

GERMANY AND BRAZILIAN TRADE.

Deputy Consul-General Hanauer writes from Frankfurt to Bradstreet's that Dr. W. Kundt, a German economist, has written a book on Brazil. The aim of the author is to impress his countrymen with the importance of Brazil as a market for German export trade and as a supply source for raw materials for Germany. He alludes to the fact that the retail trade in Rio de Janeiro is carried on in a small, dingy store, and he advises some enterprising German trader to open a large department store on the Brazilian coast in a stylish building in every German city. The establishment of this kind would do brilliant business at Rio, which is the best retail trade of the adjoining provinces, aggregating a clientele of at least one million customers which use a good class of European goods. Dr. Kundt says if a syndicate of German manufacturers were to establish a department store on a large scale in Rio it would be the most practical and efficient method of gaining the Brazilian market for their products.

In this connection it is well to recall that Deputy Consul-General Hanauer laid down a similar proposition in a report made to the department some three years ago, and published in advance sheets of consult reports. Mr. Hanauer in that report recommended that our manufacturers and merchants open in the chief cities of Germany and other European countries department stores for the sale of American goods. This method of linking foreign markets is even more direct and practical than the sending of American commercial representatives in order to introduce our goods. Dr. Kundt's second proposition is that German manufacturers and exporters form powerful syndicates to buy large tracts in Brazil for the purpose of growing cotton, raising rubber, coffee, the sheep, etc., cutting timber and deoxid, and for shipping provisions, hides and pelts. The raw materials to be shipped to the fatherland. He alludes to the great natural riches which Brazil possesses in the form of minerals used by German furniture manufacturers; also to the exploitation of tin mines and copper mines, and also the promising opportunities there for cultivating coconuts, rubber, tanning materials, etc.

German capital would pay big dividends if employed in cattle ranches, meat packing and canning for export in tanning leather, etc. German newspapers, in commenting upon Dr. Kundt's book, articles and endorse his views and point to the already existing advantages of the unsupervised policy of securing footing in foreign countries to supply themselves with raw materials at low cost and to obtain original and full control of these, whereby they will in the future secure dominance in manufacturing. Competition between the industrial countries of the world is getting keener year by year, and the nation which is best supplied with raw materials will have an important advantage over its foreign competitors.

The Germans are good merchants, and Mr. Hanauer would profit by the valuable hints given them by their able countryman. It is well to know that stores will ere long be a prominent feature in the chief cities of South America, Africa and other world markets.

SCOTCH IRON TRADE.

The London Financial Times says: "The south trade in pig iron warrants a blow by the slump in pig iron prices in the Glasgow market, and exporters have accordingly been advised to ship for immediate wants. The change in the trend of affairs is most disappointing for it has been generally held that matters here in this district were moving in an upward direction, more especially as the last few months had left over a good weight of arrears of work. It would not, however, be surprising if even this had made up their minds that there will be no recurrence of the American boom of this summer, and that the bulk of exports a year ago was wasteful, it is feared that as soon as the pig iron price is raised the mills will arise in securing a ready outlet for full iron production."

It is also noted out that the great demand in America during the past year or two has been accom-

panied by an enormous inflation of capital, and that high prices will be necessary to maintain an adequate return on this investment. It is, therefore, argued that this will induce Americans, as soon as the international domestic economy adjusts, to commence to exploit neutral markets.

WOOL.

For a long time past it has seemed that, in spite of prosperous times which in the ordinary way would have done good for the wool trade, clothing and which, in most lines, has actually done so, the woolen industry has languished. It is true that this has been the case in Canada, but in Great Britain and Europe, and to some extent in the United States, there would appear to be many reasons for the existence of a contrary state of things. The iron drought in Australia, which killed off, it is estimated, something like 20,000,000 sheep, the scourge of the disease in South America, which during the last two years has accounted for 1,000,000 more, and the increase of population and still more of the consumptive power of the population, are the large factors, as we have imagined, have been able to keep up prices for wool to a high figure. In spite of these factors, however, they have dropped to a point where the profit was "non-existent," though it is estimated that the wool trade in Great Britain has been a marked change for the better. What then has caused the present depression? Is it due to a lack of the prosperity so generally to be noted among others?

As Canada is concerned, is the fact that while last year's wool went up for the finer grades of wools, the coarser grades, those kinds which would be affected by the conditions in Australia, the coarser grades, owing to the stationary nature of the demand, remained very much as before, and for which reasons the lowest prices on record. But, no doubt, a very great reason for the sluggishness perceptible in the wool trade of the world lies in the increasing use of substitutes for wool—the latter is made to go against the wool, it even went before. Of late years the use of animal hair and of cotton as substitutes in London has increased to an extraordinary extent. The great difference in price between the two materials, and the fact that the latter makes of strong efforts in the way of price reduction, have been a cause of limitation, and these efforts have proved very successful. It is said that some manufacturers over there never buy a single bale of pure wool in the course of a whole year. In an address recently given in the Southern States by a wool expert, it was stated that 90 per cent of the woolen goods made here are made of mixed materials, cotton and that in 45 per cent of the woolen goods made in that country there is not a single thread of wool. Under these circumstances it is not hard to understand why wool prices should rate low and the market be dull.

This condition characterizes the local market in this country. Prices, which keeps unchanged in price at 14c to 15c per pound for washed, and 8c to 10c for unwashed, are now quoted at 10c to 20c for extras, and 15c to 16c for super. With a continuation of the present conditions, it is expected to arrive on the market in fair quantities within the next two or three weeks. In the United States this is the case, and that buyers and sellers have been standing off for the last two months, the latter have been unable to prevent a falling off in prices. Philadelphia advisers say that:

"The present situation is of paramount importance as a stimulant to prices has been the small supply of uncombed wool, which was the cause of the low prices in the lowest figures since 1896. Manufacturers have been burning the candle at both ends, and the price of such wools as we produce (wools of the first class) have been falling off, consumption has been decreasing, and including that owned by the mills, is only about one-third of that at the date in 1905, when the stocking in

prices was just beginning which culminated in the boom of that year, prices rising 35 per cent. between May and December; and it would seem that the decline is hourly warranted.—Toronto Monetary Times.

SENECA ROOT.

The McMillan Fur & Wool Co., of Minneapolis, write The Commercial as follows under date May 19: "We have a report from the 15th inst. your market report of Seneca root, also a separate article in regard to it, and we are glad that you state that the season is likely to open at 40c to 50c a pound. Would say that it has already sold in New York City for \$1 a pound and we are quoting 70c, as you will see by our circular enclosed for good dry root delivered in Minneapolis. (The freight from Winnipeg to Minneapolis is 10c per cwt. a pound.) We agree with you that Seneca is in extremely light supply and that with prices so high supply and that with prices so high you say that the new foreign settlers will probably have to have some means of maintenance until the farms are produced. It has occurred to us that here lies a simple solution of the Doukhobor problem—if these people could be induced to make an unusually good livelihood digging Seneca on account of the high prices that it has already sold in New York at it, and this would calm them down in their religious notions. It looks as though we could get an unusually large crop in Manitoba and Northwestern Canada, which on account of the high prices would bring a great deal of money into Canada. Yours truly,

McMILLAN FUR & WOOL CO.

THE COST OF INSURANCE.

The statistics furnished in the New York state insurance report covering the operations of insurance companies doing business in New York state during 1902 are interesting, says The Commercial. We take for purposes of comparison the five largest companies, namely, the Equitable, the Metropolitan and the Prudential, and compare the principal elements last year and this year. The table immediately following gives the receipts of these companies:

	Total	Total
	1902.	1901.
Equitable	\$3,392,427	\$2,360,261
Metropolitan	1,751,221	1,644,007
New York	1,386,571	1,429,388
Prudential	3,118,737	1,484,984

Excluding claims paid, policies surrendered, lapsed, purchased, etc., dividends to policy holders, and stockholders, and other payments of the five companies above compared are as follows:

	Commiss-Salaries.	Total.
Equitable	\$1,242,447	\$2,888,627
Metropolitan	750,231	2,044,607
New York	526,757	1,359,000
Prudential	1,004,773	2,389,839

Regarding merely the question of total income and above expenditure, it would appear that the expense proper of the Equitable was about 11.2 per cent of its total income; those of the Metropolitan were about 20.2 per cent of those of the Mutual were 20.5 per cent; those of the New York were 20.1 per cent; and those of the Prudential about 19.7 per cent. This is a truly remarkable variation in total cost, for which we explain, while doubtless there is not entirely evident on the face of things. Taking the item of commiss-Salaries, we find that the Equitable paid an average of 13.6 per cent, the Metropolitan collected 13.8 per cent, almost 20 per cent, the Mutual Life 15.2 per cent, and the New York 20 per cent.

Considering the question of salaries, including medical fees, and all other charges of expense, the proportion to total income was 11.2 per cent in the case of the Equitable, 20.2 per cent in the case of the Metropolitan 18.8 per cent in the case of the Mutual Life, 20.5 per cent, and in the case of the Prudential no less than 19.7 per cent. If the Metropolitan and Prudential expenses were very high.

The average commission rate paid on premiums by some of the smallest companies doing business in New York state would be as follows: Aetna, 12 1/2 per cent; Berkshire, 12 per cent; Connecticut Mutual, 8 per cent; Equitable, 12 per cent; Northwestern Mutual, 11.7 per cent. The John Hancock Mutual shows an expense of 24 per cent. It is difficult to see that any such rate of commission is necessary, and that the three big companies and a number of others should be able to get by with much less. It looks very queer if the public was paying too high rates for insurance, and if it was high time that all the insurance companies should devote their energies to saving money for a surplus.

THE TELEPHONE AND RURAL FREE DELIVERY.

In the United States post office appropriation bill there is an item providing \$25,000 to be used in determining whether the telephone can be made the basis of rural free delivery. The idea is to facilitate the delivery of letters carrying news, and to make it possible to deliver the letter, when he receives such letters, call up the farmer to whom they are to be delivered, and if he consent, the postmaster call, without the necessity of any extra charge, on the letter and read its contents to the person at the other end of the wire.

THE BANK OF SCOTLAND.

Was the Bank of Scotland, which that some of our Canadian banks are able to boast so large a number of assets. This Canada bank has a head office in Montreal has 58; the Canadian Bank of Commerce, 84; The Bank of Montreal, 100; the Bank of Nova Scotia, 48; the Royal Bank, 42; and the Bank of Toronto, 118 per cent of the total. The Bank of Scotland, which reports that it has 124 branches, in 92 different places in Scotland, and a main office in London besides, has the oldest and strong bank balances everywhere very considerable figure. Its assets are \$1,381,611 in British government securities or cash, \$1,300,000 in cash, \$1,629,735 in Indian and Colonial securities, and \$1,300,000 in cash. Its liabilities, cash accounts are \$2,555,735. Turning to the Hamilton office, the assets are \$1,300,000, and the liabilities, \$1,103,648; acceptance and \$1,302,778. The assets are \$1,300,000, and there is a reserve fund of \$675,000. The bank pays a dividend of 14 per cent. The Bank of Montreal was founded in 1818, but is a far cry from that date to 1902, which is the date of founding of the Bank of Scotland.—Monetary Times.

MANILA VERSUS SISAL.

As showing how manilla twice as regaining favor at the expense of sisal the fiber statistics are interesting. In the monthly report of the International Cotton and Sisal Commission, dated January 1, 1901, and ending April 30, 1902, the deliveries of manilla from the United States and Canada were 3,640 bales. Of sisal the deliveries amounted to 7,380 bales. The total deliveries of sisal one year later we find that the deliveries for the corresponding period were 3,640 bales, and of sisal 3,613 bales. These figures show that the manufacturers received for sisal in 1902, 24,295 bales less of sisal than 55,731 bales more of manilla than in 1901. It is interesting to see that in the preceding year period. If the supply of sisal were to be increased the difference between the two fibers will disappear.—Farm Implement.

Notice has been given that Canada letters may now be sent to Australia at the domestic rate of 2c.

The British board of trade just published for the year 1902 a report on the population of Canada for 1901 was 24,600, as against 23,000 in 1900. This, of course, includes the first cabin passengers, as well as the second cabin passengers, and is a good indication of the enormous travel from the British Isles to the Dominion.