

WAR TIME CONTROL AND CONSERVATION OF COAL

Final Report shows Organization of Fuel Control, Results Obtained, and how Exceedingly Difficult Situation caused by War was dealt with.

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ference between the price f.o.b. destination and the selling price to the ultimate consumer. The procedure in such instances was to have a special investigation made on the ground by a member of the Fuel Control organization.

DEALERS' PROFITS.

The consuming public naturally will expect some further statement as to the extent to which coal prices were controlled during the great crisis. When the Fuel Control was organized early in the summer of 1917, the public mind seems to have been obsessed with the notion that enormous profits were being obtained by the trade. There seemed to be an idea abroad that profits were exorbitant and measured not by cents but by dollars. It would be idle to suggest that injustices had not occurred. But the investigations made did not disclose any overcharges that could be termed profiteering. More than that, it would be manifestly impossible to administer such regulations without occasional infractions, unless a coast to coast organization had been in readiness the moment the demand for coal exceeded the supply. However, in those localities where municipalities realized their responsibilities and, taking advantage of the coal regulations, elected energetic officials to act as Fuel Commissioners, the interests of the public were closely looked after. Generally speaking, those engaged in the coal trade had an exceedingly strenuous time, and their record will compare most favourably with those engaged in other lines of business. The dealers were forced to submit very complete monthly statements as to their supplies, costs, and selling prices. The analysis of these statements resulted in a considerable number of cases having been submitted to the provincial administrations to be run down by them through their Fuel Commissioners or their officers. The outcome was that in many instances dealers were restrained in their ambition to advance prices. This work was accomplished without any publicity, and consequently was the more effective; because the people had to have coal and it was necessary that each dealer should throw all his energy into the work to get supplies. The best service was needed from all, and that would not have been obtainable if the policy of the Fuel Controller had been to give publicity to this phase of the work, creating in the minds of the people the idea that this or that dealer was making exorbitant charges or profiteering.

Turning to the larger coal transactions, as, for instance, those of the big importing companies, some of them failed to supply information as to their activities. This, it was claimed, was due to the pressure of work and depletion of office staffs. In addition, the statement was made that some of the large importers of soft coal had been extracting profits of one dollar per ton and over. As this coal originated in the United States, the Fuel Controller secured for a short time the services of C. F. Napier, jr., of the staff of the Federal Trade Commission, Washington, D.C. A thorough examination was made of the books of some of these companies. It was found that in certain instances excess profits had been taken, varying from one to five cents per ton. Some of the importing companies have their own boats, usually owned by subsidiary companies. This was not a recent procedure, but existed prior to the war in most cases. In the examinations that were made such concerns were allowed to charge the freight rate in force by the regular shipping companies, over which rate the Fuel Controller had no authority.

To obtain the proper view point of any excess profits made by any dealer, it is necessary to look back at the situa-

tion which existed in the earlier period of the crisis. Conditions were changing from day to day and the trade had to make some effort to anticipate the future and protect itself. On the whole there is no doubt but that the public were protected from a considerable advance in coal prices in many parts of Canada, where, at times, the supply of coal was not at all assured and the buyers were most concerned about their needs.

With the explanations that have been made as to the situation which existed and the results obtained, the Fuel Controller feels confident that the public will conclude that the fuel situation was controlled; that the interests of the consumer with respect to retail prices were satisfactorily protected, and in a way which obtained the best results from the trade. An interesting series of charts appears in the appendices. An examination of them shows that the rise in price of anthracite in Canada during the war period was more than outstripped by the increased price of the majority of the other necessities of living.

LICENSING OF COAL TRADE.

In exercising efficient supervision of the distribution of coal a license system was obviously a prime necessity. In the 1917 regulations it was provided that importers of coal must apply to the Fuel Controller for an importer's permit, and that any person engaged in the business of selling coal as a broker, wholesaler or retailer must apply for a dealer's permit. The regulations also provided for suspension or cancellation of such permits for any cause deemed sufficient by the Fuel Controller, and heavy penalties were also imposed in cases where unlicensed persons transacted a coal business.

From the 1st of April, 1918, the issuance of these permits was made subject to the payment of fees. Importers paid their fees to the Fuel Controller's office at Ottawa. Dealers' fees were payable to the Fuel Administrator for the province, who endorsed all applications for permits of this class prior to forwarding them to the central office for action. The revenue from importers' fees has been a very material contribution towards the cost of the headquarters organization. The Governments of the various provinces have, according to the regulations, utilized the fees from dealers' permits towards defraying expenses incurred in connection with the offices of the Fuel Administrators.

The total revenue to the Dominion Government, derived from coal importers' permit fees amounted to \$55,953.40. The revenue accruing from dealers' permits to the respective provinces was as follows:—

Province.	Revenue.
Prince Edward Island	\$ 511 00
New Brunswick	1,191 00
Nova Scotia	1,803 00
Quebec	12,308 00
Ontario	26,010 00
Manitoba	5,864 00
Saskatchewan	7,334 00
Alberta	3,787 00
British Columbia	755 05
	\$59,563 05

The Fuel Controller's organization is being disbanded at the end of the present month, March 31, 1919. The net cost of the organization, from its inception in June, 1917, to the conclusion of operations, will be in the neighbourhood of \$114,000.

SUMMARY OF RESULTS.

In viewing any results which the Fuel Control organization may have been able to accomplish, the fact should not be lost sight of that the work was undertaken at a time when the country was passing through the greatest crisis in history, and financial, commercial, and political conditions were in a state

of flux. Concurrently with this trying situation, like a bolt from the blue, came the winter of 1917-18 which has passed into history as one of the worst in severity with which the coal operators and transportation systems on this continent ever had to contend. The Fuel Control organization having been suddenly called upon to face such an emergency, was also handicapped in dealing with the situation by a lack of adequate data regarding the distribution and consumption of coal in Canada.

Notwithstanding these and other adverse conditions, Canada's importation of anthracite for the coal year ending March 31, 1918, was 600,000 tons in excess of any other year; while the importation of bituminous coal exceeded that of the previous coal year by 4,000,000 tons. After three years of war, Canada had reached its maximum effort; hence the need for these excess tonnages was imperative and fully recognized as such by the United States Fuel Administration.

The efforts of the country to obtain its supplies from the United States, in the second year of the Fuel Control organization, were proceeding very satisfactorily up to the time the armistice was signed in November, 1918. At the end of that month, the imports of anthracite from the commencement of the coal year, April 1, were 177,414 gross tons in excess of the tonnage received for the same period in 1916, the year adopted by the United States Fuel Administration as the anthracite basic coal year, while the imports of bituminous were 3,371,243 net tons in excess of the tonnage received for the same period in 1916. With the conclusion of the war, and the closing of war industries, in the middle of December, the outlook had changed completely, and an abnormally mild winter finally disposed of the "coal situation."

The annual production of coal in net tons within Canada during each calendar year in the period of the war was as follows:—

1914	13,637,529
1915	13,267,023
1916	14,483,395
1917	14,046,759
1918	14,979,213

Not only was the tonnage of coal secured from all sources sufficient to meet the needs of the country as a whole, but also, its distribution was effected in such a way as to provide adequately for individual requirements. In fact, although Canada has on the whole an extremely cold winter climate, it is safe to state that in no country with similar fuel requirements was there as little suffering or inconvenience during the war period, as in this country. Taking into consideration the distances separating the consuming areas in Canada from the mine fields, and the cost of production in Canadian mines, the prices of coal compared favourably with those in other countries.

HOW PRICES WERE FIXED.

Prices of coal, whether of foreign or domestic origin, under the coal regulations were fixed on a basis of actual cost plus a reasonable net profit. The following table shows the great expansion in Canadian export trade during the period of the war annually for fiscal years ending March 31, in:—

1913	\$ 393,232,057
1914	478,997,928
1915	490,808,877
1916	882,872,502
1917	1,375,758,148
1918	1,589,661,195

A reference to the report on "The coal trade of Canada," just published by the Dominion Bureau of Statistics, will show that Canada's consumption of coal has not kept pace with this industrial expansion, which points to the conclusion that Canadian manufacturers have been obtaining greater efficiency out of their coal, as well as making greater use of the country's water powers.

In conformity with the policy of statistical co-ordination, recently adopted by the Government, the statistical data of the Fuel Control organization, bearing on the production, importation, and distribution of coal, at the termination of Fuel Control on the 31st of March, 1919, is to be turned over to the Fuel Section of the Dominion Bureau of Statistics. These data will form the nucleus for further investigations, and should occasion require, an amplifica-

HOME-GROWN CLOVER SEED IS SUPERIOR

Experts Declare Heavier Crops are Obtained than from Imported Variety

The Dominion Experimental Farms' system has for years advocated the use of Canadian-grown red clover seed on the ground that heavier and more reliable crops may be expected from the home-grown seed than from seed imported from some other country.

An Experimental Farms Note, issued by the Department of Agriculture, says the superiority of Canadian-grown red clover seed has been demonstrated over and over again, and, as a result, many progressive farmers prefer it to any imported seed and, knowing its superior value, raise the red clover seed themselves rather than take a chance of getting unsuitable seed through the trade.

In order clearly to understand why the home-grown seed is superior to the imported article, it should be remembered that there is not a single pound of red clover seed on the market which can be said to represent a distinct variety. In fact, every pound of red clover seed sold in Canada represents a mixture of a large number of varieties. What this means may be exemplified if we assume, for the sake of comparison, that all kinds of corn varieties are being mixed and the mixture thus obtained put on the market for seeding purposes. The comparison applies perfectly to red clover, for all red clover seed sold in Canada is a mixture of a large number of different types of plants. Some of these types are what is called winter-hardy; that is to say, capable of coming through the winters without injury on account of their hardy nature. Others, however, are tender types which, in this climate, are unable to stand the rigour of the winters.

As the ordinary red clover is a mixture of hardy and tender types, there is always a certain amount of winter-killing going on, the result, of course, being that the greater percentage of tender types in a clover field, the greater the winter-killing. On the other hand, the plants which come through the winter may be considered to represent a stock much harder than the original mixture of hardy and tender plants.

Here is where the value of home-grown red clover seed comes in, for it is obvious that seed harvested from a Canadian clover field from which a large percentage of the tender types have been eliminated through the weeding-out process caused by the winter is bound to produce a hardier and consequently more reliable and more remunerative crop than any imported seed which may consist of a mixture of both hardy and tender types. And, furthermore, it is obvious that the farther north the seed is grown, the more suitable it is for a country like Canada, because the farther north it is grown the harder is the crop raised from it likely to be. In view of this, we must strongly recommend not only that red clover seed raising be taken up on a larger scale especially in the northern red clover producing districts, but also that, whenever possible, northern Canadian red clover seed be used in preference to imported seed.

Settler Influx Continues.

Seventy-two new settlers for the north country arrived in Edmonton last week in one day. It is estimated settlers are flocking into the Peace River and Grande Prairie country at the rate of 500 a week, according to reports to the Winnipeg office of the Department of Immigration and Colonization.

tion of the work can be undertaken at short notice. The statistical material covering the coal year ending March 31, 1918, is being published by the Bureau in a report headed, "The Coal Trade of Canada," which it is hoped will be followed by annual reports of a similar nature.