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### THE SITUATION IN WOOL.

Nobody cares to stake his reputation on a prophecy as to what prices will be reached for wool. Already they are 30 per cent. higher than a year ago, that is to say, referring to the coarser and medium grades which are those we in this country have more particular interest in. To understand this condition of things, it is necessary to take a glance over the woolen markets of the whole world. The general tendency then in the United States has been upward for the past three years, but this up-grade movement has been punctuated by severe fluctuations, due more than to anything else to over-speculation and to consequent sudden collapses owing to the excess of supply over demand. It would be perhaps better to say, not that the supply was excessive, but that the demand was suddenly lessened through artificial conditions, such as strikes leading to lower consumptive power. This was particularly the case in the early part of last year, when business in the United States was severely depressed; in spite of the depression, however, the price of food remained high, and this was another reason for the curtailment of the demand for clothing.

The improvement in labor conditions, during the past year has been very marked. The unionist leaders seem to have come to the conclusion that to continue their old tactics is simply to cut their own throats. And in no branch of trade has the improvement had greater effect than in the woolen. It is calculated that the demand for wool has increased at least one-third since the apparent settlement was reached in regard to the right of non-unionists to labor for their livelihood. Other conditions, too, are equally favorable, and the general prosperity may be said to be very marked.

This situation in the United States naturally affects the Canadian market very materially, especially

as more or less similar conditions with regard to the demand for wool exist in Europe as well. All the indications seem to point to a still larger consumptive demand this year than ever; so long, that is, as values are not placed so high as to restrict the purchasing capabilities of the people altogether. Very small wool stocks now remain in the hands of first dealers.

All recent wool sales in London have showed a very strong tendency upward in prices, but it seems not altogether unlikely that these sales will in the future occupy a less all-important point in relation to the world's market than they have done in the past. We refer to the direct purchase by Boston concerns of Australian wool through agents stationed in the Island Continent, a thing which, we believe, has never happened before.

One feature which has helped to bring about the present extreme prices for coarse wools is, of course, their demand for the armies in the Far East. Should the Russo-Japanese war come to a speedy end, it is possible that there would be a cessation to the constant upward trend in values, but of this contingency there does not appear to be any great likelihood. The Yorkshire manufacturers have felt the full force of the acute demand from the above source, and this has, of course, strongly affected the prices of their goods, both for home use and export.

It seems strange, under all the existing circumstances, that Canadian farmers especially in the western ranching districts, do not pay more attention to sheep-rearing, an admittedly paying branch of farming. In several parts of the United States, we understand, many contracts are being made for wool "on sheep's back." This, considering the possibilities of deterioration through climatic influences, is a somewhat dangerous proceeding, but it shows the extraordinary activity of the demand for wool at the present time.