

## SAVE THE CHILDREN BY IMPROVING OF THEIR SURROUNDINGS

Dr. Weir Offers Suggestion to  
Rotary Club.

LESS WORK, BETTER PAY

Establishment of Schools of  
Domestic Economy and Re-  
creation Parks Urged.

To the Editor of The Advertiser:

I see from a report in your paper that members of the Rotary Club intend to interest themselves in the welfare of the children of this city.

I am very glad to learn of their good intentions, and lest their efforts may to some extent be misdirected and wasted, I feel it to be my duty to offer a few suggestions. I have had upwards of fifteen years' experience in dealing with children and their parents. In that time I have visited a great many homes and have observed their social conditions and surroundings.

I have studied with an open and sympathetic mind the causes and conditions of these evils I have had to deal with, and I am convinced that the cause of that low wages, excessive hours of labor, improper and insufficient food and clothing, ill-ventilated and insanitary dwellings, the result of poverty, sickness and misfortune, as well as vice and ignorance, are the greatest with which the children have to contend.

It is all very well for Sir Adam Beck to claim great results from the preventorium, but let me say that in my opinion it is wrong to name "Children" are not sent there until they are already tubercular. After a few months of good feeding, open exercises and sleeping in well ventilated rooms they improve, but they are only "symptomatically cured."

**Proper Care Needed.**  
The germs are still latent in their bodies. I have nothing to say against the preventorium, but it is wholly inadequate to solve the problem. It simply attempts to pick the children up whom society has knocked down, while women are forced to work for inadequate wages to make their employers rich, and children and young girls are compelled to work long hours in poorly ventilated factories, while the money that ought to be spent for solid food, milk, eggs, butter, meat, etc., is expended for confectionery and un-nutritious articles of diet. As long as children have to go with wet feet, poorly clad, improperly protected, cold and damp, they will be its subjects for attacks by the germ of tuberculosis or some equally destructive enemy of the race.

A dozen sanatoriums and preventoria would not make strong healthy men and women of children so neglected. After these children leave the preventorium they go back to the same conditions that brought on their trouble, only to fall victims later on to the same complaint.

**How Club May Help.**  
Now, if the Rotary Club wants to help the children of our city, let them move to cheaper food, increase wages, construct schools of domestic economy and hygiene, where the science of cooking, feeding, clothing and caring for children may be taught. Let the mothers of the boys and girls. Try to bring about shorter hours of labor so poor ones can have a little daylight with their families, establish parks, provided with music, for recreation in different parts of the city, where each evening the town mothers and their families could enjoy a little diversion without expense, and thus make life worth living.

These are some of the things that I think should be attended to as soon as possible. There are many other equally important questions, such as the care and feeding of infants, medical inspection of children under and over school age, and proper provision for their treatment and necessary care, the provision of the breakfasts for school children, the institution of open air schools and provision for the nutrition of backward and mentally deficient children.

These matters are being freely discussed and handled in Great Britain and the colonies, and we wish to keep pace with them and not be behind the times we must do something more than indulge in idle theories and resolutions. Remember, an ounce of prevention is worth a pound of cure.

Mr. Editor, these few random thoughts should excite discussion and lead others to offer further suggestions. I will be pleased and amply rewarded. I am, Sir, very respectfully,  
GEORGE S. WEIR, M.D.

## AT THE LAKE RESORTS

**PORT STANLEY.** July 17.—Mr. and Mrs. Frank Ascott and family of London are spending a few days at their summer cottage, Sand-Drifts, Willow Beach.

Miss Dorothy Shepherd of St. Thomas is summing at her summer cottage, Sunny-Side Bungalow, Willow Beach. Guests spending holidays at Dr. J. W. Watkings, Toronto, are Mr. and Mrs. E. L. Lee, Ingersoll; R. Irwin Watkings, Toronto; Mr. and Mrs. E. L. Lee, Ingersoll; R. Irwin Watkings, Toronto; Mr. and Mrs. E. L. Lee, Ingersoll; R. Irwin Watkings, Toronto.

Miss Eleanor M. Bitch, London; Miss Alice M. Harding, London; Miss Rose Harding, Denbigh; Mrs. J. B. Denbigh, London.

Mr. D. Nalson of Elwood, Ind., is visiting his daughter, Mrs. J. P. Butler, of St. Thomas, at Grimsom Beach.

Guests of Inverlea Hotel are Mrs. D. S. Perrin, London; Mrs. T. P. Blundell, London; Mr. and Mrs. T. E. Mc-Cash, Bramley, London; and L. C. Price, London.

Miss G. Abbott and Miss Jean Mc-Givray of St. Thomas spent the week-end with Mrs. E. C. Sanders, Aberfeldy cottage, Grimsom Beach.

Mrs. A. Percy of Chatham is spending the season of Lingering, Grimsom Beach.

Mr. and Mrs. E. E. Linnell and family are summing at Coronation cottage, Grimsom Beach.

Mrs. F. Fawkes has returned to London for a few days.

Miss M. Milne, Miss R. Cox, Miss K. Milne, Miss M. Malone, Miss L. Milne and Miss M. Milne, are spending Sunday at Weekes View cottage, Grimsom Beach.

## PORT DOVER.

July 17.—Miss Lillian Leane of Hamilton is spending her holidays with her parents, Mr. and Mrs. V. C. Leane, with her in Miss Constance Sidwell, also of Hamilton.

Miss Marjorie Clarke of our public school staff is spending the holidays at her home in Hamilton.

Mrs. Will Marchington of Toronto is with her father, Mr. H. Smith, Chapman street, for a short time.

Mr. Fuller of Wallaceburg, and the Misses Hall of Woodstock, are occupying their cottage on Grace street for the season.

Mrs. Hargreaves and small daughter of Toronto are the guests of Mr. and Mrs. George Holden.

Miss Anderson of Bay City, Mich., is spending a few weeks with her brother, Mr. J. E. Anderson, St. Andrew street.

Mr. and Mrs. J. J. Kelley, Mr. and Mrs. Milne, and the Misses Jackson, of Brantford, are occupying their cottage on the lakefront.

## LAMBETH.

LAMBETH, July 17.—Mr. W. H. and Miss Ray Moore have returned from a trip to Atlantic City and Philadelphia.

Dr. and Mrs. G. A. Routledge were the guests of Mrs. Duncan C. Ross, Strathroy, Sunday.

Mr. Piper of Calgary is a visitor with his brother, Mr. R. M. Piper.

Mr. McDermott of Toronto was a visitor with Mr. Coldcott on Sunday.

Mr. and Mrs. Albert Gill, Mr. and Mrs. J. C. Best and Miss Helen Best were the guests of Mrs. Carley on Sunday.

Miss Hattie Ryckman of Delaware is holidaying with her grandmother, Mrs. M. Ryckman.

The Misses Edna and Hazel Routledge were visitors with Mrs. Clifford Patrick, Brick Street, on Sunday last.

Mrs. House is visiting with friends in Toronto.

# Alleged Profits of The William Davies Company in 1916 on Bacon, as Indicated by Department of Labor to be Five Cents per Pound, Untrue: Actual Profits Two-Thirds of a Cent Per Pound

THE statement issued by the Department of Labor concerning the business of The William Davies Company Limited has been given widespread circulation throughout the country and provoked public unrest.

Whatever the technical wording of the report was, the effect has been that the newspapers have published that "the profits on Bacon alone" of this Company "for 1916" were about "five millions of dollars." This interpretation of the official report is not surprising in view of certain statements that the Commissioner of the Cost of Living makes. The Commissioner is reported as saying that "There were two individual cases of profiteering in 1916 and that had these cases occurred since the passage of the cost of living Order-In-Council, he would consider it his duty to recommend that the facts be laid before the Attorney-General for consideration as to their criminality." The situation created by such erroneous and damaging statements is serious as emanating from a Government official, from whom one looks for not only accurate statements but correct conclusions.

The William Davies Company, being a private concern, has followed the practice of all private corporations, except when it made a bond issue in 1911, in that it has not published reports of its assets and liabilities or profit and loss. The present circumstance, however, in which a Government Official has led the public to false conclusions, makes it advisable for this Company, for both the public interest and its own interest, to publish particulars of its business as well as point out the error of the statement of the Government Official.

For the last fiscal year ending March 27th, 1917, The William Davies Company bought and killed 1,043,000 head of Live Stock (Cattle, Hogs and Sheep). This, plus purchases of outside Meats, produced 160,000,000 pounds of Meats. The Company handled 6,550,000 pounds of Butter and Cheese, 5,650,000 dozens of Eggs, and manufactured 26,500,000 tins of Canned Goods. The net profits on these were .68 cents (or two-thirds of a cent) per pound on meats, 1.04 cents on Butter and Cheese, 1.04 cents per dozen on Eggs, and .47 cents (or slightly less than one-half a cent) per tin on Canned Goods. These profits include profits on all By-Products derived from these accounts.

During the year the Company served at its retail stores 7,500,000 customers, the average purchase of each customer was 35c, and the net profit upon each sale was 5-8 of 1 cent. The turnover of the Company from all its operations for the last fiscal year ending March 27th, 1917, was \$40,000,000. The net percentage of profit upon this turnover, after deducting war tax, was 1.69 per cent, or including war tax 3.45 per cent.

The William Davies Company has assets of \$13,385,000, of which \$3,865,000 is tied up in fixed investments.

To provide the necessary facilities for the increased volume of business the Company expended \$750,000 in buildings and equipment during the year.

Companies of other character present no more reasonable statement of profit and loss based upon the investments made in the business.

The William Davies Company offered to the Imperial authorities, as well as to the War Office Service (which represents the Imperial authorities in Canada) to place the output of its Factory with respect to Bacon supplies, Canned Beef and Pork and Beans at the service of the authorities, on the basis of cost plus an agreed percentage. These offers were successively declined as the authorities evidently desired to purchase in the open market, and on this basis The William Davies Company has secured War Office business by open competition with the world.

## Respecting the Report of the Commissioner on the Cost of Living:

Last Winter the Commissioner, under authority of Order-in-Council, required packers to submit statements under oath for some years back and up to December 1st, 1916, of incoming stocks of Meats and the cost of such, as well as statements of outgoing product and the selling value. This Company represented in writing at the time that the information as specifically required was not in accordance with Packing House Accounting methods, and invited the Commissioner to send an Officer to the Head Office of the Company to examine the books for any information desired, and to secure a viewpoint as to the best way of collecting data which would be of use to the Government. This offer was declined, and there was nothing to do but fill in the information required as literally as we could determine it. For example, there was no recognition of the fact that a raw product may enter a factory under a specific classification and leave the factory as a finished product under some other classification.

We submitted a series of accurate figures based upon our interpretation of the official requirements which made no provision for charges of any description other than incoming freight and unloading charges to be included in the cost or to be deducted from the selling price. There was nothing in the report which could be read so as to determine a profit and loss statement. The very fact that with only a statement based upon cost of raw products and value of sales in Great Britain a Government Official has deduced "Large margins," "Profiteering" and "Criminality" if it had occurred since the passage of a recent Act, shows too dangerous a trifling and incapacity to be permitted to deal with any important situation. The statements of this Company have been treated by the author of this report as if the outgoing product was identical with the incoming product, and from the series of reports he has singled out two items—the Bacon and Egg reports—and from them deduced an erroneous "margin" which the newspapers have interpreted as "profit." The author of the inquiry shows a

strange lack of even a fundamental knowledge of simple bookkeeping and a dangerous inability to co-ordinate figures. The following are specific, and outstanding errors in the report:

The principal item that is causing excitement deals with cold storage Bacon. The term "cold-storage" is not defined, and the public is allowed to make its own definitions. As all Bacon in a packing house is under refrigeration it is really all cold-storage, and therefore this Company's figures of cold-storage Bacon represent the complete quantity of Bacon handled in its entire Plant, whether in freezers or in process of cure for immediate shipment. That some Companies interpreted cold-storage product as "freezer" product only is evidenced by the smallness or entire lack of figures on the Bacon list for some Plants, indicating that many Firms did not submit statements of their complete stocks, as did this Company. An Official of this Company pointed out this cold-storage distinction to Mr. O'Connor and Miss McKenna in Ottawa a few weeks ago, and the failure to make the distinction after having had it pointed out evidences lack of desire for accuracy of the real information desired.

It is true The William Davies Company, in 1916, exported 97,791,000 pounds of Bacon, but we do not know how the margin of 5.05 cents per pound is arrived at by Mr. O'Connor, as there were no figures to justify such a conclusion. The probabilities are that the margin is arrived at by taking the average cost per pound of incoming product from the average selling price per pound of outgoing product. This may be a rough way of estimating the gross margin when dealing with small figures, but when dealing with figures the size that Mr. O'Connor has to deal with, a very small fraction of a cent per pound of error makes a very important difference in the total, and one must be careful to make sure that the outgoing product is the same finished merchandise of the incoming product reported on.

Allowing it to pass, however, as a rough esti-

mate, we wish to point out—(first)—the inquiry of the Commissioner allowed only for incoming freight and unloading charges, and made no provision whatsoever for operating charges of any kind, such as labor, curing materials, refrigeration, etc. Such actual charges on the 97,791,000 pounds exported were \$1,162,000—or 1.2 cents per pound. This amount covered all charges up to the point of placing the Bacon on cars for packing-house. In addition to this was the actual cost to land and sell this 97,791,000 pounds in England after leaving the packing house, which involved charges of 2.9 cents per pound—or \$2,836,000. This 2.9 cents per pound included inland and ocean freight, landing charges, war and marine insurance, cables, and selling commission to agents. The ocean freight and war risk alone would make up 2.4 cents of the charge of 2.9 cents per pound. This 1.2 cents, plus 2.9 cents—a total of 4.1 cents—must be deducted from Mr. O'Connor's margin of 5.05 cents per pound, leaving a margin of .95 cents, or slightly less than a cent per pound, which still has to be reduced because of the error of premises and because of further factors which have to be considered to determine net profits.

It is quite evident some of the other packers did not show selling values in the country in which the goods were sold—a proceeding quite proper, as the forms submitted to be filled in were indefinite and ambiguous, thus permitting without charge of evasion a variety of interpretation as to the information required. It is thus possible that of all the figures submitted by the different packers that no two sets of costs and sales prices are determined at the same common point. It is this difference of interpretation of what was required that accounts for the difference of the alleged "margin" made by the different companies. Common conclusions, however, have been drawn by the author of the report from varying bases of premises.

The figures of the Egg business were submit-

ted on the same basis as Bacon, and similar deductions must be made.

(Second)—The above margin is further reduced in that the author of this inquiry singled out the Bacon figures as an item in which the selling price shows an alleged improper advance over cost, but he did not give us credit for the statements of other products, of which figures were submitted, the selling prices of which were under cost. The reason of this was that through failure to inquire the Department entirely overlooked the fact that product may come in as pork and, through the process of manufacture, go out as Bacon, or, in another instance, enter the factory as beef and go out in the form of canned meats; for example: much of the product which came in as pork, and which was entered on the pork sheet submitted to the Commissioner—about which he makes no mention—was cured and left the factory in the form of Bacon, and was, therefore, entered on the outgoing side of the Bacon sheet—the result is that the Bacon sales are increased by this amount over the incoming stocks of Bacon, and, likewise, the sheet showing sales of pork is reduced by the amount that went out in the form of Bacon. If the Department takes one set of figures that show favorable to the Company they should take another set of figures that show unfavorable, as the principle in either case is the same, and failure to do so looks as if the author of the report was exercising more enthusiasm than sound judgment in his investigations.

(Third)—It is queried in the report, that "if the margin of 3.47 cents," alleged to have been made in 1915, "was satisfactory, why was it necessary to show increased margin in 1916?" Assuming again for the moment the soundness of the premises in asking such a question based on an erroneous "margin," it will be found that the increased margin is chiefly absorbed in increased ocean freight rates and war risk insurance in 1916, of which apparently the author of the report was in ignorance.

The Company does not challenge either the legal or moral right of the Government to investigate business enterprises when public interest directs such an investigation should be made. If an investigation of the packing and meat business is ordered, the Company will place at the disposal of the Government not only the data it would be required to supply under Order-in-Council directing that inquiry be made, but will place the experience of its officers at the disposal of the investigating committee, if it is considered they can render any service which will be of value. The Company has not now—nor at any time during the fifty years of its operation—anything to conceal in method or practice of carrying on its business. It does, however, claim the right to conduct its export business without abusive comment from Government civil servants—especially when the conclusions drawn from the data asked for are improper and false.

One of Canada's chief export industries is the packing business. It is essential to the live stock industry, and, along with other export industries, it maintains the financial stability of this country and should, providing it is on a sound basis, receive encouragement and not slanderous abuse. In view of the publicity given to the report of the Commissioner on the cost of living, the Company demands the same publicity in having an official Government investigation of this report to determine the truthfulness or untruthfulness of its conclusions. We do not seek public consideration as a company, but we do say that untruthful official statements, or statements the effect of which is to create an untrue, adversely affect the live stock industry of this country, which is so valuable and essential a wealth-producing power and, in the long run, are harmful to the very people that the statement seeks to benefit.

If the passing out of existence of a corporation such as The William Davies Company, or if nationalization of packing houses would materially and permanently reduce food prices, into consumers because of war, and the tremendous destruction of food products incident to war, there is no remedy for the high prices of food while such conditions last, except the remedy of thrift and increase of production.

Long before there was talk of a Food Controller in the United States or Canada The William Davies Company urged the Government at Ottawa, in writing, to appoint a Food Controller with full power to do what he saw fit, as we realized at that time the upward tendency in the price of food commodities unless checked by official effort. At the most a great deal cannot be done in reducing food prices while currency is inflated and until the scale of prices of all kinds of commodities declines also. What can be done can only be done by a Food Controller. We wish to point out that nothing at all can be accomplished unless the data secured are accurately and clearly made and the deductions therefrom sound. Only public harm arises from dangerous incompetency in the haphazard collection and careless use of important figures.

As far as The William Davies Company is concerned this terminates all public statements of the Company, and it will pay no more attention to speculative and haphazard statements made either by newspapers or civil servants. The only further statement that will be made will be at an official investigation.

Toronto, July 17th, 1917.

E. C. FOX, General Manager  
THE WILLIAM DAVIES COMPANY, LIMITED