

IN THE CIRCUIT COURT OF THE UNITED STATES

Northern District of Illinois

Northern Division

The United States of America :

:
:
:

vs

P e t i t i o n

Swift & Company and others :

State of Illinois :

:ss

County of Cook :

Now, William C. Rider, of legal age, being duly

sworn, on his oath states:

That he was employed by Fairbank Canning Company, a corporation owned or controlled by Nelson Morris & Company and doing business in the same office at the Union Stock Yards, Chicago, Illinois, from March 1888 until about December, 1889, commencing as a correspondent and stenographer and was performing the duties of Assistant Manager during and after June 1888; that on or about July 1st, 1888, I transcribed an agreement for Nelson Morris & Company from a corrected signed agreement in force between Nelson Morris & Company, Armour & Company and Swift & Company prior to said date, which corrected agreement was in substance as follows:

First -- Firmly bound the signors of the contract to abide by the terms of the agreement.

Second -- Provided that representatives of the signors were to meet Tuesday and Friday of each week thereafter, or at any time upon call of the arbitrator.

Third -- Fixing the manner of appointment and removal of an arbitrator by mutual agreement; appointing an arbitrator for the ensuing year; fixing the duties and powers of the arbitrator.

Fourth -- Empowering the representatives at said meetings with the arbitrator to adopt or arrange a schedule of prices on dressed beef of various grades for Chicago and outside competitive points in the several central, eastern and southern States based on a maximum and minimum selling price for each grade.

Fifth -- Requiring a daily report of the sales of dressed beef at each competitive point by and between each of the signors and to the arbitrator, by weight.

Sixth -- Requiring each of the parties to furnish and to keep a list of the names of managers, agents and employees, who might be relieved or discharged for any cause.

Seventh -- Fixing a fine of \$500 -- corrected to read \$1,000 for each violation of any of the provisions of the agreement by either of the signors, upon evidence submitted to the arbitrator, and by him adjudged, levied and collected.

And the affiant further states that this contract consisted of three copies only, covering three pages of legal cap, type-written.

And the affiant further states that from information and from his association with the business he knows that the maximum and minimum prices adopted or fixed at the semi-weekly meetings at or in the vicinity of the Board of Trade building, Chicago, Illinois, did not vary more than 1/4th to 3/4ths of a cent per pound on each of the different grades.

And the affiant further states that he knows that said contract was acted upon and enforced by and between the signors, and by verbal or other agreement between them and Libby, McNeil & Libby, G.H. Hammond Company, Anglo-American Packing & Provision Company and one or more other companies, and that it was enforced by and against them, and that in cases of dispute their representatives attended the meetings when called upon to do so.

x And the affiant further states, ^{that he knows} from his association with the business that said meetings were held at frequent intervals by representatives acting in the double capacity, real or imaginary, of brokers or agents at the Board of Trade at or about the hour of noon, and as representatives at said meetings; that a maximum and minimum schedule of prices was fixed or adopted to guide the selling prices at competitive points, and was communicated to their managers or agents at such competitive points, and was carried out by them and all deviations discovered and reported to the arbitrator were followed by warnings or the imposition and collection of fines.

And the affiant further states that the object of that part of the agreement which requires daily report of weight of all sales at competitive points was to enable the executive heads of the various parties to the contract to judge by comparison with previous reports whether or

not any of the parties to the agreement were violating the agreement as to prices.

And the affiant further states upon information, association with the business and belief that the duties performed by the arbitrator mentioned in said agreement were to hear complaints of any of the parties and to pass upon and decide them, and if in his judgment, any party to the agreement should be fined, to impose and collect such fine; and that in case the parties acting under the agreement could not agree upon a schedule of prices, then the arbitrator fixed the price or prices, and all the parties were bound by his decision.

And the affiant further states upon information, from association with the business and from his own knowledge in whole or in part, that the purpose of that portion of the agreement providing for a suspension of its operation at any point or points was for the purpose of permitting one or more of the parties to offer and sell dressed beef at such point or points at lower than the ruling price for sales in the Chicago market, or at a loss, with intent to destroy competition of local packers or of butchers doing their own killing and dressing in whole or in part, or of markets purchasing their dressed beef or other meat products from packers not a party to the agreement; that such suspensions did take place; that such reduction in prices at numerous points did take place for days, weeks or months as was found necessary; that the methods pursued by the packers singly or combined, did secure the control of such markets, and did destroy competition at all times without exception at such points, or "bring prices in line" with the prices fixed and operated under by the parties to said agreement on the part of local packers theretofore in claimed hurtful competition with the business of the parties to said agreement; and that the list of said cities and towns so controlled during a period of more than sixteen years past, comprises more than on-half the cities and towns at which slaughtering of cattle is or has been engaged in during said period; that as a result of said methods of destroying or controlling competition, the parties to said agreement are now and have been for more than three years past in effective control of the rate of profit or loss to be met with by outside or other parties engaged or endeavoring to engage in said business.

And the affiant further states from information, past association and belief, that said agreement or its equivalent in principle with changes as to details or mode of operation or control was entered into enforced and carried out, with fines or warnings for violations thereof from and after July 1st, 1887 to or about December 1889, and until and during 1892, and until and during December 1894, and until and during July 1895, and until and during June 1898, and down to and as late as April 4th, 1902, by and between the signors hereinabove mentioned, and between them and the other mentioned written or verbally made parties to the agreement, and other parties.

And the affiant further states that he was employed in the year 1892 as private secretary for Edward F. Swift, a member of and one of the department managers of G.F.Swift Company, and that one of the duties performed while so employed was the tabulating of the record of the daily sales of the various signors and parties to the aforesaid agreement and drawing certain statistics therefrom.

And the affiant further states that the aforesaid contract or agreement was put in force and effect and carried out as to the sale of dressed beef, slaughtered and prepared for the market at the places of the respective plants of the said parties to said agreement, and was shipped from the said points on sales, or for sale in other States and territories and in foreign countries.

Further the affiant saith not.

William C. Rider

*Subscribed and sworn to
before me this 17th day of
May A. D. 1902.*

*Era M. Franklin
Notary Public*



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In the Circuit Court
of the United States.

United States

Swift and Co. et al.

Affidavit of William
C. Rider

FILED

MAY 20 1902

Wanda E. Sampson
Clerk.