

# The Commercial

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## PRICES OF PRODUCE.

All sorts of theories have been advanced to explain the cause or causes for the low prices of produce. Wheat, the great staple product of agricultural energy in the temperate zone of the North American continent, has been the commodity which has received the greatest attention. Statisticians have puzzled their brains figuring up visible supplies and estimated invisible supplies, and they have compared their totals with the estimated consumptive demand of the world and predicted that wheat must advance. But wheat has not advanced; but on the contrary has kept getting down and down, until the present low basis was reached. These statisticians have depended entirely upon their figures as a guide to the probable advance or decline in the prices of breadstuffs and other agricultural products, when, as a matter of fact, there were other potent causes for the course of prices, aside from the supply or the estimated consumptive demand for the future. Of course if there is any great shortage in any single commodity of general consumption, prices will be enhanced in proportion to the shortage and the necessity for a supply of the commodity in question. But in such instances the prices are abnormal. All things being equal, prices for particular lines of agricultural products must rule in proportion to general values in other products. Therefore, whilst an excessive supply or a marked shortage in the supply will not be without influence upon prices, yet values are not to be depended upon from these sources alone, and due allowance must be made for values in other lines of goods. Thus high prices for wheat will be sympathetically reflected upon the values of other grains, etc., and in the same way an era of low prices for manufactured goods will in time make itself felt in dragging down the prices of breadstuffs and produce.

For the past few years the world, or at least a large portion of it, has been largely under the influence of low values in manufactured goods. Breadstuffs held up for some time after the general decline, but gradually though reluctantly prices reached a proportionately low level. Statisticians figured up their supply statements and wondered why wheat kept steadily

going lower, when according to their predictions it should have advanced. They were so wrapped up in their statistical estimates that they took no cognizance of the fact that prices were universally low in all kinds of commercial commodities.

Now, however, the conditions are favorable to an advance in the prices of produce, aside from the question of supply and consumptive demand. In the great manufacturing industries there has of late been a healthy revival in trade. For some months back the wheels of industry have been revolving more freely, and prices for the leading lines of manufactured goods have been steadily advancing and hardening, until now as much as 25 and even 50 per cent of an advance has been attained. The great iron and steel manufactories, which industries alone exert a tremendous influence upon commerce, have been busier for the last month or so than for many a day, whilst prices for such products have materially improved. Woolen and cotton goods have also felt the influence of a revival in trade, and in the former especially prices have greatly improved.

This being the case, it would appear that the time is opportune for an advance in the price of agricultural products. In wheat the supply though plentiful, is not excessive, and prices are the lowest known for years, thus making the conditions favorable for an advance in keeping with the general improvement in prices. There is every indication that the upward tendency in the prices of manufactured goods will continue. We have had a long siege of low values, and in keeping with the experiences of the past, a period of prosperity and higher prices should be in order. Should this period of industrial prosperity, which appears to be now setting in, continue for a length of time, it would be but natural that agricultural products should feel the influence of better times and materially improve in prices. Speculation may do a good deal to check an advance in wheat, but with the present normal condition of the supply there should be an improvement in values at no distant date, unless industrial lines generally should take a relapse to the condition existing a few months ago.

## THE GROCERS' ASSOCIATION.

The retail grocers of Winnipeg have taken a wise move in organizing an association of those engaged in the grocery trade in this city. There are many ques-

tions of importance affecting this staple branch of business which may be taken into consideration collectively, and upon which a proper understanding among the dealers should prove of inestimable benefit to the trade. Nearly all towns and cities of any consequence now have their grocers' associations, as well as associations of business men in other branches of trade; and assuredly no other branch of trade stands so much in need of combination and united action as does the grocery business. The movement here toward united action has not been made a day too soon. In fact, the step could have been taken months and even years ago with advantage to those engaged in the grocery business here.

The tendency of the times seems to be to take united action to put a stop to the senseless cutting of prices by retail grocers, whereby the business has been brought to the verge of ruin. The promiscuous credit system is another matter which loudly calls for attention from the retail grocery trade especially. Hence we find that grocers doing business in the principal towns and cities all over the United States and Eastern Canada have been forming combinations for the purpose of dealing with these questions. Such united action has done a great deal toward restricting the evils complained of, and has very materially assisted in placing the retail grocery trade once more upon a healthy and sound basis.

At one time, and not a great while ago, there was little need of a grocers' association in this city. In those days, when the keen competition now existing had not yet been called forth, grocers had no difficulty in obtaining fair profits upon their sales. The supply of commodities was not in excess of the demand, and goods went off readily at prices which left good margins for the dealers. In some instances it may even have been the case that the percentage of profits was excessive. Money was also plentiful, and a good trade could be done without taking any great risks in the line of credit. These days have passed away. Grocery stores are now numerous on the main streets, and the corner grocery may be found at almost every crossing on the back streets. The city is heavily stocked with the commodities usually sold in such stores, and the keen competition which has existed for some time, has been the means of reducing profits to the lowest margins. In fact, in some lines of goods