

WHAT GOES ON IN THE WORLD

Nine and a half years after the end of the Civil War—that conflict which was the prelude to World War Two—Spain remains the citadel of fascism in Europe. Under Generalissimo Franco the state is supreme, and there is no freedom of press or speech. With the sole exception of the Falange, all political parties are suppressed, even outlawed. There is said to be an underground resistance movement, but there are few evidences 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, last 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 will be chosen, at some distant day. The "yes" votes numbered some twelve and a half million as compared to "no's" of just over six hundred thousand.

But just a week or so ago the Cabinet ordered another election to take place early in November, and there has been considerable speculation in other nations as to just what Franco is up to. The general feeling is that the Spanish Dictator wants 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, because Franco desires to make himself more difficult for the United Nations General Assembly to put the Dictator under a microscope. The Spanish question at its coming Paris session.

But in spite of the fact that the Spanish voters were for the most part certain that when November comes they will cast their ballots pretty much as Franco wants—*o' else!*

The United States The diplomatic campaign is beginning to warm up in real earnest, with both President Truman and the State Department making 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.

Before starting out the President, at the White House, received some good news in the form of pledges from important labor leaders that, in spite of past differences, organized labor's heads are committed to the same Mr. Stalling, as he was in the Democratic party. By a vote of 35 to 12 the CIO executive committee came out for the Truman-Barkley combination; and the residents of the Brotherhood of Railroad and Steamship Clerks told the President that leaders of 7 million out of 8 million AFL members would work for him.

It seems certain that two issues will play a large part in the Republican campaign—in high places at Washington, and the high cost of living. Two months ago it appeared as if DeWey would win handily; but right now it seems as though he has a real battle on his hands. It is expected that twenty or thirty camps simultaneously, when the campaign was over the Braves, much to everyone's surprise, had struggled from the cellar of the National League up to a dizzy fifth position.

By the time the 1914 race began Stalling had added to the line-up the one and only Johnny Evers—a one-time key-man in the Tinker-to-Evers-to-Chance combination—a scrapper of high degree who was installed as second baseman—and field captain. But in spite of this the Braves started off distinctly "on the limp," winning but four out of their first twenty-two games.

In baseball, they have a belief that the team on top when the Fourth of July rolls around is very likely to cop the pennant. On July 4, 1914, the New York Giants were in first place, with a fifteen-game lead over the Braves, who were last. Then, all of a sudden,

Without any pretensions of understanding the devious workings of the official Russian mind, I imagine Uncle Sam's protection, marching them off each handcuffed between two Russian zone detectives. The Americans didn't put up even a show of a fight. The arrested men were carried away, tied to seats on a truck under a spotlight played on them by Soviet soldiers who were following. In answer to official protests a Russian Major insolently replied that the Americans had been harboring 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 power.

SPORTS & A SIXBIT CRITIC

Trying to keep tab on the major league baseball situation is about the same thing as attempting to follow the news about the Spanish political scene. By the time your stuff gets into print, a colleague who writes comments on world events tells you that he has found himself about three Parisian crissers and two new French cabinets behind what's been happening.

Anyway, at the present moment the two Boston teams are still leading their respective loops — by about the width of a goat's eyebrow—and please do not forget who predicted, before the season started, an all-Boston World Series. And if the Braves should get it 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 the guys known as Leo Durocher are hard fighters who will battle till the last out and even after, we might tell you that they are as slick as compared to the same Mr. Stallings, as he was in the days they are writing about.

The Braves, when Stallings took over, were about the most hopeless-looking 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 everyone's surprise, had struggled from the cellar of the National League up to a dizzy fifth position.

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Canada Climbing Out Of 'Fools' Paradise'

Despite its prosperity, its living standard and its basic wealth, Canada 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 greatest years of progress were the years of crisis in two world wars. Long fostered by the theory of the easy life, which flows across its borders from the north, it must now seek its own clear, cold fountains on the northern slope of the planet. There it has always found its strength.

This curious national organism, one of the few points of stability on the map, is being hardened and tempered already by the phases of its trial. It is following its own instincts. It is conserving 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 post-war fools' paradise.

Canada, I venture to predict, will come through the trial stronger than ever and in a few years, as while the war, the United States will ask

Father of Six Rescues Boy from Trent Canal Wins Dow Award



of Lakefield, Ontario, brings unconscious youngster to surface after diving three times

At his home in Lakefield, near Trent, Ontario, a boy named Darcy 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 a wooded path, he came to the river, cement-walled bank of the large canal. At first he could see nothing... and then, suddenly, he saw a boy clinging 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 underflow from a nearby power dam, he finally located the unconscious boy floating in 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 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 Dow Award.

THE DOW AWARD is a citation for outstanding heroism and courage, as a tangible expression of appreciation, a Dow Canada Savings Bond, and a \$100.00 cash prize. The Dow Award Committee, a group of editors of leading Canadian newspapers.

REG'LAR FELLERS—Crash Award By GENE BYRNES. "That he has won first prize in the CUC... CONTEST." "New Doo! Thinks you."

CLASSIFIED ADVERTISING

AGENTS WANTED FOR SALE... OILS, GREASES, TIRES... LAKEVIEW POULTRY FARMS... PULLETS... CHICK HATCHERY... FARMERS FOR SALE... HI-POWERED RIFLES... PRODUCTION DAIRY FARM... WAR SURPLUS STORE... MEMBERS LEASES... MANUFACTURING... ALEXANDER MARINE & GENERAL HOSPITAL... REPAIRS... PATENTS... FOR THAT COLD RUB IN... MINARD'S LINIMENT... THE DOW AWARD... REG'LAR FELLERS—Crash Award

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 category eye-appeal will receive as much emphasis as mechanical change. The mechanical change as a matter of fact will be relatively few. In most cases the manufacturers will claim improved gas-mileage. Whether the motorist gets it will depend upon a variety of factors including type of fuel used, adjustment and conditions of driving.

Charles F. Kettering, famous engineering consultant has demonstrated that an engine can be built giving 12.5 to 14 but it requires a high quality fuel not likely to be available for a long time. By the claims of the manufacturer, present standard size automobiles yield from 12 to more than 25 miles to a gallon of gasoline "at reasonable speeds." To this a lot of car owners will say "I don't get nine miles to the gallon." It probably should be noted the high mileages claimed by some car makers are based on driving on trunk line highways with few stops.

New motorists get more than nine or 10 miles from a gallon of fuel in big city driving with frequent stops and starts. Automobile engineers agree the average motorist gets less than half the potential mileage contained in a gallon of gasoline. Much is burned up without yielding combustion and a lot of power is blown out through the exhaust pipe.

Extensive research by two expert engineers indicates the average present day engine converts only 20 to 25 per cent of the chemical energy of a gallon of gasoline into mechanical energy.

Forms Cabinet—Henri Quiguelle smiles in Paris after telling reporters he accepted President Angioli's request to form a French coalition Cabinet.

A Sports Outing And Its Sequel. There are many who will remember the story published in many papers 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 the picture for which a good part behind a big rack from which were hung the fish, ranging from 2 1/2 pounds up to 15 1/2 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 *Roll & Gun* in Canada, L. LeChasseur tells just what happened, as follows:

"Several friends sent me clippings of that picture. I was fortunate enough to be able to secure a print of the original. I also talked over the phone with one of the six men who was still glowing with pride. From him I secured all the information I needed except the exact location and the name of the lake, but this was pretty easy to figure out.

I turned over this information to Charles Fremont, K.C. Superintendant of Game, and Fisheries for the Province of Quebec, and he and his staff a few weeks ago wrote the final chapter to this success story. It was inevitable, of course that the six men should return to the scene of so great 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 upon them with two light amphibian planes. Confronted with the facts of the 1947 crime, they paid an aggregate of \$726.15 in fines and costs.

And now we come to think it over, probably "SERVED 'EM RIGHT" would be a participation payment for this item than the one we have chosen.

CANADA PACKERS LIMITED REPORT TO SHAREHOLDERS

The twenty-first fiscal year of Canada Packers Limited closed March 31st, 1948. Dollar Sales, a new high, were \$238,454,057 (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) \$2,182,300 (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 1 1/2 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	1947	1946
Dollar Sales	\$238,000,000	\$204,000,000	\$170,000,000
Out of each Sales Dollar there was paid—			
For Raw Materials—chiefly Live Stock and other farm products	81.37c	80.21c	81.33c
For Wages plus Salaries	8.48	9.10	8.06
For Services—General Expenses	4.38	4.25	4.13
For Materials and Packages	3.12	4.05	3.76
For Taxes—Municipal, Provincial, plus Federal	1.08	98	1.48
For Inventory Reserve	.26	—	—
For Depreciation on Fixed Assets	.42	.43	.40
Plus Income from Investments, etc.	.02	.04	.03
Remainder—Profit from Operations	.89	.97	.84
Total Net Profit for the year on each dollar of Sales	91c	1.01c	.87c

The products handled by the Company fall into four groups—viz.—

LIVE STOCK PRODUCTS, comprising products derived from—

- 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 - \$1,049,833
- Profit per 100 lbs. - 22c

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. - 26c

NON-FARM PRODUCTS, comprising—

- Edible Oils, Shortening, Soap, Fish, Fertilizers, Stock Foods, etc.
- Tonnage of this group - 658,548,607 lbs.
- Profit from this group - \$863,024
- Profit per 100 lbs. - 13.1c

MANUFACTURING, comprising—

- Canned Meats, Canned Fruits and Vegetables, and Frosted Foods.
- Tonnage of this group - 79,398,003 lbs.
- Profit from this group - \$198,046
- Profit per 100 lbs. - 24.9c

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 - \$5,352

Total Net Profit - \$2,182,300

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 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
- (2) The six war years, 1940/45
- (3) The three years since the war—1946, 1947, 1948.

	Average July price 1934-39	Average July price 1940-45	July 1946	July 1947	July 1948
Good Steers, live, Toronto, per lb.	6.07c	10.70c	13.22c	14.47c	21.01c
Hogs, B-1 dressed, Toronto, per lb.	13.20	16.65	21.87	22.98	31.88
Lamb, live, Toronto, per lb.	9.55	14.84	16.91	17.21	22.75
Eggs, A-1 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, Job's Factory, Ontario, per lb.	12.60	20.50	26.00	28.00	33.87
Vegetable Oil, refined, Toronto, per lb.	6.90	14.65	16.40	14.10	30.50
Wheat, No. 1 Northern, Fort William, per bushel	92.75	97.75	135.00	155.00	155.00
Oats, No. 2 C.W., Fort William, per bushel	42.37	51.12	61.50	65.00	88.25
Barley, No. 1 Feed, Fort William, per bushel	—	46.00	63.75	84.75	120.50

NOTE: On certain products subsidies have been paid by Government—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.

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, capital was turned over approximately eight times, so that a profit of 21 per cent on sales yielded a return of approximately 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 cooperative. The Company Officers feel that the strike was the result of an 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 method was the introduction of a strike threat at an early stage each time a new agreement was under negotiation. This method was the introduction of a strike threat at an early stage each time a new agreement was under negotiation.

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 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 bumper 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 an 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 Pork 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 of living. The extent to which packhouse costs, and particularly packhouse profits, enter into these advancing food prices was a matter 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 essential facts revealed may be summarized as follows:

1. 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.
2. That the highest profit in any one year was 1/5 of 1c per lb. of product sold.
3. That in the rapidly advancing costs of meat, packhouse 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. Each packer's average net profit was 19c per lb., whereas packhouse profits in the same three years had been respectively 1/12c, 1/7c and 1/7c per lb. If the Packing Industry had made no profit whatever, the relief to the consumer could not have been noticed.
4. The advance in meat prices was entirely due to advancing costs of live stock. The 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.
5. 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).
6. 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.
7. The operations of the Packing Industry, both in buying and selling, are carried on under conditions of keen and constant competition.
8. 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—Within a period of four weeks—between May 8th and June 8th, 1948—the price of Cattle in Canada was forced up 4 to 5 cents per lb.)
9. 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.
10. The fact is not generally realized that there are no established prices either for live stock or for meats. Each purchase and each sale is a separate bargaining in which the buyer and seller compete, the one to reduce the price a fraction, and the other to advance it a fraction.
11. It is this keen and continuous "bargaining" which explains the advance in prices of live stock and meats.

Since the adoption of the profit-sharing plan (1935), distribution of profits as between Shareholders and Employees has been as follows—

To Shareholders, as bonuses	\$10,410,000
To Employees, as dividends	10,550,000

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