

(II).—EXPORTS OF COAL AND OF IRON AND STEEL IN FIVE MONTHS ENDING MAY, 1873 AND 1872 COMPARED.

	1873.	1872.	Increase.
Coal	£5,311,000	£3,212,000	£2,099,000
Iron & steel.	15,995,000	12,841,000	3,154,000
Total	21,306,000	16,053,000	5,253,000

Thus the increase on these two heads alone accounts for by far the larger part of the increase of the exports, and it would be needless to show in detail how, in spite of some increases such as in cotton manufactures, where the value of the raw material has declined, there is, in general, a falling off in our export trade. Even in the above branches, where the large increase of value has occurred, there is a serious decline of quantity. The quantity of coal exported in the five months ending May was only 4,956,298 tons, as compared with 5,338,013 tons in May, 1872, a reduction of about 382,000 tons, or about 7 per cent. And the quantity of iron and steel exported in the same period was 1,281,075 tons, as compared with 1,355,549 tons in May, 1872, a reduction of about 74,000 tons, or nearly 6 per cent. The evidence of our diminishing home production could hardly be stronger than it is.

Second, as respects the imports, the facts appear to us so important as to be worth setting out with some detail. The increased payment we are making for articles of food is by itself important, and while helping to show that we are not increasing our imports of raw material, renders additionally grave the fact of declining trade which is thus demonstrated. At a time when our wealth is diminishing we are being compelled to pay more for articles of first necessity, and the quick impoverishment of the wages receiving class, and generally bad trade, can hardly fail to be the results.

The increase of imports as above shown, is £6,102,000 for the month, and £5,899,000 for the five months, and we find that nearly one-half of this increase for the month, and more than the whole increase for the five months, is due to the increased payment for articles of food.

Thus, the increase of imports for the month is accounted for to the extent of 24 millions by the increased payment for articles of food, while taking the whole five months together the increased payment for food, amounting to £7,631,000, exceeds by £1,600,000 the aggregate increase of the imports. In other words, our imports, exclusive of articles of food, have diminished during the current year. To some extent, it may be admitted, the above importations are a sign of prosperity. A large part of the increase is in animal food, and is, perhaps, only an indication of the enhanced demand for that food due to high wages. This cannot be said, however, of the increased importations of wheat, flour, potatoes, rice, and other articles, which have clearly been rendered necessary by a reduced crop at home.

Another large part of the apparent increase of the imports, as we have stated, is accounted for by the increase of articles of general consumption. For the month of May the increase has been as follows:—

Increased Imports of Articles of General Consumption.

	May, 1873.	May, 1872.	Increase.
Cocoa	£93,000	£64,000	£29,000
Coffee	927,000	638,000	289,000
Currants	22,000	5,000	17,000
Pepper	102,000	31,000	71,000
Rum	76,000	71,000	5,000
Brandy	215,000	100,000	115,000
Other Spirits	11,000	14,000	—
Refined Sugar	355,000	286,000	69,000
Unrefined	1,655,000	1,371,000	284,000
Tea	236,000	294,000	58,000
Tobacco—unmanuf'd.	135,000	54,000	81,000
Wine—manuf'd.	124,000	124,000	—
Wine	872,000	714,000	158,000
Total	4,827,000	3,766,000	£1,061,000

Thus, another million out of the total increase for the month is accounted for. A considerable part of the remaining increase is also clearly due to the increased value of certain imports, particularly timber and wool, without any increase of quantity, so that the balance left for increase of quantity is very small.

We come, then, to the direct evidence as to the diminished or stationary import of raw materials of manufacture. Subjoined, in a tabular form, is an exact account of the facts on this head taking the whole five months together; and the substance of the table is that, while the instances of decrease exceed those of increase, the former, as a rule, either concern the more important of the raw materials or are of greater extent. In the case of cotton, for instance, although there is an increase, the amount of that increase is very immaterial, and is far more than balanced by the decline in the imports of wool. It would be difficult of course to decide what is the exact diminution of employment for the manufactures of the country implied by the figures, but it may be safely concluded that, where there are so many cases of decrease, and of considerable decrease, the manufactures which depend on imports from abroad cannot, as a rule, be expanding. It would be rash to conclude so much if we had only the figures for one month, but the period is long enough to allow of discrepancies in particular months embraced to be compensated.

Such are the facts relating to our trade which the present returns show, and the question arises what the consequences will be of this apparent stationariness or decline? We fear there is little room to doubt that the depression will increase before there is any improvement. The whole circumstances of trade make such a depression probable. For a long time under the *regime* of inflated prices and wages, comparatively small profits must have been made by the mercantile classes, an exception of course being made for the owners of the raw material of coal and iron, who have benefited by the monopoly price. Several industries, such as the cotton manufacture and the silk trade, have also been notoriously dull, and by a process we have often explained, it is the tendency of dulness in any one branch of industry to become diffused through all. Rather lengthened periods of dear money, which have partly been caused by the high prices, have also tended to diminish profits by diminishing the energy of speculation, and relaxing the pace of business. The co-operation of all these causes seems to be trying trade severely, and all experience leads us to expect that the operation will be cumulative—that once on the slope of downward prices and depressed trade, it is very difficult to stop until a comparatively extreme degree of depression is reached. Last of all, the fact of large imports of food appears to point in the same direction. We are not disposed to make very much yet of this circumstance, because, although we are importing and paying for much more than we did last year, the *price* has not risen very much. The peculiarity of the season has been the abundance of the foreign supplies of wheat and other food, by which the needs caused by a deficient harvest at home have been easily supplied. As a deficient harvest causes depression mainly by raising greatly the price of food for the masses, who have consequently much less to spend than usual on other articles, we must not expect extreme depression until prices are raised greatly, although we may have to import a great deal. There has, however, been a moderate rise of price in wheat, rice, potatoes, and other articles, wheat being 20 per cent. dearer than it was in 1870, and it remains to be seen whether, in conjunction with the other causes enumerated, such a rise of price may not accelerate very much the depression which seems to have set in. The necessity of

these importations must certainly be accepted as one of the most effective causes of dear money at present because creating a new debt abroad which we have to pay for very promptly.

The conclusion, we think, must be that all concerned in business should be preparing for difficult times. There are all the signs of depression before us, and it will not do to neglect the warnings. A great deal will depend on the result of the approaching harvest, both here and on the continent as anything like a deficiency tending to raise very much the price of bread would most seriously aggravate the causes of depression which have now been long at work. We believe it is too soon yet to calculate what the harvest will be, but there is no doubt too much reason to fear that, *at best*, it will be no more than sufficient to keep prices from rising above the present point, and we have no assurance that the best which is now possible will be actually realized. Anything short of what is now the best possible result will be apt to create a very serious deficiency indeed.

STATE SUPERVISION.

In the business affairs of life, when the characteristic ambition of scheming speculators has obtained control of all that they have sought after, then, in the competition which ensues, honesty and fair dealing are entirely lost sight of, and the abuses of public trust become so palpable as to hasten a sort of millennium, and the climax being reached, these abuses, in the course of nature, correct themselves, not, however, without a fierce struggle, as between the all-powerful *right* and the cunningly manoeuvred *wrong*. The case of Credit Mobilier is cited as one in point, wherein neither political power nor personal effort, strongly backed up with millions in money, could save the tottering structure, built upon the quicksands of fraud and imposition, from that inevitable destruction which its own weight of guilt and wrong-doing had hastened to bring about. Great abuses may exist for a time, and yield up large results to the scheming managers thereof, but the watchword of Reform eventually becomes the text-word, and a successful revolution affords relief ere long. Within the past few years the growth of the insurance business has been so prodigious as to make it peculiarly attractive to the mass of floating scamps who infest the large communities where business centres, and, as a consequence, the business has been seriously damaged. The demands of every business requires, *system, regularity, and reliability*, and, when conducted upon a sound basis, the business of Insurance is one eminently so, capable of conferring great and incalculable benefits upon untold thousands, and at the same time yielding handsome returns to those who, by constant watchfulness, attention and good management, steer the vast operations of a company where millions of the public money are at stake through the storms of the business world, and thus confer mutual benefits upon themselves and others. It was the glittering attraction of these golden accumulations that brought the unscrupulous and dishonest characters into the business, and ere long every broken down politician, wire puller and legislature lobbyist was hard at work getting up a flimsy organization with the misnomer of an "Insurance Company." The number of these wild-cat societies became legion, and through the agency of ingeniously constructed statistics, quarterly and annual reports, claiming millions of assets, heavy reserve funds, and untold responsibility as backing, these people inveigled the gullible public into the investment of their money for insurance policies worth no more than waste paper. After a time the deception began to develop. The Company's Agents each required so large a share of the common plunder as soon to exhaust