

# War-Time Rackets

by R/CST. A. R. HASKELL

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*Undoubtedly the most despicable of all racketeers are those who 'cash in' on the patriotism of their countrymen and reap personal profit under the guise of helping the war effort.*

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THE swindler and the cheat is always on the spot to take advantage of every situation in which public enthusiasm runs high; he is ready to capitalize on any popular wave of sentiment which happens to touch upon money matters. If there is a local or national real-estate boom, the ever-versatile racketeer is there to sell the public rotten mortgages and useless land-improvement schemes. And when kind-hearted and generous people get together in an earnest endeavour to raise money for a worthy cause, such as for furthering the war effort, he is usually to be found copying their activities, or masquerading as an honest war-time charity worker, in an attempt to line his own pockets.

Since the war began, the Toronto Better Business Bureau has received phone calls almost daily from irate housewives reporting one or another organization that hounded them to buy tickets for entertainments to raise money "for the soldiers." On occasions too numerous to mention, the bureau has received complaints from societies in various places in Ontario, which signed contracts with promoters who were to raise money for their local War-Relief Fund and later learnt that they had received only a very small part of the gross receipts.

As a protection for its citizens and to keep track of the millions of dollars collected for war charities the Canadian Government passed the War Charities Act immediately following the outbreak of war. This statute provides that whether a person is selling tickets for a bridge game with a view to realizing money to purchase wool that eventually

will become soldiers' socks, or whether he organizes a concert to raise money for a specific war charity that is registered, such person must first register himself. An important regulation of the Act provides that registration shall not be granted to any War Charity Fund (which means any fund having for its object or among its objects, any purpose, charitable or otherwise, arising out of or connected with the war) which proposes or attempts to make any commercial contract for collection by telephonic communication whether by soliciting for the sale of tickets, coupons, advertising contracts, or otherwise.

Section 15 which was added to the War Charities Act by an amendment dated June 3, 1941, prescribes that seventy-five per cent of the gross receipts must be turned over to the war charity concerned. Previous to this enactment, experience showed that, while many organizations in putting on special projects such as carnivals, bazaars and concerts managed them most carefully so that nearly all the money contributed in the way of admission fees and so on went to the designated charity, it was also true that in a great number of instances the preparations for such projects were so costly that from forty to seventy-five per cent of the proceeds had been absorbed in overhead expenses.

Money-grabbing promoters often approached reputable societies, especially women's organizations, offering to hold shows, card parties and tea parties, which they later conducted in such a way as to reap the highest personal profits.

According to one plan, the promoter would contract to look after the sale