## COMMERCIAL.

The general tone of business is dull and much depressed, so that little is doing. Our reason for the continuance of this condition of trade is, of course, the fluctuating weather conditions which render communication throughout the country districts very uncertain. As long as country holders find it impossible, or nearly so, to market their reserve produce, they are not in a position to become buyers of other goods. In consequence the retailers who supply their demands hesitate to burthen their shelves with new goods while the old remain unsold. Another reason for the present virtual stagnation in business is the Dominion election, which absorbs so much time and attention, owing to the magnitude of the issues at stake, as to leave little of either to be devoted to legitimate business. Fortunately, the agony will be a short one, and it occurs at a period of the year when trade is always naturally dull, so that merchants will have ample time when it is over to tackle the spring business with the vigor that ensures success.

In the meanwhile it is proper to point out that, whichever side wins, no immediate changes in trade relations can be anticipated. If this throw of the dice proves favorable to the incumbent Government the tariff will not be materially altered. Some revisions may be expected, but it will be confined to narrow limits and to certain lines, and cannot be general. If, on the contrary, the Opposition gains the prize it will doubtless take about two years to negotiate and conclude an unrestricted Reciprocity Treaty with the United States and to have it ratified. This will give our merchants time to prepare themselves for the impending change, so that business interests should suffer very little in either event.

Weekly Financial Review of Henry Clews & Co., New York, February 14, 1891.—"During the past week, a change has come over the temper of the Stock Exchange. The rise of the previous week had placed fair profits within the reach of traders, and a series of circumstances have combined to induce holders to realize upon the advance. In the first place, there has been and is a general disposition to hold operations in suspense until after the adjournment of Congress, so as to escape being caught with any of the surprises which are apt to be forthcoming at the last stages of the session, and the more so as there are still pending several measures of unusual importance, including the Silver Bill. In the next place, the continued introduction into the Minnesota Legislature of measures adverse to the railroads has had a discouraging effect upon the range of stocks subject to Granger influences. And again, the announcement of the failure of two small banks in Massachusetts has had a temporarily depressing bearing; besides which the extraordinary decline in the earnings of the Atchison & Topeka road has operated as a discouragement.

But the main factor contributing to this change of tone has been an entirely unexpected sharp advance in the rates for sterling and for marks up to the point admitting of exports of gold, some $1,750,000 having been engaged for shipment. This has produced a certain measure of scare; for although the banks are unusually well stocked with gold yet it is felt that there is still a remnant of sensitiveness in the loan market which might easily grow into an unsettled feeling, in the event of our losing a few millions of specie. And yet there are no obvious reasons for expecting that the export will run to any serious extent. The loan of £3,000,000 sterling by the Bank of France to the Bank of England is now about maturing. One-third of the amount was paid within the past week, leaving two millions sterling still to be provided for. The Bank of England however had, a week ago, nearly £5,000,000 more gold than at the same date for the average of the last five years; and the fact of its reducing its rate of discount to 3 per cent on the 5th instant showed that the Managers could have apprehended no difficulty in providing for these payments to the Bank of France. Moreover, the rate for money in the London open market is only 1¼ to 1¾ per cent, indicating that the present state of exchange here is less likely to have arisen from any pressure at London than from causes on this side. It is not unusual for the rates of exchange to rule high at New York in February and March. In those two months of 1889, we exported $5,700,000 gold, and for the last six years the shipments for those months have averaged close upon $3,000,000. It is quite likely that the obligations incurred against the extra importations of goods made in anticipation of the new tariff may now be maturing and causing a special demand for sterling bills. It is probably in causes of this nature, together with an indisposition on the part of London to take our securities until the failure of free coinage has become an accomplished fact, that the main explanation of this unexpected outflow of gold is to be found. Provided the Bank of England should be able to keep up its present ample cash reserve—which is probable in view of the above facts—and that the free silver bill should be defeated, it is quite possible that London orders for our securities may send gold hither more freely than it is now being sent out.

The foregoing causes have mainly produced the present change of temper, and it is likely that their effects may remain until the adjournment of Congress clears the political atmosphere and makes it possible to forecast the course of affairs for the next twelve months. For the next two or three weeks, therefore, it is probable we may witness a dull and hesitating condition of affairs, affording favorable chances for picking up stocks for future advantage; but it is not likely to be attended with any very pronounced decline. It is not easy to discover anything in the future calculated to encourage "bear" operations, while there are elements which may later on develop into a buying movement. The operation of the Silver Act of last summer has already added over $40,000,000 to the circulation of the country, and this increase will be swelled at the rate of $5,000,000 each successive month; which is calculated to exercise an inflating effect upon prices. Then, as an offset to the current export of specie, it is to be remembered that the reserves of the banks stand unusually high, the amount of surplus shown in last week's statement being $20,700,000 as compared with $12,000,000 on an average for the same time of the last two years and $15,500,000 for the last four years. It is also to be kept in mind that the large prospective increase in the payments of the Treasury, without any corresponding gain in revenue, is likely to keep the Treasury balance much below its former usual figures. Under these circumstances, a continuance of ease in the money market is reasonably assured. Again, the steady demand for railroad bonds is evidence of a healthy condition of the investment movement; and the continuous advance in those securities may be reasonably expected to have its effect upon the value of stocks at a later period. It also deserves attention that the gross January earnings of railroads turned out on the whole better than has been expected, and promise to show, when the figures are in, some improvement on the business of January last year, which exhibited a gain of 13.3 per cent. The prospects as to silver legislation cannot be taken into these forecasts, as the problem still remains undetermined. The probabilities however strengthen daily against the chances of any change from the law as it now stands, and the realization of such a result would be likely to prove an important "bull" factor both at New York and London.

Under the circumstances above reviewed, I regard the current relapse in the Stock Market as likely to prove transient; but still, for the present, recommend buying only on weak spots and realizing on succeeding rallies."

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

| | Week Feb. 13. 1891 | Prev. week. 1890 | Weeks corresponding to Feb. 13. 1890 | 1889 | 1888 | Failures for the year to date 1891 | 1890 | 1889 | 188[illegible] |
|---|---|---|---|---|---|---|---|---|---|
| United States.... | 260 | 270 | 215 | 311 | 243 | 2061 | 2100 | 2182 | 19[illegible] |
| Canada......... | 38 | 58 | 46 | 46 | 41 | 331 | 322 | 274 | 2[illegible] |

DRY GOODS.—A few more orders have been received during the past week, but judging from their limited dimensions, the best country houses are, as a rule, still pursuing a very conservative policy. Advices from the country districts report collections very poor, and storekeepers consequently experience great difficulty in meeting their liabilities as they fall due. Still a good spring trade is looked forward to, as it is claimed that farmers have on hand a large portion of last summer's cereals, fruit and vegetables yet to be marketed, so that collections are expected to improve during the coming spring, and a better trade generally is looked on. Some houses report that remittances have improved somewhat since our last report, and it is thought that further progress in this respect may be expected as the spring advances. It is only fair, however, to add that other firms are less sanguine on this score.

IRON, HARDWARE AND METALS.—There is but little to note in connection with the situation in this market. Tin plates continue to be in good demand, though very scarce. In pig there is no business of consequence to note. Advices from primary markets continue of the same tenor. There are still no quotations from the other side on any brand of makers' iron, except Eglington, which is quoted as having recovered 6d. from the 1s. decline noted last week. Other makers' brands are not quoted, and there is no definite news as yet as to the date on which the various furnaces will "blow in." Even when they decide to do so, it will take six weeks before they are ready for work, so that, with even an ordinary consumptive movement prime brands must be pretty scarce now, and will be in lighter supply as time advances. The stocks in public stores are considerably less than they were last year. Bar iron, tin, copper and other metals are on the easy side.

BREADSTUFFS.—The local flour market works along quietly at steady prices under a regular movement on home account. Beerbohm's cable reports wheat and corn in Liverpool quiet with nothing doing; French country markets generally dearer. The Chicago wheat market gained ⅛c. to ½c. A special from that city says:—"The wheat market was the arena for a fight between the local bulls and bears, and neither side obtained much advantage. Considering the fine weather and the favorable condition of winter wheat reported by the Cincinnati *Price Current* the market held very well, the volume of outside trade being limited and activity very spasmodic within a narrow range. Corn was dull and rather heavy." At New York, St. Louis, Toledo and Duluth wheat, corn and oats were quiet but steady.

PROVISIONS.—There is locally a good, steady demand passing for provisions at unchanged prices. There has been no change in the Liverpool market. A London letter says:—"The live stock market here seems to have fallen into a state of lethargy, from which no change in barometric conditions of arrivals can move it, and though beef and mutton have been in extremely small show this week, a fall in prices has not been prevented. The dead meat supplies to Smithfield and Liverpool rule the roast, and butchers fight shy of the live markets. Consequently another fall has to be recorded, beef being down to 4s. 6d. per stone for prime quality, inferior going begging at rates ranging from 2s. 4d. to 4s. 4d., while sheep at Islington on Thursday ruled 2d. lower at 4s. 4d., 5s. 2d., and 5s. 8d. for first and secondary quality. Deptford, with small supplies, has also participated in the adverse feeling, and with no sheep showing, an average consignment of cattle from New York realised but 4s per stone as the highest figure, with lower grades going at 3s. 10d. and 3s. 8d., a drop of 2d. to 4d. all round. The *Canadian Gazette*, of London, has some notes this week of interest to shippers on your side, of testimony borne by feeders of Canadian cattle to the profits derived by them from their purchases, farmers from Market Drayton (Salop) and Scotland telling of the profits they have realized, the stockers in most cases evincing that they are most kindly feeders, and showing greater gains in four months than Irish for twelve months' feeding. Seven Canadian bullocks sold at Christmas by these deponents for £191 15s., a profit of £71, they having been bought for £120 15s. Is this encouraging to ship pers? I should say so, and to feeders here also." The Chicago provision market continues weak. May pork lost another 5c, falling to $5.05. The cattle market there was steady.

BUTTER.—There is a steady movement on local account for finest butter,