

Allowing it to pass, however, as a rough estimate, we wish to point out—(first)—the inquiry of the Commissioner allowed only for incoming freight and unloading charges, and made no provision whatsoever for operating charges of any kind, such as labor, curing materials, refrigeration, et cetera. Such actual charges on the 97,791,000 pounds exported were \$1,162,000—or 1.2 cents per pound. This amount covered all charges up to the point of placing the Bacon on cars f.o.b.—packing-house. In addition to this was the actual cost to land and sell this 97,791,000 pounds in England after leaving the packing house, which involved charges of 2.9 cents per pound—or \$2,836,000. This 2.9 cents per pound included inland and ocean freight, landing charges, war and marine insurance, cables, and selling commission to agents. The ocean freight and war risk alone would make up 2.4 cents of the charge of 2.9 cents per pound. This 1.2 cents, plus 2.9 cents—a total of 4.1 cents—must be deducted from Mr. O'Connor's margin of 5.05 cents per pound, leaving a margin of .95 cents, or slightly less than a cent per pound, which still has to be reduced because of the error of premises and because of further factors which have to be considered to determine net profits.

It is quite evident some of the other packers did not show selling values in the country in which the goods were sold—a proceeding quite proper, as the forms submitted to be filled in were indefinite and ambiguous, thus permitting without charge of evasion a variety of interpretation as to the information required. It is thus possible that of all the figures submitted by the different packers that no two sets of costs and sales prices are determined at the same common point. It is this difference of interpretation of what was required that accounts for the difference of the alleged "margin" made by the different companies. Common conclusions, however, have been drawn by the author of the report from varying bases of premises.

The figures of the Egg business were submitted on the same basis as Bacon, and similar deductions must be made.

(Second)—The above margin is further reduced in that the author of this inquiry singled out the Bacon figures as an item in which the selling price shows an alleged improper advance over cost, but he did not give us credit for the statements of other products of which figures were submitted, the selling prices of which were under cost. The reason of this was that through failure to inquire the Department entirely overlooked the fact that product may come in as pork and, through the process of manufacture, go out as Bacon, or, in another instance, enter the factory as beef and go out in the form of canned meats; for example: much of the product which came in as pork, and which was entered on the pork sheet submitted to the Commissioner—about which he makes no mention—was cured and left the factory in the form of Bacon, and was, therefore, entered on the outgoing side of the Bacon sheet—the result is that the Bacon sales are increased by this amount over the incoming stocks of Bacon, and, likewise, the sheet showing sales of pork is reduced by the amount that went out in the form of Bacon. If the Department takes one set of figures that show favorable to the Company they should take another set of figures that show unfavorable, as the principle in either case is the same, and failure to do so looks as if the author of the report was exercising more enthusiasm than sound judgment in his investigations.

(Third)—It is queried in the report, that "if the margin of 3.47 cents," alleged to have been made in 1915, "was satisfactory, why was it necessary to show increased margin in 1916?" Assuming again for the moment the soundness of the premises in asking such a question based on an erroneous "margin," it will be found that the increased margin is chiefly absorbed in increased ocean freight rates

and war risk insurance in 1916, of which apparently the author of the report was in ignorance.

The Company does not challenge either the legal or moral right of the Government to investigate business enterprises when public interest directs such an investigation should be made. If an investigation of the packing and meat business is ordered, the Company will place at the disposal of the Government not only the data it would be required to supply under Order-in-Council directing that inquiry be made, but will place the experience of its officers at the disposal of the investigating committee, if it is considered they can render any service which will be of value. The Company has not now—nor at any time during the fifty years of its operation—anything to conceal in method or practice of carrying on its business. It does, however, claim the right to conduct its export business without abusive comment from Government civil servants—especially when the conclusions drawn from the data asked for are improper and false.

One of Canada's chief export industries is the packing business. It is essential to the live stock industry, and, along with other export industries, it maintains the financial stability of this country and should, providing it is on a sound basis, receive the publicity given to the report of the Commissioner on the cost of living, the Company demands the same couragement and not slanderous abuse. In view of publicity in having an official Government investigation of this report to determine the truthfulness or untruthfulness of its conclusions. We do not seek public consideration as a company, but we do say that untruthful official statements, or statements the effect of which is to create an untruth, adversely affect the live stock industry of this country, which is so valuable and essential a wealth-producing power and, in the long run, are harmful to the very people that the statement seeks to benefit.

If the passing out of existence of a corporation such as The William Davies Company, or if nationalization of packing houses would materially and permanently reduce food prices, then in view of the present world tragedy it ought to be consummated without delay. The fact of the matter is, however, that with millions of people in Europe turning from producers into consumers because of war, and the tremendous destruction of food products incident to war, there is no remedy for the high prices of food while such conditions last, except the remedy of thrift and increase of production.

Long before there was talk of a Food Controller in the United States or Canada. The William Davies Company urged the Government at Ottawa, in writing, to appoint a Food Controller with full power to do what he saw fit, as we realized at that time the upward tendency in the price of food commodities unless checked by official effort. At the most a great deal cannot be done in reducing food prices while currency is inflated, and until the scale of prices of all kinds of commodities declines also. What can be done can only be done by a Food Controller. We wish to point out that nothing at all can be accomplished unless the data secured are accurately and clearly made and the deductions therefrom sound. Only public harm arises from dangerous incompetency in the haphazard collection and careless use of important figures.

As far as The William Davies Company is concerned this terminates all public statements of the Company, and it will pay no more attention to speculative and haphazard statements made either by newspapers or civil servants. The only further statement that will be made will be at an official investigation.

E. C. FOX, General Manager.

The William Davies Company, Limited

Toronto, July 17th, 1917.

FOURTH CROP REPORT.

The crop conditions in the West are on a par with the 1915 crop, at this period.

The Manitoba Free Press in its fourth crop report is responsible for the statement that conditions in the prairie provinces in so far as this year's crop is concerned, are on a par with those at the same time in 1915, when the prairies reaped their record-breaking crop.

From 190 points in the three provinces heard from, it is gathered that seventy-five per cent. of the crop is in head in Manitoba and Alberta, and a little better than fifty per cent. in Saskatchewan. Apparently all the damage from the heavy frosts and cold weather of June has not been fully overcome by recent precipitation.

Rain has been fairly plentiful in Saskatchewan, but fourteen out of the 78 points heard from state that rain is badly needed. Fifteen points report the wheat crop below the average, and no district reports a crop above the average, but a number qualify this by saying that with rain, soon, it will be good average. Quite a few report a three quarter crop and several declare that fifty per cent. is all that can be hoped for.

Of twenty-one points heard from in Alberta, ten report an insufficiency of rain. The reports as to the conditions of wheat, are: four points below the average; three points, fifty per cent. of a normal crop. Indicated a fifteen bushel crop and the remainder a fair to good average. Oats and barley do not show up well. One point reports a fair crop, one a good one, and another crop doing well, while the others are "backward," "irregular," "standing still," "short and patchy," etc.

In Manitoba, the eighty points heard from, with the exception of two, report rain since the last Free Press crop report, but it has been mostly showers, only one or two reporting plenty of rain, while twenty-three report that rain is badly needed. Eighteen points reported a crop of wheat below the average, while a number report a fair average crop. This is contingent on rain within a few days.

With regard to coarse grass, the reports generally are that they are improving but late, damage from hail has been very slight throughout the west, only one point in Saskatchewan reporting any considerable damage, while in Alberta only three points report slight damage and an eight mile strip hailed out at another point; in Manitoba but four points report slight damage from hail. Only three points of the 190 heard from in the prairie west report indications of rust, one being in Manitoba and two in Saskatchewan.

In summing up general condition throughout the west, the commercial editor of the Free Press says: "It must be remembered it is as yet only July 17, and there is still time for much recovery, and improvement, granted proper and favorable weather. Referring to the Free Press Diary of 1915. On July 16: The weather was cold with light cold rain, much of the flax was only three or five inches high, wheat crops were reported generally as short and weedy and little of anything had reached the blossom stage, in fact very much of the crop was not in head. So that conditions now are no worse than they were then and 1915 brought us the best crop we have ever had.

"It is not likely that any condition of weather which prevails from now on can make a bumper crop for us, this year, for the reason that so much wheat was seeded on stubble land, and is not as well stooled nor as heavy a crop as that of 1915. The chief difficulty of the present year is that while there have been many good rains in localities, the country as a whole has never once been thoroughly soaked down. A general rain of this calibre within the next week would doubtless put a very different appearance on the situation."

JERSEY'S FAMOUS POTATOES.

The island of Jersey is up in arms over the aspersions which have recently been cast on its famous potato traffic. Some ill-informed people, it appears, have been spreading abroad the report that the great bulk of "Jersey potatoes" come from Holland. There is not, so a Jersey champion declares, a word of truth in the statement. The average output of potatoes from Jersey, he says, is no less than 60,000 tons a year. They arrive at a time when the English main crop is becoming exhausted, and are an important addition to the national potato supply until the early English varieties are ready. Imports from Holland, he adds, are a negligible quantity.