

PRICES OF CANADIAN WOOL

How United States Tariff Changes Might Affect Them —Views and Statements of a Toronto Dealer

An interesting discussion as to how free trade with the United States would affect the price of Canadian wool is sent to *The Monetary Times* by Mr. John Hallam, the well-known Toronto wool dealer. The United States does not produce all the wool she requires for domestic consumption, and, while she exports a quantity of wool to other countries, there are some grades that she requires that are produced in Canada and other countries, and which she is forced to import.

"In 1911," says Mr. Hallam, "there was produced in the United States 318,547,900 pounds of wool, and, during the same year, under a protective tariff amounting to about twelve cents per pound, they imported about 190,000,000 pounds of wool. The tariff, acting as a barrier to the importation of this commodity, and had a tendency to raise prices on wool in the United States, the excess being paid by the ultimate consumer, the people. This artificial barrier is about to be removed, and provide for a more free and uninterrupted commercial intercourse between these two great nations. Anything that tends to remove barriers to commerce must be of a certain advantage to the exporting as well as to the importing country. That the removal of the tariff on wool will give Canada a great market that has been practically closed to her is shown by comparing the export of 442,654 pounds of Canadian wool to the United States during the fiscal year of 1912, while the tariff was in force, with that of 3,851,432 pounds in 1896 and 7,499,949 pounds in 1897, when there was no duty upon wool entering the United States, as is shown on page 570 of the report of the Dominion Department of Trade and Commerce for 1912.

Tariff and the Wilson Bill.

"In order to obtain an idea of the effect the removal of the tariff at present will produce, let us examine the effect on prices in the United States and Canada before and after the removal of the tariff under the Wilson Bill. On August 1st, 1892, while the tariff was in force, the Boston quotation for Ohio fine unwashed wool was 20¼ cents, while in Toronto on the same date unwashed wool was quoted at 10 cents. On August 1st, 1896, after the tariff was removed, the same wool was quoted at 12 cents in Boston, and on the same date it was quoted at 11½ cents in Toronto, so you can see that the prices were practically the same after the tariff wall had been removed.

"At present, in anticipation of the removal of the tariff, the Boston quotation on Ohio fine, unwashed wool is 21 cents, and dealers in the United States are quoting the prices paid for wool there last year, although the prices on wool in England, Canada, and the world's markets have advanced about 15 per cent. over last year. The trading in the United States is light and prices have declined to a free wool basis in anticipation of the removal of the tariff, while the prices in Canada have advanced, so that the quotations for the same grade of wool in the United States and Canada at the present time are practically the same.

Question of Grades.

"As is well known by all persons engaged in the different branches of the woolen industry, there are many grades and classifications of wool, depending on the different varieties of sheep and their environment, each class of wool having its particular use in the trade, adapted to the particular quality and kind of goods to be manufactured. For this reason no country produces all the grades of wool which are best adapted to all the uses to which wool is put; hence each country exports its surplus of a particular grade and imports the grades of wool which it requires to manufacture its products to the best advantage. This explains the reason for the exporting of 1,196,924 pounds of wool from Canada during the fiscal year of March 3rd, 1911 (416,166 pounds being exported to the United States), while during the same period 6,422,396 pounds were imported into Canada (876,406 pounds being imported from the United States), according to the report of the Department of Agriculture of the Dominion of Canada in their publication, entitled "The Sheep Industry of Canada, Great Britain, and United States," page 162. This shows that we imported 5,855,472 more pounds of wool into Canada during that year than we exported, and when we take this amount in connection with approximately 11,000,000 pounds which is produced in Canada, it gives an idea of the great importance the manufacture of woolen goods is to the Dominion.

Regarding Market Conditions.

"There is a wrong impression prevailing among some growers and dealers, that in case of free trade with the United States, that Canada would have that market practically to itself. This is wrong, as the United States in 1912 imported 193,400,713 pounds of wool, which is about seventeen and a half times the total production of wool in Canada, and in 1896, when the Wilson Bill went into effect, removing

the tariff from wool, as an example to show that other nations are alive to the situation, and are ready to take advantage of all opportunities to expand their trade at the earliest possible moment, a vessel laden with wool lay outside Boston harbor for three days, waiting for the time to arrive when the duty would be removed and she be enabled to land her cargo on a free trade basis.

"At present, some woolen mills in the United States are buying on a hand-to-mouth basis, others have already closed down, while others are reducing their force and output, waiting to see what Congress will do with the woolen schedule before making up a line of goods. While a tariff bill has passed the House of Representatives, the real fight has just commenced, and it will probably be several months before the bill will finally be acted upon by Congress and the matter definitely decided. In the meantime, great pressure is being brought to bear upon Congress to defer the time that the tariff bill will go into effect until January 1st, 1914, to enable the dealers and manufacturers of that country to dispose of their stock of wool and woolen goods before the new schedule shall take effect. If Congress accedes to their demands, the tariff barrier will still stand until that time, and a large majority of the Canadian clip of this season will be disposed of in the ordinary course of trade before the markets of the United States are opened to Canadian wool.

Open to all Buyers.

"With the tariff removed, with the world's production of 2,952,782,985 pounds to draw upon, with the normal production and consumption of wool in other countries, with the markets of the world open to all buyers, there cannot be any great change in prices of wool in countries outside of the United States on account of the removal of the tariff, and Canadians will have to be satisfied with receiving the preference over other nations in the trade with the United States on account of their proximity to the American markets, with prices practically the same as at present, subject only to the usual fluctuation in the world's market occasioned by the universal law of supply and demand."

The *Monetary Times* would be glad to have the comments of its readers, more particularly interested in wool, regarding the views and statements of Mr. Hallam.

BRITISH LIFE ASSURANCE BUSINESS

During 1912, new life assurance business effected by the ordinary British companies consisted of 245,137 policies, for a total of £49,769,241, within the United Kingdom, and 19,886 policies for £8,231,890 outside. The decrease in new business inside the United Kingdom as compared with the previous returns amounted to 2,478 policies for £487,152. The largest business was done by the Prudential, who secured 60,012 new policies for a total of £5,306,721. Industrial companies established within the United Kingdom made returns showing 7,907,177 policies for £76,506,272, while companies established elsewhere did new business in these islands amounting to 6,548 policies and a total of £2,606,960 assured.

The summary of the revenue accounts shows that the ordinary companies in the United Kingdom had a total life assurance fund at the beginning of the year of £348,209,716, and at the end, £359,775,216, an increase of £11,565,500. The income from premiums was £29,703,217, and from annuity business, £2,271,467. The claims were £22,557,408, the surrenders, £2,404,180, and the annuity payments, £2,567,360. Management expenses are put at £2,435,088, and the shareholders' dividends at £476,624. The figures generally represent increases with the exception of the income from annuities, commission, and the dividends (which fell £12,067). The life assurance funds of the industrial companies increased from £46,284,974 to £49,240,823, and that of companies outside the United Kingdom from £410,754,416 to £431,986,161. Three of these companies—the New York (£138,363,760), the Mutual of New York (£119,014,706), and the Equitable of the United States (£102,219,122)—have life insurance funds running into nine figures, as compared with that of the biggest English company, the Prudential, with £43,050,370.

The number of life assurances in force is given as: Ordinary companies, 2,968,398 for £827,137,470; industrial companies, 35,475,381 for £353,109,702.

Montreal and Eastern Ontario interests have completed the re-organization of the Napanee Brick and Tile Company, Limited, taking over the old plant of the Whittington brick yard which has supplied the building trade in the Bay of Quinte district. The new concern is capitalized at \$100,000. The directors of the company will be Messrs. E. M. Young, Picton, Ont.; John L. Madill, Napanee, Ont.; C. S. Madill, Montreal; G. R. Wright, Kingston, and M. E. Madole, Napanee.