

THE U. S. TRADE SITUATION.

Recent events in United States financial and commercial circles show that there is something radically wrong in the conditions which affect trade in that country. The beginning of the trouble is attributed by such a well informed authority as the *Cincinnati Price Current*, to the passing of the silver purchase bill of 1890, the effect of which is just what was anticipated by conservative financiers. Money was made plentiful for a time, speculation was promoted, and although the necessities of Europe enabled the United States to keep up their exports until the past year, yet speculation has since kept prices of wheat and cotton so high, although relatively low, that the exports of them have been greatly restricted, and at the same time imports of merchandise have enormously increased. Thus the balance of trade has been heavily against the United States, so that gold had to be shipped in large sums. To make matters worse, Europe has gauged the effect of the silver bill more correctly and has from the first shaped its course with the conviction that eventually the U. S. policy would lead to a silver basis for its finances. Such an event may not come speedily, but come it will unless there is a change of tactics and the silver purchase bill repealed. Europe has accordingly sent home U. S. securities and has added to the demand for gold, the exports of which since January 1, have been about \$50,000,000, and this sum being taken from the stock which had already been much depleted has caused much apprehension in monetary circles. The New York banks have reduced their loans nearly \$10,000,000 in the last three months, and of course borrowers have been incommoded, and some of the larger ones having their usual accommodations suddenly withdrawn have been forced to suspension, although in many cases there was no actual insolvency, but only an absence of ready means. Thus the number of mercantile failures in April was unusually large, and this far in May the panic in the stock market has promoted this tendency in commercial circles. The general demoralized condition in finances has caused banks and merchants alike to curtail operations and prepare for the storm which seemed to be impending, so that the volume of general trade has been cut down, and complaints are heard on all sides of the lack of the usual demand for commodities.

The forming of Trusts in the leading lines of manufacture have thrown out of employment much common and skilled labor, and to that extent has reduced the ability of a vast number of consumers to buy the necessities and comforts of life, while the multiplication of labor saving machinery has kept up production or has increased it, so that the markets are overstocked with goods, and the tendency of prices is to a lower level of value, and in such a condition of trade merchants are not going to buy in anticipation of their current necessities. The recent panic in the stock market, while mainly confined to stocks, was the result of the demoralized

state of finances which forced over confident speculators into liquidation, and yet it will doubtless have much deleterious effect in commercial circles from which, judging from similar conditions in the past, it will take a long time to recover.

Speculation has been the bane of business in the United States, it has kept wheat and cotton at home when they should have been exported and would have been to the extent of say seventy five millions of dollars more than they have been if speculation had not kept prices above their export value, and to that extent they should not have been called upon to ship gold. In that event, the crisis in the stock market might have been averted, or at least postponed. It was sure to come sometime, however, for speculation grows by what it feeds upon, it never goes back, but constantly increases until it becomes so topheavy that liquidation will be forced as a matter of necessity. The general business of the country is not in an unsound condition, there is no fear of a depreciation of the currency, unless it be in the remote future, and there is time enough to correct the faulty feature before further serious harm develops.

SAN FRANCISCO COAL TRADE.

Of the San Francisco coal trade J. W. Harrison, under date of May 13, writes: "During the week there have been the following arrivals, from the Northern mines, 13,650 tons, from foreign sources, 10,103 tons. Although the consumption of fuel for family uses is falling off, there seems to be a largely increased demand for steam purposes, which is keeping business active with the jobbers. Values are well sustained by reason of light arrivals for the past 60 days, and stocks in yard are being noticeably run down, very markedly in some grades, specially Australian gas and steam coals. Cables just at hand report an advance of one shilling per ton in all Cardiff products, this, doubtless, will become general, as colliery proprietors all through England complain of prices being too low, hence their recent attempts to reduce all miners' wages, which have led to general strikes in some of the coal counties of England. The recent disturbance in wheat values here has caused a cessation of charters for futures, as the difference in the wheat cost here for December delivery and the present Liverpool quotations, would not leave the carrier 15s. for transportation, this is handicapping coal shipments like wise. Our pigmy wheat operations do not effect the world's values very markedly, as our boisterous advance, has been met by a decline in Liverpool, France, and Chicago."

LIVE MERCHANTS AND COMPETITION.

When but one store is found in a locality, it is often said that it supplies the needs of the neighborhood, and that the addition of a second store only divides the business. This is only partially true. The division of business does occur, but the aggregate sales are usually greatly increased so that each of the two stores may have to its

credit as great a margin of profit as the solitary store had before, and this too without any great accession of new customers. The explanation is that new trade is created. Everything is purchased under a stimulus. In the elementary articles of trade, food clothing, fuel etc., the promptings are the common feelings, hunger, cold, etc. These are constant, but as elastic as rubber. Delicacies and silks, if introduced, appeal to a taste that will build up a great trade if properly fostered. The desire for finer food, finer clothes, finer houses, prompts the individual to greater efforts in procuring the luxuries. Therein is exemplified the difference between a progressive and a conservative race. The civilized notions of this age are the product of this restless desire for better things. Offer a prize to a school and half the pupils will work for it if there is anything like an even chance of success. The result is an expenditure of a large quantity of latent energy. Show an improved stove in your store. Make the people realize the superiority and advantages over the old stoves. Make them desire it, and you may be assured that many of them will have it. What is more important still, the greater the number sold, the greater will be the demand for it.

There is an immense amount of human energy that is going to waste. It is frittered away in the useless collection of postage stamps and divers other harmless ways. It is the business of the merchant to build a dam across the current of this ill-directed energy and divert it to the mutual good of himself and neighbors. This can be done by the judicious introduction of new goods. The dealer in agricultural implements knows that when a new and improved corn planter or hay rake appears on the market, it usually depends very much upon himself whether the sales to his trade shall be large or small. If the demand does not exist, it must be created. No matter how great a labor-saving principle may be involved, no matter how great may be the value to a purchaser, as a rule the desire to buy in the customer must be educated by the seller. The dealer, therefore, stands in a very important role. He connects the human element with the material element of progress. He is not merely the medium through which daily needs are bartered and doled out to the race, but the invigorating spur to progress in all material lines. One merchant may kill a community. Two or three or even half a dozen may awaken it to a growth that brings prosperity and infinitely greater comfort to life. Competition ruins very few merchants.—*Ex.*

The Alberta & British Columbia Exploration Company has purchased the rights of the Kootenay Valley Irrigation Company and has set to work to reclaim the bottom lands of the Kootenay River. The canal will be seventy-five miles long, and it is estimated that it will take about four years to complete the work. The area to be brought under irrigation embraces something over 40,000 acres. Twelve thousand acres will be reclaimed this summer. It is the richest kind of river soil, from ten to twenty feet deep. Anything planted will grow. No man could desire a more fertile or productive soil.