

Food Producers Get Only a Very Small Part of Price Consumers Pay

(By Arthur Capper, United States Senator from Kansas. Written Especially For The International News Service.)

Washington, Dec. 31.—Something is radically wrong with a national system of distribution which permits of absolute waste of food products in one section of the country when in other sections there exists good demand. That condition occurs frequently in the United States. In the fruit-producing sections of Michigan and New York press reports declare that large quantities of fruit rotted and was wasted because there was no market for it. At the same time high prices prevailed for fruit in the mid-west, where the crop was cut short by late spring frosts. Producers in New York and Michigan, the reports state, did not obtain profitable prices for their crop despite the fact that other sections of the country were anxious to buy. Probably inadequate transportation facilities and shortage of labor were factors in this condition. But at any rate the system of distribution failed to function to the profit either of the producer or the consumer.

HOW DOLLAR IS DIVIDED

There is an enormous spread between the price the producer obtains for his products and the price the consumer pays for them. This spread occurs in the marketing and distribution of those products. The California Fruit Growers' Exchange made an investigation to determine how the consumer's dollar was divided. Thirty representative markets were included and 5,485 reports were obtained. The results showed that the factors entering into the division of the consumer's dollar spent in buying citrus fruit in 1914 are:

Retail distribution cost (gross), 33.3 per cent; jobbers' distribution cost (gross), 8.2 per cent; growers selling cost, 1.5 per cent; freight and refrigeration cost 20.5 per cent; packing house cost .4 per cent; cost of picking and hauling to packing house 2.4 per cent; proportion retained for fruit on the tree, 26.7 per cent.

These figures are supplied by G. Harold Powell, general manager of the California Fruit Growers' Exchange, Los Angeles. They show that

the retailer gets 33.3 per cent and the grower 26.7 per cent of the consumer's dollar. The cost of jobbing and retailing is 41.5 per cent. In one town the jobber's markup was 10 per cent, and in another town 22 per cent, showing a wide variation. The retailers' margins ran from 20 to 75 per cent.

Herbert Hoover recently made this statement: "The margins between our farmers and the wholesalers in commodities—other than grain, in some instances—even in normal times, are the highest in any civilized country—fully 25 per cent higher than in most European countries."

WHERE FARMER LOSES.

Mr. Hoover also said:

"Analysis of the character of the margin between the farmer and the wholesaler will show that decreases in price find immediate reflection on the farmer, while immediate increases in price are absorbed by the trades between, and the farmer gets but a lagging increase."

Prices of hogs obtained by farmers, prices paid by the consumer and the margin between, as shown in government statistics for 1914, 1919 and 1920, indicate an enormous loss to both the producer and the consumer—to the one in the low price obtained and to the other in the excessive price paid. These figures are:

Price of hogs in principal states per 100 pounds: 1914, \$7.45; 1919, \$16.27; 1920, \$15.37. Price of cured products to consumer for the 100-pound hog: 1914, \$18.97; 1919, \$37.23; 1920, \$37.71. Margin between the farmer and the consumer, 1914, \$11.52; 1919, \$21.06; 1920, \$22.34.

While the farmer has gained about \$7.92 in price the margin has increased by \$10.82 to the consumer. The consumer has paid 30 cents more while the farmer got 90 cents less during the last year.

FAULTY TRANSPORTATION

Inadequate transportation facilities add to the costliness of the distribution system. In the face of a car shortage the producer cannot move his products readily, and often is forced to sell on a glutted market at low prices. The consumer, on the other hand, is forced to pay an in-

creased price for his foodstuffs due to a lack of equipment to bring the commodities to market. An investigation made by the United States Food Administration showed that in the case of potatoes the margin between the producer and the consumer broadened 100 per cent in periods of car shortage.

Enormous numbers of persons are engaged in the final processes of distribution, increasing the cost. One city has one meat retailer for every 400 inhabitants. It has been carefully estimated that one dealer could adequately serve every 1,200 persons. The result of such a condition is that the retailers operate on a high margin and that only a small income is obtained by any of them.

Thus it is evident that our wasteful system of distribution is an unfair tax on both the producer and the consumer. This can be reduced. It will be possible to place a larger part of the consumer's dollar in the hands of the farmer and at the same time supply food to the cities at a lower cost.

PROHIBITION BENEFITS WORKERS

Pennsylvania, Nov. 16, 1920—William Jennings Bryan, Lincoln, Neb., Honorable Sir: I saw in some paper that you attributed the defeat of the Democratic party to "Article 10."

With all due respect to your statement and as a man, and I do not believe any one appreciates you more than I, in my opinion the defeat was caused by the wastefulness and extravagance of the present administration. I do not think even you have seen it as I have seen it. Before the League of Nations was talked about I have talked to thousands of men and they said the extravagance was beyond expression. There seemed to be no head nor tail to it.

You are the only man of national reputation who has the courage of his convictions to stand for prohibition and do not think people do not know it. I hear it from every quarter. Of course, I hear you are made light of by those engaged in the traffic, the distiller, the brewers, those who own the properties, the saloonkeepers and bootleggers. When a man says he is for prohibition the liquor men at once say, "Oh, he is a long-haired fanatic," though I know I am not a long-haired fanatic. I worked for a living, I go to church sometimes and not as much as I ought to.

In Mr. John F. Kramer's address the other day, he said it would take five years to stop it. I do not see why; the only people who want it are those who make money out of it. I do not know of any union or any laboring men clamoring for its repeal except those interested in its sale. In the World's Work, I saw an article wherein it stated that it had sent a representative to this section and reported that the miners must have their beer. That is not true at all. I live among the miners and I know hundreds of miners who do not drink and I have talked with scores who told me they wished that prohibition would be enforced to its limit.

I was in a store the other day and a woman poorly clad came in and she said, "God bless William Jennings Bryan." I looked at her and I said, "What do you know about William Jennings Bryan?" "Why," she said, "I have admired him all my life, he is the only man who has the courage of his convictions." She said also, "Let any person live with a drunkard for fifteen years and see whether liquor should be used."

I talked with one miner. He said, "I have drank all my life and thought I needed it because I worked in the mines, but I just stopped it, now I drink about one-half gallon of

water a day and feel better." I met seven or eight men in front of a saloon, they were all miners. The saloon was closed on account of license being transferred. They said they wished it would never open again and that if they thought their sons would be bartenders they would want them to die and they hoped their sons would never see them (their fathers) take a drink. The only thing, Mr. Bryan, I am surprised that is your knowledge and detail of this accursed thing, for a man of your station in life I thought could hardly see the terrible things that whisky and beer have done to the world more than all the wars. One has to go to the saloons and see the men in their working clothes and dinner

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