

COMMERCIAL.

This is a quiet season in the general trade. The causes that lead to this condition in business matters are several. At this time many of our merchants and a large number of clerks are away enjoying their annual vacations; farmers are busy making hay and looking after the other growing crops, and the fact that this, the warmest season of the year, has a laxative effect generally. Of course the throng of American and other tourists infuses some life into dry goods and kindred lines, and groceries are also fairly active, but there is little in the way of actual movement to note. However, a generally hopeful feeling regarding the future prevails, for, in addition to the favorable crop prospects, which are, of course, the principal factor, there are others which ought to be operative to induce a fairly good movement in the next few months.

Payments are generally favorable in all lines, and it is pleasing to note that the Government bank statement for last month shows a decrease of discounts throughout the Dominion of \$1,800,000 odd. This means that there is less demand for accommodation and bears out the assumption that mercantile paper is being taken up more promptly than usual. In other ways the statement is a favorable one as affording ground for encouragement.

WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & Co.—NEW YORK, JULY, 1891.—"Wall Street continues wholly devoid of interest in both the investment and speculative branches of business. On the Stock Exchange operations are now confined to room traders, who are satisfied with fractional changes and follow the transient variations of tone rather than seek to give the market a bias one way or the other. The truth is there is no immediate material for the formation of a violent upward or a downward movement. Neither 'bulls' nor 'bears' have contracts outstanding important enough to invite attack from the opposite side, nor is there anything in outside influences of enough immediate interest to invite large operations. Under these circumstances, everybody easily yields to the temptations of the season's recreations, and the 'Street' is virtually partially deserted.

This condition of things is natural enough as a sequence of the world-wide financial derangements of last Fall. Caution everywhere, the contraction of credit in every direction, critical examination into the condition of the institutions through which finance operates, discouragement towards speculative operations and undertakings, and a protracted process of liquidation,—these are among the influences to which financial interests have been subjected alike in Europe and the United States for the last nine or ten months. The condition has been that of collapse after convulsion; and the question is, whether the collapse stage has run its course, so that we may expect an early return of general vigor and activity.

It is the difficulty of answering this question satisfactorily that now holds Wall Street in suspense. And that difficulty cannot be fairly laid to anything in our domestic situation; for we have nowhere any really unsatisfactory conditions in our industries, our commerce, or our finance, whilst we have the promise of the potent stimulus that comes from extraordinary crops, and the Clearing House returns show the current volume of the nation's business more than equals that of a year ago. The one thing that prevents the revival of financial operations at this centre appears to be the uncertainty that still overhangs European finance. What may be the outcome of the unsettled condition and the new developments of European politics? Have all the weak spots developed out of the South American disasters been taken care of? What may be the commercial and political effects abroad of unusually short crops, involving in some places almost threatened famine? Will the necessity of buying extraordinary supplies of breadstuffs from this and other countries involve an exhaustive drain of gold from the great national banks of Europe? And if so, what would be the effect upon European finances at large? Would that effect involve embarrassment in the foreign trade relations with which we stand committed; and would it lead to a return of American securities of a class which we have been accustomed to regard as safe against disturbance under almost any circumstances? These are the kind of questions that the men of Wall Street are weighing, in the formation of their estimates of the course of affairs for the next few months. And it cannot be said that the problems are chimerical, nor that it is needless to consider them.

But, on the other hand, we have on this side a situation distinctly our own and which is full of extraordinary promise. Our agricultural crops, upon which nearly one-half of our population are directly dependent, afford upon the whole a promise of unparalleled results. The cotton crop seems likely to follow close upon the great volume of that of last year. The corn crop, so far, indicates a result beyond the average. And the output of wheat is likely to surpass all precedent. What quantity of wheat we *shall* export, I leave to others to predict; what quantity we *could* export, I leave to be inferred from the fact that, during the year ending July 1, 1891, we exported 106,000,000 bushels of wheat and flour, with a crop of 400,000,000 bushels, which was 140,000,000 bushels less than the probable crop of the present year; from which it may be inferred that our *actual* CAPACITY for export out of this year's crop will be considerably over 200,000,000 bushels, our highest previous export having been 186,000,000 bushels in 1881. The average value of our annual exports of wheat and flour, for the last seven years, has been 108,000,000, the average export price (reducing the flour to wheat) having been 87½ cents per bushel. Should the exports out of this crop reach 200,000,000 bushels and the export price average \$1, the value of our shipments in 1891-92 would exceed by \$92,000,000 the average yearly shipments of the last seven years. On this basis of valuation, the present crop, estimated at 540,000,000 bushels, would give to the farmers, millers, carriers, and handlers, a total result of \$540,000,000, against \$372,000,000 the value of last year's crop of 400,000,000 bushels, valued at an export price of 93 2 cents per bushel. Results like these, upon

our three great crops, mean an invaluable boon to our great agricultural industry and to all other industries dependent upon it, the effects of which cannot fail to be soon felt in a marked revival of both our internal and external commerce.

These prospects enable us to look upon the foreign situation above referred to with much more equanimity than we otherwise might. At the same time, in estimating the foreign situation, it is proper to take into account that, while the feeling abroad is anything but hopeful, yet there appears to be no apprehension abroad of relapse into a worse condition than now exists, and it begins to be appreciated that prosperity in the United States will not be without its compensations and reliefs to European commerce. Still, for the present, I continue to advise conservatism in all business movements, so as to avoid plunging into debt."

Bradstreet's report of the week's failures:—

	Week Prev.		Weeks corresponding to			Failures for the year to date			
	July 21.	1891	1890	1889	1888	1891	1890	1889	1888
United States.....	252	262	186	221	417	6917	6069	6646	5911
Canada.....	15	32	22	20	40	1091	942	934	1069

DRY GOODS.—The continuing generally favorable crop reports are stimulating business in this department, and orders from travellers show a decided improvement. Remittances are also keeping better. Tourists furnish their quota to enliven the retail trade, so that a very considerable volume of business is being transacted. The suburban trade is very good, and buying from retailers in the less aristocratic portions of the city is quite brisk. Prices in all lines show a very firm position with a tendency to advance. We are pleased to note that the unfavorable impression created by recent large failures in the Upper Provinces has had the effect of shortening credits given by English manufacturers to Canadian buyers. The English houses are apparently discovering that credit has been too readily granted, and it seems probable that the recent troubles will have the effect of directing manufacturers to doing business only with reliable houses, and even then on much shorter terms than hitherto. This will force the dry goods trade here into a much more solid position than it at present occupies.

IRON, HARDWARE AND METALS.—There is absolutely nothing doing in pig or bar iron at present. Hoops and bands move slowly. Tin, tern and Canada plates are in fairly good supply, but the movement in all of them is limited to supplying a very small jobbing demand.

BREADSTUFFS.—In this locality a good consumptive demand is reported for flour and cornmeal, but now that new potatoes are being gathered, the country demand has fallen off somewhat. In England wheat has been firmer and corn a turn dearer. At Chicago wheat and corn suffered a decline of ½c. to 1½c. as to options. In New York also wheat fell off ½c. to 1c.; in St. Louis 1½c. to 1¼c. In fact the new crop, now beginning to come in, is so enormous that the leading American markets are more or less demoralized. To help their weakness it is reported that the state of the European yield is not nearly so bad as was at one time reported, and that it will be a fairly average one in most sections. It is, consequently, in order to expect cheap flour henceforward.

PROVISIONS.—A small local trade, mostly of a jobbing nature, is doing in pork and smoked meats, but the volume of business is minimised as is usual at this season of the year. The Liverpool market is quiet and quotations are unchanged. A London letter says of that market:—"The continued decrease in the import of cattle as shown in the table is a great factor in the keeping up of prices, which show a strength for summer months which would be remarkable were it not for this fact. The most gratifying fact to my Canadian readers about the returns is that whereas from the United States, Denmark, Spain, Sweden, and all other sources an enormous decrease has taken place, the six months' imports show Canada with an increase in every department of live stock. At Islington on Monday, British beasts were up and Canadians were firm, 613 animals being disposed of from the Dominion at good rates, the best on offer, to dress 95 stone, fetching from 4s. 8d. to 4s. 10d. per 8 lbs., and although an effort was made by butchers to get a reduction, salesmen would not climb down, and all were cleared at the prices named, 50 head on Thursday fetching the same rates. At Deptford rates have ruled firm also, 3,070 U. S. going at 4s. 4d. to 4s. 8d., a good price indeed for this article, last year this time 4s. 2d. being the highest rate obtainable. A number of Canadians have fetched 7d. per lb. at Salford, while large supplies at Bristol, Liverpool and Glasgow have not sent down values, Canadians fetching at Bristol from 60s. to 63s., and some shillings higher for prime quality, prices at the Scotch port being 2s. to 3s. above last week, Canadians ruling at from 64s. to 66s. per cwt. Surely, with such prices as these, the bitterness of last season is past, and we may feel satisfied with the trade as it is. Mutton has been quieter, but old rates rule." The American provision markets have experienced no practical change since our last report.

BUTTER.—Locally speaking butter is moving very slowly and sales are limited to fresh butter in small packages which is jobbed out at 17c. to 18c. The only Canadian butter here is a couple of car-loads which are held by two firms and are not yet put upon the market. Very little Cape Breton or eastern Nova Scotia butter has as yet been received, but when it comes forward its value will probably be 15c. and 16c. In London the latest report is as follows:—"Supplies of butter coming rather short, the market shows considerable firmness, demand being surprisingly good for the hot weather. Danish has advanced 4 kroner, Brittany baskets 2s., and all other descriptions have experienced a like movement, and it is not improbable that with the opening of business next week even higher rates will rule, the falling off in supplies from the continent being attributable to tinning exigencies. American in poor show here, is quoted up to 80s. for ladies, and Irish is a trifle up. In Liverpool, United States and Canada extra is quoted 78s. to 82s."

CHEESE.—The cheese market is pretty well supplied and the demand is