ARE PRICES HEADING DOWNWARD?

Comment on the prices of food products at the present times takes two forms. One is "Market prices on staple food commodities are heading downward and the market is destined to reach lower levels," and, "Are market prices on staple commodities really heading downward and is the downward trend permanent or significant?"

It is rather a difficult question to answer in the face of existing conditions and there is always a fixed value for food based upon supply and demand, but it is safe to say that at the present time, regardless of the cost of production, conditions are such that the tendency appears to be downward. If we take a staple article which is used every day and quote it, generally speaking, upon the basis of its worth, we do not get an even chance at the price quoted, but those interested in it will come back, making a lower offer than the one named. The fact that this appears to be the domestic situation in the sale of food products for export, it follows that if foreign exchange would improve so far as exports are concerned it would help very largely in sales and for a time undoubtedly help manufacturers by enabling them to get a price which would offset the higher cost of manufacture.

The position of bankers at the present time is not very encouraging for raising money upon merchandise and unless there is some marked improvement, it looks very much as though many people would be out of employment, and we very much fear some increase of commercial failures, simply because those in control do not seem able to handle the situation and it would also appear to be a time when everyone in business should be tempted by the old fashioned common sense on the part of buyer and seller keeping in touch with each other, in order to get what business there is and in order to keep up volume.

The summary of the whole matter is simply this, that statistics do not always count, but conditions always do count, and regardless of the statistical strength of any food article, the price would have to be named in order to move that article based upon the existing condition, which is simply nothing more or less than the old and oft quoted law of supply and demand. We cannot get around this basic fact, no matter how hard we try.

The trend is downward. Those who decide to sell do not want to reduce so slowly that to keep down with the dropping demand they arrive at a conclusion this week which should have been arrived at last week. Manufacturers ought to learn to come down to present price levels before a lower one is reached. Hanging on in the face of tight money and so long as banks press for all money due, is simply bewailing a situation without beating it. The cleaning out process will be a good thing. Irresponsible operators and speculators must get out of the business and all others must get to work, for the reward is sure to follow.

The great and degrading influence has been the wild speculation, the gambling, the spending, the irresponsible lending and borrowing of money. While we regret very much the present panic in connection with money, we really think that, when the thing is over and the air cleared, things will be very much better all around. It will eliminate the rotten institutions and stiffen those who are inclined to be a little easy and increase public confidence in the conservative sense.

—New England Grocer.

BRITISH STRIKES

The position assumed by British labor evidently has but scant support from men of light and leading in Great Britain herself. The decision to strike is regretted by the general heads of the unions and, according to the dispatches, gets its standing only from the local union chiefs. Apparently there is a threatening quality of sovietism in it although there is good hope that the wiser counsels of conservative thinkers will prevail, as they so often have in the past history of the British labor movement.