CANADA PACKERS LIMITED

REPORT TO SHAREHOLDERS

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HOGS

As a Hog producer, Canada's position is fundamentally different from that in respect of Cattle. For Canada can produce Bacon Hogs as cheaply as any other country, and therefore can meet all comers in the world markets. As in the case of Beef, the chief open market is Great Britain.

The end of the war finds Canada the chief producer of Bacon type Hogs. In 1944, Canadian production was probably equal to that of all other countries combined.

In the past, Canada's position on the British Bacon market has been a subsidiary one. The leading position was held by Denmark. In the immediate pre-war period Denmark shipped to Great Britain approximately double the quantity shipped by Canada, and received a price approximately 8 shillings per cwt. higher than that paid for Canadian Bacon.

The responsibility for this situation lay entirely with Canada.

Canadian Bacon was inferior in quality to Danish.

And Canadian shipments were irregular.

Three conditions are necessary if Canada, in the post-war period, is to retain first position on the British market.

1. Shipments must be in substantial quantity, — at least 400,000,000 lbs. yearly.
2. These shipments must be in even weekly volume, — i.e. approximately 8,000,000 lbs. per week.
3. Above all, the Bacon must be at least equal in quality to Bacon from any other source.

In the British Bacon market, the war has presented to Canada an opportunity she never had before. When (in 1940) Danish and other Continental shipments to Great Britain were cut off, an appeal was made to the Canadian Farmer to fill this gap. His response was such that Canadian exports were stepped up from 186,000,000 lbs. in 1939 to, —

1940 - - - - - - -	344,000,000 lbs.
1941 - - - - - - -	461,000,000 lbs.
1942 - - - - - - -	525,000,000 lbs.
1943 - - - - - - -	560,000,000 lbs.
1944 - - - - - - -	692,000,000 lbs.

To-day, Canada stands first as the source of Bacon for the British market.

But she can retain that position only upon the three conditions mentioned above. And it is imperative that Canada begin at once to put herself in a position to fulfil those conditions.

Fortunately, she may have the benefit of a period of grace. For Danish Bacon will probably not come to Great Britain for a period of many months, as it will be urgently needed on the Continent.

It is unfortunate that at this juncture deliveries of Hogs in Canada are light. For the first seven months of 1945 (January to July, inclusive), Hogs processed at inspected plants have

totalled - - - - - - - - - -	3,624,499
The corresponding number for 1944 was - -	5,648,956
A decrease of - - - - - - - -	2,024,457
or 35.8 per cent.	

This decrease has been due chiefly to shortage of manpower on the farms. That shortage is likely to be relieved within the next four or five months. The breeding season for Hogs is now at hand. Farmers can feel reasonably sure that by farrowing time of Hogs bred now, the acute labour shortage will be past.

Canada cannot export 8 million pounds of Bacon weekly unless breedings are stepped up at once. In Ontario and Quebec the prospect for breedings is encouraging. For in these Provinces a good feed crop seems assured.

However, the key area is the West. If Canada is to produce the essential numbers of Hogs, most of them must come from the Prairie Provinces. Unfortunately, the crop on the Prairies is not encouraging. Certain areas will be short of feed.

It is important that those farmers who have feed should understand the issues at stake. To hold first place on the British Bacon market is the key objective in Canadian agricultural policy. A consideration of the basic facts makes this clear.

Canada produces, and must continue to produce, a large total surplus of farm products. That surplus must be sold abroad. It follows, therefore, that the surplus should be converted into those products in which Canada can compete in the open markets of the world. Of these, the two chief products are Wheat and Bacon. In respect of Wheat, Canada's position is assured. She produces the highest grade Wheat and her cost of production is competitive.

However, if Canada's agricultural surplus were produced mostly in the form of Wheat, world markets could not absorb it. That became clear in 1929. Therefore, another large surplus outlet is necessary. The only other world product which Canada can produce in competition with all comers is Bacon.

For the first time in her history, Canada holds first position in the great open market for Bacon — viz. Great Britain. But Canada cannot retain that position unless she contrives to ship approximately 8 million pounds of Bacon weekly. If she succeeds in holding first place as a Wheat exporter (which she can) and at the same time in retaining her present position in the British Bacon market, Canada will have an assured outlet for her total farm surplus.

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These are the facts which make it so important to increase Hog breedings during the coming months, — particularly in Western Canada.

A further fact is of almost equal importance. The maintenance of Bacon shipments at the 8 million pound (weekly) level would in itself become an invaluable aid to cattle prices. For such a scale of Bacon exports, by reducing the quantities of Pork product available in Canada, would thereby increase domestic demand for Beef.

In this report, it has already been pointed out that a high domestic demand is the chief prop to Cattle prices in Canada.

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The Directors feel that reference must be made in this Report to the recent strike of Canada Packers' employees. The Report goes to the printers in advance of the arbitration hearings. Therefore, comment must be confined to non-controversial aspects of the incident.

The strike began at Toronto on July 17th with a walkout of a group of the Cattle Killing Division. On one point there is no dispute. This walkout was in contravention of the agreement between the Company and the Union. Had the grievance procedure been invoked at once, the point at issue would have been settled without difficulty.

It happened that the National Officers of the Union were not immediately available, and by reason of the delay, a secondary point of controversy intervened. This secondary issue is to be dealt with by the Arbitration Tribunal, and cannot here be discussed. On this secondary issue all the employees of the Company's Toronto plants walked out.

Later, employees at the Peterborough, Winnipeg, Edmonton, and Vancouver plants declared sympathetic strikes. In each case the sympathetic strike was called without any discussion as to the right or wrong of the points at issue at Toronto. The dispute was threatening to spread almost to the whole Packing Industry of Canada when The Honourable Charles Daley, Minister of Labour for Ontario, suggested a plan of arbitration to which both the Union and Company agreed.

The Company concedes without reserve the right of employees to be represented by the Union of their choice. Also, that an obligation rests upon the Company to take all reasonable steps towards co-operation with the Union. When difficulties arise, which from time to time are inevitable, the Company pledges itself immediately to invoke the various steps of grievance procedure, and to implement promptly the decisions arrived at. Such action will not avoid a sudden flare-up, unless the Union is also able and willing similarly to invoke the grievance procedure step by step, and to enforce upon its members the decisions arrived at.

The fact that an incident, which should have been adjusted in a half-hour, blew up into a strike which threatened to close most of the packing plants in Canada, suggests that more clear-cut safeguards should exist for quick and sure adjustment of disputes. It is hoped the pending arbitration proceedings will result in the adoption of such safeguards.

The strike cost the Company approximately $300,000.00.

Loss of wages to employees was approximately $165,000.00.

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The Company has continued its policy of distributing to employees of all ranks, a substantial portion of its profits.

The Bonus distributed for the year under review was - - - - - - - -	$1,060,000.00
Dividends to Shareholders were - - -	$ 900,000.00
Total Bonuses distributed in the last ten years have been - - - - - - -	$6,168,000.00
Dividends to Shareholders in the same period	$7,400,000,00

J. S. McLean,
President.

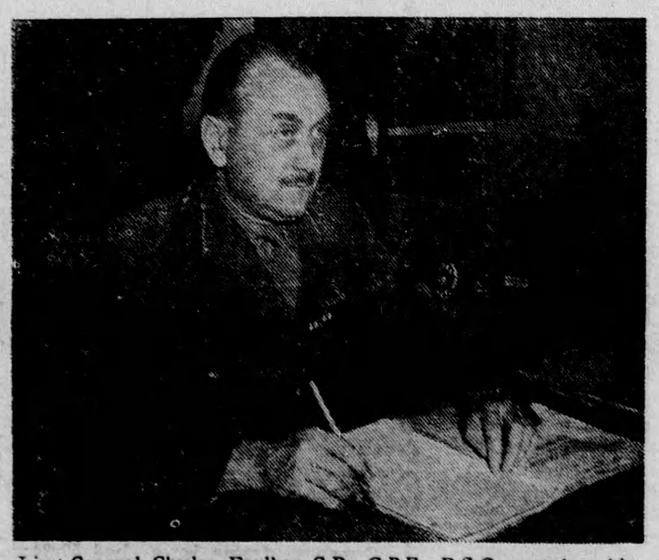
Toronto, August 10th, 1945.

Extra copies of this Report are available, and so long as they last will be mailed to anyone requesting them. Address to Canada Packers Limited, Toronto.

AND SHE INSISTS ON BUTTER!

This is Baby. Baby is a Siamese cat who lives in Chicago. Baby likes corn on the cob, preferably Golden Bantam, with lots of butter. She sneers at milk and cream and fish. She loves fried chicken or beef. Mice? Don't be common.

NEW CHIEF OF GENERAL STAFF



Lieut-General Charles Foulkes, C.B., C.B.E., D.S.O., seated at his desk ready to assume the duties of his new appointment as Chief of the General Staff. Gen. Foulkes, who commanded the First Canadian Corps in Italy and Holland, succeeds Lieut-General J. C. Murchie.

LEADERS IN SOVIETS' 'POSTWAR WAR'

Two of the Soviet's key commanders who fought Japs in Manchuria and Korea long after Hirohito announced Japan's surrender, are pictured above. Marshal K. A. Meretskov, left, directed the First Far Eastern Army in Korea. Marshal Rodion Malinovsky, right, led the Russian Trans-Baikal Army in a drive from Mongolia toward the vital Manchurian war centres of Harbin and Mukden.

FRENCH LEADER REMEMBERS WAR DEAD

General Charles de Gaulle, Chief of the Provisional French Government, placed a wreath at the base of the National War Memorial during a State visit to Ottawa last week. He was a guest of the Governor General during his stay in Canada's Capital.

DE GAULLE DECORATES CHIEF OF STAFF

Lieut.-General Charles Foulkes, CB., CBE., DSO., Chief of the General Staff, Canadian Army, was decorated with two of France's highest awards, the Legion of Honor and the Croix de Guerre with Palm by General Charles de Gaulle, Chief of the Provisional French Government at a ceremony at the French Embassy, Ottawa. General Foulkes commanded the First Canadian Corps in Italy and Holland.

SPANISH ASPIRANT

Dr. Jose Giral, above, is premier of the newly formed Spanish Republican Government-in-Exile at Mexico City. Appointed by provisional president Diego Martinez Barrio, he replaces Dr. Juan Negrin.

JOYFUL ACCLAIM greets the hostess who serves delicious, stimulating Maxwell House Coffee. Available at your grocer's in an All Purpose Grind that suits any type of coffee maker.

Look out for Trouble from Sluggish KIDNEYS

Try the Original "Dutch Drops"

It is poisonous waste that your kidneys should be filtering out of your blood that may cause backache, dizzy spells, leg cramps, restless, sleep-broken nights, and smarting and burning. For relief use the remedy that has won the grateful thanks of thousands for many years—GOLD MEDAL Haarlem Oil Capsules.

This effective diuretic and kidney stimulant is the original and genuine Dutch Drops in carefully measured amounts in tasteless Capsules. It is one of the most favorably known remedies for relieving congested kidneys and irritated bladder. It works swiftly, helping the delicate filters of your kidneys to purify the blood.

Be sure you get the original and genuine—packed in Canada. Insist on getting GOLD MEDAL Haarlem Oil Capsules. 40c at your druggists.