

Controlling the Argentine.

The trust would not be true to its whole history if it had not challenged this competition. With 1903 there was a sharp drop in the prices quoted for American chilled beef at Smithfield. It went down from 4s. 6d. a stone to 3s. 9d., and with it the Argentine meat fell from 3s. 3d. to 2s. 8d., a price which, with the increasing cost of cattle in Argentina itself, meant loss to the shippers. This went on for three years, and the state of things was shown by a speech delivered in 1906 by the Chairman of the River Plate Meat Company, in which, in announcing a loss of £19,799 upon the year's trading, he said that it was imperative that some sort of combination should be entered into with other shippers to adjust quantities to the requirements and conditions of the markets. Some of the other companies actually did enter into agreements with the trust, while in June last it was announced that one of the largest Argentine houses had been purchased by Messrs. Swift. How far the agreements have extended it is difficult to say, but the steady rise in quotations for Argentine beef is significant of the fact that competition is no longer of the crushing description that it was.

The following little table is instructive on this point :—

	End July, 1906.				End Jan., 1907.				End July, 1907.				End Nov., 1907.			
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
American chilled hind quarters	3	6	4	0	3	6	4	0	3	6	4	0	4	0	4	5
Argentine „ „	2	7	2	10	2	8	3	0	2	10	3	2	2	11	3	3
Argentine frozen „	2	1	2	2	2	3	2	4	2	7	2	9	2	3	2	5

Having obtained a commanding position in the English meat trade, the Chicago houses proceeded to create a splendid organization for the control of prices. How this was done is a story for another article.

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THE BEEF TRUST.—ITS CONTROL OF SMITHFIELD.—SQUEEZING OUT COMPETITORS.

Forty-four of the best shops in Smithfield Market are to-day in the possession of the four firms which form the American Meat Trust. It is true that the words "Meat Trust" do not appear over the doorways, although Messrs. Armour trade as Armour and Co. and the Swift Beef Company are advertised as the holders of certain shops. The great majority of the premises, however, have over them the names of old-established firms of reputation in the trade, and the uninitiated buyer might imagine that he was dealing with the heads of these different firms until on passing from one shop to another he found always the same price quoted to him, and realised that his business was generally known before he had opened his mouth. The names of the firms remain, but the former tenants have been bought out, and the agents of the trust are in power.

The history of how this has come about is interesting. The difficulty the trust had to face was that of getting a footing in a market hedged round with many restrictions designed to maintain free conditions of sale and purchase. In 1891 Benjamin Swift bought the Corner Stone Tavern, and opened the first shops in an English market where only American beef could be obtained. Shop was added to shop as time went on. In 1901 an old-established business was bought at a price which current gossip placed at £12,000. A few months later another firm was absorbed for £15,000. Both of these businesses had connections all over London and the provinces, and their control gave a great impetus to the operations of the American meat-sellers. Other businesses were bought, and, though the names were seldom altered, the operations were consolidated, until to-day the Beef Trust of America fixes each morning the price which meat shall bring in all the markets of the United Kingdom.

A Magnificent Organization.

That the trust is able to do this is in itself a testimony to the completeness of its organization. It is the largest dealer in meat, but it is not yet the sole dealer. So well are its agents trained, however, that the headquarters are kept informed of the supplies available in each market, and by throwing a hundred sides in one direction and withholding supplies in another prices may be kept at the level the trust desires. This absolute control is no thing of the imagination. Here are a couple of telegrams actually sent out on recent days from Smithfield Market to the agents of the trust all over the country :—

"Hinds 4s. 4d., fores 2s. 8d. Demand full quoted prices native beef to-day. Practically no competition. Western beef should make 3s. 8d., 2s. 4d."

"Hinds 4s. 4d., fores 2s. 8d. Secure prices on natives, or reduce orders. London market very strong."

Here is evidence sufficient of the efficiency of the control. The last-quoted telegram is an intimation to the agent not to sell if the buyers question the high price, because good figures are being obtained in London. The fact is that with its great central stores in the big cattle-markets of the kingdom the trust has the independent seller and the independent buyer at its mercy.

Testimony of an Expert.

Here is the testimony of an expert in the trade, whose name, however, we, for reasons that should be obvious enough, do not give.

"All cattle-markets in England are situated where the Beef Trust has its wholesale depots, and, as the ordinary English beef is of about the same quality as the best American chilled, the butchers buying in the market arrange their prices on that basis.

"If, by any chance, there is a general holding-off of supplies of English live cattle owing to a depression in price, the Beef Trust will also take advantage of this position to lump in their supplies rather heavier, and thus maintain the equilibrium of price.