

pound loaf of bread, so that if all profits in this business were wiped out the possible reduction would be less than one-tenth of one cent on a one and one-half pound loaf of bread.

7a. The same applies to dairy products and eggs. In the case of butter your Committee find that the creameries are taking cream from the farmers and manufacturing it into butter at a gross cost of from $3\frac{1}{2}$ to 6 cents a pound, varying according to locality and the distance the cream has to be hauled. This cost covers transportation charges, manufacturing costs, boxes, marketing and any possible loss in collection. In this respect the evidence shows that one creamery only made any profit at all and that was a very narrow one.

7b. Your Committee also enquired into the question of cornering the market and in this connection it was found that no such thing prevails. There is direct and keen competition and any man having the money and wishing to do so can purchase direct from the producers any commodity he wishes, one case of eggs or one box of butter, etc., as the case may be. The same applies to meat products. Markets are wide open. Any butcher or retailer or consumer can compete in the open market with those who are engaged similarly.

8. In the case of the retailer your Committee have found the spread to be greater, with varying results, showing undue high prices in isolated cases only. But here again, as in the case of foodstuffs, the operations are carried on on a margin close to the actual cost. In this connection the consuming public have it in their power to reduce the cost from 5 to 15 per cent by using some of the cheaper grades of meat products or by being satisfied with a less expensive service. It has been shown that in many parts of Canada it is becoming difficult for retail merchants to dispose of any but the prime cuts of meat, the result being that the less choice lines must be sacrificed. Special attention in this connection has been given to the matter of bacon, which is sold in the English market in what is known as two Wiltshire sides, the Canadian market demands highly specialized grades making necessary the curing of the same hog in eight or ten parts and in the most expensive way and then it is only the choicest part that finds ready markets. These things naturally tend to a marked increase of the cost of the commodities actually in use.

9. The expensive and frequent deliveries at present called for add very materially to the cost of the goods. Whether this can be eliminated or not is a matter that can only be settled by the consuming public.

10. With reference to the question of hoarding, your Committee had the records of the Cost of Living Branch of the Department of Labour, together with the evidence given before the Committee, and it was found that there were no instances of anything that could be legitimately termed as hoarding. During the past six months, it is true, there was in storage in Canada a large quantity of frozen beef. This, however, was a product prepared for the British Food Commission, having been ordered by that Commission before the signing of the Armistice and being held in storage subject to shipping instructions and not being a commodity marketable in Canada except to a limited degree.

11. In general groceries the inquiry of your Committee has not been sufficiently complete to enable us to deal in a comprehensive way with the subject either from the manufacturing or distributing standpoint. The same applies to fruits and fish. As far as your Committee were able to go, the evidence points to the same general condition, namely, high costs of distribution with narrow net profits. In the wider range of general commodities your Committee proceeded along the same lines as with food stuffs, beginning with the manufacturer and ending with the consumer. Here it was found that greater variations and a wider spread existed in certain places, but again production and distribution costs seem to be the dominant factor in determining prices. Your Committee desire in this respect to direct the attention of the House to two specific lines namely, boots and shoes and staple goods. In boots and shoes your Committee found the increase of manufacturers' costs to be about 100 per cent with the tendency still