

20. When was that letter written?—On the 28th of last month.

21. And you have received no reply at all?—No.

22. *Mr. Scott.*] What Board of Trade is referred to in that letter?—The London Board of Trade, which controls the shipping in conjunction with the Shipowners Committee. The report of the Board of Trade has been submitted to the House of Commons at Home, and is an official report, and I should like to place it before the Committee. It is as follows:—

DEPARTMENTAL COMMITTEE ON PRICES.

COMMITTEE APPOINTED BY THE BOARD OF TRADE TO INVESTIGATE THE PRINCIPAL CAUSES WHICH HAVE LED TO THE INCREASE OF PRICES OF COMMODITIES SINCE THE BEGINNING OF THE WAR.

Interim Report on Meat, &c.

Members of Committee: The Right Honourable John MacKinnon Robertson, M.P., Chairman; Mr. William Crawford Anderson, M.P.; Professor W. J. Ashley; Mr. John P. Boland, M.P.; Mr. Thomas Brodrick; Sir Gilbert Henry Cloughton, Bart.; Mr. John Robert Clynes, M.P.; Mr. Rowland Edmund Prothero, M.V.O., M.P.; Mrs. Pember Reeves; Mr. Thomas Shaw; Sir William Capel Slaughter; and Mr. D. Drummond Fraser.

11. MEAT-PRICES.

(3.) Transportation and Freight Charges.

15. The great difficulty as to imported-meat supply throughout the war has been the shortage of shipping. The outbreak of war had the effect of suddenly and greatly raising prices; and the rise once established it could not be wholly removed by any care of administration, in view of the urgency of the demand. In May, June, and July, 1914, the wholesale price of Argentine chilled beef averaged nearly 44s. per hundredweight, and in September, 1914, it averaged 60s. 3d. After that date there was a fall in the price, and though there was another period of high prices in the summer of 1915, at the beginning of 1916 the average was less than 11s. above that for September, 1914. The arrest in the summer of 1914 was effected by the intervention of the Government to moderate the rise of Plate freights for meat. Systematic shipping arrangements were afterwards made, and the insulated space on all British ships trading to South America and Australia was requisitioned, so that freights were regulated in a manner which prevented any serious addition to meat-prices on that score. During the early part of the war, for sufficient reasons, one British-owned line was allowed to continue running between the River Plate and New York, but the amount of meat carried by it to the United States was relatively small, and latterly that line too has been restricted for meat to British service.

16. The result is that though rates on meat for the civilian population have risen by 30 to 60 per cent. above pre-war figures, freights, being thus regulated, do not constitute a main item in the increased cost of imported meat, the average amount, including the increase during the war, being not more than 1d. per pound. The high wholesale prices of foreign meat, therefore, subsist by reason of the reduced amount available for civilian use, the high general demand, and the limitation of means of transport. The last-named factor includes the handling of cargoes in port and by rail; and the frequent congestions in the docks, which so seriously limited the working-power of ships, played an important part in the restriction of supplies. But tonnage, too, has been inadequate. Before the war the insulated steamers in the River Plate trade could carry 560,000 tons of meat in a year; to-day they can carry only 450,000 tons. Australasian insulated steamers before the war could also carry about 560,000 tons of meat in a year; to-day their meat capacity is 520,000 tons. Their tonnage, however, is largely required for butter, cheese, rabbits, and fruit, so that they carried only 273,000 tons of meat in 1913 and 283,000 tons in 1915, showing a slight gain. On the other hand, several meat-carrying steamers have been wrecked or sunk by the enemy; and though there have been added to the Australasian fleet interned steamers capable of carrying about 12,000 tons per annum, and to the Plate fleet vessels formerly trading to neutral countries with an annual capacity of 80,000 tons, the meat-carrying power of all combined is no greater than that available before the war, while the demand of the Allies as above indicated is considerably greater. Only by an increase of insulated tonnage, seconded by rapid handling in the ports, can the imported-meat supply for civilian consumption be effectually increased. Given such an increase, we are of opinion that larger quantities could be imported from the Australasian Dominions and probably from other quarters.

(4.) Profits and Costs of Distribution.

17. It may be taken as certain that considerably increased profits have been made during the war by cattle breeders in the United Kingdom and in the foreign countries, especially South America, chiefly drawn upon for the meat-supply of the Allies. This is the first main item in the increase of prices; and as regards the cattle-breeders of the United Kingdom it is partly offset by the increased cost of labour and of feeding-stuffs. An increased amount of capital being thus involved in the handling of the product at each stage, it may be assumed that additional profits have been reaped at some of them.

18. So much has been said of the large profits of meat trusts and other meat-dealers that the Committee have been at special pains to investigate in that direction. The importation of meat from the River Plate (including Bahia Blanca) is in the hands of seven firms. Two of these, the British and Argentine Meat Company (Limited) and the Smithfield and Argentine Meat Company (Limited), are British; one, the Compania Sansenina de Carnes Congeladas, is a native (Argentine) company; and the other four—viz., Archer and Co. (Limited), Armour and Co. (Limited), the Swift Beef Company (Limited), and the Morris Beef Company (Limited)—though registered in this country and claimed to be independent companies, are commonly believed to be owned or controlled by the large American meat-packers—viz., Wilson and Co. (Incorporated), (formerly Sulzberger and Sons Company), Armour and Co., Swift and Co., and Morris and Co. Sociedad Anonima "La Blanco," Compania Argentina de Carnes Congeladas, another Argentine which imports separately, is owned by Armour and Co. and Morris and Co.

19. Three of the freezing-works in the Argentine are owned by two British companies. The Sensena Company owns two works in the Argentine, and one, through a subsidiary company, in Uruguay. Four other works in the Argentine and one in Uruguay are owned by companies which, though separately registered in the Argentine and Uruguay, are believed to be controlled by the American firms. Another works has recently been opened by a third British company (the Union Cold Storage Company (Limited), but from it no meat has yet been imported. Of the total amount of beef exported from the Plate, about two-thirds is stated to be produced by the American firms, and only about one-third by the two British and one native companies. The American companies also produce about one-half of the export of mutton. There is in addition a trade in mutton from Patagonia where there are five freezing-works. Two of these are under the control of Swift and Co.; the others export through the agency of British firms.

20. The Committee find that at the outbreak of war the largest profits were made by the meat-importing companies who held the available stocks. Owing to shortage of shipping, cattle-prices in the Argentine did not rise greatly for some months, but thereafter they rose considerably. The prices latterly paid to the meat companies are certainly remunerative. For example, one of two British companies has paid 12½ per cent. dividend for 1915, besides putting £100,000 to reserve. In 1914 that company had paid no dividend, and in 1913 neither of the two concerns, which at the end of the year amalgamated to form that company, paid any trading dividend, though one distributed a bonus from reserve. It would appear, in fact, that for some time before the war, as a result of rivalry between the English and American meat companies, the British public was getting its imported meat at lower prices than it would otherwise have paid. There seems no reason, further, to doubt the statement that although the company in question did well in the year 1915, it was for some months actually losing on all the meat it supplied. In its retail business it appears to have made little or no profit. The other British company showed a total profit of over £142,000 in 1915, as com-