

POLICIES AND POLITICS

How Australia Fixed Prices.

NO. 2.

"Reflect seriously on the possible consequences of keeping in the hearts of your community a bank of discontent, every hour accumulating, upon which every company of seditious men draw at pleasure."—Burke.

The great Irishman is well aware that it is a dangerous thing for a nation to permit wealth to write the laws governing the people. Wealth, represented mainly by the rich and powerful manufacturers, have always and ever more bitterly contested the passing of reasonable protective factory acts. I have no doubt that many factory owners in New Brunswick are ashamed to-day of the violence with which they combated the Factory Act and Compensation for Injuries Act of 1903 to 1908.

In 1916 the interests were so powerful that no effort was really made to fix food prices in Canada. Then came the big cost of living, in 1917 and 1918. Not until 1919, six months after the armistice, did Canada at last make a serious attack on high prices. The Board of Commerce on September second decreed that the profits of sugar refiners may be 2-5c. per lb., wholesalers 5 per cent. on the actual cost; retailers, not over one cent per lb. Other fixed prices are to follow as the Board finds the need.

During that period of 1916-17, New South Wales (Australia) took strong ground on high prices, and passed the Prices Act. Every month the government issued lists of maximum prices, wholesale and retail. Sydney, with a population of 700,000, as well as all the other districts, were absolutely governed by these regulations.

In October, 1918, the Price List shows bread, two pound loaf, 4d. (8 cents), or 4½d. (9 cents), if delivered at the home. Compare this two pound loaf at 3 cents with the cost of our bread last October, weight only 1½ pounds. The low price of flour in

Australia accounts for much of this low cost of bread.

Cash Price, Retail Flour.

100-lb. bag	13s. 2d.—	\$3.16
50-lb. bag	7s. ½d.—	1.69
25-lb. bag	3s. 9d.—	.90

Wholesale dealers were permitted to charge only 41 (\$4.87) per ton over mill price. This would be equal to about 48c. per bbl. profit. As mill price equalled about \$5.30 per bbl., the wholesale profit was about 9 per cent., retailers' profit about 20 per cent.

The Australian seller by law gets very much larger profit than is received by the retailer in N. John. N. B.

The above low prices, fixed by the government, were made order on account of the immense plus wheat in Australia, and also by the tonnage shortage. This only partly accounts for the low selling price, for undoubtedly the prices would have been much higher but for the government's strong stand.

Turning to Canada, we ask at once, "Is a government justified in fixing the price of wheat at \$2.15 per bushel, and thereby exacting a heavy toll from seven million people, in order to aid two million farm people?"

Should not Canadian and United States farmers be well satisfied this year to receive \$1.75 per bushel at Chicago and Fort William? This would have meant a decline of \$2.00 per barrel to the hundred and twenty million people in North America. I realize that the Canada wheat crop may not be as much as two hundred million bushels, but why should we, by fixing price at \$2.15, aid the United States in getting high prices from France, Italy and Great Britain? Let the United States act the Shylock if they so desire, but why should we help to hold up her itching palm? Most of the world wheat crops are doing well except Russia and Hungary. Tonnage is rapidly increasing, and freights must steadily decline. Thus the possibility of high flour becomes less every month, unless some crop disaster should happen.

Clearly, it can be said that Australia's policy of promptly fixing prices has saved millions to her people, whereas Canada's policy of delay and of yielding to Western influence is of