IRON, STEEL AND HEAVY METALS.

Iron and Steel.

Montreal, January 28, 1891.—The year opened with business very quiet in both the American and British markets.

The stringency in financial matters had a very depressing effect on prices, and this was especially felt in the Scotch pig iron warrant market, in which there is usually so much speculation. In spite of the great reduction in stocks there was a steady decline in prices during 1890, and warrants, which opened at 66/ in January, closed at 46/ in December. This decline was quite unlooked for, as the natural tendency, on account of the strong statistical position of the market, would have been to increased values.

The strike of the blast furnacemen in Scotland still continues, and at present there are only six furnaces in operation, out of a total of 140 built.

The following statistics, taken from Messrs. Jas. Watson & Co's. yearly report of the pig iron trade for 1890, will be of interest, as showing the large falling off in production and stocks during the year:—

Scotland.	1890.	1889.
	Tons.	Tons.
Stocks in public stores and makers' yards, 1st January	1,035,840	1,244,433
Production of pig iron	798,333	998,928
	1,834,173	2,243,361
Consumption and export of Scotch pig iron	1,220,728	1,207,521
Stocks 31st December, (tons)	613,445	1,035,840

Showing a decrease on the year in stocks, of over 400,000 tons.

This points to higher figures in the immediate future. How this will affect business with Canada is difficult to say, as within the past few years a new factor has come in, which promises to have a great effect on our market in future. There is the production of American pig iron, which is finding a ready sale in Western Ontario, where on account of more favorable freight, it can be laid down very often at a lower figure than Scotch. This will likely continue, as American furnaces are, to-day, turning out more than their own markets demand, and prices in consequence keep extremely low. In Eastern Ontario and Quebec, Scotch iron still competes favorably with American. Stocks are not at all large, and Summerlee is quoted at $23.50 to $24 ex-yard, Montreal. It is not expected that prices will be any lower on the opening of navigation.

The Finished Iron trade is quiet. Canadian manufacturers are quite able to supply the demand for the ordinary quality of bars. The iron turned out by the Montreal, Hamilton and Toronto mills is of excellent quality, the material used in its manufacture being well selected.

Prices of sheet iron and hoop iron continue weak in sympathy with the general market.

On account of the large importations of tinplates into the United States, which will continue until the new tariff comes into operation on 1st July, 1891, the market has kept very firm for some time, and prices are still high. In this connection it is interesting to note that the United States took 6,253,000 boxes last year out of the total exports of 8,343,000 boxes from England. It is difficult to say what effect the altered tariff will have on this industry, as there does not seem to be any haste to start the manufacture of tinplates in the United States.

Montreal, January 28, 1891.—All reports from abroad emphasize the unsatisfactory and lifeless condition of the iron and steel trade at the opening of the year, and in any suggestions of an early improvement it is to be feared that the wish is the father of the thought. In the almost total absence of actual transactions, quotations can be considered as only nominal, and whilst in the present moderate demand buyers could probably secure further concessions, it is equally apparent that if any large demand should set in, buyers would by no means have matters their own way—in fact there is every ground for believing that it will require but a very slight general improvement in the demand to cause a very considerable rally in values. Nothing can be more eloquent in this regard than the fact that the stocks of pig iron in store in Glasgow, which on Dec. 31, 1889, were 1,035,840 tons, were on Dec. 31, 1890, only 613,445 tons, showing a decrease of 422,395 tons; the reductions have since continued at the rate of 5,000 tons per week. An important factor in the continued dulness of the trade is to be found in the serious strikes in Scotland, which are having a most disastrous effect. The new steel-works of the Calderbank Co. expect to be in operation early in the Spring, and will prove an energetic competitor for the Canadian trade, the value of which appears to have been undervalued by some of the other Scotch steel-works, to judge by the unsatisfactory and dilatory execution of orders in the past. It is expected that the demand for steel rails for Canada will be somewhat in excess of last year, and some important enquiries are already in the market. We quote: 25 lb. steel tee rails f.o.b. Liverpool, £7 2s. 6d.; 40 lbs. ditto. f.o.b. Bristol, £5 15s.; 56 lb. ditto. f.o.b. Liverpool, £5. On the whole the import trade is about as dull as it can be in January, buyers preferring to await developments on the other side; added to this is the uncertainty as to possible changes in the Customs duties which always unsettles trade so seriously at this time of the year. There are rumours and reports of various changes which may or may not be made; amongst others it is known as a fact that the Canadian makers of wrought iron pipe are making strenuous efforts for a change in the duty on this important article, although it now has to pay a duty of somewhat over 60 per cent.

A great deal of inconvenience is being caused to importers by the ice blockade of Antwerp, the port having been officially closed since about Christmas, and a large quantity of goods for Canada are lying there awaiting the re-opening of the navigation.

Scotch Pig Iron Warrant Market. — Below is given a comparative table of the position of the Scotch warrant market.

	1891.	1890.	1889.	1888.	1887.
Scotland.					
Price of Scotch warrants, Jan. 13	47/-	61/9	41/1½	41/4	47/2
Furnaces in blast in Scotland, Jan. 13	6	88	78	84	75
Quantity of iron in public stores	579899	925352	1032485	942782	841211
Shipments of Scotch pig iron for week ending Jan. 10	3986	8288	6050	5686	9215
Do. since beginning of year	6508	19351	19119	17976	23104
Middlesboro' iron imported at Grangemouth, week ending Jan 10	3588	2480	2554	5408	6110
Do. since beginning of year	6133	7320	16459	12368	17898
Cleveland.					
Price of Middlesbro' No. 3, warrants on Jan. 13	42/3	61/6	33/5	32/-	38/9
Furnaces in blast in Middlesbro' district	101	103	98	95	85
Quantity of iron in public stores*	120148	184815	254931	348833	317230
Shipments of pig iron from Middlesbro' for week ending Jan. 13	11565	13080	9472	10269	8155
Do. since beginning of year	16466	21709	25292	21955	17269
West Cumberland and North Lancashire.					
Price of hæmatite M/Nos. warrants	52/11	78/1½	44/3½	43/7	51/3
Furnaces in blast in W. Cumberland and N. Lancashire	50	56	49	51	47
Quantity of iron in public stores†	210813	382902	421835	411839	248557
Shipment of hæmatite iron for week ending Jan. 13	7805	9309	9925	9578	7845
Do. since beginning of year	14260	31780	25339	24986	18259

* Connal's & N. E. Rly. Co's.
† Workington, Maryport, and Barrow.

Cleveland, O., January 28, 1891.—Two questions are agitating the iron market at present. To what extent will the ore business be affected by the depression in business, and to what point will ore prices fall! As regards the first, it may be possible to arrive at some conclusion, for the continued idleness at the furnaces implies a corresponding reduction in activity in the ore regions. Thus if the furnaces should not go into blast again until the end of March, the cutting off in the ore supply would not be less than a million tons, and this is only a fraction of the reduction that may be expected in the season's output. Bearing in mind the large quantity left over last year, some conclude that the figures for 1891 will be about six million tons, while others again, and not without reason, prophesy still smaller production. One thing is certain, namely, that much less ore will be received this year than last, and it will be sold at a much closer profit margin. All interested agree that the stability of the market depends upon economic production and close profits. There must be cheaper ore, cheaper transportation by water and rail, cheaper coke, and possibly cheaper labor. The last named point may be the easiest to settle as the skilled mechanics employed in the iron trade will much prefer a slightly lower scale with steady employment to a higher scale coupled with idleness. The ore men are willing to make every reasonable concession, and the vessel interests will, it is presumed, fall into line. The railway situation will take care of itself, the decrease in the freights serving as a convincing argument in favor of a reduction in the tariff, while the coke syndicate is at this time unpleasantly realizing the force of the long standing demands at the hands of the furnacemen. Pig iron is to be had in plenty, at very low quotations, nearly every one of the furnaces that went out of blast having large stocks on hand that they are anxious to sell. Manufactured iron has dropped off a trifle, and both sales and prices are weaker in all the lines. Prices are nominally steady.

Specular and Magnetic Ores.

Bessemer	66@69%	$6.00
"	60@64%	5.00@5.50
Non Bessemer	66@69%	5.00@5.50
" "	62@65%	4.50@5.00
" "	57@60%	3.75@4.25

Soft Hematites Dried at 212°

Bessemer	62@65%	$4.75@5.25
"	58@61%	4.25@4.75
Non Bessemer	55@63%	3.50@4.25

Above prices are for deliveries on docks at Lake Erie ports.

Lead.—The offerings in New York have been rather heavy, and the desire to sell on the part of the refiners somewhat marked, the market therefore inclining downwards. English consumers have shown a great deal of reluctance to buy even at the low prices and the market closes at about 4.30c, at which the last sales were reported. It is not probable, however, that values will go much lower, as the position of lead continues to be a sound one, and a rally is likely to set in as soon as buyers come into the market to supply their wants, and that seems not far distant.

The London market has also declined recently—Spanish being quoted at £12 15s. and English at £13.

At St. Louis the market has been sagging off, with few transactions and closing dull at about 4.10c.

Iron Trade Prospects.

(From the Colliery Guardian.)

With the statistics of production of some of the chief districts producing iron in the United Kingdom, and the Board of Trade returns for the past year before us, there are some indications of the course of trade during the last twelve months which throw some light upon the immediate prospects of business. There has been the highest production of pig iron known in the history of the Cleveland district, but that in Scotland—in consequence of the strike there—has been the lowest for many years. And in both the stocks that had previously accumulated have fallen—very considerably in the case of Scotland, so that the makers have reduced the amount of dead stock that they have held. The Board of Trade returns are rather different, for they show that there has been for the past year an increase in the total tonnage of iron and steel that has been exported, but for the latest months of the year there has been a falling off, so that the higher figures of the earlier months have not been maintained later in the year. For the year, moreover, two important branches of the trade show decreases in the exports—though not to any very serious extent—and in both instances the decreases are heavier in ratio in the last month of the year. It is quite evident that there has been in the latter part of 1890 an alteration which, if it were continued, would considerably affect the iron and steel trade of the kingdom. The home consumption of iron is proved to be large, because without so extensive a consumption the stocks would not have decreased in the manner that they have done. And for the present that large local consumption seems likely to continue in the total, though it is quite probable that some of the constituent trade items may experience a change. The shipbuilding trade, for instance, has not so bright an outlook and without the placing of new orders for ships in the course of a few months, there will be a diminution in the amount of iron and steel that that industry will use.

But the weakening element in the iron trade—the enormous stocks of pig iron that had accumulated—has been further and considerably lessened, and to the extent of the reduction, it is certain that the position of the iron trade is much better. There are as yet no signs of the conclusion of the long strike in the crude iron trade of Scotland, and whilst the production of that country is almost completely suspended, it must be expected that the stocks in other districts must continue to fall. The price has certainly not made the movement in the market that had been expected, but on the other hand, it will have been noticed that the realised price of pig iron in Cleveland has certainly advanced for the last quarter of the past year in a very satisfactory manner. What the future may bring in this respect cannot be said, but the action of the Cleveland ironmasters having to claim a reduction of 12½ per cent. in the wages of the miners, must be looked upon as one of the indications that cannot be considered a good augury. The market price of pig iron, however, has fallen in the time of financial trouble much more rapidly than the cost of production, and the Cleveland ironmasters evidently intend to alter this in some degree. The iron trade, as a whole, is as yet in a very languid condition, and it is impossible to say how it will turn—though, since the publication of the Board of Trade returns, and those of the iron trade in the two great centres we have named, the disposition has been to take a more favourable view of the prospects, both of the trade as a whole, and especially as regards the prices. It is growing evident that the active condition of the coal trade is likely to preclude any reduction of moment in the price of coke, and thus the producers of pig iron must either look for lower cost of production in some other way than in that of the fuel, or they must try to have the price of their products in some way increased. The reduced stocks would give some ground for the latter, if the demand continues as large, but with a possible shrinking in the demand for ship-building purposes, it is likely that, at any rate, the reduction in the stocks will not be so rapid in the future as it has been in the past. Still, there is no likelihood just now of increase in the production, except when the long strike in Scotland approaches its close.

How far the demand may be maintained for iron and steel from other countries is a question of some importance. We must expect that after current contracts have been concluded less will be sent to some of the South American countries, which have for the time being in a large degree exhausted their credit. But there are counter-balances that are very probable. Orders for rails have been booked from countries that have been for some time out of our market, and should the raw material be maintained here at a low price such orders may be repeated,