

# The Commercial

A Journal of Commerce, Industry and Finance, specially devoted to the interests of Western Canada, including that portion of Ontario west of Lake Superior, the provinces of Manitoba and British Columbia and the Territories.

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The Commercial certainly enjoys a very much larger circulation among the business community of the country, between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. By a thorough system of personal solicitation, carried out annually, this journal has been placed upon the desks of the great majority of business men in the vast district designated above, and including northwest Ontario, the provinces of Manitoba and British Columbia, and the territories of Assiniboia, Alberta and Saskatchewan. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, AUGUST 21, 1893.

## The Crisis in the States.

The slight abatement of the financial crisis noted at the end of June proved to have been only temporary, since when it has been renewed, and has become more acute and widespread than before. The return wave of distrust and stringency has embraced both the east and west, as it subsided on the Pacific coast, until New England, the middle and middle western states have become the storm centre to a greater extent than during the two first tidal waves that swept over the country from east to west. The undertow seems to be stronger and more disastrous than the breakers that first broke upon the "Industrial" in the east and the "boom" towns of the west. For the latter only washed ashore the speculative and weakly built financial craft that were not constructed for stormy financial weather, and had too much sail for their hulls. But the former has wrecked and sunk the staunchest of ships, made to stand the roughest of financial weather and to ride the stormiest seas. Banks of the oldest, strongest and soundest class, have gone down in this last panic, with their vaults full of good assets for loans made on long terms which they could not call in, and on properties on which they could not realize, although of the first class. This has been true of the better classes of banks, both State and national, in the older western States outside of their chief financial and commercial centres, such as Chicago, St. Louis, Cincinnati, Detroit and Cleveland, which have been able to withstand the pressure because their money was loaned on quicker assets, from their location and the nature of their business. The Eastern banks have been subjected to a worse strain, even than those of the west, in the cities above named, for the reason that they have been drawn upon, not only by the latter, with each renewal of failures in their respective sections, but have had to stand the drain from all the disturbed centres direct, and supply the money required to meet the run on banks of all sections. This fell almost entirely upon the

New York banks in the previous two withdrawals of money from the east to the West. But the last has been divided between New York, Philadelphia and Boston, until the stringency in the two latter cities is now as great, if not greater, than here, while their own sections are drawing upon them more heavily since the factories of New England have been closed and the iron industries of Pennsylvania paralyzed. The result is seen in the reissue of the Clearing House certificates toward the close of July, which were being called in during the month. Thus the situation throughout the north and west has not only improved, but has actually grown worse from the protracted strain on both banks and commercial concerns, which is daily weakening their resources as shown by the renewed panic in stocks in Wall Street. Had Congress been called together a month earlier, this last wrench upon the finances of the country might have been avoided, unless there is more strength back of the noisy clamor of the silver kings than is believed, and enough to prevent the repeal of the silver law. The south is still the only wide section of the country that remains but partially affected by all this upheaval, and thus proves itself to be financially and commercially the soundest.—New York Banker's Magazine.

## Canada Ahead.

A. J. DeLaney, a former Winnipegger, now in California, writes THE COMMERCIAL as follows:—"Enclosed please find a good Canadian dollar 'all wool and a yard wide.' Please send me your journal for six months. I want to see how financial matters are in the great West. The whole United States seems to be going crazy over financial affairs. I have been here over three years, and my eyes are turning back towards old Canada. It seems to me things are much more stable there than here."

## Extreme Depression of Trade.

The events of the past week have emphasized the necessity for a change in the financial situation in a manner which it seems impossible for Congress to ignore. Trade has shrunk in every direction, in all branches of business. Mines and factories have been closed that never were idle before, and thousands of men are thrown out of the means for earning their own bread. Manufacturers who are really in a solvent condition are unable to obtain money to keep their machinery moving, and have been obliged to stop. Banks with their safes crowded with securities have been unable to realize upon them and have been obliged to suspend. Business men have in many instances resorted to receiverships to secure the protection of the courts in saving valuable properties, which would otherwise be sacrificed in this crisis. Property that has been forced upon the market has sold at ruinously low prices; in fact, many kinds of property appear to have no value at this juncture, and to offer it for sale is equivalent to advertising that it will be sold for half its value or less. Failure after failure has occurred, and many of them are not for want of abundant assets to meet all liabilities, but these assets were not immediately available. There are more really solvent bankrupts than were ever known before. The remedy is simple and there is only one way to apply it: repeal the silver purchase law, which will advertise to the world not only the will but the ability of this country to keep its currency on the basis of gold, and there will be a rapid restoration of confidence that will quickly bring out the hoarded money into the channels of trade. Already the belief that this remedy will be inaugurated has caused large shipments of gold from Europe to this country, but it has come in exchange for securities and commodities bought at such low prices that in any event there will be a good round profit in the investment. The gold coming from Europe is suffi-

cient to replenish the greatly depleted resources of the banks, but the hoarded money is necessary to furnish an adequate supply for business purposes, and it is hardly to be expected that this will return to the channels of trade until all danger is past. The banks will not wait for this, but are already making arrangements to greatly increase their circulation of notes, and have secured Government 4 per cent bonds to an amount estimated at \$10,000,000 as a basis for this increase. There are some indications that we have reached the bed rock of depression, and there has already been some rally in prices of leading exportable commodities, and if Congress will do its duty promptly, we may look for the beginning of better things, but trade is so hampered that it will take a long time for it to rally from its crippled condition.—Cincinnati Price Current, August 11.

## The Binder Twine Question.

The binder twine situation is a peculiarly mixed one. With much of the winter wheat harvested, the yield being, on the whole, certainly not over an average one in point of bushels and the straw being admittedly light, large supplies of twine in sight and everything being of the most "bearish" nature, we do not hear of very many first hand transactions being actually made. One would naturally suppose that the quantity of twine available for the season's use would make manufacturers anxious as to the outcome and willing to sell at almost any figure that was offered in order to save themselves from carrying over their present stocks. But while prices which float around are almost ruinously low, manufacturers do not, it must be admitted, appear to be as willing to ship out the remaining portion of their stocks as the situation prevailing would ordinarily make them. These manufacturers apparently figure that it is better to run the risk of carrying over their twine than ship it out to jobbers and dealers at the prevailing low prices, and take the chances of being compelled, through the failures of their customers, to accept from 10c on the dollar upwards. If much of the twine that is used this season has been sold by manufacturers at the present range of prices it means no profit, or, as in some instances, a loss to them. \* \* \* The domestic season is now drawing to a close, and after the last hops in that direction is gone, manufacturers who have any stock on their hands, will attempt to sell what they can for export. This kind of business is very satisfactory in spite of the fact that low prices must be made to effect sales. Prompt cash is the rule for settlements of such transactions, hence manufacturers who now hesitate to ship twine to western dealers at 7c a pound on the usual credit will doubtless be only too glad to sell their surplus for cash to exporters at from 3c to 1c a pound less.—Cordage Trade Journal, Chicago.

## An Amusing Comparison.

The Chicago Herald likens high tariff dissipation to drinking whiskey. When consumed in undue quantities whiskey is temporarily exhilarating, but it will exhaust its victim in the end. And so with high tariffs. The United States has been on a protracted protection drunk, with the result that it now finds itself bordering on delirium tremens.

J. B. Dolan, of St. Catharines, Ont., says that there will be an enormous crop of tomatoes and corn in the Niagara district this year, and apparently the pack will be the largest on record, but he thinks that the canners will go cautiously about it, and that there will be no excess. He also says that peaches will be a heavy crop. They are now offering for September delivery at \$1.75 for 2's and \$2.75 for 3's. These figures are about 25c less than last year. Peas are a light pack.