

THE COST OF LOWER PRICES

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[FIND, and the gentlemen who so ably, earnestly and disinterestedly are assisting me find, that very grave and mischievous misconceptions of the duties and powers of the food controller exist in the minds of a number of Canadians. This number is not large, and I had hoped that with the passage of time most of the misconceptions to which I refer might of themselves have been cleared away. Since, however, they persist, and appear at times even to be fostered by writers who have perhaps been too busy to give sufficient thought to the problems they discuss, I deem it a duty to the public to make the following statement:

Unless the consumers in the cities of Canada signify their willingness to face a complete disruption of all trades, a total breakdown of real estate values, and the utter demoralization of labour conditions in their cities, the Food Controller cannot possibly accede to the demands made in some quarters to "cut prices down," to "sell food at cost," or, as it is otherwise expressed, to "do away with the middleman." Such goals may be partially achieved. How much or how little can be done will be made known to the public from time to time as I find necessary.

But however great may be the hardship of present food prices, however popular would be the movement to have the government sell fish or any other commodity at cost, however overburdened Canada may be with the class of people known as middlemen—radical measures cannot be promised, except upon such terms as I have just indicated.

I must remind those Canadians who are perhaps unaware of the facts, that seven main factors may be said to govern the present prices of food:

First: the disproportion between demand and supply, consumption and production: food cannot be cheap while there is such a growing disparity between the numbers of producers and the numbers of consumers.

Second: unrestrained competition between great foreign buyers of foodstuffs in our markets.

Third: unequal distribution of the available supplies: surplus production in one province being unavailable for provinces in which were shortages.

Fourth: the food speculator.

Fifth: the greedy middleman.

Sixth: the supernumerary, unnecessary and inefficient middleman.

And seventh: the waster.

The first of these is a world condition and can scarcely be affected by the efforts of one food controller in a short period of time. The second has been corrected by the creation of central buying offices for the entente powers. The third is being overcome by close co-operation with the railway companies. The fourth is vigilantly guarded against. The fifth is being checked as rapidly as our committees and staff can gather correct information as to costs, and devise remedies and penalties. The seventh we are hoping to eliminate by appeal and by education.

But the sixth, the supernumerary, unnecessary and inefficient middleman, whose presence in the community is one of the most serious economic wastes of the day, whose low standards of efficiency set the standards of the whole community—is beyond any but the mildest powers of the Food Controller. This, one of the most serious aggravations of the high-price situation, cannot be removed without precipitating disaster upon the whole community.

That there have been long too many city people and too few farmers in this Dominion is common knowledge. But it is not so well known that among our city people there are too many mere distributors, too many shippers, packers, carriers, wholesalers, retailers, advertisers, printers, salesmen, brokers, sub-brokers, deputy brokers, assistant sub-deputy brokers and the whole army of people in the services and professions that wait upon these middlemen.

I do not say that the functions of these non-producers could be done away with, but I do say that there were and there are too many for each function—too much duplication of effort and equipment. In the city of Toronto in 1910 (the last census year) there were less than thirty thousand actual producers of goods, including a large proportion of those who produced only luxuries. The balance of, say, the one hundred thousand wage earners in the city of Toronto, must have been either servants, professional men or middlemen. And this inflated staff of non-producers, not only in Toronto, but