

ginning to fall, and the nights were growing cold. The woodchuck remembered this, and thanked the fox kindly. He said he would be glad to take her house for the winter.

Soon it grew so cold that the woodchuck found he must make the lodge warmer if he were to occupy it all winter, so he went out and sharpened his teeth and nails on the hardest tree that he could find. He must have sharp tools with which to work.

Then the woodchuck began to build a lodge that Old Man Winter could not enter. The doors were so long and narrow and dark that he knew the winter chief would never be able to find his way through them. From sunrise till sunset he dug and dug with his hand tools and sawed and sawed with his teeth until he had a fine warm winter lodge; then he sat down to enjoy it.

But soon he began to be hungry. He looked about, but he saw nothing to eat. He had forgotten to bring any food with him. "Well," thought he, "it is too cold to go out to eat and I am too comfortable in my warm wigwam; I will make believe that I have something to eat," and the woodchuck sat and licked and licked and licked his fat hands and smacked his lips until he believed he had had a good meal. This he did every time he was hungry, and he found his hunger was satisfied. Then, after he had finished his make-believe meal, he would count off slowly on his fingers the moons that must pass before he would be able to leave his lodge.

One moon, two moons, three moons, four moons, five moons must come and go before Old Man Winter would depart and he could go again on the trail and sit in the sun at his lodge door. It was a long time.

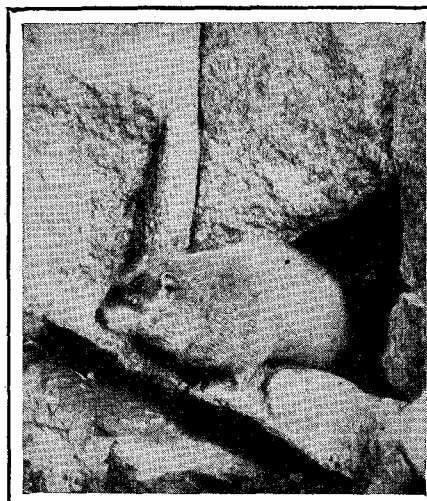


Photo by Ralph F. Perry. Courtesy of "All Outdoors"

"THE INDIANS KNOW THAT IT IS NOT HIS SHADOW ONLY THAT THE WOODCHUCK IS LOOKING FOR"

"The fox is always on the trail; she is not afraid of Old Man Winter, her blanket must be warm," thought the woodchuck as he sat there counting the moons that must pass before it would be well for him to venture forth in his blanket. "I wish I could find a blanket like hers," and the woodchuck again fell to counting and naming the moons.

The "leaf-falling moon" had passed, and the "moon of first cold" was almost gone. Then would come the "moon of great cold," the "moon of long nights." "One, two, three," counted the woodchuck. After the "moon of long nights" had gone, the "moon of lengthening days" would come. "One, two, three, four," and then—the woodchuck pressed hard on his fifth finger—and then it would be time to leave the lodge, for

the "new year moon" would wake all creatures and plants from their sleep and he would go out and look for that wise old mother fox. There was something he would ask her, she could tell him.

"One, two, three, four, five." Again and again and again the woodchuck counted off those moons after finishing his make-believe meal. His hands were not as fat now as when he entered the lodge—he had licked them so much; and his fingers were spread far apart—he had counted the moons on them so often. This is why the woodchuck makes such a broad track to-day, the Indians say.

At last the five moons pass. It is time to leave the lodge. The "new year moon" calls him forth. He will go out and search for that old mother fox until he finds her. He does not wish to stay in another winter and eat make-believe meals. He will get a blanket like those the foxes wear. Then he can stay out all winter, get his own game and have a good time. That old mother fox is very wise. She knows many things. He must find her. So in and out one lodge after another the woodchuck runs, looking for her.

He never goes back into his own lodge, for he knows she is not there; but into one hole after another the woodchuck runs, searching every earth tree lodge. He must find that old mother fox. He must learn from her how to make a blanket so warm that Old Man Winter cannot blow his breath through it.

This is why, the Indian says, the woodchuck comes out in midwinter. He is not looking for his shadow, or to see what kind of weather it is. He is looking for that wise old mother fox, and he cannot find her.

THE NATION'S MEAT BILL MORE TRUTH ABOUT THE PACKERS

BY SHERMAN ROGERS

INDUSTRIAL CORRESPONDENT OF THE OUTLOOK

IF the Chicago packers would disgorge their profits and sell meat at a reasonable figure, the high cost of living would soon cease to worry the average American family."

The amazing accusation interested me. It was an excerpt from a speech delivered by a United States Senator.

I had ascertained from the little investigation I had already conducted that half of the meat business of the country was carried on by independent packers, and I wondered how the above statement could be correct. I looked up the various attacks made on the packers by their most bitter enemies. I found that W. Jett Lauck, the packers' most prominent newspaper critic of the past year, contends that the average family pays \$400 apiece to the packers.

His figures sound sensational, but

what do they mean? The volume of sales to a family by any company under highly competitive conditions can hardly be assailed as opposed to the public good. Criticism can only reasonably concern itself with whether or not excessive profits were exacted from the consumer. This critic charges that the "Big Five" of the Chicago packers earned extreme profits in the period of 1912 to 1918 of \$320,000,000, or \$53,000,000 a year. The population of the United States is over 100,000,000. Taking the economist's own figures, which I will assume to be correct, this makes 53 cents for each individual of the country, or an average of \$2.65 for each family. This means that each family in the United States pays about 5 cents to the Chicago packers as profit, or less than 1 cent a day. And as this article goes to

press Louis F. Swift, President of Swift & Co., has just made public a statement to the effect that the profits of his company during the last year have been less than one-half cent per dollar of sales or about $\frac{1}{2}$ of a cent per pound. It would appear that a contribution of less than 1 cent a day per individual has mighty little to do with the high cost of living.

I am not attempting to defend the packers; they don't need it. Neither do I think for one moment that any of the individual members of the "Big Five" organizations are angels. The packers do not transact business for their health. They sell their goods at the best prices obtainable, or, in other words, at the highest prevailing market price.

That the packers have earned so much condemnation is just as much



"THERE IS PROBABLY NO FOOD PRODUCT FOR WHICH THE AMERICAN FAMILY PAYS A SMALLER PROPORTION OF PROFIT FOR PRODUCTION THAN MEATS"

their fault as that of their enemies. During the past twenty-five years they have kept the public in the dark regarding their business, which is obviously a semi-public institution. One is entitled to an intimate knowledge of the packing industry because it directly affects every individual.

I have run down many sensational charges against the packers, and have found most of these wild stories without foundation. Summed up, the profits of the leading packers per dollar of sales are much less than the profits of many other large manufacturing organizations that are held up as philanthropic institutions. The sales end of the meat-packing industry is entirely controlled by the law of supply and demand, and, under the existing system, I do not believe that the price could be arbitrarily fixed with several hundred independent packing concerns vigorously bidding for all meat business.

The sales of Swift & Co. in 1919 amounted to \$1,200,000,000. Their profit before paying dividends to their stock and bond holders amounted to \$14,000,000. On the face of it, \$14,000,000 appeals to the imagination as a colossal combination of figures, yet this profit on the total business transacted amounted to less than 1½ cents per dollar on the turnover. The interest made on the actual investment of Swift & Co. was 6.9 per cent. The other packing concerns in Chicago made about the same profit as Swift & Co.

The remarkable feature of the so-called "Big Five" meat sales is the narrow margin of profit per pound; a margin so narrow that, had Swift & Co. sold their products on the average of one cent a pound higher than they did that year, they would have earned \$59,000,000 instead of \$14,000,000. Or, if they had sold their products for one cent less, they would have sustained a loss of \$31,000,000 for the fiscal year.

Swift & Co. alone slaughtered 16,000,000 animals in 1919, with a profit of \$14,000,000, which left the company a profit of less than \$1 per head. The profit of Armour & Co. amounted to a little more than \$1 per head. Swift & Co. produced 3,000,000,000 pounds of

meat during the year, Armour & Co. running a close second.

There is probably no food product for which the American family pays a smaller proportion of profit for production and distribution than meats.

SURROUNDED BY RISKS

There is not, at the present time, a business conducted on such an extensive scale that has anywhere near the risk that the packing industries always run. Forty per cent of the money invested in the packing industry is invested in accounts and inventories, subject to daily changes of the market, which may result in either heavy losses or gains. With prices steadily climbing, the industries receive a larger margin of profit than the ledger showed when the goods were manufactured. But a steadily decreasing market piles up losses that make the packers as long-faced as any other business man under similar conditions.

The most remarkable feature of the packing business is the fact that eighty-five per cent of the total received for meats and by-products by the packers goes directly to the stock-raisers, with the exception of a slight commission charged by the commission men. The other fifteen per cent pays the entire expenses of labor, freight, interest on the investment, shrinkage, advertising, distribution, and all expenses incurred on the animal from the time it leaves the Union Stockyards to its arrival at the retailer's counter. Out of this fifteen per cent the packers get their profit. Is there any other business in the United States which can show as great a disbursement to the actual producer?

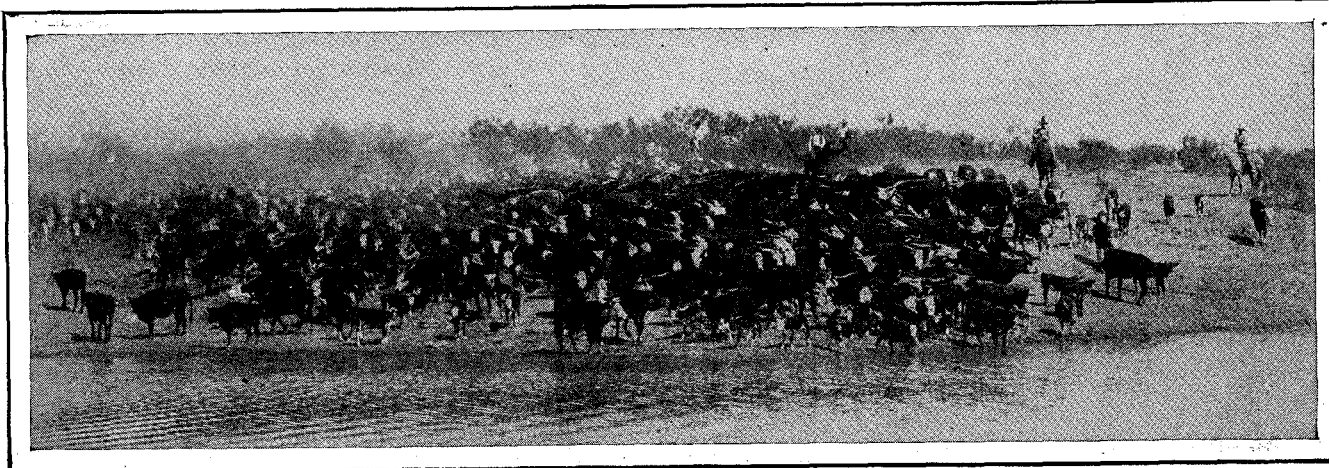
We have heard a great deal about packing companies controlling their refrigerator-car service. We have been led to believe that this control was a great menace to the country. I used to think so. However, during the summer of 1920, I changed my mind. To illustrate: Due to lack of cars, coal shot up in price from \$4 a ton to as high as \$11 at the mine pit. About 100,000,000 tons were purchased by the public at these figures. The public paid at least half a billion dollars

simply because coal operators did not have control over their own car service. I was in the coal fields myself. I saw thousands of miners idle at a time when coal was around \$9 at the mine pit because there were no cars; but at no time did I see any packing employees laid off for lack of car service, nor did the packers have any trouble in instantly supplying meats in all parts of the country—this for the simple reason that the packers, years ago, decided that if they were to have adequate car service they must own and control their own cars because of the perishable nature of their products and the necessity for efficient car service. This foresight saved the public millions of dollars last year alone.

VAST REFRIGERATING SYSTEM

Swift & Co. have seven thousand refrigerator cars. Armour & Co. and the remaining members of the "Big Five" have a correspondingly large number. A close account is kept of each car every day; they are not allowed to remain on side tracks or to be lost for indefinite periods. During the past few years the rentals have not met the expenses of keeping the cars in repair and other upkeep expenses. The packers' ability at all times to fill their orders is a notable example of modern distribution efficiency. The fact that the packers have maintained their rental schedules at a loss proves that in recent years, at least, they have not abused the power they hold by owning and controlling their own traveling refrigerators.

Another general impression is that the packers "camouflage" their profits through subsidiary holdings; but in computing the net profits of the total business of Swift & Co., Armour & Co., Morris & Co., Wilson & Co., and Cudahy & Co. it will be found that the narrow margin of profit earned on the turnover and the actual profit earned on the investment is derived from the entire business transacted by them, including all of their subsidiary holdings in the United States. It is true that at times, due to local conditions, a heavier margin of profit will be made than



"EIGHTY-FIVE PER CENT OF THE TOTAL RECEIVED FOR MEATS AND BY-PRODUCTS BY THE PACKERS GOES DIRECTLY TO THE STOCK RAISERS, WITH THE EXCEPTION OF A SLIGHT COMMISSION CHARGED BY THE COMMISSION MEN"

at other times. It is also true that in many instances every month they will sell large consignments at a great loss. Various products manufactured by packers yield a much greater margin of profit than that obtained from the sale of meat foods. If it were not for the fact that a greater profit had been made on some of the by-products manufactured in 1919, several of the leading packers would have closed their year's business on the red-ink side of the ledger. The books of Swift & Co. and Armour & Co. show an actual loss on meat foods of from forty cents to seventy cents for each beef animal killed during the year. The declining market that caused this loss began in the spring of 1919. Cattle and hogs are selling from thirty-five per cent to fifty per cent less now than at that time, and the packers have had to sell millions of pounds of meat at prices away below the prices paid for this meat in the form of live animals.

NO CONTROL OF RETAILERS

I have heard it charged that the "Big Five" controlled the retail butcher; that is, that the retail butcher was compelled to sell meats at a certain price and compelled to buy goods from the "Big Five." A year ago I was positive that this was true; I had heard it

charged so many times. I took up an independent investigation leading to many parts of the United States, and I couldn't find a shred of evidence to support any such belief. Most of the meat markets reported that they had just as much independent packing companies' meat products on hand as those of the "Big Five" combined. I found that Milwaukee and Brooklyn sausage concerns were making heavy inroads into the "Big Five" business, in a great many sections almost totally eliminating Chicago trade. I found that there were several hundred independent packing concerns doing a full capacity business during 1920. I talked to several managers of these firms. They laughed when I asked them if they were intimidated by a meat trust.

In the meat salesrooms in Chicago there is always the liveliest competition between the members of the so-called "Big Five." I spent a great deal of time in the salesrooms, and found that the local Chicago buyers split their purchases and bought their meats from the firm that gave them the best figure.

From a standpoint of profit, I do not think the public is justified in the bitter attacks that have been made on the Chicago institutions. From a stand-

point of control of other lines of business that the packers have entered into, I feel certain that the policy adopted by the United States Government was not only justifiable but absolutely sound. I personally believe that the packing companies tried to engage in too wide a range of industrial activities. With the efficient organizations that the packers had set up, especially during the war, they were inclined to engage in extending their activities far beyond meat products; and, although they vehemently declare that they never desired control or that they had no intention of eliminating competition in any other line of industry by gaining control of it, I am convinced that, in the long run, it is best for the people that the packers be limited more closely to meat and by-products.

The packers hold the view that they are capable of handling a much greater volume of business on an economic scale that will be of great advantage to the American public. They defended their branching out in the buying and distribution of diversified lines of commodities by pointing out that during the war they built up such a great distributing organization that the signing of the armistice left them with a great organization only partly employed. They held that it was only proper to include other foods in order to keep their distributive machinery utilized to capacity. They admitted that, opposed by this highly developed distributive system, with branch houses in every town and city of size, with car routes reaching into villages and to crossroads, competitors were presently bound to lose some of their trade. But the packers pointed out to me that the total amount of business in diversified lines conducted by them was less than five per cent of the total transacted by their competitors.

The packers have the opportunity to gain the complete confidence of the American public. They vigorously claim that they want the public to become acquainted with their business. Time will tell if they really mean it. I personally believe that they do.



Underwood

THE MARKET UNDER MANHATTAN BRIDGE, NEW YORK CITY

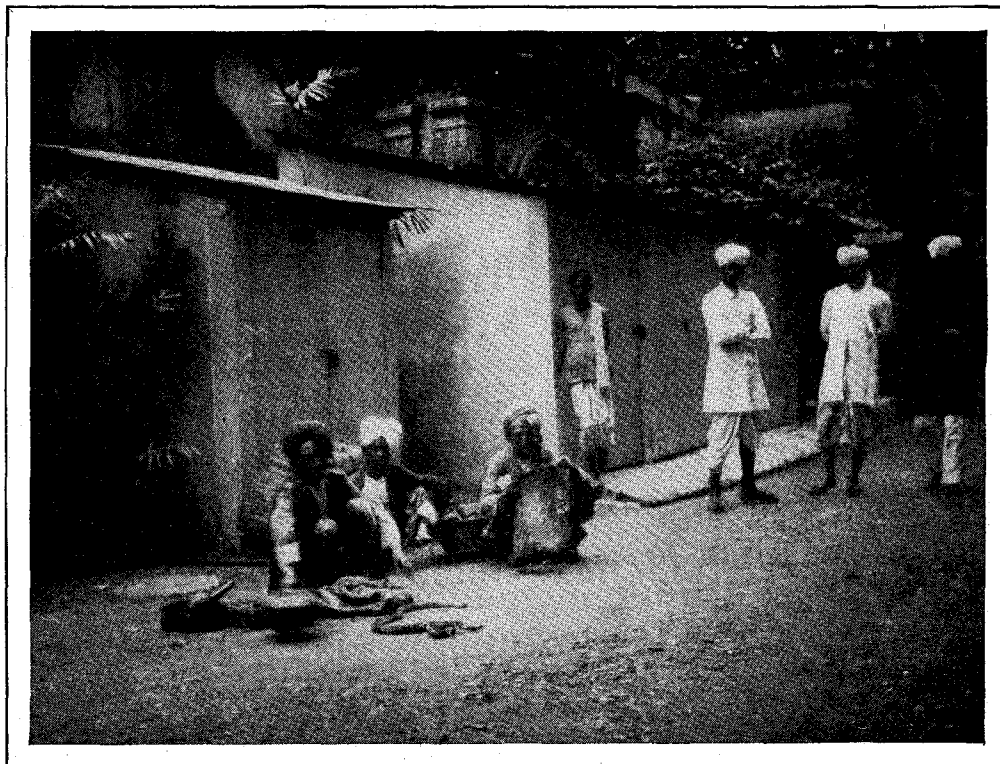
HOMES AND NATIVES OF INDIA

PICTURES FROM AN OUTLOOK READER



"These Indian huts," our informant says, "are grouped about a tank, seventeen miles below Calcutta. A tank less than fifty yards across is used for community bathing, drinking, and washing clothes. A cholera-infected tank will bring down a whole village, owing to the lack of sanitary instincts of the population. Precautions are taken only under compulsion, and are generally considered as oppression of the worst sort. High rents and housing problems have no place here. One of these houses—mud, with rice-straw thatch—makes a home for from six to twenty persons. They are often occupied by more than one family"

"Here are a snake charmer and his assistants in our compound in Calcutta," writes the contributor of these pictures. "The snake is a cobra, presumably with his poison sacs extracted. The squatting figure at the right holds a mongoose in a sack. Although we were promised a cobra-mongoose fight, it did not materialize, for neither the cobra nor the mongoose would fight. However, it was not for want of enthusiasm on the part of the owner, who exhorted them in French, German, Italian, English, and Hindustani!"



From John L. Alden, Sycamore, Ill.