

1908.
NEW ZEALAND.

DISTRIBUTION OF NEW ZEALAND MUTTON IN ENGLAND

(MEMORANDA FROM THE HIGH COMMISSIONER RELATIVE TO).

Laid on the Table of the House of Representatives by Leave.

The HIGH COMMISSIONER to the Right Hon. the PREMIER.
Westminster Chambers, 13 Victoria Street, London, S.W., 6th November, 1907.

SIR,—

Meat-distribution.

With reference to my memo. No. 4991, dated 28th November, concerning the development of the distribution of River Plate mutton by American meat companies that have hitherto devoted their attention solely to chilled beef from the United States, I beg to inform you that, since writing, the question of the Meat Trust and its methods has been receiving considerable attention from the Press in this country.

In an interview which I gave the *Westminster Gazette* last week I was able, while drawing attention to the large supplies of mutton and lamb shipped from New Zealand, to emphasize the fact that, however much the American Meat Trust might monopolize the supply and raise the price of beef, there was no chance of this being done in regard to mutton and lamb.

I forward herewith cuttings from the *Westminster Gazette* of the 30th November, giving the interview referred to, together with further cuttings from other newspapers dealing with the subject.

I have, &c.,

The Right Hon. the Premier, Wellington, New Zealand.

W. P. REEVES.

[*Westminster Gazette*, 30th November, 1907.]

MEAT TRADE CRISIS.—NO RISE LIKELY IN MUTTON AND LAMB.

Considerable anxiety has been occasioned of late by the rise in the price of meat, and we propose next week to publish some articles on the subject dealing with the matter in relation particularly to the prices of beef and the causes which have sent these up and are likely to send them higher still. When, however, there is talk of a meat trust, of a monopoly in meat, and so forth, it is important to draw a distinction, and to bear in mind that meat includes not only beef, but also mutton and lamb, which are not by any means likely to be cornered.

So much was made plain by Mr. Pember Reeves, the always alert High Commissioner for New Zealand, in the course of a chat which he was good enough to afford to a *Westminster* representative yesterday. Mr. Reeves is interested in the question, of course, by reason of the fact that such a large proportion of the mutton and lamb supply of the world comes from Australia and New Zealand, and it was reassuring to learn on such excellent authority that, however the matter may stand in regard to beef—thanks to the efforts of the American trust which has now obtained such control of the market—there is not the least probability of the lamb and mutton supplies being similarly controlled. Mr. Reeves put the matter very clearly by means of some figures which he has had got out, and which may be taken, therefore, as authoritative.

In the case of beef there is no question as to the vast preponderance of the supply coming from American—North and South. Thus, whereas in 1906 New Zealand exported 121,858 quarters, and Australia 13,112, there came from the Argentine alone 1,768,315. So far as beef goes it is idle to look to Australia to provide an alternative supply to that which is controlled by the great American firms.

In the case of mutton and lamb, however, the case stands very differently. In this instance the supply comes practically from two sources only—namely, Australasia and the Argentine, with the balance of advantage enormously in favour of Australasia. Canada and the United States rear sheep, of course, but none more than sufficient to meet the home demand, the same applying to South Africa and other parts of the world, with the result above stated, that, speaking broadly, Australia, New Zealand, and the Argentine divide the trade between them.

To come to details, and taking mutton first, the figures for 1906 show that New Zealand exported 1,761,459 carcasses, Australia 558,432, and the Argentine 2,799,170. In the matter of mutton, therefore, it will be seen that the total supply of Australia and New Zealand is 2,319,891 carcasses, or considerably less than that from the Argentine. On mutton South America has the advantage.

In the case of lamb it is the other way about. Thus, in this instance, New Zealand sends us 2,386,829 carcasses, and Australia 1,173,896, as against only 120,106 from the Argentine. Putting the figures for lamb and mutton together, therefore, we see that Australasia sent us in 1906 5,880,616 carcasses, as against 2,919,276 sent from the Argentine, showing an excess from New Zealand and Australia of 2,961,340 carcasses.

Here, therefore, is a pretty good guarantee against any attempt to corner the mutton as well as the beef supply of the world. This could only be accomplished by getting control of the Australasian as well as of the South American output, and Mr. Reeves was very emphatic on the point that by no amount of Yankee enterprise could this ever be brought about. Alike in Australia and New Zealand, any attempts of this kind would be strongly resisted by all concerned. "In fact," he declared, "I do not hesitate to say that if such a thing were necessary the New Zealand Legislature would pass forthwith an emergency Act to make it impossible."

This being so, it may be taken for granted, therefore, that, however the price of beef may be raised by the operations of those controlling the market, no apprehensions need be entertained of mutton and lamb following suit.

[*Daily Telegraph*, 4th December, 1907.]

BEEF TRUST METHODS.—AN IMPORTANT PURCHASE.

Evidences of the growth of the American Meat Trust in this country are being disclosed daily, and the latest development of the "Big Six's" energy in Great Britain is the arrangement that has recently, it is understood, been made with the Manchester Corporation, whereby that authority has agreed to provide lairage for accommodating, provided the trust agrees to import into the city, some 25,000 live cattle annually. The Manchester Corporation's action in this direction has aroused a great protest in local meat-distributing interests, who are up in arms at the trust's efforts to capture the meat-supply of the district. Hitherto Birkenhead has been the centre for the supply of cattle in the Mersey district, and the attack on Manchester is viewed with disquietude by some of the local butchers, while the meat industry throughout the country is naturally inquiring what great centre will next be taken in hand by the powerful American combination.

Another matter calling for careful investigation and consideration by both the butchers and the public of this country is the fact that the Swift Beef Company (Limited), the largest and most influential firm of the "Big Six"—as the half-dozen great American meat firms which constitute the Beef Trust are called—has bought an important meatworks in Argentina. This will give them command over not only a very large supply of good beef, but also a considerable quantity of excellent mutton—a commodity to which the trust has hitherto paid little or no attention. This is a very important point, as by this development the trust at once enters the market as a competitor in the New Zealand and Australian mutton industry, which has hitherto had this trade practically in its own hands. While the best quality of New Zealand mutton is, and always will be, superior to anything that can be produced in the Argentine, yet the latter's mutton is a very excellent article, and is thought to be superior to Australian. Should the other members of the Beef Trust decide to purchase some of the remaining six or seven great Argentine meat-freezing works, the Americans would practically have the command of all the meat-supplies of this country outside those of Australasia, and this state of affairs might have a very serious effect on the price of food in this country in the not very distant future. If the Australasian producers are able to face the competition strenuously and successfully, the interests of the British consumer need not suffer. On this very difficult problem, however, experts do not care to express an opinion, though there is a general disinclination to believe that Argentine mutton will displace that of Australasia.

It must be remembered that, so far as Great Britain's supplies of mutton and lamb are concerned, the chief sources are Argentina, New Zealand, and Australia, and in the matter of quality of both articles New Zealand stands easily first. As regards mutton, Argentina is ahead of New Zealand and Australia by about one-fifth, and is therefore a serious competitor; but in regard to lamb the position is very much the contrary, last year's exports being about 3,500,000 carcasses from our Australasian colonies, as against a puny 120,000 or so from Argentina. This is a very reassuring fact to the British housewife, as it affords a pretty strong argument against any probability of the trust—in the event of its securing the controlling interest in the great Argentine works—being able to raise the price of mutton and lamb in this country. It may be confidently assumed that strenuous opposition will be offered by the Australasian mutton and lamb exporters to any attempt on the part of the trust to corner their supplies, but the trust's action in securing an important interest in the Argentine mutton industry is significant, and deserves to be carefully watched.

There is some consolation to be derived, however, from the observation of an expert, who remarked yesterday that the situation was not an alarming one, as the big American institutions had got as much as they could do to manage their own affairs during the present crisis in financial circles, so that there was not much to fear from their efforts at development for the moment.

[Standard, 4th December, 1907.]

NO MEAT-FAMINE.—NEW ZEALAND AND AUSTRALIA CAN SUPPLY OUR NEEDS.

London is not likely to suffer from a meat-famine this Christmas. In case there is any shortage of supplies from America, New Zealand and Australia are prepared to keep the United Kingdom going.

The scare that has been aroused by certain newspapers is one that has been dealt with for some years past. It originated four years ago through a suggestion that Messrs. Armour and Messrs. Swift, the two firms who supply London with the greatest quantity of American-fed cattle, were about to combine. In reply to a query from one of our representatives, the London manager of Messrs. Swift and Co. said that the rumour of a combine to-day was as true as it was three years ago, two years ago, or last year.

The High Commissioner for New Zealand (the Hon. W. P. Reeves) told our representative that, should the American food-suppliers ever take it into their heads to raise the price of their goods, New Zealand and Australia would be only too pleased to take up the supply. "Of course, you quite understand," said Mr. Reeves, "we cannot send you all the beef you require, but you can quote me as saying that the supply of lamb from New Zealand is at present quite sufficient to keep the United Kingdom going, and that the supply is rapidly increasing. Australia, I believe, can send you a certain amount of beef, but New Zealand is ready and willing to give you all the lamb—or mutton, call it what you choose—that you want."

The manager in England of the Colonial Consignment and Distribution Company emphasized the High Commissioner's statement by saying, "We can give you enough in the shape of frozen meat to keep you going so long as the American dealers choose to shut you out."

[Daily Chronicle, 29th November, 1907.]

THREATENED MEAT-MONOPOLY.—AMERICAN TRUST METHODS IN LONDON.—HOW THE POOR WILL SUFFER.

Developments are taking place in London which may lead to the establishment of a monopoly in the import meat trade. How seriously this would affect the people of London, as regards their food-supply, will be realised when it is stated that 80 per cent. of the meat handled at Smithfield Market comes from abroad. This threatened monopoly in London is all the more serious in view of the recent announcement in the *Daily Chronicle* that an American firm has obtained a monopoly of the lairages in Manchester and in Birkenhead.

The American firm of Swift, who hold a commanding position in the American meat trade, have recently taken up the Argentine trade by acquiring the interest of the largest company doing business between the Argentine and London. The effect of this, one might think, would be increased competition and reduction of prices.

Simultaneously, however, with the enlargement of the sources of supply there is a decrease in the number of American competitors. The firms who practically control the American meat trade are Swift, Armour, Cudahy, and the Hammond Company. The Cudahy Company has retired from the business, and it is suspected that they have only done so through arriving at an understanding with Swift.

DOMINATED BY ONE FIRM.

Armour and Swift do not compete in England. The Hammond Company, which was reconstructed some time ago, is not a formidable competitor. All these various companies are arriving at an understanding which is dominated by the Swift interest, and which will lead to a monopoly of all the American and Argentine business, followed by an increase in prices.

A further disquieting factor in the situation is that the City Corporation Markets Committee has permitted the American to get a strong footing in the London markets as stall-holders.

The following figures for 1906 show the enormous amount of foreign meat which comes into London for consumption :—

						Value. £
Live cattle	..	..	..	(No.)	199,506	3,538,653
Live sheep	..	..	..	"	2,357	4,334
Beef	..	..	..	(cwt.)	1,559,479	2,583,147
Mutton	..	..	..	"	2,695,294	5,100,595

The bulk of the supply comes from the United States and the Argentine Republic, the former country importing no fewer than 139,831 cattle during the year. If an American-Argentine monopoly is established, the people will not need a parrot to tell them that their food will cost them more.

The following shows the import meat trade for the whole country during the same period :—

						Value. £
Live cattle	..	..	..	(No.)	558,561	9,688,946
Live sheep	..	..	..	"	103,359	156,947
Beef	..	..	..	(cwt.)	5,523,809	9,785,607
Mutton	..	..	..	"	4,082,756	7,645,935

Of these totals, the United States and the Argentine sent as follows :—

						Value. £
Live cattle	..	..	..	(No.)	398,338	6,929,156
Live sheep	..	..	..	"	84,184	127,401
Beef	..	..	..	(cwt.)	2,426,644	5,235,663
Mutton	..	..	..	"	2,670	5,274

<i>Argentine Republic.</i>				Value.
				£
Beef	..	..	(cwt.) 2,795,913	4,136,819
Mutton	..	..	„ 1,433,097	2,440,996

The importation of live cattle from the Argentine was prohibited during the period under review, owing to foot-and-mouth disease.

MANCHESTER'S MONOPOLY.

As we announced in the *Daily Chronicle* on the 23rd November, an American firm has obtained a monopoly of the lairages in Manchester and in Birkenhead. The former were hitherto open to all comers, but they are to be reserved for the benefit largely, if not entirely, of this horde of invaders upon British trade. This will enable them to deal with the large quantity of offal taken from the vast numbers of imported and other cattle, thus depriving other fat-melting manufacturers, who had erected factories and plant, from obtaining supplies of raw material. This, as we have shown above, is only the beginning of what is called the consolidation of the foreign meat trade in England.

The trouble at Manchester was the subject of a long discussion at a representative meeting of the Manchester Wholesale Meat and Cattle Salesmen's Association yesterday. The meeting was a private one, but our representative was afterwards informed that those present argued that the Corporation's arrangement, if carried into effect, will create a monopoly in the trade by crushing out of existence the individual importation of live cattle from Canada and the United States to Manchester, and that it will be detrimental alike to the interests of the shareholders in the meat-markets and to the public.

A further ground of complaint was that the Corporation should have agreed to erect a building and provide machinery to enable the company to render their lard at Manchester, so as to obviate the necessity of having to send it for treatment to Birkenhead, as is now the case.

The opinion was expressed that such an agreement was unconstitutional, and really beyond the powers of the Corporation. In the end the meeting appointed a deputation to wait upon the Markets Committee and discuss these points with them. The result of the interview will be reported to another meeting of the association.

[*Westminster Gazette*, 2nd December, 1907.]

THE BEEF TRUST.—AMERICA'S GIGANTIC MONOPOLY.—ITS OPERATIONS IN ENGLAND.

(By a Special Representative.)

No possibility exists of reconciling the two broad views of the Beef Trust of America, which more and more becomes the Beef Trust of this country also. On the one hand, we have the picture of a ruthless combination stamping out all its competitors, coercing the stock-raiser at the one end and the retail meat-dealer at the other, forcing its own terms upon railway companies and upon shippers, obtaining illegal rebates, and, in fact, maintaining a monopoly by every device that huge capital can command. On the other, stands a representation of a semi-philanthropic agency, which sells its meat dead for less than is paid for it alive, which has brought the markets of the world to the meat-producer, which gives the consumer the assurance of receiving the meat that he requires in splendid condition, and which has redeemed the railways and the shippers alike from the shackles of their own incompetence. In either case the observer sees the same facts, but the point of view is different.

How the Trust gained Power.

The history of the American Beef Trust—which, incidentally, covers very much more than beef—is the history of the refrigerator-car. That invention enabled the packinghouses to establish themselves in Chicago, and to distribute fresh meat to every quarter of the United States. The railways were slow to adopt the refrigerator-car, and so the packinghouses built their own. Then, if the railway companies wished to move the meat business that was offered to them, they had practically to hire the cars of the packers. They paid a price for them that gave the owners a very substantial profit on their outlay—a real rebate upon the charges fixed for freight. The independent dealer who went to the companies was told that they had no cars, and if he provided cars of his own he did not find the railway managers in generous mood. That was how it came that four or five great houses in Chicago were able to crush or absorb their competitors.

There still remained the local cattle-markets to compete with the products from Chicago. In the big centres the trust firms were able to establish central refrigerating depots—great store-houses from which they sold meat at prices which drove the local wholesalers out of business, and left the butchers to become retailers of beef that was actually killed a thousand miles or more away. Next, the butchers in the smaller centres were dealt with by a series of “route” cars—refrigerators on wheels—from which the dealers got whatever meat they wanted at prices below the cost of local killing. The butcher bought “dressed” sides, and became practically a distributing agent for the trust.

Finally, there was the raiser of cattle to be dealt with. His own market had become, for practical purposes, Chicago, and when his animals arrived at the Chicago stockyards he found there was no longer brisk competition for his stock. The purchasers were all bound together by a common interest, and there was only one bid for the arriving animals, with no chance of a sale elsewhere if the price offered were not satisfactory. In 1890 a Committee of the United States Senate reported that the price of cattle at Chicago had fallen seriously. “The market of that city,” says the report, “dominates absolutely the price of beef-cattle in the whole country, and the business is practically in the hands of four establishments. Cattle-owners going with their cattle to the Chicago market find no competition among buyers, and, if they refuse to take the first bid, are forced to accept a lower one.” Little wonder that the price of living beef had a downward tendency, while that of the finished product was ever upward.

The Packers' View.

How this whole cycle of events looks to those within the inner ring was made plain when Mr. J. Ogden Armour wrote his book "The Packers and the People." The invention of the refrigerator-car was that of the packers, and they have reaped no more than the reward of the man who conceives a great idea. They were compelled to own the cars privately because the railways would not speculate the money; they had to retain absolute control of the movements of the cars, because inefficient management on the lines meant a shortage here and a surplus there, which were ruinous to those who were handling perishable goods. By making possible the centralisation of the killing and the utilisation of by-products, the car enabled the butcher to sell a superior cut at a lower price than he would have to charge for an inferior "cut" if he killed in his own slaughterhouse. The branch houses, with their stores of meat, have eliminated the middlemen and the commission agent, who preyed alike upon grower and butcher. The route-cars have insured to the small man a source of supply that is always certain and efficient. They are less an advantage to the packers than to the people whom they supply with meat that is always fresh and certain in quality. As for the cattle-breeder, who is supposed to be helpless in the stockyards, he is well aware of the fact that the great houses must be kept going, that the plant cannot stand, and the contracts must be filled; and so he is assured that the price offered him is in fair relation to the supply of meat "on the hoof" at any particular time.

In the foregoing an endeavour has been made to set out fairly the two points of views, for an understanding of what has been done in America is necessary to comprehension of what is happening, somewhat less surely, in this country. The campaign of the trust here has been on much the same lines, with modifications to suit local conditions. Its effect in America has been such as to make its operations here a big problem for consideration. Last year 33 per cent. of the total of the beef consumed in this country was sold by the firms whose working arrangement constitutes the trust. In 1900 the proportion was only 25 per cent. By means of their agencies in various parts of the country, and particularly by the hold they have obtained of Smithfield Market, the trust firms are able to fix the price of meat for practically the whole country.

[*Westminster Gazette*, 3rd December, 1907.]

THE BEEF TRUST.—HOW POWER WAS GAINED.—CAPTURING THE ARGENTINE.

Volumes have been written upon the operations of the Meat Trust in America, but its work in this country has been carried on without exciting that fierce blaze of opposition that has gradually flamed out in the United States. Probably that is so because it is only within the last few years that the four houses of Chicago which supply the English market have been able to do as they will here. There have been formidable competitors striving for a proportion of the trade, and it is only of late that circumstances have given the trust the power to control the operations of these.

Importations of live cattle from the United States for slaughter in this country began in 1873. The trade rapidly developed. In 1877 11,523 animals were landed. By 1883 the number had grown to 154,982, and in 1894 to 381,657. In the meantime Argentina had begun to ship cattle here, and this double invasion of our markets rapidly diminished the number of cattle coming from continental ports, until the passing of the Diseases of Animals Acts of 1894 and 1896 finally killed an old trade. These Acts were rendered necessary by the frequent outbreaks of foot-and-mouth disease introduced by cattle from abroad to the flocks and herds in this country, and they provided the Board of Agriculture with powers to prevent the landing of cattle from any country in which the disease was known to prevail. Still, Argentina and Canada remained as competitors against the Beef Trust, until in 1900 an outbreak of foot-and-mouth disease in Argentina led to the prohibition of importations from that country. In the two years between 1899 and 1901 the importations from the United States bounded from 320,000 to 405,000. The trust had taken full advantage of the disaster that had befallen its competitor.

Effect of Home Restrictions.

Importations from Argentina were resumed in 1903, but in a few months a further order closed our ports to the South American animals, because suspicion had fallen upon seventy-five cattle that were landed at Deptford. The only places that were still free to send us live cattle were New Zealand, Australia, Canada, and all but six exempted States of the United States. Neither New Zealand nor Australia sends us live cattle, so that the trust remained in practical possession of the field, for, excepting the four or five months of the year during which the Canadian shipping ports are ice-free, the Canadian cattle must come to us through the States, where the railways and the cattle carried upon them are alike under the thumb of Chicago.

One may note in passing that a considerable proportion of the trade that was done in live Argentine animals with this country has been transferred to Antwerp, where abattoirs were quickly established. In 1905 over fifty thousand head were slaughtered there, the greater part of the meat, hides, and by-products being subsequently shipped to this country.

With the prohibition of the importation of the live animals and the failure of many attempts to get the restrictions removed, Argentine shippers fell back on the chilled-meat trade. In this branch the United States had had a monopoly for some years. They began shipping here in 1877, and during 1906 they sent 121,332 tons of meat. The Argentine, which had sent us only 4,232 tons in 1897, rapidly increased its shipments in the first five years of the present century until in 1906 139,796 tons were landed, or nearly 20,000 more tons than came from the trust firms. The States, with their shipments of live animals, still remained the chief source of supply, but Argentina was again a serious competitor, even though the Argentine beef, coming as it does from animals fed on grass that produces meat that will not stand refrigeration or chilling like that of cattle fattened on corn or hard grass, was of an inferior quality and had to be marketed at a lower price.

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.

[*Westminster Gazette*, 4th December, 1907.]

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.

"You have also to take into consideration the fact that the American trade is done at a fixed figure, and is not open to competition, while with English cattle in an open market the seller is obliged to take the best price which the buyer offers him; and, as I have said before, that price is usually fixed in the buyer's mind by the current price of prime States chilled.

"The price of the lower-grade beef-cattle is governed in the same way by the imported supply from Birkenhead and Deptford, together with the supply of what we call 'Western chilled beef.'

"As London and Liverpool are the largest markets for this class of beef, and as the salesmen dealing in it are situated in one or other of these cities, it follows that the price that this is is the ruling price all over the kingdom, and that price is the one which is put on them by the Beef Trust at Deptford and Birkenhead.

"The salesmen must have the beef, and they must pay the price which the Beef Trust managers demand, and that demand is governed by the state of the supply on the American side.

"There is only one exception to this rule, and that is prime Scotch beef, which has always had a market of its own, and has also seemed to be very little governed by other prices."

How the Contractor is dealt with.

Actual instances of the way in which the wholesale dealer in meat is affected might be quoted without number, but one will suffice, although here again the name cannot be given. A large contractor in a south country town offered 3s. 10d. (per stone) for 400 sides of beef, the quoted price of the day being 3s. 11d. The local manager of the firm, to whom the offer was made, wired to London for instructions. He was told to quote 4s. The contractor then applied to the agents of other firms, but in each case he was told that the price was 4s. The manager of every trust firm had been warned that Messrs. Bull were seeking these 400 sides of beef, and that the price was to be 4s. that night, or 4s. 2d. to-morrow. Messrs. Bull waited till the morrow, knowing nothing of the instructions, and then, having their own contracts to fill, were compelled to pay 4s. 2d., and no doubt learned thereby a very wholesome lesson in the wisdom of giving the trust whatever it might ask.

American Meat in Home Markets.

The returns published by the Corporation of the City of London, showing the average number of cattle brought into the metropolitan and foreign cattle-markets for a certain series of years, are most remarkable, as showing the way the trust has gradually ousted home-bred cattle out of our great markets:—

Return showing Average Number of Cattle brought into the Metropolitan and Foreign Cattle-markets for certain Series of Years and for 1901, 1902, 1903, 1904, 1905, and 1906, distinguishing Home from Foreign.

Average of Years.	Years.		Home.	Foreign.	Proportion per Cent. of Foreign.
4	1872-1875	.. ..	180,558	127,861	41.45
5	1876-1880	.. ..	179,253	138,578	43.60
5	1881-1885	.. ..	148,983	153,156	50.80
5	1886-1890	.. ..	142,674	141,441	49.80
5	1891-1895	.. ..	102,521	141,972	66.06
5	1896-1900	.. ..	84,685	199,619	70.21
0	1901	.. ..	75,634	154,881	67.10
0	1902	.. ..	86,608	136,473	61.13
0	1903	.. ..	72,960	182,695	71.46
0	1904	.. ..	68,866	177,359	72.03
0	1905	.. ..	63,468	197,187	75.65
0	1906	.. ..	58,085	200,903	77.57

The proportion of foreign cattle has risen 10 per cent. in five years, and to-day the foreign supply is more than three-fourths of the whole. Then take the supplies of meat, poultry, and provisions brought into Smithfield Market. Here again we quote official figures:—

	United Kingdom.	North and South America.	Australasia.	Continental.
	Tons.	Tons.	Tons.	Tons.
1903	122,642	142,277	78,766	70,638
1904	109,195	150,941	83,972	64,012
1905	90,436	175,611	96,518	52,731
1906	86,407	182,148	104,770	48,602

Although the Corporation returns do not distinguish between beef, mutton, and other produce, the Superintendent of Smithfield states that beef amounts to approximately 55 per cent. of the supplies.

Here then, in official figures, is the evidence of the sway exercised in London by the trust, and from London control is maintained over the whole of England, and beef is sold in each local market at whatever price may suit a few powerful gentlemen who control the great slaughterhouses in Chicago.

[*Westminster Gazette*, 5th December, 1907.]

THE BEEF TRUST.—HOLD UPON THE PROVINCES.—HOW THE RAILWAYS HELP.

With 80 per cent. of the cattle entering Smithfield Market coming from abroad, and practically under the control of four firms—or, as recent events would suggest, three—and with Smithfield dictating the price at which meat shall be sold practically all over the country, it may be interesting to

see how the trust has obtained its hold. The methods adopted here simply follow those that have proved successful in America. There is no novelty in the plan of campaign, although there may have been somewhat more gentleness. Independent traders have been undersold until they have been glad to surrender their businesses at the price offered by the trust to avoid resort to the Bankruptcy Court or the total abandonment of their trade. Special railway rates have been obtained, and the refrigerator-car has been brought into play to deal with the small local butcher.

A Real Preference.

Perhaps nothing is more sinister than the manner in which the trust firms have been aided by the railways. The greatest centre for landing American cattle in this country is Birkenhead, and the railway rate from Birkenhead to London is £1 5s. per ton. From Birmingham, which is eighty miles nearer, the rate is £1 10s. per ton. It is true that the railways can and do make reply that they are prepared to carry English beef for £1 5s. from Liverpool, and that the American supplies must pay £1 10s. from Birmingham; but it happens that American beef is neither grown nor landed near Birmingham, and that the Cheshire farmer does not grow cattle for meat, probably not ten tons of English meat coming from Birkenhead to London in a year. The American product, then, starts with a very real preference from the railway companies.

Precisely the same tale is told when one turns to Scotland. American cattle are landed at Glasgow; the great centre for Scotch beef is Aberdeen, from which fifty or sixty tons a day come to the metropolis. For the 444 miles from Glasgow to London the charge is £2 5s. per ton, but the Scotch dealer must pay £3 12s. from Aberdeen, which is 523 miles. An equivalent rate from Glasgow would be £3 2s. Here, again, if Scotch beef were grown in the streets of Glasgow it could be sent to London as cheaply as American; but, happening to come from Aberdeenshire, it is heavily penalised.

At Southampton some years ago the London and South-western Railway Company erected fine abattoirs for dealing with a great trade in American cattle. All the refrigerating and other plant necessary for the slaughtering, storing, and preparing meat for market was installed. Southampton, it was thought, would become a great rival to Deptford and Birkenhead, but whoever thinks of the port as a cattle centre to-day? The simple fact is that the London and South-western Railway Company did not accept the trust's terms as to freights to London, and so American cattle were not landed. Had a preferential rate been offered a very different tale would have to be told.

Crushing the Butcher.

What is known in the United States as the route-car system was utilised early in the trust's operations here to conquer the provinces. Cars, with their loads of meats, were sent to the different centres, and buyers were invited to attend with their carts at the goods-yards and to purchase from the cars. The trust had no cost of shops or depots, and it undertook none of the local distribution. That system, however, had to be given up in face of the protests the local traders made to the railway companies, and another means of developing trade had to be found. The trust has never lacked resource in such circumstances. Local depots were opened, generally not far from the shops of the largest salesmen, and a steady policy of price-cutting and underselling, backed by enormous capital, soon drove the local man under. There are several instances in which once independent tradesmen are still selling from their old shops, with their own names over the doors, but are selling trust meats upon commission, the ownership of the business having passed to one or another of the American houses.

Never for a moment has the local butcher a chance against the trust once this gets a footing. Unless he comes to terms it is only a matter of time before he begins to feel the pinch. The trust can flood the market with beef or it can withhold it. It can fix its own price, and when that price is quoted the local man must pay. The sale of home cattle is so much a matter of uncertainty as to supply, because of the lack of organization, that the butcher cannot depend upon it, and he is driven sooner or later to deal with the trust. When he does so there is only one price at which he must take or leave the meat, and if he shows independence he may find himself in a position in which all the firms in the trust will refuse to supply him, and then he may drop out of the business.

Shortened Supplies of Home-grown Meat.

What has been said about the lack of organization of the home grower of meat and the consequent domination of a combination that, when all is said and done, is only providing about 40 per cent. of the total consumption of beef, is strengthened by the returns of the Board of Agriculture. These show that the home supplies of animals are steadily diminishing. The following tables are instructive:—

Number of Fat Cattle returned as entering the Markets at the Places in England scheduled under "The Markets and Fairs Act, 1891."

1902	..	..	..	1,010,115	1905	..	..	..	892,617
1903	..	..	..	997,147	1906	..	..	..	790,345
1904	..	..	..	904,657					

Number of Cattle imported into Great Britain from Ireland.

					Fat.	Store.	Total.
1902	..	..	..	..	306,892	556,554	883,446
1903	..	..	..	..	246,887	556,506	813,393
1904	..	..	..	..	232,186	470,361	702,547
1905	..	..	..	..	224,943	455,667	680,610
1906	..	..	..	..	240,566	473,425	713,991

Save the Farmer from his Friends.

The very striking decline here shown must be read in conjunction with the figures already given of the decline in the amount of English beef offered at Smithfield—a drop from 122,642 tons in 1903 to 86,407 tons in 1906. Putting the figures together the huge change that has been wrought by the operations of the trust will be seen. Curiously enough, it is the measures vehemently advocated and strenuously upheld by the politicians and others who claim to be the farmer's friends that have enabled the trust to get its hold upon the markets, and at the same time have brought about a decline in the amount of stock raised in this country. Side by side with the evidence that the British and Irish farmer is reducing his herds is the fact that the consumption of beef in England is on the increase. Precautions that were taken against disease have placed the English breeder at the mercy of Chicago.

Another effect of the operations of the trust in this country must be sought in the trades dependent upon the by-products of the meat trade. America has not only a Meat Trust, it has a Leather Trust; and a great proportion of the hides of American animals killed in this country are shipped back to the United States raw to be there converted into leather. There is in consequence a great dearth of hides here for tanning, while the trade in tallow and in the utilisation of the many by-products has suffered seriously. With the rapid advance in methods of chilling meat, the trust is sending us more carcasses and fewer live animals, with the consequence that the difficulty of obtaining hides and skins and offals is ever growing. Tallow, which was £1 2s. 3d. per hundredweight in 1904, is £1 15s. 9d. in 1907, and there is not a housewife who does not feel the pinch of that fact in the increased bills for articles that are largely composed of tallow or fats.

[*Daily Chronicle*, 6th December, 1907.]

MEAT TRADE MENACE.—AMERICAN HOLD IN THE LONDON MARKET.—ANXIETY ABOUT SUPPLIES.

The operations of the large American meat syndicates in English markets are exciting great interest in the trade, and are of no less interest to the consumer, whose food-supplies may be seriously affected by their movements; but information which has been received seems to show that these developments stop far short of the point of monopoly. Indeed, they are attributable rather to the fierce competition between the chief American corporations than to any working agreement between them.

The Swift Company, for instance, is in opposition to the Morris Company, which has made an agreement with the Manchester Corporation to import not fewer than 25,000 cattle every year by way of the Ship Canal to improved lairages to be provided there; and this has led the members of the trade in the north of England to fear that operations on a trust scale are contemplated.

The Swift Company some time ago acquired the La Plata Company, and has now four shops in Smithfield, for which large sums have been paid. One of their shops the Swift Company acquired for £16,000, another for 12,000, and a third for £10,500. The Morris Company has three shops; Armour's have one, but this is a very large place; and the Hammond Company, another American syndicate, has two. Cudahy's, on the other hand, stopped shipments some time ago.

This, however, is sufficient to indicate that the Americans have acquired a considerable hold in the London market, and they are endeavouring to extend it. The majority of the cattle which cross the Atlantic are landed at Birkenhead, and the railway company transports the carcasses after slaughter at a special rate to London; so that the Morris Company's developments in Manchester may have a special bearing on competition in that quarter.

The growth in the magnitude of these operations is, of course, adverse to the interests of the home trade; and the change which has come over market conditions is significant. Some years ago most of the meat in Smithfield was sold on commission, and it was to the interest of the commission agent to keep up the supply. The interest of a large syndicate would be to restrict the supply, so that it could manipulate prices to suit its own ends, and it is this danger which is cropping up under the "shop" system, and is causing anxiety to those who are still independent of any ring.

The diminution of the home supply and of cattle imported from Ireland is significant. In 1902 the number of fat cattle entering the markets of England and Wales was 1,010,115; last year it was only 790,345; and in the same period the number of fat and store cattle brought over from Ireland fell from 863,446 to 713,991. But the number of live cattle and of chilled carcasses imported has continued to increase, and we are now dependent for some 80 per cent. of our meat-supply on North and South America.

The Swift Company have carried their operations into Argentina, and this is believed to be the beginning of a big movement, which will embrace not only dealings in live cattle there, but also in beef and in mutton. The competition of the American companies, with the existing signs of extension in this country, is sufficient to convey a further menace to the home trade and to the consumer, who is affected by every manipulation of the cost of commodities.

MEMORANDUM from the HIGH COMMISSIONER to the Hon. the PREMIER.

Westminster Chambers, 13 Victoria Street, London, S.W., 28th November, 1908.

I HAVE the honour to forward herewith a report by Mr. H. C. Cameron, Produce Commissioner, on the distribution of lamb and mutton in this country, with special reference to the development of the distribution of River Plate mutton by American meat companies that have hitherto devoted their attention solely to chilled beef from the United States. It is anticipated that the result of this competition may affect somewhat seriously the market for New Zealand mutton in this country.

W. P. REEVES.

Westminster Chambers, 13 Victoria Street, London, S.W., 28th November, 1907.

Memorandum for the High Commissioner.

Distribution of New Zealand Mutton.

FOR some considerable time it has been growing more customary in New Zealand to depend to a greater extent on the development of the lamb trade than on the mutton trade in this country. Competition in frozen lamb has not been so keenly felt as in mutton. Australia has not, so far, produced lambs sufficient either in quantity or quality to affect New Zealand greatly, while it appears to be accepted by growers in the Dominion that River Plate will never be a dangerous rival, the capabilities of that enormous and rich pastoral country being regarded as specially suitable for beef and mutton exportation. Besides, the trade in frozen lamb specially appeals to the retail trader in other commodities than meat. The grocer, whether doing a large or small trade, finds frozen lamb an easy line to handle. He can sell it in quarters, for the shop-assistant who attends to the bacon or egg counter can easily cut a carcase in four, and customers' orders can be sent out with the ordinary goods in the delivery-cart. So a considerable addition is made to the shop turnover, without any noticeable increase in expenses, while the profit, even selling at a price below that charged by the ordinary butcher, is satisfactory. Consequently, the New Zealand lamb trade has been showing a steady and satisfactory expansion.

With the trade in New Zealand mutton, however, such satisfaction cannot be expressed. It is true that values during the past three years have been more satisfactory than they previously were, but there has not been that growth in distribution in the retail trade that could be desired. Steadiness, rather than increase, has been the feature of the trade. Although the margin in price between New Zealand and River Plate mutton has been greater of late than it was some time ago, it is fully recognised that the value of the former is largely governed by the market price of the latter. From present indications it would appear that this unsatisfactory state of affairs is not likely soon to be improved; but, on the other hand, rather to be intensified. For a considerable time the large American meat companies that have developed an immense and extended trade in chilled beef have been increasing their supply to their regular customers in New Zealand mutton, and so have helped in its distribution. The States chilled beef has now a deservedly high repute. For many years it has been the desire, I know, of some of these keen traders to have New Zealand mutton associated and retailed with their chilled beef, and with this object their agents have made purchases of the mutton on behalf of their clients. It has been rumoured on more than one occasion that North American meat companies have endeavoured to get a footing in New Zealand, in order to secure regular supplies; but it would appear that they have been unsuccessful in their efforts. That they have been determined to secure mutton supplies, however, is now evident, for recently Messrs. Swift, one of the strongest and most energetic of these companies, have acquired the La Plata Freezing-works in Argentine, and have commenced the importation of River Plate mutton on their own account for the supply of their retail customers. This firm has now distributing-depots in all the chief centres of the country, and if the example set is followed by the other North American meat companies it is apparent that such competition in the mutton trade will be established as must reflect detrimentally on the New Zealand trade. At the present moment it is reported that two other companies are following Swift's example, and have purchased interests in Argentine freezing-works

H. C. CAMERON,

Produce Commissioner.

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