HOW FOOD CONTROL DEVELOPED IN CANADA

REVIEW OF FOOD BOARD'S WORK HAS BEEN PREPARED

It Shows How Policy of War Rationing in Canada Differed Materially From That of United Kingdom or United States.

The steps successively taken by the Canada Food Board to attain its objective in food control are shown in a review of work during the year 1918, just prepared by the Food Board.

Not only in the Dominion, but throughout the whole of the Allied countries, 1918 was the year when food as a war factor proved to be only less mighty than munitions, the report states. Food control at the beginning of 1918 was described as a new knowl dge; scarcely more than the rudiments had been learned. The objectives of the Food Board were to increase supplies of foodstuffs by stimulating production and by more conservation so that each month would see an addition to the exportable surplus. On investigation it became evident that something different from both American and European methods of food control would have to be undertaken, and hence a distinctively Canadian system was developed.

The middle way in food control was almost invariably followed. Rationing under Canadian conditions was inadvisable, as with the Dominion's vast area, sparse population, and diversified conditions it would have proved ineffective, and the results of the effort and energy expended in this method of control would have been infinitesimal in comparison with the same forces directed to increased production of foodstuffs and voluntary conservation. Canadians, according to the report, would have had to pay ten or twelve million dollars annually to meet the cost of an equitable rationing system as carried out in Europe. Compulsory measures were adopted to regulate the distribution of commodities in what might be called their bulk state, but as food products found their way through stage to stage of distribution control gradually and necessarily lessened, and was replaced by measures to secure a widely spread and sympathetic voluntary conservation by consumers.

BLENDING OF POLICIES.

The British system of food conservation, explains the report, became almost entirely mandatory; the American almost entirely voluntary. The joining of the mandatory with the voluntary method constituted the distinctive character of food control in Canada.

The working of the double system, the report continues, was seen in the fact that while the sale of sugar in bulk to dealers without certificates was prohibited by order, conservation by families was secured by loyal voluntarism. Restrictions in the use of beef and pork in restaurants on specific days was carried out under compulsion, but the request to the private depended for effectiveness on an appeal to patriotism.

Control over supplies was exercised also through governing the character of saleable food. The composition of standard flour and of bakers' bread with other non-wheaten flours can be taken as instances.

The report continues:—

ENCOURAGED STOCK RAISING.

"The Board, in conjunction with the Dominion Department of Agriculture, working in all cases through the Provincial Departments of Agriculture, did everything possible to encourage the raising of farm stock. A result of this was there was an increase in the number of food animals on Canadian farms, simultaneously with a large increase in exports of beef and pork.

"The following are the values and quantities of beef and pork respectively, exported during 1917 and 1918:—

	1917.	1918.
Beef—		
Pounds	84,375,793	126,334,050
Value.	$12,116,793	$25,030,951
Pork—		
Pounds	12,067,315	35,782,760
Value.	$2,811,448	$11,333,511

"Perhaps the chief factor which controlled meat supplies being sent overseas was the provision of refrigerator space for the transatlantic voyage, a matter over which the Food Board had no power.

"Of actual control of meats within the Dominion it is difficult to speak with the clear-cut definition possible for wheat supplies. The first step after the general adoption of a beefless day was the control of packing-house firms, on the centre through which the Canadian meat supplies all passed. They were regulated with regard to profits by a special Order in Council. Their books and reports were, in March, made subject to inspection by the Minister of Finance. On May 3, an order of the Food Board brought under license practically everybody who slaughtered livestock.

BUTTER FOR BRITAIN.

"One instance in the control of fat in its palatable form may be noted, says the report. When in September the stock of butter in Great Britain fell abnormally short, and it was found impossible to maintain even the small weekly ration of two ounces a head, arrangements were made to secure for shipment the whole butter output of Canadian creameries for five weeks. In this way over six and a half million pounds of butter were exported and the British Minister of Food was able to state in a letter of thanks to Sir Robert Borden that the maintenance of a one-ounce ration was due solely to the quick action taken in the Dominion.

"Meanwhile there were twenty-five million pounds of butter in cold storage which having been purchased at the market figure, could not, under the controlled system of profits, be sold at undue advance in price. Thus by one move, an emergency call from the Mother Country was met without causing an appreciable rise in prices at home.

PRICES AND PROFITS.

"At the time the Board was inaugurated the Government had already taken action under Order in Council P.C. 2461, November, 1916, which created machinery through the Minister of Labour for the investigation, especially of retail prices obtaining in any community, and for the control of profiteering. From time to time this Order was improved, and is now known as P.C. 3069, "Fair Price Commission."

"As Canada is essentially an exporting country, domestic prices for producers and manufacturers of food are controlled by the export market. Any control of prices or profits, consequently, had to be worked out in co-operation with the export buyers. Just previous to the organization of the Board the various Allied Governments had pooled their buying under one organization, known as the Allied Provisions Export Commission, with which was associated the British Government Wheat Export Company and the Dairy Produce Commission of Canada, that had been formed previously.

"The main cause of the tremendous rise in prices that occurred was the increasing scarcity of supplies available to the Allied nations and the wild bidding for these that took place when each country was competing separately for these supplies. The Food Controller found that control of prices in Canada was absolutely impracticable until the Allied Governments had unified their methods of purchase.

HOW CROPS WERE INCREASED DURING PRODUCTION CAMPAIGN.

The following table from the Bureau of Statistics, shows how effectively acreages of grains, as well as of root crops, were increased:—

	1918. Acres.	1917. Acres.
Wheat.	17,353,902	14,755,850
Oats..	14,790,330	13,313,400
Barley.	3,153,811	2,393,200
Rye.	555,294	211,880
Peas..	235,976	198,881
Beans.	228,577	92,457
Buckwheat ..	548,097	395,977
Flax..	921,826	919,500
Mixed grains.	1,068,120	497,236
Corn for husking. ..	250,000	234,339
Totals ..	39,105,933	33,001,720

Report on work of Canada Food Board.

HOW PRICE WENT UP.

"An illustration of this was afforded when a purchase was made by the French Government at a price considerably in advance of the then ruling prices. This purchase, made without consultation with the Canada Food Board, at once affected the price of the domestic supply. The order was a large one, and had the Food Controller at that time attempted to fix a price for the home market the effect of such an order would have been to drive the product entirely into a foreign channel, and temporarily at least to withdraw entirely the product from the Canadian market. Because of war conditions, information of this character was not at the time made public, although now permissible. The unification of the methods of purchase stabilized the export market, and as a consequence the domestic market also, and tended to increase the available supply both for export and home consumption by securing a steady flow at known prices.

"As a further illustration, quoted in the report, in 1917 the British Government fixed a price for Canadian cheese, but did not fix any price for butter or condensed milk. The result was that as the need for condensed milk increased the price rose with great rapidity and not only interfered with the supplies of milk for the manufacture of cheese and butter, but seriously disturbed the fresh milk market for Canadian cities. With the proper organization of the export market, the domestic market may be controlled through normal lines of regulation; that is, the price paid for export.

"The Dairy Produce Commission and the Allied Provisions Export Commission together worked out a schedule of prices that would be paid in Canada for cheese, butter, and condensed, evaporated and powdered milk for export. This stabilized milk prices in Canada both for the manufacture of these goods and for the supply of fresh milk to cities and towns.

COST OF BREAD REGULATED.

"During May, 1917, the price of flour rose to over $15 per barrel. As soon as the Board of Grain Supervisors had fixed the price for the 1917 wheat crop, an agreement was reached with the millers that their profits should not exceed twenty-five cents per barrel of flour, with sixty cents allowed for cost of manufacture. On this basis the price paid for flour by the Wheat Export Company was worked out from time to time, and domestic prices were based on these figures. The same principles were applied to the 1918 wheat crop. Thus, the price of flour to the consumer was strictly controlled.

LICENSE SYSTEM ENFORCED.

"The price of bread was also directly controlled. The Cost of Living Commissioner, in co-operation with the Board, enforced by the license system for bakers, secured monthly costs of production of bread, based on the known prices of flour, and other factors. These costs were published from time to time, and showed that the profits being made by bakers were at all times reasonable. Whenever a movement to increase the price of bread occurred in any part of the country steps were taken to investigate the necessity for it. This strict control has maintained the price of bread in Canada at a rate markedly lower than in the United States.

"Thus, while no prices were actually "fixed" for any of these products, the domestic prices based on the agreed price for export were at all times directly controlled by the Food Board.

SUGAR REGULATIONS.

"The same methods of control were exercised in regard to prices payable for sugar. When sugar became scarce in 1918 the retail price jumped in many places to fifteen cents per pound. Action was immediately taken and retail dealers were warned that the price must not exceed ten to eleven cents per pound. This control was continued throughout 1918 by the Board and the price maintained at a fair margin over cost. Any increase in prices that occurred was based on such factors as a rise in the price of raw sugars and freight rate adjustments. If it had not been for this control consumers during the period of great scarcity in the fall of 1918 would have paid as high as twenty cents per pound, at least. Thus again, though the terribly complicated work and heavy expense of fixing prices to meet a multitude of rapidly varying conditions, was avoided, control of the price to Canadian consumers was steadily maintained.

DEALERS' PROFITS.

"Dealers' profits, it is explained in the report, were regulated through a number of orders. Order No. 9 fixed the maximum "spread" chargeable by distributers of fresh milk in cities. Order No. 45 fixed the profits that might be taken by wholesale dealers in butter, eggs, cheese, meats, oleomargarine and lard. Various orders and agreements with the trade regulated the price of fish so that this food became one of the cheapest available in any country. Prices of bran and shorts and the profits of dealers were also fixed, thus giving the producer the means of producing milk at as low cost as possible. The results from this regulation of prices according to the report, are such that to-day milk, butter, cheese and fish are noticeably lower in Canada than in the United States, or elsewhere in the Allied countries, where subsidizing has not been practised. The price of grains entering into production of foodstuffs was not under the control of the Canada Food Board.

CONTROL OF PROFITS.

"Control of profits on invested capital presents an entirely different problem from the control of prices. A very large profit may be made upon the capital invested by individual manufacturers or dealers in staple food products, as a result of turnover, but the entire elimina-

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