

week in doubt. Concessions are making on well known brands. Spring wheats are relatively scarce and firm. Saturday's market revealed no new features calling for comment. Trading was very light.

The Abolition of Exchanges.

The following letter to the *Bankers' Magazine* on exchanges will be found of interest to our readers:

"The article in your August number which proposes to abolish exchanges makes the double mistake of assuming false premises and drawing even from these conclusions which are illogical. It starts out by claiming that "no cunningly devised machinery is necessary to make sales," which is like saying that exchanges can be made without clearing houses. Exchanges are, as far as their machinery goes, simply the outcome of an increased volume of business which requires new facilities. Not only is it a physical impossibility to handle merchandise by the same methods that were in vogue fifty years ago, but with the increased number of men dealing in a given commodity it is often nearly impossible for the buyer and seller to find each other without the central meeting ground that the exchange affords. In the old days, for example, cotton used to pay five commissions amounting in all to 12½ per cent., whereas now it passes from the planter to the Manchester spinner at a cost of only one half of one per cent. True, there are still articles that are dealt in without the medium of exchanges, but they are either of comparatively small importance, are dealt in by but few persons, or, as with dry goods, are handled at great expense.

Then again you say that "prices are made to oscillate far more violently than they would if exchanges and speculations growing out of them, did not exist." This is a widespread error, but it is none the less false. Neither the range of prices nor the oscillations of prices are as great now as before exchanges were established, or as great with strictly speculative commodities as with those which are not listed on an exchange. The quotations of wheat and cotton by the speculative agency vary now by the smallest fractions of a cent, where they formerly moved by two and three cents at a time. Twenty years ago a rise or break of five or six dollars on a barrel of oil was not uncommon, but now ten cents is something tremendous. In 1879-80, before the Metal Exchange was established, iron went from \$25 to \$42 a ton, and back again inside of eight months, while other commodities fluctuated only 30 to 40 per cent. In America the oscillations in the price of iron have often been two and three dollars per ton, but in Scotland, where for a long time there has been an exchange, they are reckoned in pence per ton and rarely go as high as a shilling.

This steady or the market is brought about both directly and indirectly by the speculation on exchanges. Directly by the continual struggle between "bulls" and "bears" that goes on in both good and bad seasons, whilst in a jobbing trade everyone buys when prices go up, and when they go down tries to throw overboard at any sacrifice whatever stock is being

carried, just when no concessions will tempt consumers into the market. Indirectly by the steady effect of the large stocks which are carried mainly for the basis of speculative dealings.

As to the moral effects of speculative dealings on which you lay such stress, there are and must be two opinions. Before the era of exchanges, every merchant was a speculator of necessity, though he did his business on margins only when he asked advances from his bankers on stuff which he had already purchased. Under the new regime it is quite possible for the merchant to do either what is really a banking business, or to deal entirely on commission, incurring no risk; while the producer and consumer are also relieved from the necessity that formerly existed of speculating in either their raw material or their finished work. The development of speculation in itself may be regarded as a benefit when it is looked at as the easy transfer of capital from a less profitable to a more profitable branch of trade, which all economists have told us is desirable; but the insurmountable objection to your scheme of legislative repression is that it is a step backward over two hundred and fifty years of progress. Just the same sort of sermon was preached in the laws against the engrossing of gain, but these laws have been well nigh forgotten, and in an age when the heresies of a usury law and a protective tariff are in a fair way to die, it is hardly likely that a movement can be successfully carried through to put new shackles on trade."

[The above letter in defence of the methods of exchanges is from the Secretary of the New York Metal exchange. In our article we did not contend that exchanges were not useful, but that, as at present managed, they give rise to many evils; and the question which not a few thoughtful persons are asking is, whether the evils do not outweigh the advantages. This certainly is the growing opinion. Their operations are regarded with constantly increasing disfavor by those who are engaged in legitimate trade.]

Pay Promptly.

A point often overlooked by the retail dealer is the importance of the prompt payment of accounts. A merchant ought never to wait for a statement, but should always have his remittance in the hands of the manufacturer the day it falls due. We are well aware that such a course might prove fatal to the unsuspecting manufacturer, to whom undoubtedly the shock would prove a bolt from a clear sky, but it would not take long for him to become accustomed to the new order of affairs, and really enjoy it. But why should the retailer adopt this course? First, because promptness begets confidence, and will build up a man's credit and good name faster than any other thing he can do. Second, the cash discount thereby obtained will, in the course of a year's business, amount to a good round sum. Third, because the manufacturer thus handsomely treated will be ever ready to accord such a customer every possible favor in his power; will acquaint him with the newest styles, the best selling goods; will see

to it that no mistakes occur in the way of quality, etc., in short, will look upon the prompt customer as a personal friend, and will do all that can be done to further his best interests. But how is a man to know the date of maturity of all these many and diverse bills? Keep a special diary for that purpose. When a bill is checked off record the date of maturity and see to it that a check is sent, not within a week or two, but in time to have it arrive at its destination the day it falls due. By this method you will find that in a short time your credit will be absolutely unquestioned, and you will soon find that your business is prospering beyond all your expectations. *Exchange*

Marvelous Engineering.

The London Inner Circle Railroad is a marvelous feat of engineering skill, says the Philadelphia Press. It runs throughout its entire distance under the busiest centre of the largest city in the world, and the operations attending the excavation and construction have proceeded without serious injury to or interruption of business or traffic. Quicksands have had to be passed through, beds of old rivers spanned, lofty warehouses and massive buildings secured while their foundations have been undermined, and an intricate network of gas and water pipes sustained until supports had been applied to them from below. Added to this the six main sewers had several times to be reconstructed. Day and night the work has been carried on for 15 months, and now the engineers are able to announce that their tunnel is complete. The laying of the rails and the building of the stations are the only portions of the immense work that remain to be done, and in a very short time trains will be passing over the whole of this wonderful subterranean road. *-Chicago Journal of Commerce.*

Concrete for Buildings.

In our last issue we published an article on Mankato Cement and concluded the same with a promise to discuss the adaptability, durability and cheapness of concrete for buildings, bridges, barns, etc.

The ancients bequeathed to us undeniable records of their confidence in this material, and used it fearlessly in aqueducts, cisterns, baths and other kinds of work. The still existing remains of these long since constructed buildings—some even at a period anterior to recorded history—show us that for such application and purposes, concrete was regarded by them as pre-eminently useful.

In the numerous and varied applications which have been made of it in England, France, Germany and some portions of the United States, it has received the most emphatic commendations from government engineers and architects.

For bridge abutments and piers, for foundations, warehouses and all kinds of public buildings, for docks and jetties, for sidewalks and house trimmings it possesses the essential merits of all other kinds of building material, besides being very much cheaper, while for many purposes, such as cellars and cellar floors; cisterns, reservoirs, tanks and fountains; arches,