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THE MONTH.

THERE are certain metals whose consumption forms an index of the condition of industry. The chief of those are iron and copper. The great extension in the uses of copper, as applied in modern industrial development, have made it a factor almost as determinative of the condition of industry as iron itself. One of the most immediate effects of the industrial activity of the last two or three years was a large increased demand for this metal, an increased demand which was not met by a commensurately increased supply of the metal, but by a very marked increase in its price and in the difficulty of procuring it in sufficient quantities for industrial purposes.

Although copper is one of the most widely distributed of all metals, and one which exists in masses which can be profitably worked under suitable conditions in many portions of the world where it is not being worked to any large extent, it is still quite impossible to bring about suitable conditions for the opening of new copper mines in response to any sudden emergency. The de-

velopment of a new copper mine requires not only immense capital but also a considerable period of time, and will not be undertaken unless there is good ground for supposing that the increase in price is not due to any sudden industrial boom, but may be looked on as a permanent condition. It is probably for this reason that the unique conditions prevailing in the copper market during the last year or two have led to less development of new sources of production than might otherwise have been expected.

If so, prudence has been justified in the outcome. There is not, by any means, the same demand for copper as there was, and in spite of many contrary opinions the demand is likely to become less instead of greater, and to be rather below than above the normal for some time to come.

As usual, the first symptoms of industrial distress appeared in Germany. There is no country, except possibly the United States, where industry is artificially stimulated more highly than in Germany, and it does not possess the enormous resources which enable the United States to carry this burden of artificial stimulation with comparative ease. Consequently the first symptoms of industrial depression, or reaction from an industrial boom, generally become visible in Germany, and they have been distinctly noticeable there for some time past. This fact has had considerable influence upon the copper situation in the United States, as Germany is the largest buyer of American copper, Great Britain controlling sources of supply in Spain, Australia and elsewhere. During 1900 the United States exported 160,082 long tons of copper. During the first six months of the present year the exports were 50,027 tons and a shortage of 70,000 tons is expected over the year. As production has not diminished there is naturally a process of accumulation going on. The excess of supply over demand is being carried by the Amalgamated Copper company, which for that reason passed its last dividend and the shares of which have taken a heavy drop on the Exchange. Through this action of the Amalgamated the price of copper has been maintained in New York at the same level as before. The New York price has been held so much in excess of the price in Europe that it has actually been profitable to export copper from Europe to the United States.

This is an entirely unnatural condition of affairs, to have an exporting country maintaining the price so high that it is obliged not merely to retain its own surplus but also to absorb the surplus of other countries. The end of it is absolutely certain unless one of two things