

mediate demand for them, yet the fact that the next year they would be out of fashion would make it impossible for him to sell them for what they had cost him. Fashion is a disturbing factor with which the makers of clothes have to reckon.

The producer of an absolutely staple commodity—a commodity that is always usable, like wheat, or still more, gold—is in a somewhat better position. If his product is not purchased at a fair price one year, he can keep it until the next—in the case of wheat, with considerable cost for storage and loss through shrinkage of the grain; in the case of gold, with practically no expense except that for safekeeping. In the case of our food products, the quantity of which is largely dependent upon nature, a good year is thus used to balance up a poor one, with the result that prices in the good year are a little higher than they would otherwise be, while in a bad year they are lower than they would be if only the crop of that year were available for consumption.

The same thing happens in regard to fruits. With equal crops and equal demand, prices are higher at the height of the season and lower out of season than before the invention of cold storage. At the height of the season, when fruit is exceedingly plentiful and is sold, as the saying runs, for a song, the cold storage people take a considerable portion of it out of the market, thus lessening the supply and increasing the price. On the other hand, fruit is now cheaper out of season, because the cold storage companies are letting it out of storage at a moderate rate compared with what was charged when it had to be imported from some distant land.

These considerations greatly modify the rigidity of our conclusions. What producer or what consumer is able at any moment to say with knowledge of the supply of or the demand for a given commodity at various prices, just what the normal price of that commodity will be? On the whole, all one can say is that the local market price tends to be the same as the normal price at the chief centre of distribution, less the cost of transportation. Thus the price of wheat in