of summons, motion and order to vacate judgment.

D. D. Hail vs. J. B. Coleman and Anna B. Coleman, return of summons, writ of attachment.

Probate

Estate of David H. Hendery, will, order appointing appraisers.

Juvenile department—Adoption of Herbert Tilley.

Guardianship of David H. Hendery, incompetent, report of guardian.

Estate of Josephine Edwards, order for publication of final notice, final account.

Real Estate Transfers

W. H. McNair et ux to State Bank of Ashland, land in twp. 39-1E. \$ 10.

Henry Pohlmeyer to E. H. French, lots in Orchard Home Tract

L. M. Rhodes to Henry N. Linsenger, lot in Ashland

L. M. Rhodes to Ellen Smith and Emma C. Parshall, lot in Ashland

John Prader et ux to John Gibson, land in sec. 7-35-2W.

John Gibson et ux to B. E. Whitmore et ux, land in sec. 7-35-2W.

J. W. McCay to City of Ashland, alley way in Ashland

C. F. Tilton et ux to City of Ashland, alley way in Ashland

Carter Land Co. to City of Ashland, right of way in Ashland

H. W. Huntzinger et ux to City of Ashland, lots in Helms Add.

F. D. Yarzrough et ux to City of Ashland, land in sec. 21-39-1E.

Alonzo Ord to Herman H. Schette et ux, land in sec. 32-38-1W.

Wm. Angle et ux to Alonzo Ord, land in sec. 32-38-1W.

Jeremiah Conwell et ux to City of Ashland, land in Ashland

T. E. Neal et ux to Herbert H. Clarke, land in twp. 36-2W.

H. H. Clarke to Texas Illinois Orchard Co., land in twp. 36-2W.

Seymour Bell to Pacific Land Co., land in sec. 4-34-28.

O. & C. R. R. Co. to Wm. Angle, land in sec. 29-38-1W.

M. A. Carter et al to M. L. Aldford et al, mining claims

L. Emma Humphrey et vir to F. C. Clayville, lot 9, blk. 2, Tuttle's First Add., Medford

G. T. Wilson et ux to Mrs. N. L. Treadaway, land in sec. 4-35-1E.

J. E. Mahan et ux to Olive E. Lemery et al, land in sec. 17-39-1E.

F. D. Wagner et ux to City of Ashland, alleyway in Ashland

H. C. Mecham et ux to Geo. Siemantel, land in twp. 39-1E.

E. T. Neal et ux to Herbert H. Clarke, land in twp. 36-2W.

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