

marketing. We have the producer located on the farm or in the forest or on the sea, or wherever his products are produced. Then we have assembling agents for the taking over of these products from the producer in less than carload lots or in small quantities. These agents assemble the products in centres where a still further assembling takes place. Then the products are carried to the wholesalers or in some cases to manufacturers or processors who are also wholesalers. Next the product passes through the hands of the brokers, and from the brokers it goes to the wholesalers who are distributing the particular product. From the wholesaler it goes to the retailer and lastly from the retailer to the consumer. On the one hand, in the majority of cases there is the assembling at a central point, and then the distribution. This means many costs which cannot be eliminated. First, there is the assembling; second, there is the cost of transportation; then there is the cost of storing, the cost of financing, the cost of insurance and also the profit of those who handle the goods in the different stages. There are similar costs in the movement from the manufacturer or from the centre of this process to the consumer. Here again there is the cost of shipping, the cost of insurance and the cost of storing or holding the goods before releasing to the consumer.

The consumers themselves make many demands. They ask to have the goods distributed in very small quantities. For example, they ask for small quantities of corn-flakes, of rolled oats or canned goods. They have also demanded that these products be distributed very quickly, within half an hour or an hour of the time they are ordered. As a result of these demands of a higher civilization, and as a result of our higher standards of living, there has grown up a great spread or difference between what the producer gets and what the consumer pays for an article. If we can reduce that cost of distribution or that spread between what the consumer pays and the producer gets to a minimum, without cramping in any way the operation necessary to bring that about, we will have gone as far as any human agency can go in solving the problem of distribution. If a distributor realizes that his success or his profit must take place within a certain range or between certain limits, his whole effort will be gauged by the quantity of goods which he can distribute and the most efficient way in which that distribution can be brought about. Therefore, I say that if that condition can be brought about we shall have gone a long way towards solving what many in this house have

stated is the major question at the present time, that is, of distribution rather than of production.

I am not one of those who feel that the spread between what the producer gets and what the consumer pays is due to the profits or costs of the trade alone. I believe that we as producers are to blame to a great extent for this spread. If the cooperative and other organized trade were certain that they could receive a certain quality of goods in a uniform volume, a great deal of the cost entailed under present conditions would be eliminated. The trade could look ahead and build up its supply so that it would have a uniform quantity at its disposal, whereas at present it is not certain that it can get this supply from the producers. As I say, the producers themselves are to blame to a great extent for the spread which does exist.

This development which has taken place in the marketing of natural products is due to the producer finding himself far removed from the consumer. He has not been in a position to know exactly the quality of goods which the consumer desired. Neither could he understand when he picked up a paper why a consumer had paid two or three times what he had received for a product which in some cases he had produced only a week or two weeks before. This condition of affairs has had a very unsettling and disturbing effect upon the primary producers of the country and this effect has been increased and accentuated by the press and by the great number of public and political speakers—no party is free from this—who have gone through the country stirring up the producers by telling them that they were not receiving a fair share of the consumer's dollar and were being exploited by the middlemen, it is because of this that there is such difficulty in having the producer produce goods of the quality required and deliver a uniform and continuous supply. When he is asked to do this in many cases his reply is: What is the use of my trying to produce a higher quality of goods in sufficient quantity, because the trade takes far more than its legitimate share; the more I produce, the more the trade benefits; I do not seem to benefit to any great degree. This attitude has had a bad effect upon the improvement of quality and production. If we can instil into the producer a confidence that he will not be exploited, that he will be given a fair share of the consumer's dollar, or the greatest possible share, without interfering with the necessary cost of distribution, whether it be through cooperatives or government machinery, whether it be by