

FOOD PROBLEM DIFFERENT.

In Great Britain and Canada, Says Sir Robert Borden.

In the course of his address in Toronto on November 21, Sir Robert Borden spoke at some length of the limitation of profits on food necessities and of Food Control. He pointed out that the former was far more difficult in an exporting country like Canada than it was in an importing country.

"In Great Britain," he continued, "the Government undertakes and carries on the importation of certain foodstuffs and regulates their distribution and consumption. Thus prices paid by the consumer are under the control of the British Government as importer, and in some cases they are considerably lower than the actual cost. In Canada, a food exporting country, an entirely different problem arises. Purchasing commissions, acting on behalf of the British and Allied Governments, offer to our producers prices that necessarily regulate the price paid by the consumer in this country."

Before touching on the measures to restrict the profits of packing houses in the Dominion, the Premier sketched what had been done to prevent waste of food stuffs, the regulations governing public eating places, the requirement of returns from wholesalers and retailers, the regulation of the use of cereals and vegetables, the manufacture and importation of oleomargarine under Government supervision, and the distillation of liquors.

"It ought to be borne in mind," he continued, "that very large aggregate profits made by certain packing houses have been occasioned by a small relative profit upon an enormous turn-over. Thus the average profit made upon bacon sold in Canada by one large company was no more than two-fifths of a cent per pound. To wipe out the entire profit in such a case would not result in a great reduction in price. But it is both desirable and essential to provide, as the Government has done, that whenever excess profits are received they shall go to the public Treasury for the benefit of the people."

"We have established two limitations of such profits," said the Prime Minister. "In the first place, the profits in any one year must not exceed two per cent of the annual turnover, that is, two per cent of the total sales during any one year. But there is a very important additional limitation. If two per cent of the annual turn-

over does not exceed seven per cent on the actual capital invested, then the owner of the packing house may retain the profits up to that amount.

"But if the profits exceed seven per cent on the invested capital, and do not exceed fifteen per cent, one-half of the additional profits go into the public treasury for the benefit of the people and only one-half can be taken by the packing house. Thus if the profit should amount to fifteen per cent, seven per cent, plus four per cent, making eleven per cent in all, may be retained by the packing house, and four per cent goes to the public treasury. If the profits exceed fifteen per cent, then all excess over fifteen per cent belongs to the people."

"Thus if any packing house should make a profit of eighty per cent, the packing house would receive eleven per cent and the people, through the public treasury, would receive sixty-nine per cent."

"The policy thus summarized will be carried out by effective regulations to prevent any possible attempt at evasion through increased salaries, directors' fees or otherwise. It is believed that these regulations will maintain a fair price for the producer of the raw material and will prevent the exaction of any excessive profits from the consumer."

"The very great and regrettable advance in prices of many articles of food is chiefly due to world-wide conditions, to the withdrawal of thirty or forty millions of men from productive activities; in short, to the enormous waste of human energy and the increased demand for food occasioned by this war. We thoroughly appreciate the hardship thus brought upon the people of this and other countries, and, so far as Canada is concerned, we are doing our best to alleviate conditions."

"It is easy for the demagogue to inflame public opinion under the strain of war by announcing his intention of accomplishing the impossible. The united effort of all the Governments in the world cannot alter such conditions as are dependent upon causes which are beyond the control of any Government. During the past week the Government has passed an Order in Council conferring upon the Food Controller general powers to control the profits on foodstuffs, and in this way to regulate prices so far as is possible in view of the world-wide conditions."