

Mr. CURRIE: In regard to this cold storage controversy, a great deal of misrepresentation has been made to the public, and the case has not been fairly stated. The facts of the case as shown in the documents are these: Mr. O'Connor asked for statements not only from those who deal in food, but from those who deal in anthracite coal, sugar and other articles. The public impression was that the price of sugar was far too high. The sugar companies—we all know they are called trusts—were investigated, and the commissioner found that, as a matter of fact, they were not making what would be considered a fair profit. He then came to the cold storage question, and he asked the cold storage companies to submit their figures. All of the cold storage companies, with the exception of one or two, gave their figures for everything as accurately as they had them themselves. I understand very few of the companies are so organized that they can give a statement of costs, because unfortunately in this country most of the manufacturing concerns have not gone thoroughly into the question of factory costs and accounting, and they cannot tell where they stand only once every six months or every year. A proper business organization should be able to give a statement of its cost each day. The William Davies company, which is under investigation—and I am now speaking from the report—were asked to give the cost of the raw material, the cost of manufacture, the overhead cost and the selling price. Nowadays, every one in the manufacturing business is pestered every other day by some investigator coming in and wanting to know the cost of this and that. In Ontario, within the last year or two investigations have been made in connection with various matters, for instance the Workman's Compensation Act, and as the result of these investigations for no reason, an advance of something like 700 per cent was made in the rates last year. Everybody wants to know how much money is being made, so they can get some of the profit. The William Davies company did not give the cost of the manufacture and the overhead cost, the result being that the report made by Mr. O'Connor, which was made in good faith, gave the selling price and the cost of raw material, and said the difference was gross profit.

In other words, Mr. O'Connor gave the gross profits not the net profits of the Davies company. That was all right, because they would not give him the figures, so he states in his report. The public, however, at once

[Mr. Turriff.]

jumped to the conclusion that it was the net profit, and imagined that the company were making enormous earnings. Everybody in the manufacturing business knows that a great many items have to be taken out of the gross profit before you can get the net profit. Overhead charges alone run to about twenty per cent in the manufacturing business. The Davies company rightly complained. They said to the Government: Your commissioner has not done us justice; he has misstated the facts. And they asked for justice and further investigation. It seems to me very strange that when the Government steps in and tries to put an end to profiteering they should be subject to criticism from hon. gentlemen opposite. As the Davies company demanded justice, the Government could not very well leave the matter to Mr. O'Connor, so they appointed two firms of accountants who are thoroughly equipped to go into the whole question of the net profits, which the William Davies company say in their advertisements amount to less than one cent a pound.

The Government are next criticized for having appointed a lawyer on that commission. Bear in mind that it is the Government that is being attacked through their commissioner. Hon. gentlemen opposite assume that the Government is trying to let the William Davies company out of it. But it is just the opposite. The William Davies company say that a false report has been given to the public by the Government. The Government must therefore have a capable counsel to support their commissioners, and I have no doubt the Government have appointed a capable man. What is the use of saying the question is one of accountancy pure and simple, as was stated by my hon. friend from North Oxford (Mr. Nesbitt) a moment ago. At first glance it would look as if it were so; but bear in mind that these companies that are being investigated might refuse to give certain information. They refused certain information to the commissioner in the first instance, and in the second investigation they may not let the commission have access to certain books. I am not very fond of appointing lawyers to all these commissions, but it seems to me—and I appeal to all the lawyers in this House—that it is necessary to have a lawyer on the commission because questions of that kind might arise from time to time, and when they do occur what person is better fitted to deal with them than the gentleman who has been appointed? He could set the legal