THE MIDDLEMAN AND HIS PROFITS

class of commodities selling for an increase of price amounting to fifty per cent. and over but under seventy-five per cent. above farm prices may be mentioned the following increases: sixty-one and eight-tenths per cent. for cabbage bought by the pound; sixty-six and seven-tenths per cent. for celery bought by the bunch, turnips and parsnips bought by the bunch, and green peas bought by the quart; fifty-four and four-tenths per cent. for chickens bought by the pound; fifty per cent. for eggplants bought by the crate; sixty-eight and four-tenths per cent. for onions bought by the bushel; sixty-eight and seven-tenths per cent. for oranges bought by the box; sixty per cent. for potatoes bought by the peck; fifty-nine and eight-tenths per cent. for turkeys bought by the pound."

THERESE figures, Secretary Wilson contends, make it clear that the problem is one for the consumer, not the farmer, to remedy. The former has no well-grounded complaint against the latter for the prices he pays. The farmer supplies the capital for production and takes the risk of losses from drought, flood, heat, frost, insects and blights. He supplies hard, exacting, unremitting labor. Moreover—

"A degree and range of information and intelligence are demanded by agriculture which are hardly equaled in any other occupation. Then there is the risk of overproduction and disastrously low prices. From beginning to end the farmer must steer dextrously to escape perils to his profits and indeed to his capital on every hand. At last the products are started on their way to the consumer. The railroad, generally speaking, adds a percentage of increase to the farmer’s prices that is not large. After delivery by the railroad the products are stored a short time, are measured into the various retail quantities, more or less small, and the dealers are rid of them as soon as possible. The dealers have risks that are practically small, except credit sales and such risks as grow out of their trying to do an amount of business which is small as compared with their number.

"After consideration of the elements of the matter, it is plain that the farmer is not getting an exorbitant price for his products, and that the cost of distribution from the time of delivery at destination by the railroad to delivery to the consumer is the feature of the problem of high prices which must present itself to the consumer for treatment."

The farmers have already, in many parts of the country, formed cooperative associations for the selling of their products. Secretary Wilson suggests that consumers, taking a leaf from the farmer’s books, might at once break up the vicious conditions that result in
high retail prices for foodstuffs by forming voluntary associations of
their own, which should buy directly from the associations of farmers.
He admits, of course, that there are still obstacles to overcome before
this remedy can prove entirely efficacious. Thus we read:

"Aside from buying associations maintained by farmers, hardly
any exist in this country. It is apparent, therefore, that the con-
sumer has much to do to work out his own salvation with regard
to the prices that he pays. Potatoes were selling last spring in some
places where there had been overproduction for twenty cents and in
some places for even nine cents per bushel at the farm, while at the
same time city consumers in the East were paying fifty to seventy-
five cents per bushel, although there was nothing to prevent them
from combining to buy a carload or more of potatoes directly from
the grower and for delivery directly to themselves."

As similar abnormal differences between the price at the farm
and the price to the consumer are found in varying degrees through
the whole list of agricultural products, no argument is needed to
make clear the economic value of the buying association, from the
consumer’s point of view. And the logical outgrowth of such buy-
ing associations, especially in the larger centers, is the coöperative
store. When such coöperative movements gather sufficient head-
way one factor in the cost of living, the middleman and his profits,
will be practically eliminated. The same cause would be furthered
to some extent by an adequate parcels post, which, by cutting express
charges, would also help to smooth the way between producer and
consumer.