

they are sure to come here with something missing. It is easy to open an old box. The steamers specify the condition of each case and do not hold themselves responsible if the cases are second-hand. If goods are not stolen on the ships they may be stolen at the custom houses. The marking of the boxes should be with letters from six to ten inches long. The Germans are the best shippers in this regard. They use letters ten inches long and two inches wide and put them on so plainly that it is impossible to mistake the directions. Our shippers will use letters of not over two inches in length. Their marks often rub off and the boxes are lost. They are careless also in billing the goods properly, and especially so in packing. Goods are handled roughly on the ships and the strongest cases are needed. Another important thing is to pack so that the duties here will be as small as possible. Many classes of goods are taxed by weight, and I have had stuff sent to me in such heavy cases that the duties amounted to fifty times the value of the goods. Samples should always be shipped as samples, and every factory should have a copy of the tariff laws of the countries to which they ship and study to pack so as to cause the least cost to their customers. Goods that will go into small cases should not be put into large ones, as freight is charged for by measurement. Every German house has a copy of the tariff of every country to which it sends goods, and packs accordingly."

"You speak of the Germans, Mr. Crosby," said I. "Do they do much business in Peru?"

"Yes, they are fast monopolizing the trade everywhere. When I came here over twenty years ago there were no German houses, and from twenty to thirty big English houses. Now there are more than a score of big German establishments and only one or two large English ones. The Germans are driving out the English everywhere. They are unscrupulous as to methods and will do anything to get trade. They are, in fact, the pirates of the commercial world. The American sells his goods and is proud to call them American. He will not make a poor article because he does not think it fair to do so. This is also the case with the English and French, but the German cares for nothing but to sell. He will call his goods American, French or English, according as these goods are the most in demand, and by putting in poor material will make a cheap article which looks like that he claims to sell. The Germans make Rogers knives which will not cut butter without they are heated. They label them 'Rogers, Sheffield,' and use the Rogers trade marks. They make moldings splashed with gilt, and mark them 'from the United States,' and they imitate our wall papers and mark them American. I wish I could show you some of the building blocks which they sell under the name of 'Crandalls.' They look as though they had been cut out with a hatchet. They used to imitate the Domestic and Singer sewing machines and labeled them with the American trade marks, but they have stopped that and now call them 'the Singer style of machine, etc.' This, with the people who cannot read English, serves the same purpose. They sell cheap imitations of French and English stockings under pirated trade marks. They sell Havana cigars made in Hamburg and kitchen furniture from Germany labeled 'made in the United States.' They do not care whether their goods are honest or not, all they want is to sell."

"What do we sell in Peru?" Mr. Crosby asked.

"Our total sales are now about three-quarters of a million dollars a year,

and, as Peru buys more than eleven millions annually, you will see that more than nine-tenths of the Peruvian trade is with Europe. Before the war with Chile, when Peru was rich, she bought almost three times as much American goods as she does now. The trouble is that we do not buy a great deal of Peru. Trade is reciprocal, and people buy where they sell. If the reciprocity treaty which the Peruvian minister at Washington is now trying to arrange can be carried through it will increase our trade one hundred per cent. At present the chief articles shipped here from the United States are petroleum, lard, hardware, machinery and lumber. The best of the American petroleum, that of the 150 test is sold in Peru. The cheaper oils come from the native fields and the Peruvian article will not refine so well as ours. All Peruvian families use lard for cooking, and American lard sells in Lima for seven cents gold per pound. Then, all of the pitch, rosin and turpentine used here comes from our southern states. American glassware, made with natural gas beats the world, and quite a lot of it is now being sent to Peru from Pittsburgh and Johnstown. We are acknowledged to have the best carpenter's tools and axes. These come in large quantities from Hartford, Conn. That city has a monopoly of the farming tools sold on this coast of South America. Among the new importations are steel plates from Pittsburgh and also iron pipes from the National tube works. The Americans have the best of the Peruvian watch trade, and the Waltham watch has swept the field. We do a large business in American sewing machines, and we are beginning to sell American bicycles. We sell considerable Oregon and California lumber and not a little white pine from New York. Some American furniture is imported, chiefly cane seated chairs. We are importing some printing inks, and a large part of the furniture and machinery for the new post office at Lima is American. The boxes were imported by us, and the postage stamps of Peru are made by the American Bank Note company of New York. The most of the rolling stock and bridges for the railroads of Peru have until now come from America, but, as the roads have gone into the hands of an English syndicate, in the future such articles will probably be shipped from England."

Mr. Crosby says that the commercial travelers sent down here by some of the American houses do more harm than good. They do not understand the Spanish language nor the people. They cut prices and often make statements which cannot be relied upon. It is useless to send a man down here who does not understand the language, and until Spanish speaking drummers can be educated as far as selling is concerned, I should think that dealing through such firms as the Graces and Flint, Eddy & Co., would be most profitable. These companies will handle anything, and they charge a commission on their sales. Every manufacturing establishment in the United States should look upon this territory as a part of its legitimate field and get into it as soon as possible. We should at once begin to educate our commercial travelers in Spanish, and should have some of our best salesmen going from city to city pushing American goods. It is useless to send catalogues and pamphlets, for these are thrown into the waste baskets. One of the objectionable features of the trade in the eyes of the American is that most of the German and English sales are made with the understanding that the goods are to be paid for within from thirty to sixty days after arrival, and that, many of the firms, while perfectly good, do not appreciate the value of a few days' interest, and are slow in settling their

accounts. The business should be done on from thirty to sixty days' sight. This is asked by many of the American salesmen, and the Peruvians are gradually becoming accustomed to it.

As far as wealth and business is concerned, it seems to me that Spanish America has the galloping consumption. I do not mean by this that the business done here is not as great as in times past. It is increasing every year. But it is rapidly going out of the hands of the natives and into those of foreigners. This is so, not only with the commercial establishments, but with every legitimate business that will pay a dividend or make a dollar. Some of the best of the mines are now in the possession of foreign companies. The big sugar estates, which have made fortunes for Peruvians in the past, and in which today a working capital of more than \$17,000,000 is employed, have largely gone into the hands of the English. Some estates are owned by Chinese, and I have spoken of the large holdings of the house of W. R. Grace & Co. The railways are almost altogether owned by the English, although the great coal line concession granted to the Pacific Company of New York will give us a big railway zone in Peru. The oil fields are chiefly worked by a rich Italian named Piaggio of Callao, and several English syndicates. The chief bakery and brewery of Lima was started by two enterprising Americans—Backus and Johnston—and sold out by them at a big profit to an English syndicate, which is paying large dividends.

As to commercial business, the Peruvians have allowed it to go almost entirely into foreign hands. Many of them are ashamed to be engaged in trade, and they have, as a people, no business instincts. There are not a half dozen native firms in Peru which now do what would be called a large business. The signs over the stores of Lima are German, French, Italian, English and Chinese. There are about 25,000 Chinese in Peru, the most of whom were originally brought here to work the sugar estates and guano islands. They are now well to do, and many of them have become wealthy. Some of them own the sugar plantations upon which they slaved and others have large mercantile establishments here. The Germans monopolize to a large extent the dry goods, knick knacks, hardware and mining machinery sales of Lima. They are ready to go into anything in which they see a chance to make money. The Italians are the grocers of the city, and you find them selling fine groceries in nearly every big Peruvian town. The English sell dry goods, crockery, paints, oils and machinery, and the chief dealers in silks, wines and brandies are the French. There are a few Spanish book stores. The banks are almost all foreign and the stock owned in the dividend paying companies is chiefly in foreign hands.

I find that these people here are not satisfied with the low rates of interest which now prevail in Europe and America. Good loans can be gotten at 10 per cent, and 1 and 2 per cent a month is not uncommon on paper issued for a short time. In some cases 8 per cent only is asked, but there are always commissions which increase the regular interest rates. The pawnbrokers do a big business, and you find them in every block. Many of the stock companies pay good dividends. The Lima Waterworks company pays 12 per cent quarterly, and the Lima Gas company, which has a capital of \$2,000,000 (silver), pays 5 per cent, and the probability is that the stock was largely watered. The Peruvian Telephone company, which furnishes Lima with its service at about half the rates charged in