

gained their old place as our largest customer. The exports have risen from £18,700,000 in 1864, to £28,500,000 in 1886. Next in order comes India, our trade with which is almost exactly the same as in 1864, the exports in each year being £19,950,000. Australia comes next, the exports being £13,633,000, and the Hanse Towns make a good fourth with £13,575,000 of exports. France comes next, the exports to that country having increased from £8,200,000 in 1864 to £1,700,000 in 1886. British North America, although much less than any of the above, still makes a respectable appearance. The exports in the last three years were:—

1864	£5,600,000
1885	4,700,000
1886	6,833,000

In carrying on this trade the following number of ships and tonnage was employed:—

	1866	1885	1886
Vessels	29,764	24,541	24,541
Tonnage	10,944	4,025,000	19,701
Total	43,708	14,007,000	43,181

The chief trades which show great fluctuations in the past three years have been the cotton and grain trades, and it is very curious to notice how, when these are tabulated separately, the variations in other articles are on a very small scale indeed. The computed real value of the imports for the 11 months ended 31st November in the following years are as follows:—

	1866	1885	1886
Raw Cotton	£2,000,000	£2,000,000	£2,000,000
Grain	£1,000,000	£1,000,000	£1,000,000
Other	£1,000,000	£1,000,000	£1,000,000

The declared value of the exports for the whole 12 months is as follows:—

	1866	1885	1886
Cotton	£2,000,000	£2,000,000	£2,000,000
Grain	£1,000,000	£1,000,000	£1,000,000
Other	£1,000,000	£1,000,000	£1,000,000

* This includes cotton yarn and manufactured cotton.

In our trade with British North America the most important item is, of course, wood, and I give a statement of the quantity imported for the year ended 31st Dec., and of the values for the 11 months ended 31st November:—

	Quantity.	Value.
1866	808,000	£1,700,000
1885	788,000	£2,197,000
1886	781,000	£1,838,000

* The imports in Dec., 1886, the value of which is not included in the above, were very much in excess of the imports in December, 1885, and Dec. 1886.

Despite the panic of 1886, it will thus be seen that the transactions have been the largest on record. In the latter months of the year there was, indeed, a general feeling of languor, and the transactions showed no increase on the corresponding months of 1885. On the other hand, there was no falling off, and it is probable that the year 1886 will show a trade not much less than that of 1885.

The returns from the Bank of England for this week present the following results:—

	Amount	Increase	Decrease
Public Deposits	£ 7,215,000	£ 511,000	
Private Deposits	17,584,000		253,000
Government Securities	13,111,000	No change	
Other Securities	18,653,000	67,000	
Notes in Circulation	22,407,000	121,000	
Bullion	19,374,000		16,000
Reserve	11,177,000		137,000

The Bank of France returns are as follows:—

	Increase	Decrease
The Treasury Balance	100,000	
The Private Accounts	3,000,000	
The Commercial Bills	74,000,000	
The Notes	53,290,000	
The Cash	18,830,000	

March 9, 1887.

[PER CHINA.]

In connexion with the dullness of trade, the depression in the stock and share markets and the cheapness of money the *Times* has been making a series of observations which contain much that is true, but something also which is quite untrue. The *Times* for example points out that the trade of the country is as large as ever, and instances among other proofs the increase in the railway traffic. It states also that the profits in trade are as large as in any former period although this is perhaps open to some doubt, and that people now are living economically and saving what they make. There is thus a very great accumulation of capital going on, and owing to the distrust felt toward public works and foreign loans there is very little outlet for the capital. The *Times* also points out the danger of the present distrust which is likely after a long continuance of cheap money to result in a spirit

of speculation as dangerous and as wild as that from which we are still suffering.

There is in all this a great deal of truth, but the *Times* goes on to refer to the continued depreciation of railway and other securities, and says that in this depreciation the country is losing all that it makes by its large trade and its present economical habits. It would be easy to show on the *Times* own principle how absurd this. If the profits which are being made in trade are being immediately lost, how is it that money is so cheap? The whole argument of the *Times* up to a certain point, is that the cheapness of money is a consequence of our profitable trade, and then it suddenly turns round and attempts to show that on the balance our trade is not profitable.

The real fact is that the depreciation in the price of securities be it more or less, is simply a nominal deduction from the wealth of the country. The railways for example are still there, and at no former time were they more fully or more profitably employed. If for the last two or three years the price was unduly inflated and is now unduly depressed; that is indeed a loss to the shareholders, who may have been forced to sell, but the nation is neither richer or poorer. It is simply making (so to speak) a more correct valuation of its assets, but the assets are just the same.

The long continued losses which the Fire Insurance Companies have sustained in almost every department of their business, has naturally led to a general revision of the Tariffs, and it is only fair to say, that these are characterized by much greater moderation and discrimination than the Tariffs usually drawn up by the offices after heavy losses. It has been too much their custom to legislate in a spirit of panic, and by a hap hazard rise in rates they have generally exposed themselves to a competition from new companies which has speedily brought them to their senses. In London for example after the great dock fire of 1861, the course of the offices was most arbitrary. The London merchants almost immediately started two powerful offices the "Mercantile," and the "Commercial Union," and in a few months the Tariff offices were very glad to reduce their rates.

There is only one point in the tariff now drawn up which would be of much interest to your readers. I refer to the gradual extension of the Average Clause to insurances. The movement seems to be a very gradual one, and is, perhaps, an unconscious one on the part of the offices, but it is slowly going on, and every few years a fresh class of risks is declared to be "subject to average." The origin of the average clause was this—When the fire insurance duty was levied it was found that it was very easy to evade it. The duty was fixed at so much for every £100 insured and merchants and others who had several different concerns soon saw that by insuring all their concerns for the greatest amount of property which they had in any one, they could evade paying duty upon the total value of all their properties. The offices connived at this, and charged for four or five concerns insured for the value of only one, four or five times the rate which they would have charged for one. To prevent this, an Act of Parliament was passed prohibiting the insurance of separate concerns unless with the average clause. The effect of this clause is very simple. If a person insures property for less than its value, he is looked upon as his own insurer for the difference, and in case of loss he only gets his proportion. It thus comes into operation only 1st—When the property is under-insured; and 2nd—When there is a salvage. In such a case, the office reduces the amount of its insurance by its proportion of the salvage. Thus, if a concern valued for £6,000 was insured only for £3,000, and it was damaged to the extent of £3,000, the office would only pay £1,500. It would reduce the amount of its insurance £3,000 by its proportion of the salvage £1,500 or one-half of £3,000.

The effect of the Average Clause upon insurances is thus to compel people to insure for the full value of their property, and probably, in the long run, this is better for both parties. It keeps the insured fully protected, while it enables the insurers to estimate more accurately their liability to loss under each class of risk, and to charge accordingly.

The returns from the Bank of England for this week present the following results:—

	Amount	Increase	Decrease
Public Deposits	£ 8,238,000	£ 992,000	
Private Deposits	16,793,000		735,000
Government Securities	13,111,000	No change	
Other Securities	18,604,000		49,000
Notes in Circulation	22,050,000		448,000
Bullion	19,256,000		118,000
Reserve	12,207,000	830,000	

This return is of a neutral character. The bullion has decreased £118,000, whilst the circulation has also decreased £448,000, there is thus a net increase in reserve of £330,000.

The Bank of France returns are as follows:—

	Increase	Decrease
The Treasury Balance		100,000
The Current Accounts	9,333,000	
The Commercial Bills		4,600,000
The Notes		3,833,000
The Cash	7,666,000	

This return is again favourable, although the fluctuations are not so great as in the last few returns.

March 10th, 1887.

II.

THE CHIGNON QUESTION.

(To the Editor of the Trade Review.)

SIR,—Having had our attention drawn to a series of startling assertions made in the columns of our leading periodicals, as to the dangers our countrywomen are liable to through wearing chignons, and other false hair, we feel sure that you will allow us, as the largest manufacturers of human hair in this country, to question the truth of these reputed dangers.

We may commence by informing our fair countrywomen that all fear of danger is entirely groundless, and we feel sure, Sir, this must be a matter of great satisfaction to you, since you must have confessed to such an amiable weakness as to have "bowed in submission, if not in admiration!" to such a general, and, therefore, acknowledged by both sexes, becoming fashion.

According to the *Lancet*, these reputed dangers spring forth from a Russian professor, M. Lindermann; and the report goes on to state that the new farrington, for which he gives the new name of *gregarine*, is literally a parasite of that disgusting and common parasite to people of dirty habits and person, the *pediculus capitis*. Now anyone, who has any knowledge of parasitical life, is aware that parasites are unable to exist unless the life exists to which they are parasitical. For nearly ten years, human hair frizzles, of which the chignon is the last fashionable form, have been worn by ladies, and every lady will, we doubt not, tell you, if you ask, the extent she has suffered from that troublesome, itching creature, *pediculus capitis*, which is necessary to propagate our newly-discovered danger, *gregarine*.

Then we will suppose that "Investigator" has investigated some mare's nest. It must not be forgotten that in order to develop the *gregarine* or *pediculus*, he was obliged to submit them to a temperature of 120 deg. Far. for six hours, or else before a stove for the same time round the neck of a shaved hen! Considering, Sir, that the human blood is found in disease to rise to 103 deg. Far., and that the accessible parts of the body (as the month, axilla, &c.) are usually between 97 deg. and 98 deg., we think that it is hardly right to ask our fair friends, who may be ambitious to be such "investigators," after your correspondent's style, to imitate the shaved hen for six hours at a temperature of 120 deg. Far.

Now, Sir, for our practical proofs. With about forty years' experience, we can assure you that in our business capacity, with tons of this human material passing continually through our hands, it is very, very rare—much rarer for us to find a single one (possibly one in seven years) of these common parasites, *pediculus capitis*, than it is for the average of the public to find in their private capacity. And we can also assure you that when hair is properly prepared, it is a very beautiful object, free from grease, and entirely clean. We challenge "Investigator," or any scientific man, to come to either of our warehouses, examine our manufactured hair, and find anything approaching to life upon it. We will allow him free entrance to our entire stock (which is the largest in Britain, and probably in Europe), and he shall examine the article microscopically.

One of our firm has paid considerable attention to microscopy, and he has this day and yesterday examined several samples of raw hair as imported, hair hair under process of manufacture, and also finished hair; and in his investigation he entirely failed in tracing, in the slightest degree, the existence of the parasite named by M. Lindermann.

Human hair in chemical properties resembles horn, nails, &c., and there is the same likelihood of spontaneous generation through the wearing of false hair as there would be in wearing combs or other horny fabrics; but we all know that wherever moisture, grease, and dirt with heat are associated, organic life is a certain result, and if through individuals' personal uncleanness, or if through their cupidities they seek their commodities from those who from necessity cannot have a trade knowledge of the article, then there should not be a complaint if disastrous consequences result.

Very much more might be said by us to contradict these rumours, for it is obvious that our employed who work often in heat and vapour, must necessarily be greatly diseased—but the reverse is the case, they are healthy; but we feel we have already trespassed upon your space. Suffice further to say, that in the English market, it is not within the recollection of any of our firm ever having received, or heard of a parcel of human hair from Russia so whatever may be the matter there, it is hardly likely to effect our friends here.

We are, &c.,

ROBERT HOVENDEEN & SONS.

5 Great Marlborough Street, and 42 Oxford Street, W.; and 93 and 95 City Road, E. C., London.

February 20, 1887.