

COMMERCIAL.

As to the general condition of trade nothing new has been noticed during the week, and business has moved along in rather a quiet way without any large movement in any particular line. In fact, speaking in general terms, business is somewhat more restricted than it was last season, but not unnaturally so, while there are some features to be considered in this connection that are worthy of note. Sugar and its uncertainty is prominent in this respect, and there is good reason for believing that, when the uncertainty about the duty is removed, a good active movement will ensue which will lead to other movements in allied lines.

A favorable feature in the situation is the fact of small stocks being held in most lines. This applies also to heavy materials in connection with which some improvement may already be noted.

A contemporary states that "a quantity of hickory wood is being shipped from Ridgetown, Ont., and neighborhood, direct to Germany, to be manufactured into rifle-stock for the army. The timber sells for \$16 per thousand, and the freight charges to its destination amount to \$5 more." We are not told what price it brings in Germany, but, possibly, some of our lumbermen may scent out a profit in following the lead of their western brethren.

Remittances during the past week have shown considerable improvement, although, in some instances, they have fallen below expectations. There is a good demand for money, but borrowers have to pay full rates of interest, and to give undoubted collateral. Bankers are as cautious as ever, and it is reported that, in some instances, good customers have suffered through not being able to obtain the full amount of credit needed. It is also reported that the paper offered for discount is being closely scrutinized, which shows that the banks are pursuing a very cautious policy. The *London Times* in commenting upon the wholesomely deterrent effect of the failure of the Portuguese loans, has the following upon the gold movement:—"It appears that, in order to satisfy the urgent demands of the Portuguese Government, the members of the syndicate made arrangements, before asking for public subscriptions to the tobacco loan, for having bills of exchange drawn on various foreign banking and financial institutions in France, Belgium and Holland. These bills were sent over to London to certain foreign banks, endorsed by them, and discounted in that market. This accounts for some of the many mysterious withdrawals of gold for other foreign places than Lisbon, and the gradual depletion of our stock for a period ranging over a year past and more. The violent fluctuations in certain foreign stocks recently are no doubt rightly attributable to the operations of the syndicate in question, whose object has been to recoup the losses they had sustained in their contract with the Portuguese Government."

WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & CO.—NEW YORK, MAY 29, 1891.—"The course of business on the stock exchange still turns almost entirely on the exports of gold. As foreshadowed in my last advices, the shipments have materially declined, having been about \$4,600,000 for the week, compared with \$7,000,000 last week, and although there is a sharp demand for bills, the probability is that we are almost at the end of the movement. At the moment there are considerable payments being made against the recent specially large imports of raw sugar, incident to the repeal of the duty upon this article, the receipts of which since March 1st exceed those for the same period of last year by 100,000 tons valued at \$7,500,000. The factor determining the future course of the foreign exchanges, however, is less whether there is still outstanding any important floating indebtedness against this country, than what Europe is likely to do under the increase of money that now rests in its great banks. Within the past two months we have sent close upon fifty millions of gold to Europe; and although the bank returns do not show exactly where it all rests, yet such a large and sudden accession to cash reserves cannot fail to strengthen confidence in the foreign money markets and produce an expansion of lending ability. Our earlier shipments of gold went principally to Russia; but, within the past two weeks, the Bank of England has increased its gold by \$17,500,000, and the Bank of France by \$5,000,000, besides \$2,750,000 in silver. These facts show that the requirements of Russia were satisfied some time ago; and our subsequent exports have gone mainly towards recouping the banks of other countries for their contributions to Russia's wants. The effect of these cash gains by the Bank of England is apparent in a rise in the reserve from 33.98 per cent on the 21st inst. to 40.60 per cent. on the 28th, while the London rate for money in the open market is now 3 per cent. against 5 per cent. two weeks ago. This wide divergence between the present bank rate and the open market quotation foreshadows an early return to a 4 per cent. rate by the Bank of England. There is a difference of $2\frac{1}{2}$ per cent. between the current market rate at London and what is paid for short time loans at New York; and under those circumstances London bankers are likely to allow balances to rest here for employment rather than demand their remittance in gold and thereby force the rate of interest still lower. The situation has thus reached a stage at which it is both protective and profitable to discourage further remittances of gold from New York.

The probability of London financiers taking this course is strengthened by the fact that Russia may be expected to soon disburse her accumulated gold in the payment of Imperial loans now maturing; and there is a strong motive for her taking that course as a means of promoting the confidence that is needful to prepare the way for the loan which the Czar's Government has contracted for with the Rothschild syndicate. We have therefore the double fact that the European markets are already reacting sharply towards ease, and that this tendency will be soon reinforced by the redistribution of the gold Russia has accumulated in transient hoard.

Under these circumstances, it becomes not so much a question whether Europe will want more of our gold, but rather whether it may not find it necessary to encourage the reflux of our money in order to find use for it."

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

	Week Prev.		Weeks corresponding to				Failures for the year to date			
	May 29.	1890.	1890.	May 29.	1889.	1888.	1891.	1890.	1889.	1888.
United States.....	234	200	140	110	135	5039	5039	4767	5041	4511
Canada.....	26	45	12	19	18	878	878	780	771	809

DRY GOODS.—The weather of the past week has been very good, and has much facilitated the sale of summer fabrics. Travellers have sent in some orders for fall goods, but in many cases their principals declare that the amount of business that they have sent in has not been sufficient to cover the costs of travelling. This proves conclusively that the best country houses have abandoned the custom of selecting their fall goods such a long time in advance of actual requirements, when they can procure them at much shorter notice. It seems that the Dominion Cotton Company is not going to have its own way yet. We hear of several instances where it had to make concessions from its original terms rather than allow orders for goods to pass over to the outside mills. Prices are, on the whole, fairly well maintained both on cotton and woollen goods. The city retail trade has considerably improved since our last report—doubtless owing to the warmer and pleasanter weather that we have enjoyed.

IRON, HARDWARE AND METALS.—There has been no great change locally in pig iron, but there are some curious irregularities in values, although, speaking in a general way, the market is firm. Warrants continue to show the same stiff tone and there is no evidence that the groups of London speculators who have been engineering the squeeze have lost their grip of the market, for a recent quotation is 54s. 6d.—about the highest point this year. Makers' brands, however, do not stiffen proportionally. In fact there is little change as compared with a week ago, but some lines are slightly firmer. Actual business on spot has been fair. Bar Iron has been quiet in the week under review and beyond some odd jobbing sales in domestic market there is nothing to note. Imported bar remains firm but the business done is not worth noting, for only an odd sale crops up now and then. Sheet iron, hoops and bands, etc., are unchanged. There is nothing very particular to note in connection with Canada plates, but a steady business is doing all the time. Supplies of tin plates continue limited and there is no change in the position, while business for forward delivery does not reveal any change of note. But little is doing in copper and there is no change in prices under a quiet trade. Lead remains quiet.

BREADSTUFFS.—The local flour market does not exhibit anything new and business remains dull, while prices, though not quotably altered, have an easy tendency. Beerbohm's cable quotes wheat quiet, corn nil. French country markets firm. German duties reduced 3s. per quarter. The Chicago wheat market has shown more strength and advanced $\frac{1}{2}$ c. to 1 $\frac{1}{2}$ c. Corn was easy. Oats were active and firm. In New York wheat was strong and advanced $\frac{1}{2}$ c. to 1 $\frac{1}{2}$ c. In St. Louis it gained $\frac{1}{2}$ c. to 1 $\frac{1}{2}$ c. At Toledo and Duluth it was quiet but stronger. At the moment there is every reason to believe that the world's wheat supply will be ample to meet consumptive requirements between now and the commencement of the new cereal year. Dornbusch, the great European authority, says there is every indication that India is in a position to send plenty of wheat to Europe. Bombay will probably export about 5,000,000 bushels in the present month, as up to the 9th inst. about 1,600,000 bushels had been shipped, mostly to the Continent. The receipts at Calcutta are assuming large proportions. This year the harvest was early, and dealers are pushing forward supplies to meet European demand, and to secure a range of prices which has not been reached for many a year. The Punjab and districts that send their produce through Karachi are later than more southerly provinces, and it will be at least six weeks before Karachi can begin to ship largely. The same authority says that the sales of cargoes to arrive, recently reported, are with few exceptions resales by one French house to another, apparently with the object of keeping up their courage, or else the transactions are published, in order to arouse U. K. buyers, who prefer to look on for the present, knowing that U. K. requirements for the rest of the cereal year need cause no undue anxiety.

BUTTER.—The butter market was dull and easy for creamery under a gradually increasing supply, and prices are sagging off every day, and may go still lower before bottom is reached. Nice, new, freshly-arrived butter has been offered at 18c. this week, and refused, as the buyer and seller would not come together. In fact we are within the mark in saying that about 16c. is all that even the best butter will fetch here in wholesale lots. A London letter says:—"Supplies of butter continue to come in more plentifully, and quotations have been gradually reducing throughout the week, the weather having been extremely hot for several days, and buyers undersirous of doing more than supplying their immediate wants. There was an attempt on the part of holders early in the week to raise prices, but though this was partially successful, rates sagged again, and the level of the recent heavy fall is about maintained, Danish being the only description fairly claiming an advance, the present quotation of 9Ss. to 10 1/4s., being about 4s. up. The Danish official quotation was sent down yesterday 5 Kroner, and Dutch is 1 $\frac{1}{2}$ guilder lower in Holland, Irish being also quoted some shillings down. At the beginning of the week there was a rally in Brittany, which now, however, moves in the same groove with other descriptions. There is no American or Canadian butter on the market."

CHEESE.—The market has been quiet, and prices are working off the top for business. Enquiry does not appear to be very active just yet, but it is likely that a slight concession from the present basis might induce the accomplishment of a fair amount of business. In London a late report says:—"The boom in Canadian cheese seems on the point of breaking, prices having reached about top level, and purchases being made with caution. No break in prices, however, is reported, old rates being maintained, while some holders are confident of realizing even better figures for their steadily diminishing stocks, what is offering below the extreme values being easy of disposal; new fodder arrived in small quantity, having cleared at from 53s.