

tained here on this score. It is perceived that not a few influential persons in the United States are pandering to the prejudices of the poorer or less educated class, and that, if this course be persisted in, the issue cannot be doubtful. If it be the intention of President Grant to pick a quarrel with this country, in the hope that he may attack and absorb Canada, he has sadly miscalculated his opportunity. Such speeches as those delivered by Mr. Sumner and Mr. Chandler have had an effect their authors may not have foreseen. Loud bluster and open threats have never yet persuaded Englishmen to follow in an appointed path, nor will these means prove effectual now. Coming, as these speeches do, after the contemptuous rejection of a treaty in which English ministers went to the utmost verge of concession, they have operated as insults to the national honour. I should deeply regret if the kindred or rival nations were to be declared foes, were it but for a day. However, if the worst must come, the chances will be against that nation which is the wanton and purposeless aggressor. In a war of conquest, or in a war in which this country should act as the ally of a foreign power, success might be imperilled by division of opinion among the people. But let the nation be called upon to vindicate its outraged honour and to defend any portion of its violated empire, the unanimity of sentiment would surprise the world as well as tend to render victory certain.

Did I not know that in the highest and best informed quarters a feeling of uneasiness prevails, I should not have treated the question of war between this country and America as one of any moment. This much, I may say, without fear of the result proving me a false prophet, and that is, the tone of our Government will be firm and decided should the new American Ambassador prefer unreasonable demands. Indeed, Mr. Motley will find that the responsible advisers of the Crown can say "No" with as great coolness and decision as the President of the United States himself. It is probable that as this is now known at Washington, the proposals of Mr. Motley will be neither startling nor inadmissible. This is my opinion, but it is an opinion which does not prevail with the money market. The desire to get rid of United States securities is as great at this moment as it was a few weeks ago to obtain possession of them. The investors as well as the speculators have taken fright. If the chances of the peace being broken were to increase, the confidence of the foreign holders of these bonds would be undermined. What will hasten the re-action, stop the flow of the bonds to European markets, and cause thousands to return whence they came, is the increase in the value of money. In a few days the Bank rate of discount will be raised again, that is from 4½ to 5 per cent. As a consequence the business of the Joint Stock Banks will revive, the dividends paid by them will increase, and the attractions of the 5-20 bonds be materially diminished in the eyes alike of the bold speculator and the prudent investor.

As was foreseen by many persons here, the terms on which the Hudson's Bay Company surrenders their sovereign rights are considered objectionable by a section of the Canadian press. The worst part of Earl Granville's proposal is that relating to the reservations of land. In the published correspondence between the Canadian Ministers and the Colonial Office, exception is taken by them to this part of the scheme. I read in your newspapers that had though it may be to pay such a sum as £300,000, it is infinitely worse to give the Company one-twentieth part the future townships in the Fertile Belt, and that a large payment made now for the whole would be economy in the long run. Now, if this view were to prevail in Canada, it might find acceptance here also. I have good grounds for stating that some of the largest shareholders would not object to taking a sum of money instead of retaining an interest in the land. The difficulty would be to persuade them to accept a reasonable sum. Yet I cannot think the obsta-

cles to an arrangement are so great now as they were before Earl Granville drew up his ultimatum. At any rate, the matter might be discussed at the time when the details of the arrangement are finally settled. Of course, the offer of money must come from Canada. What should be done by those who desire the Northwestern Territory and Rupert's Land to form part of the Dominion, unburdened by conditions, is to consider the price they would pay for this. It is certainly for the advantage of the Dominion that the Company should be bought off now, because, unless that be done, the result will be envenomed and dangerous strife in the future.

The cost of messages by the Atlantic Cable is again reduced, being £2 for 100 words. A few months hence the French Cable will, probably, be in operation. It is proposed, I see, to lay a third. Now, it may interest as well as instruct many persons to learn that the reductions in the price have not proved as remunerative as was expected. When the highest price was charged, the number of messages was few, but then, the expenses were proportionately small. Each additional message requires a larger staff of messengers and others; besides, when a message has to be repeated, in order to a correct a mistake, there is a waste of time and labor which seriously affects the profits. As far as the public is concerned, their cannot be too many cables and too low rates charged. It is not always the case that what benefits the public is an unmixed blessing to shareholders.

### Commercial.

The event of the week in business circles was the suspension of the Royal Canadian Bank, which closed its doors on Friday morning, the 21st inst. The occurrence caused some commotion, but the business public generally were not unprepared for the event, a knowledge of the difficulties of the bank's situation being pretty generally diffused. Had the suspension occurred in the height of the produce season it would have been much more severely felt, as the bank had a very considerable run of produce business. Owing to the dullness of the market just now, there is very little produce paper stirring, the dealers have adopted a conservative policy and do not care to do much business till prices settle to the bottom and the trade assumes a more satisfactory shape. The dullness of the winter and spring in other branches of trade has led to a general curtailment of obligations in that quarter, also, so that the present moment finds the business houses of Toronto in a favorable position to meet a shock of this kind. The bills sold to some extent on morning of the suspension at from 50 to 75 per cent, but soon went to 80 and 90 and even 95 per cent (some retail shops taking them at par for goods); no doubt the general belief that little loss will be suffered by either bill-holders or depositors together with some hope that the bank may resume, has had much to do with mitigating the evil consequences of the disaster.

The failure of M. Wm. Hughes, of Brampton, a day or two previous to the bank suspension just noticed, involved several wholesale firms here in losses ranging from \$1,000 to \$3,000. He did a general store business and operated in grain to a considerable extent; liabilities stated by him at \$69,000 and assets at \$73,000. He has proposed a compromise with his creditors at 50c. on the dollar.

The wool season is just opening, but the late advance in gold operates against business, so that

buyers do not offer more than 26c. for washed fleece. Unless the gold premium declines from the present quotations we shall have a much duller season than was otherwise anticipated.

### Toronto Market.

Under so many depressing influences trade could not be otherwise than dull, and no improvement of consequence need be looked for till the fall business sets in.

LEATHER.—The demand for leather has fallen off and the market is dull.

HIDES.—Prices have taken a decided tumble involving holders in considerable losses, and prices are likely to go still lower.

PRODUCE.—The tendency of the market is decidedly downward both in flour and wheat. The stock of wheat in the principal American markets is much larger than last year. Chicago and Milwaukee had on the 15th 1,757,000 bush, against 883,000 last year, and 308,000 the previous year. New York had 914,700 bush, against 813,699, and 731,330 in 1868 and 1867, respectively. These increased supplies, and the continued reports of a fine harvest in prospect, fully justify the steady fall in prices. Fall wheat one year ago sold at \$1.80 it is now worth \$1; spring sold at \$1.60 and now at 95c; superfine flour was worth \$6.90 and may be quoted now at \$3.90. Wheat—Receipts, for the week, 18,839 bush.; 26,467 bush. last week and 4,100 bush. for the corresponding week last year. Spring is dull, only a small demand at 95c. Fall nominal, no buyers, holders ask \$1 to \$1.05. Barley—No receipts, little stock and nothing doing; it is nominally lower at 75 to 80c., the decline is partly owing to the advance in gold. Peas—Receipts, trifling, nominal at 65 to 70c. Oats—Receipts 1,200 bush., and 4,200 bush. last week. The market is easier at 54 to 55c. owing to a better supply. Corn—There were sales of carloads at 60c.

FLOUR.—Receipts 750 bbls.; 1,750 bbls. last week and 700 bbls. for the corresponding week of last year. There is not much flour offering, and there is no demand except for local use; spring wheat flour may be quoted nominal at \$3.90 to \$4.05, the latter being for spring wheat extra. In the other grades there is nothing doing to establish prices. Meal—Quiet at unchanged quotations.

PROVISIONS.—Butter—New butter is coming in more freely, but as there will be no demand for export for a good while yet, the market is dull; no demand for lots, holders ask 14 to 15c. for packages and large rolls; small rolls for retail purposes are worth 15 to 17c. Eggs—Are in better supply and sell at 13c. Cheese.—Nominal, the last wholesale transaction was at 15c. Pork—Is in light stock and very few hands; mess by the carload is held at \$26; in small lots, \$26.50. Bacon.—Stough is moving off more freely at 12c.; Cumberland sells at 12½c. Ham.—Smoked are selling in a small way at 14c. for smoked and 16c. for smoked and covered.

FREIGHTS.—the rates by vessels are unchanged; to Oswego, 3c U. S. Currency; to Kingston, 2c gold; to Montreal via steamer, 7 to 8c.; flour to Montreal, by steamer, 20 to 25c. Lumber to Oswego, \$1.50 U. S. Currency. The steamer Her Majesty will shortly leave for Halifax, her cargo is already contracted for.

The following are the Grand Trunk Railway Company's summer rates from Toronto to the undermentioned stations, which came into force on the 19th ult.:—Flour to all Stations from Belleville to Lynn, inclusive 25c; grain, per 100 lbs., 13c; flour to Prescott, 30c; grain 15c; flour to all stations between Island Pond and Portland, inclusive, 75c; grain, 35c; flour to Boston, 80c; gold; grain 40c; flour to Halifax, 90c; flour to St. John, 85c.

### Halifax Market.

BREAST STUFFS.—May 18.—The demand for Supers for the past week has been quite equal to supply. Stocks continue light, but prices have again receded about 10 cts. Extras continue unchanged, forced