

University Convocation Hall, Toronto, in 1906, when Sir Joseph was given an LL.D. honoris causa, for gratuitously co-ordinating reforms in a great Provincial University; office of the Chairman of License Commissioner in 1908, engaged without salary in cleaning up the hotels of Ontario; Board Room of the Public General Hospital of Toronto—established on a \$5,000,000 basis, largely through the great unsalaried services of Sir Joseph; General Conference of the Methodist Church of Canada, under the eye of Rev. Dr. Carman; Board Room of Methodist Foreign Missions; offices of the Methodist Book Room, Toronto; finally—the head office of the Imperial Munitions Board, Ottawa, in the employ but not in the pay of the Imperial War Office.

NOW, the mind that energized these various extra concerns was precisely the same mind that worked on the packing-plant problems down at the Don. Plus a degree of rather uncomfortable suavity, the social-interest brain of Sir Joseph was the same brain that exploited the potentialities of Hog.

As a co-ordinator of purely mercantile affairs, this country has never had the equal of Sir Joseph, except the late Timothy Eaton. A comparison of these two eminent mercantile Methodists would be illuminating to both. Eaton lives on in his business. Sir Joseph will be perpetuated by his title when his business has passed into other hands. Nobody outside the Eaton inside circle really knew Timothy Eaton. Few people understand Flavelle. He has a smile that radiates no humour. His manner is a singular combination of suavity and bludgeon directness. Unblest with a college education, he has flirted with culture and higher criticism. He has a vast organizing patience that is eternally impatient with inefficiency in other men; always, in business, in churchgoing, in philanthropy, instant in season and out of season. He would read Jeremy Bentham's *Lives of the Saints*, or Thomas A. Kempis' *Meditations* as rigorously as the annual report of the Wm. Davies Co. I have seen him go into a regulated rhapsody over a choral decrescendo of the Mendelssohn Choir.

That you do not know Sir Joseph never bothers him. He says he is not interesting. What he has done speaks for itself. But let no man presume to slip past him with any slipshod technique in business, and no man on a board or a committee come up against him without first-hand knowledge. Neither when you have talked to him for an hour or a minute will you be in the least doubt as to precisely what and all he meant by what he chose to say. He is almost painfully candid—up to a point: after that, you have left the stone wall and your head. And at that point, with his low-temperature suavity and his sub-Arctic smile he is quite exasperating. You may feel that a whack on the back would do him good. Do not. He will misunderstand you. If he ever nudges you in conversation—you are dreaming.

The facts and figures which Sir Joseph has authorized his general manager to give the public as an Apologia are in themselves of as much passing interest as some of the notes of President Wilson.

ONE statement involving multi-millions is uncommonly arresting. We are told that the gross turnover of the Wm. Davies Co., in 1916, was \$40,000,000. Remembering that about thirty years ago the freezing of a car of potatoes on a Toronto siding, coupled with an attack of illness, just about put J. W. Flavelle out of business, we realize that Sir Joseph Flavelle, Bart., is in some respects a greater revenue-wizard than the Count of Monte Cristo.

But another millionizing item makes the former still more remarkable.

The assets of the Wm. Davies Co. are quoted in capital figures as \$13,385,000.

Is there any other manufacturing concern in Canada, if in America, whose annual turnover of business is just three times its capital assets? On the same basis the annual traffic receipts of the C. P. R. should be about \$900,000,000, and the total investment in Canadian manufactures should be under \$400,000,000.

O'Connor's report states in round figures that five-eighths of the entire bacon business in Canada for 1916 was done by the Wm. Davies Co. Thanks to the war. Great Britain had to have more bacon. The war cut off the Denmark supply. The bacon of Canada took its place. In 1914 the Wm. Davies exported 14,000,000 pounds, somewhat in excess of their average. Two years later this talent of 14,000,000 had multiplied itself to 97,791,000 of exports alone.

Prestissimo! Did the Canadian farmers rally with the hogs to this extent; or did the Davies concern gobble its competitors? Neither. Davies built a \$750,000 extension and went out after the American hog. From under the beaks of Swift, Armour and Co. they corralled Uncle Sam's pigs into Canada.

But the market over the sea could take it all. Mr. Flavelle knew. He happened to be in London when the war broke, August 4, 1914. He began to sell bacon before Liege was taken. It was the kind



of luck that is said to "happen" to Sir Joseph.

Some years ago W. L. M. King described this Davies organization as an octopus. That was in its 10,000,000 days. Now that the 100,000,000 mark is within sight, the only obvious thing to call it is a centipede.

Margin of profit on this 97,791,000 pounds is the bone of contention. The Commissioner did not define what that includes. Davies Co. have done so. Under packing-house methods of elimination the 5.05 reduces to about .68. Mr. O'Connor was speaking of the price at which bacon, the chief item, went into storage or its obvious cost to the storagers, and the price at which it came out, or its cost to the consumer. Simple enough. The difference was 5.05. The Davies Co. agrees to this. Now, for the difference between margin of profit and net profit cash in hand.

This margin includes operating charges under several heads amounting to 1.2 cents a pound; inland and ocean freight, landing charges, marine insurance, cables and selling commissions to agents, 2.9 cents. Of this, the apologia states, 2.4 cents went to ocean freight and war risk.

So that margin of profit minus overhead charges becomes 5.05 minus (1.2 plus 2.9) or 5.05 minus 4.1, which leaves .95 cents a pound net profit, to be still further reduced, owing to "error of premises," etc.

The commission which Sir Joseph asks for to investigate the O'Connor finding will, we presume, verify the accuracy of these overhead charges. For the present we do not doubt it. The manifesto has all the internal evidence of literal truth.

From this we deduce that the millions of pounds of bacon that were exported by the Wm. Davies Co. "in competition with the world" represented less than a cent a pound net profit.

Instead of a profit of \$5,000,000, the Davies Co. makes less than \$1,000,000. In the average mind this reduction of profits by five times would rule out the term "profiteer." Which is what Sir Joseph is after.

But after all what is the argument about? If the British consumer does not kick on paying that amount of net profit to the Davies Co., why should we object to his doing so?

We don't. We are not running the Empire. As Canadians we are mainly concerned in what bacon costs us delivered at our doors in Canada.

And what is that cost? Some who think they know say that bacon costs more in Canada than it does English breakfasters 4,000 miles from the Davies plant. We don't know about that. It somewhat depends upon the baronial grocer who may sell at a few cents a pound advance on Davies stores. We can change our dealer. The packer we cannot change.

As a matter of convenience we wish the Davies manifesto had stated how much of the difference between the charges that follow operation costs are the total charges in the cost of freight on railways. We are not told this. And if we were we should be into a Chinese puzzle involving through tariffs, bulk-breaking and much more. But if we knew this we should be able to find out on a ton-mileage basis what a pound of bacon actually costs to produce in Canada up to the time it gets to our door.

At the same time we should like to ask—

WHAT ocean freight, war and marine risks, cables and commissions to selling agents are necessary to get a pound of bacon from the siding at Flavell's, Ltd., Peterboro, or wherever it may be, to my door in Slabtown, a thousand miles more or less, as the case may be? So far as our knowledge of geography goes no pound of bacon would go by any such route unless it was sent up via Baffin's Land, Herschell Island and Alaska.

In plain words, why does my pound of bacon cost me as much as a similar pound of bacon does my uncle's second cousin in Shropshire? I know this is customary and not confined to bacon. We complacently remind ourselves that the custom extends to flour, apples, eggs, fish and anything else that we export overseas. We are told that the moment you begin to send anything over a railway or a steamship line you are liable to pay as much for a pound or a dozen or a bushel right where the stuff is produced, as somebody else pays on the other end of a route thousands or hundreds of miles long. Even though a man should buy a pound of bacon at the door of Flavell's, Ltd., in Peterboro, he would, we assume, pay as much as my uncle's cousin in Shropshire. Because the export demand makes a domestic scarcity which means higher prices to all. We cannot ear-mark so much of our production for our own use. The theory is that all production is export and all prices export prices.

With this principle in mind, what we are really concerned about is not what we pay for our bacon, but the morals of Sir Joseph Flavelle. And as long as he does not extort us into paying more pro rata for our home-consumed and home-produced bacon than other people do for our home-consumed and home-produced flour, and eggs, and apples, and coal, and lumber, and clothes, and what not—why, we have absolutely no case against him. We give him a certificate of character at once and admit that he is entitled to be one of the top-notchers in the company of producers. We wanted to prove an alibi for Sir Joseph in the matter of abusing our pocket-books. And as long as we don't object to paying him for ocean freight, war and marine risk and cables and selling commissions on bacon that never gets within 1,000 miles of the sea, we have done it.