

## LETTERS FROM ENGLAND.

## COMMERCIAL REVIEW.

(Special Correspondence of the Trade Review.)

[PER ASIA.]

THERE has been considerable anxiety during the past two weeks as to the general state of the crops in the country, which are now in a very dangerous position, owing to the almost incessant wet weather we have had for the past five weeks, and the reports from all quarters are very discouraging.

We have had about four good days out of the past fortnight, and every exertion has been made to secure as much of the crops as possible, both as to reaping and other field labour, and putting in a fit state for preservation that which had been already gathered in; but during the past few days we have had a recurrence of exceedingly backward weather, and we have now nothing but rain.

Taking everything into consideration, it would take at the least about a fortnight of good dry weather to enable the farmers to secure their crops. And unless speedy succour comes in this shape we fear there may be too much cause for the continued advance of all grain, and for large purchases from other quarters.

If, however, we are favoured with a few weeks good weather, we would have no doubt nearly, if not fully, a fair average harvest as to quantity. The quality must in numerous parts, be of an inferior kind, as the farmers have no other course but to thresh their grain while in its wet state, and to trust to careful management to make it fit for market.

The flax crop in Ireland has also suffered. The sowing for this year, according to recent returns, amounts to about 263,660 acres, being about 12,227 acres over last year; but even with this increased average we fear it will not be an average crop, as the straw has been considerably damaged from exposure, and after being scutched the yield is found in many places to be deficient. The effect of this disastrous state of the weather upon the general trade of the country has been to cause an increasing gloom in all departments.

The funds are very dull and inactive, with a downward tendency, since this day week, and would have fallen further only for the very favourable return from the Bank of England. The Bank has again reduced its rate of discount from 5 per cent., which was struck off the 6th inst., to 4½ per cent., and the returns fully justify them in this course, as during the week the influx of specie amounted to above half a million, and the grain did not exceed £50,000. This, together with the almost total absence of speculation generally, and the very slight demand for discount at the banks, left them really no other course if they wished to secure to themselves a share of business, as good bills are freely taken at rates below this figure in the open market.

The reserve of bullion in the Bank is now in a very strong position, being £16,729,000, while that for same time last year only amounted to £14,220,000, shewing an increase for this year of above £2,500,000, with rates of discount the same for both periods.

The returns from the Bank of England for this week, when compared with those for last week, present the following results:—

	Amount.	Increase.	Decrease.
	£	£	£
Public Deposits.....	6,389,000	897,000	
Private Deposits.....	17,024,000	102,000	
Government Securities.....	12,219,000	507,000	
Other Securities.....	21,752,000		372,000
Notes in circulation.....	23,050,000		267,000
Bullion.....	16,729,000	506,000	
Reserve.....	8,680,000	773,000	

The following are the Bank of France returns:—

	Increase.	Decrease.
	Franks.	Franks.
The Treasury Balance.....	18,660,000	
The Current Accounts.....		19,400,000
The Commercial Bills.....		9,000,000
The Cash.....		500,000
The Advances.....		600,000
Notes.....		6,400,000

The grain markets have been very brisk for the past fortnight, and although we had some fine weather this week, yet it has not had the slightest effect towards lowering prices, as they are still firm and advancing, and the reports from foreign countries of higher rates give tone to our markets. A good deal of speculation is going on in foreign grain, and this will, no doubt, tend to keep money dearer.

There have been some large transactions in the cotton trade within the past week, and prices are higher. The sales for the week in Liverpool amounted to 182,000 bales, the trade taking 69,000. Stocks are now about 815,000 bales, against 262,000 same time last year.

Sept. 29th, 1866.

[PER SCOTIA.]

BUSINESS continues dull; and although the returns from the Board of Trade show that the trade of the country is on a very large scale, the feeling among mercantile men is rather a gloomy one. Prices in both the grain and cotton markets are unsettled. In the former a lull, consequent upon the favorable change in the weather, has come after the recent rapid advance. The various markets are now very quiet, and prices are in favor of buyers. In the cotton market, the reports of the yield this year in America continue unfavourable, and up to the last day or two there was a steady advance, both in Liverpool and New York. Yesterday and to-day, however, the markets were dull, but after so rapid an advance this is only what was to be expected. The price of nearly every class of securities, except the funds, continues very much depressed, and the state of the Stock Exchange is now nearly as bad as it was at the worst period of the panic. American securities have shared in this dullness, and the demand for United States bonds on the Continent has almost ceased. The Bank of England returns exhibit the usual extensive changes at this period of the quarter, and may, upon the whole, be regarded as moderately favourable. There has been no change in the rate of discount, which continues at 4½ per cent. The Bank of France return is not favourable. The commercial bills show a large increase, chiefly, it is understood, in connection with the grain trade. There is consequently a falling off of over thirteen and a half million francs in the cash.

The failure of the Bank of Upper Canada has been a good deal canvassed here, and the general opinion is that the liquidation will prove a disastrous one to the shareholders. It is thought, also, that the all but invariable rule will hold good in this case, and that the estate would really have been a better one had it been wound up years ago. The propriety of resisting the run up to the very last moment was especially wrong. The amount of blame, and the parties upon whom it should fall, will, no doubt, have been discussed, and perhaps awarded, ere this reaches you. I, however, as one who believed years ago that the bank should stop, may be allowed to say in mitigation of judgment, that if the Directors and the Cashier have been honestly engaged in the attempt to retrieve the fortunes of the bank, and have not allowed themselves to be led into any fresh and dangerous commitments, they can only have done so considering the doubtful position of the bank, amid very great temptations and difficulties, and their error, for error it was, in not winding up years ago, was a venial one. If, on the other hand, they have gone struggling on recklessly from bad to worse, they deserve, and will doubtless receive, that punishment which, independent of any legal form, the opinion of mercantile society inflicts upon those who have transgressed its laws.

The returns of the Bank of England for this week present the following results:—

	Amount.	Increase.	Decrease.
	£	£	£
Public deposits.....	16,169,000		220,000
Private deposits.....	17,211,000	186,000	
Government Securities.....	12,219,000	No change	
Other Securities.....	22,941,000	1,189,000	
Notes in circulation.....	24,836,000	1,286,000	
Bullion.....	16,879,000	150,000	
Reserve.....	7,544,000		1,136,000

The following are the Bank of France returns, as compared with last week:—

	Increase.	Decrease.
	Franks.	Franks.
The Treasury Balance.....		24,000,000
The Current Accounts.....		11,750,000
The Commercial Bills.....	25,250,000	
The Cash.....		13,625,000
The Advances.....	1,866,000	
The Notes.....	43,600,000	

The Board of Trade returns show, as we have said, that the trade of the country is very large, and we now give the figures, separating the transactions in cotton from all other articles. The computed real value of the imports for the seven first months of 1866, as compared with the corresponding periods of 1865 and 1864, are as follows:—

	Imports.	First seven months.
	Cotton.	All other Articles.
	£	£
1866.....	53,570,000	81,801,000
1865.....	24,535,000	69,750,000
1864.....	44,393,000	74,675,000

The declared value of the exports for the first eight months of 1866, as compared with the corresponding periods of 1865 and 1864, are as follows:

## EXPORTS.

	Cotton.	All other Articles.	Total.
	£	£	£
1866.....	49,578,000	75,678,000	125,256,000
1865.....	34,776,000	67,625,000	102,401,000
1864.....	37,895,000	70,821,000	108,716,000

We have included under the head of cotton, both cotton yarn and manufactured cotton.

There was a continuous advance in cotton in Liverpool till yesterday, and although since then there has been a slight decline, prices are very considerably higher than this time last week. The sales amount to 126,600 bales, of which the trade has taken 60,500 bales. The estimated stock is now 737,000 bales, against 218,000 at the corresponding period of last year. The Manchester market has only very slowly responded to the rise, and transactions there have been very much restricted by the higher prices necessarily asked by holders.

The weather during the past week has been dry, but damp, and without much sunshine or breeze. Although thus only moderately favourable, considerable progress has been made in clearing the fields, and although the quality is not what could be desired, the farmers are, in general, thankful that they are not worse off. The grain markets during the week have been dull, and prices are in favor of buyers, without, however, much tendency to press sales. The arrivals off coast are numerous, and Indian corn is 6d. per quarter lower.

October 6th, 1866.

H.

## ENGLISH CROPS AND PRICES OF GRAIN.

THE effect of the continuous rains in England during the time the crops were being harvested, has been very serious. It is estimated that one-tenth of the entire wheat crop has been lost. The following is the opinion of one who, from previous experience, was well qualified to judge:—

"I consider that the grain over half of the kingdom has been exposed to the heavy rains of the last month, and according to the best evidence I have been able with much diligence to obtain, and from extended and close personal observation in various counties, I think one-fifth of the crop so exposed, has been rendered useless for human food. If I am right in this *dat*, it follows that one-tenth of the wheat crop over the entire kingdom has been lost. Barley and oats have suffered much in colour and in quality, and have been and are stacked in very soft condition, but owing to cold nights and high winds, actual sprouting is not so general as might have been, from so much rain, expected."

Last year, wheat was largely imported into England from Russia, Prussia and France. This year, the chief supplies must be drawn from Russia, as the crops in both the other countries mentioned are known to be deficient. Now the causes that have placed Russia in the position of chief supplier of breadstuffs to England's millions, were not in existence last year, and it is not likely that any very great increase will have taken place in the surplus which they can expect to obtain from that quarter. Hence it is probable that prices will rise, as they have already commenced to do, until wheat and flour can be exported at a profit from this side of the Atlantic. As far as we can learn, there will not be, either here or in the United States, a very large quantity of wheat in excess of the requirements of the increasing population of this Continent, and it is therefore unlikely that shipments of grain will be made to England at a sacrifice. Of Indian corn, the crop in the United States is very heavy, and but for the great expense incurred in bringing it to market, would exercise considerable influence in keeping down the price of wheat and flour; but taking everything into consideration, we think the probabilities are in favor of higher prices for breadstuffs than rule at present even here, and ready markets to absorb all our surplus. For coarse grains there appears to be also a fair demand, but the causes that operate with regard to this class of productions are less easily estimated, and predictions by even those best informed should be received with great caution.

## BRITISH REVENUE.

THE following is a statement of the Revenue of the United Kingdom for the years ending September 30, 1866 and 1865:—

	1866.	1865.	Increase.	Decrease.
	£	£	£	£
Customs.....	21,621,000	21,969,000		348,000
Excise.....	20,255,000	19,539,000	716,000	
Stamps.....	9,365,000	9,486,000		120,000
Taxes.....	3,422,000	3,341,000	81,000	
Property Tax.....	5,595,000	7,732,000		2,137,000
Post Office.....	4,365,000	4,210,000		155,000
Crown Lands.....	322,000	312,000		10,000
Miscellaneous.....	3,524,142	2,669,669	854,483	
Total.....	63,460,142	69,268,669		798,517