

Flexstone Asbestos Roofing

All standard
Patterns on hand
in Douglas Fir
Devon Lumber Co
Devon, N. B. Phone 316

A Plumber is a skill-
ed and efficient
workman of the
Plumbing Trade.

A Handyman or
Tinker is neither
skilled nor efficient
and has no trade.

For your plumb-
ing repairs and in-
stallations get a
plumber—Call

PHONE 515-11

KARL L. GOUGH

Plumbing and Heating
Sheet Metal Work
414 King St. Fredericton, N.B.

A BRAND NEW COLLECTION OF WARM WEATHER MATERIALS

In plain white and colored pique,
waffle cloth and all shades of
Dress Linen—cool, comfortable
and smart at

J. Stanley Delong

63 Carleton St. Phone 68-11

Waverley Hotel

New Steam-Heated Rooms
BEST DINING SERVICE IN THE
CITY

A HOTEL YOU WILL LIKE AT
MODERATE RATES

H. E. Dewar & Son
Proprietor
Regent Street Fredericton

Problems That a Good Marketing Policy Must Face

Co-operation of Producers Needed to Improve
Production—The Middleman, the Foreign
and Export Market Discussed

Speaking on the problems of Marketing Policies before the C.S.T.A. convention at U.N.B. this morning, Dr. W. C. Kierstead of the faculty of the University of New Brunswick gave thoughtful and scholarly address on the matter of a good marketing, the co-operation of producers, the middleman and the foreign and export markets. Other marketing problems were discussed by Dr. Kierstead who is always an interesting speaker.

Dr. Kierstead said: It is unfortunate that Mr. King, our deputy minister of agriculture, felt unable to prepare the paper on this subject. He and Mr. Walsh do excellent team work in agricultural policies. They are both students of agricultural problems and have had years of experience in directing and administering policies of production and of marketing. I am a poor substitute for Mr. King but I consented to read this paper because I wished to show my interest in the important work of the conference.

From the view point of the economist marketing is just an aspect of production. Production means the creation of utilities—form, space and time utilities. The farmer produces a form utility, the railway a space utility, and the jobber a time utility. Growing, grading, packing, transporting, holding, processing, jobbing and retailing are all parts of the process of making goods ready for consumption. Moreover the price the consumer pays for the finished commodity must reimburse all who share in its production, whether grower, transporter, middleman or retailer.

The unity of this process in the various stages from the raw materials to the consumer must be recognized in a marketing policy. Mr. Walsh in dealing with production policies has considered marketing policies since goods are produced to be sold for a profit. The first step in a good marketing policy is to get a quality of goods capable of being marketed.

The unity of the process of production is clear in the case of the farmer who sells his own milk or other products direct to the consumer. His interest is in the entire productive process, in the quality and breed of his cows, in the nature and cost of his feed, and in the richness and superior nature of his product. He standardizes his milk to get a uniform product of good quality, he cools it properly, bottles it in containers of different sizes to meet the needs of different customers, and delivers it promptly and in a way to keep the confidence and good will of his customers. If his milk is stale or sour, if it is impure or is unpleasant in flavour, he cannot expect to hold his market. He must maintain a continuity as well as uniformity of supply. If at any time he produces too much for his ordinary customers he must seek enlarged or different markets. He may process the surplus or sell to another class of milk users. His net profit is the difference between the price which the consumer pays him and his entire costs through all the stages of his productive processes.

Grading, bottling, transporting and retailing are costs as truly as the primary production. Any lessons he learns in his dealings with his consumers, he carries directly back into his primary production. He sees his work in its unity and seeks to make every stage of it co-ordinate with the others to give an efficient and economical business. A good system of marketing must bring the primary producer and the middleman into close co-operation; they must see that they are engaged in a conjoint enterprise and must co-operate with a clear knowledge of the unity of their businesses. In this respect the co-operative system of marketing is ideal since the middlemen are the agents of the producers, but closer co-ordination may be obtained between primary producers and independent middlemen.

Again, there must also be co-operation between the individual primary producers as well as between those engaged in different temporal stages of the productive process. A large corporation dealing in agricultural products illustrates the value of such unity or co-operation. Swifts or Armours because of their size and unity as a corporation show the efficiency of such a form of organization. They control to a considerable extent the demand for their raw materials and buy at a favourable price; goods are graduated and standardized to provide a continuous supply of a uniform quality; they are sold fresh or are processed and presented in forms and sizes to meet the demands of all classes of consumers. By-products are not wasted but are used if the cost of production is less than the price received when manufactured and sold. Goods are transported in the trucks or refrigerator cars of the corporation and sent to the branch houses or agents of the corporation or to jobbers. The corporation advertises its goods and creates demand for its products; it establishes its branch houses and sends its agents to foreign countries and exercises its powerful influence upon governments in order to get favourable trade terms for its goods.

Agricultural Marketing

One can see from the methods of the corporation what is needed in agricultural marketing. Small producers must be brought into co-ordinated production in some form so as to produce a uniform and standardized product which may be described and graded as the trade demands. Then these goods must be forthcoming in a manner to meet a continuous demand. Take for example the dairy butter of our small farmers; each tub or package is different from others and often the same container has different grades and qualities in it. The complaint is constantly made against our products that they are not graded or standardized; and that they come intermittently on the market.

A closer co-operation of procedure is necessary to get effective market-

ing of goods. Agricultural goods have an inelastic demand; a large crop may actually depress price to an extent that it will sell for less than a smaller crop. It is important for primary and other producers to exercise foresight, to have both warehouse and credit facilities to hold when wise and to process what cannot be sold to advantage in the fresh or raw state. Efficiency in transportation demands unity of action in which common trucks are used or else carload shipments are made. It is useless to complain blindly against costs of freight. Transportation is a cost of production; it produces a space utility and is justified when the increase in price of the commodity in the new spatial position is more than the cost of carriage. In our Maritime provinces transportation when intelligently and wisely used is not a major factor of our costs of production. Goods of low quality may not be worth transporting and another market must be found for them but the most of our agricultural products reach their market without excessive costs for transport.

The large corporation shows also how in a comparatively large scale production we can process by-products. The farmer grows several crops and some of these may be regarded as his by-products. His main crop may be apples or potatoes but all his land is not fit for this crop and all his labour cannot be spent upon it. He has therefore his secondary crops that add to his net income. Oats may be grown with potatoes. Crops are often supplementary to each other. Then, joint production is needed if by-products are to be processed and the goods marketed profitably. The poorer apples or potatoes may be processed by co-operation of the growers; fresh fruits must be conserved when the market is glutted and a common policy in both primary production and in marketing is essential if the farmers' income is to be sustained. There should be at times some common policy in determining the acreage or size of a crop that will be produced by a community or province. There is urgent need for more planned and better balanced production as well as joint action in putting goods on the market if price is to be sustained. In his report in the Department of Agriculture for Nova Scotia, Mr. Walsh gives several illustrations in which market prices have been improved and sustained by a common policy in the grading and marketing of products. We are passing out of the age of the little isolated primary producer or middleman, and are entering an age where more socialized production and distribution

are needed. The National Marketing Board gave power to the majority of producers to regulate conditions of sale and practically to fix price. The validity of the Act is being tested but one cannot question the necessity for concerted action in order to put producers of agricultural products on an equality with other producers.

The remaining part of this paper will deal with the marketing of our various agricultural products and will be to an extent a corollary of what has just been stated. The main market for Maritime agricultural goods is the home market, although apples and potatoes are sold largely in the foreign markets. Our farmers are fortunate in having a home market near, sure and one that they understand. It involves no problems of foreign exchange, no complications in banking or finance; it is not interfered with by tariff restrictions or disrupted by political difficulties. Moreover since our supply is less than our consumption, price in the home market tends to exceed the Montreal price by the cost of shipment. Of course they are variations due to local conditions and differences of quality. Creamery butter because of its greater uniformity and reliability commands a higher price than local dairy butter. But, as Mr. Walsh has shown in the case of Nova Scotia the Dairymen's Association by eliminating competition between their own creameries actually advanced the price of Nova Scotia creamery butter to an amount over the Montreal price equal to the cost of transportation and increased selling charges. New Brunswick cheese is sold within the province yet the price is determined by the Montreal or Canadian price. So far as the Ottawa Agreements or the recent United States and Canadian agreement enlarge the market for our Canadian agricultural goods they tend to increase price also in the Maritimes.

(1) In our local market some goods are sold by the producer direct to the consumer. Even in the City of Fredericton producers come at stated days each week and sell directly to consumers. If the farmer does not get a better price than the middleman will pay him at his door he does not use the market. If he gets a better price at the city market than the consumer is charged by the city retailer the latter stays away from the market. In towns and villages farmers sell directly to consumers their milk, cream, butter, eggs, fruits, meat and vegetables. In such a market there is a direct consumer-producer relation and unless goods are fresh and of good quality they do not sell at good prices. One cannot deny the value of this market for our farmers. In fact the local markets of our larger villages, towns and cities are their best markets. But there is often not sufficient grading of goods or uniformity of quality and better inspection is needed. This type of marketing will continue but greater education and regulation are needed to

improve quality and to protect from glutts and excessively low prices at such times.

Improvement Noted

There has been considerable improvement in the quality of goods sold in our local markets due in large manner to the educative work of our departments of agriculture. A great deal of milk and cream is sold by direct producer-consumer contact. There are of course different qualities of milk offered and some competition of price but most consumers are particular and know when milk is impure or lacking in cream content. There is much duplication of routes of individual dealers and much transportation and labour could be saved by a centralized policy. But there are also disadvantages and perhaps when the co-operative method is markedly superior it will win out. A study made by the federal and provincial departments of agriculture concerned in the milk marketing in the Sydney-Glace Bay area shows that the better quality of milk is sold by the larger producers. The authors do not think that a policy of co-operation or centralization should be forced upon the dealers but they do advise concerted action in order to secure quality, sanitary regulations, conditions of sale and to avoid unfair practices. New Brunswick has also established a milk board to regulate prices and conditions of sale. The consumers should also have representation on such boards. At one time the co-operative or united farmers had their own milk route in this city. At the present time they limit their activities to the manufacture of butter and ice cream.

(2) But in the larger local markets and especially in the case of farmers situated at a distance from towns and cities goods are processed or sold fresh through middlemen. Some times the processing is done in the home and at other times in factories and sales are made either through private middle men or by means of co-operative associations.

In the more advanced and prosperous farming communities there is a tendency to remove the processing from the home to the factory and to substitute the co-operative marketing for that of the private broker.

There is a clear advantage in many ways in taking the processing from the individual homes to a central factory for the community. The home is relieved of the burden and the community is educated by the operation of the joint enterprise. There is economy in labour and power and generally a better as well as a more uniform quality of product can be attained. Such a product marketed at one time secures a better price; therefore, improves and enlarges the market and encourages production.

It is a difficult question to decide how large the output of a local community must be in order to process its own goods by a factory method. The Province of Quebec has done excellent work in the promotion of home canning and the Women's Institutes in these provinces are helping in this enterprise. A small canning outfit can be purchased for about \$50.00 or excellent results can also be achieved by use of glass containers. Home-made canned goods vary greatly in quality and consequently cannot be easily marketed. But most of our population is rural and if the farmers would can or cure their fruits, vegetables and meat for their own use they would provide a better balanced and more enjoyable diet than many of them have. I have not eaten better cured ham than that

(Continued on Page Six)

Hit The Hay

Haying is hard enough with the best of equipment? Why not make hay with a complete set of our Haying Tools? We also have Rope, Blocks, Scythes, Rakes, Oil, Files, Scythe Stones.

E. M. YOUNG LTD.

Hardware — Sporting Goods
81-83 York Street

Store closes at 12 o'clock Thurs-
days during July and August
Store open until 9 on Saturday

DINE DELIGHTFULLY

— at —

D-COY INN

Special 6-course Chicken or
Salmon Dinner Sunday, 4-7 p.m.
75c

Luncheon and Dinner Parties by
Appointment

PHONE 2200-11

G. I. NUGENT, M. D.

333 BRUNSWICK STREET
Phone 808
FREDERICTON, N. B.

DR. G. R. LISTER

: Dentist :

QUEEN STREET : Below Regent
Burchill-Wilkinson Building
Phone 531-11

PLAY

the most popular
outdoor game—
TENNIS

Now that the warm weather
is here, why not look over your
Tennis Equipment and replace
your worn out

TENNIS RACQUETS
TENNIS BALLS
RACQUET PRESSES
NETS or TAPES
with some of our up to date
lines.

We have Bentley's and Dun-
lop Tennis Racquets from \$2.75
to \$23.00 each. Campbell's Ten-
nis Balls, Presses, nets, tapes,
etc.

E. M. YOUNG, LTD.

HARDWARE & SPORTING
GOODS
81 York St. Phone 53

"32 Years Experience in Building"

TIMS CONSTRUCTION CO., Limited

THE GREATEST ASSET TO BEAUTY

Without denying the value of the many means of obtaining beauty through the medium of artificial preparations, the one fundamental necessity for beauty lies in good health. Your Druggist plays also a tremendous part in the preservation of your beauty for to be healthy is to be beautiful.

Ross-Drug-United

LET US QUOTE YOU — ON YOUR —

Building Supplies

We carry a complete line of:

LIME
CEMENT
HARD WALL PLASTER
CALCINED PLASTER
RU-BER-OLD ROOFING

SHEET ROCK
DONNA CONA
WALL BOARD
BUILDING PAPER
INSUL-BRICK SIDING

JAMES S. NEILL & SON, LTD
F.T.N.'S BIG HARDWARE STORE

White Dresses

Summer is now here and
A White Dress is Always Cool
We have all the Materials to make
these Dresses

FRED BARNES
76 YORK STREET

A Message for

WOMEN WHO WANT

a beautiful home — MEN who
have thought of an ideal resi-
dence they would build SOME-
DAY—

See us now and get cost esti-
mates at present low price levels
for materials and labor.

RISTEEN Co., Ltd.

Woodworkers

104 Queen St. Phone 286