

L. J. WOODRUFF, Esq.

[9 October 1908.]

space which they have contracted for or pay for it. Therefore, the regulation of supplies depends upon the amount of freight space you run. It also depends on the cost of live cattle in the country from which the shipments are made. If the cost is too great you are sometimes better off to pay dead freight than to ship.

1412. Or sublet some of the freight?—Yes, but unfortunately the others are in the same boat as we are. They don't want space. If it is unprofitable for you to ship it is equally unprofitable for them. So sub-letting space is almost impossible. We have shipped through several of the past months at considerable loss; that is because we had freight space, and either had to fill it or pay the heavy freight. Therefore, supplies are regulated in that way. In the country from which they come it is a question of supply and demand which makes the price, and here also it is supply and demand. So you might say in both countries, the country from which the product comes and the country to which it goes, it depends on supply and demand, and the shipments are regulated accordingly if they can be. But I must explain that the long freight contracts we have cannot always regulate those supplies, even though we may be losing money. There is another reason. We have in this country probably over thirty wholesale agencies. It cost money to establish those agencies, and it would cost more money to go out of them. We must therefore supply them whether it suits us or not. We have done so, and will do so in the future if we can.

1413. In reference to that question of space on the steamers it has been suggested to us that the firms, the big American packers, in fact, have practically monopolised the steamship space on all the big lines, at any rate, coming from America to England?—The gentleman who told you that was not a shipowner. It is within the knowledge of everyone of us here that ships are lying up. The shipping trade is in a very bad condition, and if they were offered cattle and beef to ship in their space they would run the boats.

1414. The next heading is the causes of the movement of prices?—In this country it is supply and demand, and in the United States the cause of the advance in price was, in 1907, and I daresay in this year too, the short corn crop. They had a short maize crop as we call it here. In the United States last year corn was selling at anywhere from 75 to 80 cents per bushel more. That is a phenomenal price. The farmer cannot afford to feed his cattle with corn at that price. Therefore as we demand in this country finished cattle of the best quality they cannot furnish a sufficient quantity to supply the home demand and to supply the demand here in full. That makes a shortage, which also produces a higher price; and if we wish to get cattle to fill our space and to supply our trade here we have to pay that price. Therefore, we naturally try to get a higher price.

1415. There was a shortage of supply in America?—Yes. Don't misunderstand. There are perhaps as many live cattle standing in America to-day as at any previous time, but the farmer has not the material with which to finish them. Now the present corn crop is stated to be 20 per cent. better than it was a year ago. That corn will be harvested this month. It will take the farmer all his time from this until next year to finish the cattle in his hands and fit them for that market or this market.

1416. The last head is the extent to which the wholesale importing firms are engaged in retail distribution in this country?—I believe there are only two importers who are importers and at the same time retailers—James Nelson and Sons and W. and R. Fletcher.

1417. Your firm is not in retail?—Nowhere in this world, never has been and never intends to be.

1418. You have got a considerable number of wholesale branches?—We have in this country something over 30 wholesale branches, in the United States I don't know how many.

1419. Could you tell us the towns in this country?—I should not name Dundee, because I don't consider it open, but I begin with Glasgow, and then there are Liverpool, Bradford, Manchester, Leeds, Sheffield, Northampton, Newcastle, Shields, Jarrow, Birmingham, Bristol, Plymouth, Torquay, Ramsgate, Bourne-

mouth, Southampton, Portsmouth, Brighton, Eastbourne, Folkestone, Kingston, Windsor, Guildford, Reading, Croydon, London, Cardiff, Dublin, Grimsby, Hull, Middlesbrough, Nottingham and Sunderland.

1420. Do you go to the East at all? Do you go to Norwich?—It is no place for foreign meat. They are in the cattle-raising business themselves. They send live cattle to London at certain parts of the year. It is not, and probably never will be, a place where they need foreign meat.

1421. There is only Glasgow in Scotland?—We did business in Edinburgh some years ago. I do not think we are doing business there now. That part of the country is looked after by our Liverpool manager. If we are doing any business in Edinburgh it is very small. We sell a variety of articles. We sell pork products, mutton of various descriptions in the season and poultry from the United States, so Edinburgh might be asking for some of these products, and we might be doing some business there, but, if so, it is very little.

1422. I don't want to go into your trade secrets, but I should be glad to learn if most of your business is beef?—Beef and live cattle would represent the greatest value in money.

1423. Mutton would be a small matter?—Yes. We are not only importers but are also buyers of other importers. We buy considerable quantities of mutton and also buy considerable quantities of beef.

1424. And re-sell?—And re-sell, because those people may have supplies when our boats are not running satisfactorily and we are short. In other words, we try to keep an even supply for our wholesale branches.

1425. Your firm has recently bought an Argentine business?—The La Plata Cold Storage Company, Limited. We bought simply a controlling interest in the shares.

1426. Have you done the same in any other Argentine company?—No. Our object in acquiring that was to protect these wholesale agencies which we have established here.

1427. How do you mean protect them?—When the American supplies were getting short we found there was a possibility of that kind of thing occurring in future years, and we saw the advisability of having some other source of supply. No doubt it is within the knowledge of some of us that some of the American shippers have had to cut down their shipments from the United States owing to the shortness of supply. Those people are not as fortunately placed as another company is with another source of supply. We saw that England draws its supplies from everywhere, and we found that to be in the trade and to stay in the trade we had to secure supplies from some other place besides the United States.

1428. It has been brought to our notice that there have been complaints made by other Argentine companies of the extent of competition by the River Plate Company, and it is suggested that the chairman, in addressing the general meeting in 1906, said that there had been very severe competition, and it was imperative that some form of combination should be entered into with the other shippers to adjust quantities for the present condition of the market, and, therefore, some arrangement would shortly be made?—That was in 1906. We only acquired the shares in the La Plata Company in June, 1907. I think the first shipments were in August last year.

1429. Has there been, as far as you know, any arrangement of the kind?—Not as far as I know, and I do not think they could make it without us very well, and we are not in any combination of the kind, and do not intend to be. We could not afford to be.

1430. It has also been suggested to us that you or some of the other American packers have a controlling interest in the beef trade of Mexico. Is there any considerable beef trade from Mexico here?—None. I have not seen any Mexican beef in this country.

1431. And that you have also control of the business in Brazil?—We are not interested in any business in Brazil.

1432. Another matter that has been brought to our notice is that if buyers don't pay up promptly bad