

# PACKERS INVESTED HEAVILY IN STOCK OF 6 HOTELS HERE

Letters from Swift & Co.'s Files,  
Introduced at Chicago Hear-  
ing, Make Disclosure.

## ARMOURS HEAVIEST BUYERS

Held \$200,000 Worth of Bilt-  
more Stock, \$500,000 of Com-  
modore's, Letters Show.

## SWIFT HAD SAME POLICY

Both Aimed to Control the Supply  
of Groceries and Meats  
to Hotels.

*Special to The New York Times.*

CHICAGO, Ill., Oct. 28.—Through oral testimony and through correspondence of Swift & Co., which was introduced as evidence today, at a hearing before the Interstate Commerce Commission, was revealed the fact that the packers had extended their activities to the hotel business, buying stock in many large hotels, particularly in New York, in order to gain the exclusive right to provide to the hostelries not alone meat but also provisions in general.

Various members of the "Big Five," principally Armour & Co., have obtained a grip on at least six large New York hotels.

At least one of the "Big Five," Swift & Co., has adopted a set policy of seeking this business.

These letters, written chiefly in 1917 by Louis R. Swift, President of the Swift Packing Company, indicated that Armour & Co held \$200,000 in stock in the Biltmore and about \$500,000 in the Commodore Hotel Companies, and that Swift & Co. had bought \$50,000 worth of stock in the Hotel McAlpin.

The Metropolitan Hotel Supply Company, a Swift & Co. subsidiary, shared the provision business of the Hotel Manhattan and had been promised the entire business of the Hotel Ansonia, the letters stated. Another letter recommended the investment by Swift & Co. of \$100,000 in the United Hotels Company, controlling hotels in several cities.

The commission is in session here to hear evidence bearing on charges by the National Wholesale Grocers' Association that 375 railroad companies are giving the "Big Five" favored service.

Clifford Thorne, the attorney representing the wholesale grocers, sprung the big sensation of the day when he presented the letters from the Swift and Company correspondence. Attorney R. N. Rynder, representing Swift & Company, objected to the introduction of the letters, but was overruled by Clyde B. Atchison, Chairman of the commission.

### Asks Swift's Policy.

A letter dated June 16, 1917, purporting to be from Edward F. Swift to Louis F. Swift, was as follows:

"I am not in any way agitating the question of Swift & Co. taking stock in hotels to influence their supplying the same, but, as a matter of information, will be pleased to have you advise me what you understand Swift & Co.'s policy is.

"Also, irrespective of the above, what do you know about the New York Central hotel that is being built in New York City near the New York Central Station, as to whether any outsiders have been asked to take stock in this hotel and if you know whether the supplies will be bought in the open market or otherwise?"

The reply of Louis F. Swift, dated June 30, 1917, is as follows:

"Answering your letter of the 16th concerning Swift & Co's policy in connection with taking stock in hotels, I will go back to 1910, which was the time this first came up.

"McAlpin—I highly recommended taking \$50,000 stock in the McAlpin Hotel, which carried with it their entire business. Sol Zahn, the hotel man in New York, took what we refused, and I don't doubt his profits are \$50,000 annually. No contract for supply.

"Biltmore.—The next was the Biltmore Hotel. Armour took stock to the amount of \$200,000, but we had no opportunity. No contract to supply their meat, but this is assumed and they hold the trace. I don't doubt his profits exceed \$50,000 annually.

"Commodore.—The new hotel you speak about, on Forty-second Street, is the Commodore. Edward S. Moon and I have seen Mr. Bowman five or six times and begged him to let us become stockholders, but he has refused, claiming the stock is all sold or something of that kind. Armour has, I think, \$500,000.

"While there is no contract to supply the meat, it is assumed he gets it. There is no doubt but that the stocks in both of the above hotels will be profitable. Moon sees Mr. Bowman almost every day.

"Manhattan.—The same owner has taken on the Manhattan Hotel, which

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the Metropolitan (a Swift concern) supplies to the extent of about \$500 per week, which is quite small. We are trying to get more but cannot get away from Armour.

"Ansonia.—Capital \$100,000, 7 per cent. cumulative preferred; \$50,000 common. John McE. Bowman, President, and William J. Cummings have recently acquired a stock ownership, and in order to assist him and Mr. Bowman to straighten out the affairs of the hotel, Swift & Co. have loaned them \$75,000 and some of the individual \$25,000 additional, with the understanding we will get their business.

"Pennsylvania.—The Pennsylvania Hotel in New York City is to be run by Mr. Statler. George Edwards and I have seen him several times and have a partial promise of his business, but he does not ask anybody to take stock. Equals Commodore in size.

"Policy.—As to our policy, I should say every opportunity we can get to do anything like the above we would better do it.

"There are a good many questionable hotel enterprises which I think should be turned down, and I have recently turned down three or four of them."

Following is a letter, dated April 11, 1917, from L. F. Swift to L. A. Carton, Treasurer of Swift & Co., regarding the Ansonia Hotel:

"John McE. Bowman, head of the Biltmore, Commodore, and Manhattan Hotels, was behind the company. He puts up a proposition for us to take \$75,000 cumulative preferred stock, to be returned \$10,000 each year, in return for which we will receive the Ansonia Hotel business, and it seems to me quite necessary that we do it.

"You know that I tried to make an investment in the Biltmore and Commodore hotels, hoping to get their business, but it was impossible. Armour had arranged it in advance."

Louis F. Swift wrote the following letter to Edward F. Swift, dated Sept. 18, 1919:

"I think the time has come when Swift & Company have got to adopt a decided policy about their hotel business, and not have any more of this happy-go-lucky-way.

## Recommends United Hotels Stock.

"Now comes the question of the United Hotels Company, who have hotels in the following cities: Birmingham, Ala.; Erie, Penn.; Hamilton, Ontario; Newark, N. J.; Peoria, Ill.; Syracuse, N. Y.; Utica, N. Y.; and Worcester, Mass.

"I understand we can get their business by taking \$100,000 preferred stock."

A letter from Charles H. Swift to Louis F. Swift, dated Sept. 15, 1917, is as follows:

"I agree fully that Swift & Co. should decide upon a policy in regard to these investments. The opportunity before us of the United Hotels Company is a good illustration to work on.

"I do not know of any other of the field where we could get so much hotel business for as moderate an investment as is indicated in this case.

"I understand they would like us to take \$150,000 preferred stock instead of \$100,000, as you suggest, and I shall be glad indeed to see the policy worked out accordingly."

The hearing will be resumed tomorrow.