

Nine and a balf years after the end of the Civil War—that conflict which was the prehade to World War Two—Spain remains the cita-del of fascism in Europe. Under Generalissimo Franco the state is supreme, and there is no freedom of press or of speech. With the sole exception of the Fascist Falange, all political parties are suppressed, even outlawed. There is said to be ment, but there are few evidence that it amounts to very much.

Only once, in all that period, have the Spaniards been allowed to go to the polls. That was in July, las year, when they were asked to vote "yes" or "no" to a question as to whether they approved of a law which formally made Franco the "chief of state", and setting up machinery by which his successor wi be chosen, at some distant day. The "yes" votes numbered some twelve and a half million as compared to

But just a week or so ago the Cabinet ordered another election to take place early in November, and there has been cosiderable speculation in other nations as to just what Franco is up to. The general feel-ing is that the Spanish Dictator mants to put on at least a show of democracy. First, because it might give Spain a better chance to get a helping of the European Recovery Program "gravy"; and second, be cause Franco desires to make it more difficult for the United Nations General Assembly to put the Spanish question at its coming

But in spite of the fact thatapparently—the Spanish voters will be offered a free choice, it seems comes they will cast their ballot

The United States

The Presidential campaign is beginning to warm up in real earnest, with both President Truman and Governor Dewey starting off on their first major speaking tours; and it would take a calculating machine of the latest model to even begin to figure the amount of oratory that will be spilled between now and "the first Tuesday after the first Monday in November"—the day of the balloting.

at the White House, received some good news in the form of pledges from important labor leaders that, in spite of past differences, organ-ized labor's heads were for the Democratic party. By a vote of 35 to 12 the CIO executive committee came out for the Truman-Barkley combination; and the president of the Brotherhood of Railroad and Steamship Clerks told the President that leaders of 7 million out of 8 million AFL members would work

It seems certain that two issues will play a large part in the Republican campaign — the presence of Communists in high places at Washington, and the high cost of living. Two months ago it appeared as i Dewey would win handily; but right now it seems as though he has a real battle on his hands, and the gam-blers who were offering juicy odds against the President going in again Wallace-to continue the race-track up to a dizzy fifth position. flavor—appears to be running mere-ly for exercise, although there is no loubt that Henry doesn't think so, or if he does, conceals his real feelings very well.

Russia

Without any pretensions of understanding the devious workings of the official Russian mind, I imagine Messrs. Stalin, Vishinsky and the rest of them must have feelings simlar to those of the disappoin Irish gentleman who-lusting for battle-couldn't find anybody to oblige. "Just what in blazes," said does a man have to do to start a fight in this town anyway?"

Not long ago German Communists-with the assistance of Russian military—invaded the British sector of Berlin, smashed the legally electviolence forced its dispersal. They also broke into the offices of the Secretariat of United States Liaison officers, after surrounding the City Hall with cordons of armed soldiers commanded by a Soviet General and forced the Americans to delive over to them Western police officers who were supposed to be under Uncle Sam's protection, marching them off each handcuffed between two Russian zone detectives.

The Americans didn't put up even show of a fight. The arrested men were carried away, tied to seats in a truck under a spotlight played of them by Soviet soldiers who were following. In aswer to official pro tests a Russian Major insolently replied that the Americans had been narboring criminals.



Whatever Goes Up Must Come Down-and Jockey J. Schweitzer is probably wondering whether the falling will be hard or soft as he suddenly finds that he has no horse under him during a recent steeplechase at Aqueduct race track. The unseated rider made a good landing and walked away under his own

the same thing as attempting to follow, and write about, the French political scene. "By the time your stuff gets into print," a colleagu who writes comments on world events puts it, "you're liable to find yourself about three Parisian crises and two new French cabinets behind what's been happening."

Anyway, at the present moment the two Boston teams are still lead-ing their respective loops — by about the width of a gnat's eyebrow —and please do not forget who pre-dicted, before the season started, an all-Beantown World Series. And if the Braves should get in, everybody and his brother will be recalling the great days of George Stallings'
"Miracle Team", so why not us?

It was late in the season of 1912 that the owner of the Braves hired, as manager, one George Stallings; and if you imagine that guys such as Leo Durocher are hard fighters who will battle till the last out and even after, we might tell you that they are sissies as compared to the same Mr. Stallings, as he was in the

The Braves, when Stallings took

over, were about the most hopelesslooking aggregation that ever appeared in Big League uniforms.
George immediately started using the pruning-knife, with mighty sweeps and no regard for hurt feelings; and when the 1913 season began there were only four of the previous crop left—"Rabbit" Maranville, George "Lefty" Tyler, Otto Hess and Hank Gowdy. Stallings used something like fifty different players that year, shifting his men like one of these chess experts playing twenty or thirty games simultaneously. When the campaign was over the Braves, much to every-body's surprise, had struggled from

the cellar of the National League play it in. Dicky Rudolph pitched the morn-

By the time the 1914 race began Stallings had added to the line-up the one and only Johnny Evers-one-time key-man in the Tinker-toscrapper of high degree who was installed as second basemen and field captain. But in spite of this the Braves started off distinctly "on the limp" winning but four or the r irst twenty-two games.

In baseball they have a belief that the team on top when the Fourth of July rolls around is very liable to cop the pennant. On July Fourth, 1914, the New York Giants were in first place, with a fifteengame lead over the Braves, who were last. Then, all of a sudden,



Trying to keep tab on the major things began to happen, and on July league baseball situation is about 19th the Braves climbed from eighth

Then, when they had ascended to Braves fell into such a hitting slump that only the work of one of the most remarkable pitching staffs in history kept them from dropping long a favorite with Toronto fans, Bill James and "Lefty" Tyler. Stallings worked them in order, with only two days or less of rest How well the trio did their duty is seen by the fact that for fifteen consecutive games they held the opposition to an average of one run per

The measures the Braves had to take in order to win games sometimes reached the point of desperanoon when, in a late inning of a scoreless tie affair, they somehow managed to fill the bases on Babe Adams of Pittsburgh, Little Maran. lings ordered him to get on, no matter how. So "The Rabbit" simp-ly stuck out his head and allowed himself to be conked by one of

. . .

Maranville dropped to the ground like a steer hit with a sledge. Umpire Moran, working behind the plate, viewed the prostrate figure with deep suspicion. "If you can walk to first base," he finally said,
"I'll let you get away with it." So steadily to the initial sack, forcing in what proved to be the only run

of the game. By Labor Day the Braves were tied, with the Giants for first place; and with a morning afternoon New Yorkers, the demand for tickets was so great that they borrowed Fenway Park—home of their American League rivals, the Red Sox, and holding far more people-to

ing game, against the immortal Christy Mathewson, and when the Braves came from behind with two 4 they were in first place. But that afternoon Jeff Tesreau out-pitched Tyler, and the race was all knotted up again. Then, the follow-ing day Bill James tossed a dazzling three-hitter, which was more than "Rube" Marquard, for the Giants, could match. Once more The Miracle Team was on top, and this time to stay. The dazed Giants, still not realizing that it was all too true, practically chucked it. When the season ended Mr. Stallings, unbeievable Braves were peni

* * * We have no space to tell how the perts, who almost unanimously said that they should be charged admission to get into the same park with swept the World's Series in four straight games. But they were quite an outfit, that team which George Stallings patched together with mending tape, rusty nails and bits of hoopiron; and if their 1948 successors — supposing they stagger into this year's classic—can only show anything like the same color and action, it should be quite a Series, and no fooling.

ners by no less than ten and a hal

ISSUE 39 - 1948

Canada Climbing Out Of "Fools' Paradise"

Despite its prosperity, its living | how so few people have accomplish-standard and its basic wealth, Can-ed so much This I cannot prove by ada is in crisis. This is always a healthy place for Canada to be in. Canada was created by crisis, it won its independence in crisis, its great-est years of progress were the years of crisis in two world wars. Long ife, which flows across its southern frontier, it must now seek its own clear, cold lifesprings on the north-ern slope of the planet There it has

This curious national organism, one of the few points of stability on the map, is being hardened and tem pered already by the phases of its trial. It is following its own in tincts. It is contriving its own methods of cure. It is remodeling its economy. It is re-shaping its society. Sooner than its neighbor it is climbing out of the postwar fools'

come through the trial stronger than ever and in a few years, as during the war, the United States will ask

Father of Six Rescues **Boy from Trent Canal WINS DOW AWARD**



OF LAKEFIELD, ONTARIO,

nothing . . . and then, suddenly, he noticed a few bubbles rising

ne noticed a few bubbles rising to the surface.

Immediately Hill dove into 17 feet of murky water. Swimming to the bottom of the canal he found a bicycle. A leaking air valve had caused the bubbles ... and Hill was certain that the rider must be somewhere near. Coming to the surface for air, the rescuer made two more dives to the bottom. Despite the heavy undertow from a nearby power dam, he finally located the unconscious body of a 12-year-old boy and brought him to the surface. Eight feet of bare cement wall faced the rescuer ... so he began the slow, difficult swim to the canal entrance. Luckily, help arrived within a few minutes ... and soon the boy was in the hands of a doctor.

That young boy is alive and

That young boy is alive and well today due to the bravery and cool efforts of D'Arcy Hill of Lakefield, Ont. We are proud to pay him tribute through the presentation of The Draw

---THE DOW AWARD is a citation for outstanding hero-ism and includes, as a tangible expression of appreciation, a \$100 Canada Savings Bond Winners are selected by the Dow Award Committee, a group of editors of leading Canadian newspapers.

DOW'ST WEST - MONISSAL



brings' unconscious youngster to surface after diving three times At his home in Lakefield, near Peterboro, Ontario, D'Arcy Hill had just started to remove his work clothes when a shrill cry, coming from the direction of the Otonabee River, pierced the air. Dashing 300 yards down the wooded path, he came to the sheer, cement-walled bank of the barge canal. At first he could see nothing...... and then, suddenly.

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—By Brace Hutchinson in The American Mercury.

Catching Up

The American Mercury.

Catching Up

The population of New York City may soon overtake that of London. The latest estimate of New York's residents, made by the city's health Department, places the figure at \$,067,000, the first time it has gone above the eight million mark. The United States Burcau of the Census countred 7,454,959 New Yorkers in 1940. The latest available population flagure for Greater London, however, covers 677 square miles, will work to 1940 New York's area is 365 square miles.

PULLETS

WENGE to Grant London is \$,665,000. The latest available population figure for Greater London, however, covers 677 square miles, will work to 1940 New York's area is 365 square miles.

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WENGE States Burcau of the Census countred 7,454,959 New Yorks's miles of the control of

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REG'LAR FELLERS-Crash Award

By GENE BYRNES



feet of dark, murky canal water.





New Cars to Give Greater Gas-Mileage

From Detroit comes word that about a dozen model cars will appear during the next four or five months and in every instance eye-appeal will receive as much emphasis as mechanical change.

The mechanical changes as a matter of fact will be relatively few. In most cases the manufacturers will claim improved gasoline mileage. Whether the motor-

ist gets it will depend upon a rar-iety of factors including type of fuel used, adjustment and condit-ions of driving.

Charles F. Kettering, famous engineering consultant has demon-strated that an engine can be built giving 12.5-to-1 but it requires a high quality fuel not likely to be available for a long time. By the claims of the manufac-turer, present standard size auto-mobiles yield from 15 to more than 25 miles to a gallon of gaso-line "at reasonable speeds." To this a lot of car owners will say "I don't get nine miles to the gal-lon." It probably should be noted the high mileages claimed by some car makers are those achieved on trunk line highways with few

Few motorists get more nine or 10 miles from a gallon of fuel in big city driving with frequent stops and starts. Automotive engineers agree the average motorist gets less that half the potential mileage contained in a gallon of gasoline Much is burned up without yield ng combustion and a lot of power

Extensive research by two expert engineers indicates the average pres ent day engine converts only ? to 25 per cent of the chemical er ergy of a gallon of gasoline into mechanical energy.



Forms Cabinet-Henri Queuille a French coalition Cabinet.

A Sports Outrage And Its Sequel

There are many who will remempapers last Fall regarding the six United States "sportsmen" who visited Quebec and killed speckled trout to the extent of at least double the legal limit; and also behind a big rack from which were hung the fish, ranging from 2½ pounds up to 6½ pounds. It was an incident which caused considerable indignation, and it is interesting to learn that these "game hogs" got at least part of what
was coming to them. In an article
published in Rod & Gun in Canada,
I. LeChasseur tells just what happened, as follows:

"Several friends sent me clippings

enough to be able to secure print of the original. I also talked over the phone with one of the six men who was still glowing with information I needed except the exact location and the name of the lake, but this was pretty easy to figure out. turned over this information to Charles Fremont, K.C., Super-intendent of Game and Fisheries for the Province of Quebec, and he and his staff a few weeks age wrote the final chapter to the suc cess story. It was inevitable, o course that the six men should return to the scene of so grea a triumph. When they arrived in the vicinity of Lake St. Thomas, near the Rat River in the fishing and hunting leasehold of Arthur McKenzie, of Au Rabasca, Game Warden Georges Bonin swooped down upon them with two light amphibian planes Confronted with the facts of the 1947 crime, they paid an aggregate of \$726.15 in nes and costs."

And now we come to think i over, probably "SERVED 'EM TOLLY WELL RIGHT" would would have been a better heading for this item than the one we have

CANADA PACKERS LIMITED REPORT TO SHAREHOLDERS

\$1,049,833

The twenty-first fiscal year of Canada Packers Limited closed March 31st, 1948. Dollar Sales, a new high, were - - - \$238,454,037 (A) Tonnage-weight of product sold,-was - 1,447,725,661 lbs. (B) Net Profit,-after Depreciation, Taxes and Inventory Reserve,—(also a new high) \$2,182300 (C) Net Profit in relation to Sales,—(C to A),—is 9/10 of 1 per cent. Net Profit in relation to Tonnage, (C to B), is 15c per 100 lbs., otherwise 1/7c per lb. The following is a comparison of this year's Profit and Loss Statement with those of the two previous years. 1948 Dollar Sales ---- \$238,000,000 \$204,000,000 \$209,000,000 Out of each Sales Dollar there was paid:-For Raw Materials,— chiefly Live Stock and other farm products 81.37c For Wages plus Salaries For Services.—General 4.13 4.38 4:25 Expenses - - - - - - For Materials and 3.76 Packages -----For Taxes,—Municipal,
Provincial, plus Federal 3.12 -4.06 For Inventory Reserve -For Depreciation on Fixed .42 Assets - - - - - -99.16e 99.11c 99.03c Remainder,-Profit from Operations - - - - -Plus Income from Invest-.02 ments, etc. - - - -Total Net Profit for the year on each dollar of Sales .91c The products handled by the Company fall into four groups-

LIVE STOCK PRODUCTS, com-prising products derived from-live animals:— Meats,-Beef, Veal, Pork, Lamb and Mutton; By-Products,—Hides, Skins, Tallow, Bones, Tankage, etc. Tonnage of this group - 467,879,272 lbs , Profit from this group - - - - - Profit per 100 lbs. - - - 224c OTHER FARM PRODUCTS. comprising,—
Butter, Eggs, Cheese, Poultry,
Fruits, Vegetables, etc.
Tonnage of this group - 241,899,777 lbs. Profit from this group - - - \$644,013 Profit per 100 lbs. - 26.6c NON-FARM PRODUCTS, Edible Oils, Shortening, Soap, Fish, Fertilizers, Stock Fish, Fer Foods, etc. Tonnage of this group - 658,548,607 lbs.
Profit from this group
Profit per 100 lbs. - - 13.1c

smiles in Paris after telling reporters he accepted Presi dent Auriol's request to form a

Profit from the four groups - - - - \$2,754,916 Profit on Group No. 2 includes an unusual profit on Storage Butter, viz. - - - - - 625,968 This item has been set up in toto as an inventory reserve.

Net Profit after setting up this inventory reserve - \$2,128,948

Profit from Investments - 53,352 The outstanding feature of the year was the spectacular advance in the price of all foods, especially live stock and live stock products.
The measure of these advances is shown in the following table which sets up average prices of foods in Canada (in each case the average for the month of July) for the following periods:— (1) The six pre-war years, 1934/39

MANUFACTURING, comprising,-

Canned Meats, Canned Fruits and Vegetables, and

Tonnage of this group - 79,398,005 lbs.
Profit from this group - - - \$198,046
Profit per 100 lbs. - - 24.9c

(3) The three years since the war,—1946, 1947, 1948.

Average Average
July July
price price
1934-39 1940-45 July. 1946 July 1947 Good Steers, live, Toronto, per lb. - 6.07c 10.70c 13.22c 14.47c 21.01e Hogs. B-l dressed, Toronto, per lb. - 13.20 16.65 21.87 22.98 31.88 6.07c 10.70c 13.22c 14.47c 21.01e Lambs, live, Toronto, 9.55 14.84 16.91 17.21 22.75 Eggs, 'A' large, Toronto, per doz. - 23.75 34.50 46.00 39.75 52.00 Creamery Butter, Toronto, per lb. - - 21.12 35.60 47.90 50.50 67.37 Cheese, f.o.b. Factory,
Ontario, per lb. - 12.60 20.50 26.00 28.00 33.87
Vegetable Oil, refined, 6.90 14.65 16.40 41.10 30.50 Toronto, per lb. -Wheat, No. 1 Northern. Fort. William, per bushel - - - Oats, No. 2 C.W., 92.75 97.75 135.00 155.00 155.00 Fort V William, per 42.37 51.12 61.50 65.00 88.25 larley, No. 1 Feed, William, per el - - 46.00 63.75 84.75 93.00 120.50

NOTE: On certain products subsidies have been paid by Governments,—Federal and Provincial. The prices appearing above include all subsidies, except in the case of Wheat which is shown at Board price. The Wheat Board will make a participation payment (the amount of which is not now known) covering the five crop years ending July 1950.

As between July 1939 and July 1948, the live stock products listed in the above table show the following percentages of Steers - - - 223% Eggs - - - 62% Hogs - - - 157% Creamery Butter - 217% Lambs - - - 123% Cheese - - - 151%

In contrast to the above, the average advance of all wholesale prices from July 1939 to July 1948 is 110%t must be remembered that in 1939 live stock prices were low n relation to other products. It was to be expected that the advance in live stock products would be greater than the average for all products. Nevertheless, the phenomenal advances recorded above inevitably give rise to the following queries:—

1. Is the present level of live stock prices likely to be maintained?

NOTE: If the embargo on shipments to the United States is
lifted, the immediate prospect is for still higher prices.

2. If, finally, there is to be a recession, will that recession be

gradual or 'vertical'?

NOTE: Following World War I, prices continued to advance for a period of eighteen months after Armistice Day (November 1918 to July 1920). Then a violent collapse of prices set in.

3. If and when the decline comes, at what (approximate) level are prices likely to be ultimately stabilized?

NOTE: At least one prediction seems safe,—viz. that prices of live stock products will not again sink to the levels of the 1930's. This for two reasons:—

(a) that prices in the 1930's were abnormally low;
(b) that the post-war dollar is equivalent to pre-war 50.60°.

All three of the above questions are of the utmost importance to live stock producers and processors. But,—except for the inserted notes,—no one as yet has the answers. At the present time complicated and unpredictable political factors seem to count almost as heavily as the purely economic

elements of the problem. One fundamental factor at some time will come into play. The One fundamental factor at some time will come into play. The world's food is produced from year to year. At any one time, whether food supplies are sufficient depends upon the last crop. In a period of short supply, people go hungry. But if a bountiful crop follows, the hunger does not carry over. After a few days (possibly weeks) of heavy eating, famished appetites are reduced to normal appetites. Then the increased food supply will tend to bring prices back to normal (that is, normal as established by the new conditions).

The crop now being harvested in the Northern Hemisphere is a bountiful (perhaps a record) one. This may prove to be the year when mounting food prices will turn downward.

Mention has already been made that net profit was the highest in the Company's history. The record profit of the year is accounted for by the record advance in price (within the year) of most of the products handled by the Company. In addition to the normal operating profit an 'inventory' profit accrued from the advancing prices. On January 2nd, 1948, the Canadian Meat Board announced as

advance in the contract price of Wiltshire Bacon (to U.K.) of 7c per lb. This advance was immediately reflected in corresponding advances in the price of Hogs and of domestic Porkproducts. products.

These advances (in domestic Pork products) led to widespread protests from housewives' associations, which in turn led to the appointment of a Select Committee of the House of Commons, enjoined to examine into the causes of the advancing cost

The extent to which packinghouse costs, and particularly packinghouse profits, enter into these advancing food prices was a natural subject of investigation by this Committee Packers natural subject of investigation by this Committee. Packers were asked for voluminous reports covering operations of the Industry over a period of thirteen years.

The scope of the present Report does not permit a lengthy analysis of the data submitted, but the essenial facts revealed

may be summarized as follows:-

 That over a period of thirteen years (1936 to 1948, inclusive) the average net profit of the Packing Industry was 1/7 of 1c per lb. of product sold.
 That the highest profit in any one year was 1/5 of 1c per lb. of product sold.
 That is the period. 1b. of product sold.
3. That in the rapidly advancing costs of meat, packinghouse profits have played no part. Within the three-year period 1946 to 1948, the retail price of major Beef cuts advanced approximately 20c per lb., and Pork cuts approximately 19c per lb., whereas packinghouse profits in the same three years had been respectively 1/12c, 1/7c and 1/7c per lb.f
4. If the Packing Industry had made no profit whatever, the relief to the consumer could not have been noticed.

5. The advance in meat prices was due entirely to advancing costs of live stock. These advances were brought about by conditions of supply and demand. Packers do not and can not influence either supply or demand, and therefore have no part in determining the general level of live

stock prices.
For instance, during the depression of the early 1930's, packers could do nothing to advance prices. They were able to pay for the live stock only what they were able to get back for the meats (and by-products) .-Conversely, at the present time packers can do nothing to alleviate the high costs of meats, which are due to a world

shortage of all foods, especially live stock -6. The operations of the Packing Industry, both in buying and selling, are carried on under conditions of keen and

constant competition.

The live stock which is the packer's raw material is purchased upon the various markets throughout Canada. On each market numerous packer buyers compete for the live stock. The producer is represented by a commission man The commission man is an expert judge of live stock, and ... his job is to get the highest possible price for the animals consigned to him for sale. That he is competent to do this is evidenced by the speed at which prices are forced up when supplies are short of demand. (Example,-Withi a period of four weeks -- between May 8th and June 8th 8,—the price of Cattle in Canada was forced up 4 to \$ cents per lb.) After processing the live stock, the packer sells the meats to the retail butcher. Here again the transaction is one in

which the keenest competition prevails. Each retailer is called upon each week by many packer salesmen, and the retailer naturally trades down each salesman against the others. In the end the retailer divides his order amongst several salesmen, selecting from each those products for which his prices are lowest, value considered. The fact is not generally realized that there are no esta-blished prices either for live stock or for meats. Each purchase and each sale is a separate 'bargain',-in which the buyer and seller compete, the one to reduce the price

a fraction, and the other to advance it a fraction. It is this keen and continuous 'bargaining' which explains

*The 'tenort was in the printer's hands before the embargo was lifted †The figures quoted are from the submission of Canada Packers.

the small percentage of profit upon which the Industry is carried on. This small percentage upon sales, however, does not mean that the Industry is necessarily unprofitable. In the year under review, expital was turned over approximately eight times, so that a profit of 91 per cent on sales yielded a return of aproximately 73 per cent upon capital. However, the small margin of profit does enforce efficiency. While a profit of 1 per cent on sales yields an adequate return on capital, a loss of 1 per cent, if continued, means ruin. The record of the Packing Industry in Canada. is strewn with the wrecks of companies which failed to keep pace with competitors, by this narrow margin.

LABOUR RELATIONS

In spite of the fact that a strike lasting six weeks, occurred within the year under review, Directors are pleased to report that in the main relations with Employees are cordial and co-

operative.

The Company Officers feel that the strike was the result of a unwise method of negotiation (on the part of the Union) which had been followed for four successive years.

That method was the introduction of a strike threat at an early

stage each time a new agreement was under negotiation. This comment is made, not by way of recrimination, but solely in the hope that a better method may be permanently established. Discussions with the Union are at point of completion as this Report is being written, and there are good reasons to believe that foundations of such a method have been laid. In the discussions, an increase of 9.6% in wage rates has been agreed upon.

No absolute standard has been devised by which to determine

just what wage rates should be in any industry. But two criteri are commonly used:—
1. How do increases in wage rates compare with increases in

living costs?

2. How do present rates compare with present rates in other The following tables apply these criteria to the rates of Canada Packers:-

1. Comparison with Increased Living Costs

Present rates (including the increase of 9.6 per cent) and those of 1939 are as follows:— 1948 1939 Average rate, men - - 50.8c 108-4c

113.8% 147.6% 115.0% Average rate, women - 32.8 Combined average rate - 48.1 81.2 103.4 In August 1939, the Dominion Cost of Living Index stood at 100.8. It now stands (July 1948) at 1569, an increase of 56.1 points, or The increase in rates is thus more than double the

increase in the Cost of Living. However, this excess percentage (wages over cost of living) does not represent an equivalent increase in purchasing power. Corrections must be made for advanced Income Tax rates (modified by Family Allowance payments) and for considerably shorter working hours. When all corrections are made, the increase in actual purchasing power of all hourly rated employees of the Company works out at an average of at least -

Comparison with Rates Paid in Other Industries. Comparison of packinghouse average rates with those of Canadian Industry generally is possible by reference to a report published monthly by the Dominion Bureau of Statistics.* That report includes wages of men and women, up to and including foremen. Besides regular earnings, it includes such additional income as overtime premiums, hight work premiums, and incentive bonuses. By this standard Canada Packers' average rate (including the 9.6 per cent increase just granted) compares with

others as follows:—
Canada Packers Limited - - \$1.101 per hour Meat Industry (as a whole) - .954 " "

All Manufacturing - .906 " "

Canada Packers' rate is thus higher than: The Meat Industry (as a whole) by - 15.4%

The average of All Manufacturing in

During the year a plan has been worked out between the Company and Employees whereby through joint contribution, comprehensive protection in time of illness is provided. The pro-

Medical attention and medicines; Hospitalization for Employees and their dependents; Surgical expenses up to \$200.00; Funeral Benefit of \$100.00:

Weekly Indemnities in sickness of \$21.00 for men and \$16.00 for women, continuing according to length of service up to 52 A Group Life Insurance Plan to which the Company contributes has been in effect since 1940. Each Employee irrespective of age can insure for \$2,000 for a premium of \$5.20 per \$1,000 per

year. For male Employees this Insurance is compulsory,-for PROFIT SHARING Canada Packers was formed in 1927.

For eight years no dividends were paid on the Common Shares-In 1935, dividends on the Common Shares were begun. In the same year the profit-sharing plan of the Company was The policy of the Company is to maintain regular salaries and wages at a level equivalent to the highest paid elsewhere in the

Industry.

If profits permit, a further payment, by way of bonus, is made to each Employee at the end of the fiscal year.

The profit-sharing plan is not contractual. The sum to be paid in bonuses is determined by the Directors, and is based upon the earnings of the Company for the year.

This year, in view of the record profits, a record sum was allot ted,— viz. \$1,500,000.

Net Profit before bonus was - - - \$3,682,300 Paid to Employees, as bonus - - - 1,500,000 Net Profit available for Shareholders - \$2,182,300

Distribution of profits for the year under review has been as

This sum is equivalent to 9/10 of 1 per cent of sales

1/7 cent per lb. of product sold.

Out of this sum there was paid to Shareholders as dividends - - - - - - - - \$1,000,000 The remainder was added to Reserves - \$1,182,300 - . - - \$1,000.000

Since the adoption of the profit-sharing plan (1935), distribution of profits as between Shareholders and Employees has been as To Employees, as bonuses - - \$10,410,000 To Shareholders, as dividends - - 10,550,000

J. S. McLEAN, Toronto, August 12th, 1948.

"Statistics of Average Hours Worked and Average Hourly Earnings"

NOTE: 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 9.