

Profiteering in Food

British Government Accused of Requisitioning Stocks of Foodstuffs and Disposing of Them at Large Profits

The British Government's methods in dealing with the profiteering problem are meeting with widespread criticism from both dealers and consumers. The chief complaint is that the Government, after requisitioning stocks of various foodstuffs in order to prevent profiteering, has been guilty of profiteering itself by making large advances in the prices at which the stocks were taken over.

Commenting upon the situation, the London "Times" says:

"The statements as to the large profits now being made by the State out of its operations in beans, peas, other pulses and rice have undoubtedly stimulated a movement which has been gathering force for some time past. Primarily, no doubt, it is a movement of self-defense. Whole trades have had to witness loss of business during the past few months without compensation, and they will endeavor to show that in some instances Government action has been fraught with danger to the commerce of the country."

GOVERNMENT CRITICISED.

A number of letters of protest against State profiteering have been published by the "Times." One correspondent writes:

"The avowed object of the Government in taking over peas, beans, etc., was to prevent profiteering. Very well. Having fixed the price of Burma beans at £37 per ton, they now coolly ask purchasers £58 per ton, a profit which surely must bring tears of envy to the eyes of the most soulless profiteer amongst them all. Your correspondent defends this action on the ground that the State takes the profit; but if it is morally wrong for an individual to make huge profits on food in wartime, by what process does it become morally right when the Government steps into the shoes of the individual?"

"I have the impression that the Government's policy in the trade is that the taking over of the beans involved heavy losses for merchants, brokers, and distributors, and that the Government is now able to make a very handsome profit by the transaction." He adds:

"What is happening in beans is occurring, to some extent, in other trades. Thus, the whole of the rice trade has been taken over by the Government, which has fixed a wholesale price c.i.f. London at 25s a cwt., while the trade estimates that, in view of the State control of all shipping, the cost of bringing the rice to this country should be about 12s a cwt."

"Again, the market price for Indian lentils when the Government took charge of this commodity, was about 15s per quarter. The price at which it is now prepared to sell lentils is 19s per quarter. Again, it is understood that Japanese peas (? beans) were offered recently to the Wheat Commission at £45 per ton, and that the Commission is prepared to sell these peas (? beans) at £75 per ton."

TRADE IS SUFFERER.

"The contention of the various trades affected is that all that was required was for the Government to fix maximum prices for the wholesale and retail trades. They were urged to do this, for instance, with beans, when the scarcity of potatoes brought about a new demand for this commodity. It is contended that large staffs are employed by the Government departments dealing with these commodities, all the members of which have not expert knowledge, and that comparatively small staffs of men highly trained in the trades could do efficiently the work that is now being done."

"No doubt the answer of Government departments to the charge of 'profiteering' would be that such profits as are realized go to the State. Merchants, on the other hand, see that trades which they have gradually developed are being taken away from them without compensation, and they contend that the public could be sufficiently safeguarded by the fixing of maximum prices, and the excess profit taxation of 80 per cent and heavy income tax."

In an article on dissatisfaction with State trading, the "Times" says:

"The attitude of merchants generally seems to be that the army of controllers, to the ranks of which there are such frequent additions, is now on its trial. It is understood that the London Chamber of Commerce is interesting itself in the matter. Statements

are being prepared by the various trade associations which will duly be examined and correlated. A full statement will then probably be submitted to the Government, and, if this is ineffective, a public meeting is likely to be called.

"The contention is, broadly, that, with the exception of the controllers of food and shipping, the need for whom is generally admitted, most of the appointments have not been advantageous to the country. It is maintained that the establishment of the numerous offices has caused very great expense to the nation, and that the action of controllers in general has caused a diminution of the supply of the various commodities without bringing about a reduction of prices. The merchant, as long as he is in business, is always ordering fresh stocks to replace what he sells. Venture succeeds venture. Are the Government officials showing the same initiative in securing supplies? Merchants are asking the question, and say they have absolutely no means of answering it."

DANGER OF SITUATION.

"Traders maintain that no Government should attempt what is described as the impossible task of regulating the world's commerce. Where the whole of the supply comes from within the United Kingdom, or even from within the British Empire, control is comparatively simple. Where, however, a large proportion is grown in foreign countries, the danger naturally exists that the supply may be diverted to markets which outbid by a fractional sum. When there is shown to be any combination to raise prices artificially or to hold back stocks, then Government action is alleged, admittedly required, but where the markets are entirely free, interference with the supply and demand might bring about a stoppage or reduction of supplies to this country."

"Undoubtedly the business of merchants has long been under the greatest disabilities. Some of these disabilities are not possible to remove."

"Business in war time cannot be carried on under natural conditions, and safeguards must be introduced. Still, an enormous amount of time is occupied in applying for licenses, filling up forms, and dealing with what are described as petty objections and obstructions, imposed by numerous officials who have had no commercial training."

"It may be that all this, control is absolutely necessary but traders argue that they would be lacking in their duty to themselves if they did not call for the fullest investigation. Firms of the highest standing have no objection to very heavy taxation—they know that the war has to be paid for—but they do object very strongly to the transfer of businesses which have taken generations to build up, into the hands of officials who feel that they are looked upon by Government sharply criticised. Rightly or wrongly, many merchants feel that they are looked upon by Government officials as suspected persons and 'profiteers'; and there is no doubt at all of the fight they intend to make for the resumption of their business on normal lines, subject to such control of prices as may be considered necessary. It is worth remembering that the firms have assumed obligations toward those of their staffs who are now serving with the forces, and, while business after business is being transferred to Government hands, their income derived from legitimate enterprise is ceasing."

WHEAT DISTRIBUTION.

The amount of wheat estimated by the Daily Trade Bulletin, marketed by farmers of the United States during the harvest year is about 620,000,000 bushels, and quantity used for seed about 80,000,000 bushels, making a consumption from the farms of 700,000,000 bushels. Official estimate of the crop was 640,000,000 bushels, and the amount on farms on July 1, 1916, about 74,000,000 bushels—a total of 714,000,000 bushels. This would indicate a farm supply on hand of about 14,000,000 bushels on July 1, 1917.

Mr. C. A. Magrath, Fuel Controller, urges economy in the use of coal, substituting wood and coke wherever possible. He also urges the laying in of fuel supply at the earliest possible moment by both domestic and industrial users of coal.

OFFICIAL CROP REPORT.

(Continued from page 3).

have worked favourably for all crops. Hay crops not fully recovered from drought in May, but grain and hoed crops are excellent. At the Scott Station crops were injured by both frost and drought. The total rainfall for June was less than one inch. Hay crops promise to be very light, and grain crops short in straw. Many vegetable gardens proving failures. At Indian Head the weather during June was warm and showery. Grain crops have made good progress.

ALBERTA.—The Provincial Department of Agriculture reports that the crop conditions during June were very encouraging. The first two weeks were cool, and the late sown crops appeared very backward. During the last two weeks the weather has been ideal over the whole province. Growing show-ers visited a large percentage of crop area, and heavy rains with warmer weather, where most needed. Slight frost and hail first part of month, none since. The Dominion Experimental Farm reports that at Lacombe the weather during June will average below normal temperature. Wheat 35, oats 24, barley 22 inches high. Hay prospects good. At Lethbridge the rainfall during June has been light, only about one-third of the average for the last fifteen years. All but late sown grain is in excellent condition, but in imperative need of immediate moisture. The total area in crop is greater than last year, the largest increase being in flax.

BRITISH COLUMBIA.—Agassiz: Most crops good, later than average, but earlier than last year. Invermere: Crops backward, but promise well. Root crops damaged by cutworms. Summerland: Apple crop 20 per cent. higher than last year. Grain making good growth. Hay good. Sidney: Hay crop about average, autumn cereals developing well, spring cereals, potatoes, roots and beans doing well. Orchard fruits, except cherries, abundant. Small fruits average, with strawberries excellent.

CANADIAN FAILURES FOR SECOND QUARTER, 1917.

Dun's Review now presents the Canadian failures for the second quarter of 1917. These disclose 248 commercial insolvencies, involving \$4,415,376, against 435 in the corresponding period of 1916 for \$6,524,500. Manufacturing defaults show a reduction in number of 46—from 105 to 59—and the liabilities fell from \$2,757,401 to \$1,725,839. Among traders there were only 171 reverses for \$1,986,826, as compared with 312 last year for \$3,553,499, while in the class embracing agents, brokers and other concerns not properly included in either manufacturing or trading 18 failures were reported, against the same number in 1916, but the indebtedness increased from \$213,600 to \$702,711.

BRITAIN'S FIGHTING FORCE.

Somewhat over 2,200,000 fighting men are maintained by Britain on the French front. This great total is exclusive of the Empire's strength in all other fields, such as Macedonia, Egypt, Palestine, Africa. In giving these and other interesting details in an address in New York, Lord Northcliffe declared that the word maintain meant that this huge body of men is kept up to fighting strength, the terrific drain of killed, wounded and sick being constantly replaced.

CANADIAN FAILURES FOR THE WEEK.

Failures in Canada last week numbered 17, against 14 the previous week, and 28 the corresponding week last year.

The last half of the ninth, with the score tied, two out and the bases full—and Uncle Sam is some pinch hitter.—Atta boy!—Boston Transcript.

When Billy Bennett applied for a job as office boy he produced testimonials from two clergymen who knew him well. But the hard-hearted business man was not particularly impressed by them.

"We don't want you on Sundays, my lad," he said. "Haven't you a reference from somebody who knows you on week days?"—New York Times.