

THE
MERCHANTS' MAGAZINE
AND
FINANCIAL REVIEW.

VOL. I.

JUNE, 1891.

No. 3.

EDITORIAL.

MONTREAL, 20th June, 1891.

MONEY AND EXCHANGE.—The condition of the money market, both here and at other financial centres of the Dominion, has been one of continued ease, the banks having more than the average of available cash to meet legitimate requirements. May opened with call money at 4 to 4½ in Montreal, and mercantile paper 6 to 7, according to name and date. Later in the month the price stiffened under the influence of foreign markets, the Bank of England rate advancing to 4 on the 7th May and again to 5 the following Thursday. The Bank Reserve having in consequence risen to £19,000,000 by the 4th June, the rate dropped to 4 again on that date, with the prospect now showing of a still further decline. In Toronto call money has ruled stiff, 5 to 5½ being about the figure for choice collaterals, discounts 6 to 6½ on prime paper, and real estate loans 5½ to 6½. Discount rates have been steady at 7 to 8 in Winnipeg, and mortgage loans have held pretty firm at 8, only specially favorable conditions inducing a lower figure. On the Pacific coast there has been a continued active demand for money, and 10 has been freely paid on loans and mortgages where 8 per cent. would have been about the figure three months ago.

The Bank statement for April bore out our prediction, that a large contraction of the circulation might be looked for when the