

## LETTERS FROM ENGLAND. COMMERCIAL REVIEW

(Special Correspondence of the Trade Review.)  
(Per "CHINA.")

There is still no alteration for the better in the money market, and trade is undoubtedly suffering considerably from the pressure of a 10 per cent. discount rate. The gloom which the failure of the Birmingham Bank, to which we referred last week, and the subsequent failure of the Preston Bank cast over business, has speedily passed away, and the funds and the Liverpool cotton market both show an advance. The feeling has also gained ground that the rapid success of the Prussian army must soon bring about peace on the Continent, and a consequent resumption of our partly suspended trade with the belligerents. The fineness of the weather, and the prospect of, at least, average crops, whilst it is, along with the peace news, depressing the price of grain, is also tending to restore confidence, and although the recovery from the panic is certainly more gradual than was at one time generally expected, there can be no doubt that week by week there is a gradual recovery. The railway returns exhibit a steady increase, and, indeed, the wonder is that the failure of so many great credit institutions, and the long continuance of so harassing a rate as 10 per cent., has had so little effect in checking business.

The Preston Bank, which suspended on the morning of the 19th July, commenced business in 1843. The number of share-holders is about 113, and as their liability is unlimited, and as they are generally people of means and position, it is supposed that the creditors will be amply secured. It is feared, however, that the shareholders will be heavy sufferers. The liabilities of the bank are estimated at about £150,000, and the failure is ascribed to "lock-up" of capital with manufacturers and others, and to the assistance given by the bank to speculators in cotton.

The Birmingham Bank presents a tolerably fair balance sheet, and there seems considerable hope that a limited Company will yet be formed to carry on the extensive and profitable business of the old concern. The liabilities of the bank are £1,800,000, and the assets £2,000,000. There would thus appear to be a surplus of £200,000, and with careful management this sum might be realized. As the paid-up capital of the old concern was £258,000, there would seem to be a very fair prospect of a return to the shareholders of more than one half of their capital.

Very general interest is felt in the continued progress of the laying of the telegraph cable. Before this reaches you, the result will be known, but, meantime, it is satisfactory to be able to report that nearly one half of the distance has been run, and that not an accident has occurred. The price of the shares is steadily rising, and should all go right till Tuesday, the 24th inst., when the "Great Eastern" will be in comparatively shallow water, they will, no doubt, be at a handsome premium.

We have often been told that Canada is a capital field for flax cultivation and it may perhaps be of some service to tell you in return, that flax spinning is sometimes a very profitable pursuit. The balance sheet of the York Street Flax Spinning Company, (Limited), Belfast, will probably be the best proof of this which could be advanced. This concern is probably the largest in Ireland, and it should be explained that the company spin yarn, weave cloth and are also themselves large exporters of marked cloth. They thus combine nearly every branch of the trade but of course the spinning is the most important single department. The mill itself is the oldest in Ireland, and about two years ago it was made into a Limited Company, and the original proprietors, the Messrs Mulholland then ceased to have any share in the management. The capital now called up is £100,000, and in two years a reserve fund of £82,000 has been created—and this independent of laying past an adequate sum for renewal of building and machinery, and paying a dividend of 10 per cent.

The returns from the Bank of France for this week present the following results—

	Income	Decrease
	£ M.	£ M.
Public Deposits	£ 2 1/2	565
Other Deposits	14 3/4	1 652
Government Securities	10 1/2	...
Other Securities	27 7/2	1 247
Circulation	25 4/2	229
Bullion	13 6/4	347
Reserve	3 2/25	576

The most gratifying feature in this return is the decrease in the Other Securities, representing a di-

minishing demand for accommodation. The other deposits have, however, decreased in a still greater degree, and this has resulted in a decrease of Bullion of £317,000, and a falling off in reserve of £576,000.

The returns from the Bank of France present the following results—

	Income	Decrease
	Fr. M.	Fr. M.
The Treasury Balance	6,333	...
The Current Accounts	...	...
The Commercial Bills	...	23,251
The Advances	...	700
The Circulation Increase	25,000	...
The Cash	14,400	...

It will be seen that the Cash in the Bank is still increasing, and upon the whole this return must be looked upon as a favourable one.

The Liverpool Cotton market, which during the week was at one time rather depressed, has to-day been very active, the sales amounting to 20,000 bales. The sales for the week amount to 71,000 bales, of which the trade took 15,400 bales. The stock is now estimated at 875,200 bales, against 332,700 at the same period of last year. The Manchester market has ruled quiet throughout the week.

The Corn Markets have been very quiet, and to effect sales lower prices have had to be submitted to. The prospects of the new crop are considered favourable.

The Stock and Share markets have been in general firm. The funds are well supported, and close fully 1 per cent above the prices of last week. Notwithstanding the two bank failures to which we have referred, bank shares have been firm. The reports of three great Joint Stock banks in London, viz., the London and Westminster, the Union of London, and the London Joint Stock are all favourable. In railway shares a great amount of business has been done but the tendency of the market is downward. There have been few transactions in Colonial securities, and the market is very quiet.

July 21, 1866.

### BRITISH TRADE.

London, July 20, 1866.

#### FLOATING.

In the course of the last eight days the wind in the British channel has been changing from north-west to south-west, and again back to north, and then north-east and south-east. Very few arrivals of ships from the Atlantic have been reported, and only 3 grain-laden vessels are reported arrived at ports of call, namely 1 wheat to passages, 2 maize, 1 to New York, and 1 to Montreal.

The floating Grain Cargo trade has been very quiet this week, the amount of business done being limited to 4 cargoes and several parcels of wheat, 9 cargoes maize, 1 cargo milletseed, and 11,000 qrs oats.

WHEAT.—The slight improvement noticed at the close of last and at the beginning of this week has subsequently faded away. As not a single cargo has arrived this week off the coast, and as only two previously arrived remained on sale, business was necessarily limited, even if there had been a fair demand, which, however, did not exist. No disposition has been shown to do business for cargoes on passage or for forward shipment, although some of the sellers appeared willing to accept lower rates, say for Arganrog, May and June shipment, 45s. for 492 lbs.

BARLEY.—Arrived cargoes have been inquired after, and fully late prices would have been paid, and perhaps more, but there being none off the coast offering, business has been in abeyance. For cargoes on passage or for shipment, buyers have shown no eagerness to operate, except at prices which sellers would not entertain.

In RYE there is nothing of interest to report, no further arrivals of cargoes off the coast have taken place, and no sale is reported. The nominal value of Danubian Odessa or Enos is about 28s to 29s per 480 lbs.

In Beans the trade has continued at a standstill. The nominal value of Barbary is about 37s to 38s for 480 lbs.

In Milletseed, a cargo recently arrived, has been sold as follows: Milletseed arrived 1 cargo, Nicolaioff to Nicolaioff, 2010 qrs at sup 21s stg per 480 lbs 1 M.

In Oats, from the South East of Europe, no business has been reported lately. The following named sales of Oats from the North of Europe, have transpired. Oats on passage, from St. Petersburg, 6000 qrs. 21s per imp qr to London, (6 pound 10 lbs.) Oats for delivery, St. Petersburg, 4000 qrs 17s 6d per imp. qr F.O.B., at Cronstadt, (6 pound.) July delivery at St. Petersburg.

### GENERAL REMARKS.

The weather in the U.K. has been this week on the whole fine. The reading of the Barometer has been high, namely from 29.95 to 30.25 inches. Since Wednesday it has commenced slightly to decline. The high temperature experienced last week, has abated some of the nights have been chilly under the prevalence of North Easterly and Easterly winds, which have blown generally in brisk breezes. The sky has been mostly blue at times, foggy and misty in some parts, rain has fallen in passing showers, though in partial instances heavily. The weather has been on the whole all that farmers could desire to complete haymaking, and to mature the cereal crops. The latest agricultural accounts report a further improvement in the appearance of all the crops. In the English South Eastern countries, some patches of Talavera wheat, peas and oats, have been cut this week, but harvest is not likely to begin in earnest, even in the most forward districts before another fortnight or three weeks, and will not be general till towards the end of next month. Haymaking has progressed satisfactorily, and the yield is now much more favorably spoken of than last week. The portion first carried having been caught in the rain, is of indifferent quality but the late cut is declared as being very fine. The harvest prospects are generally fairer this week than they were eight days ago. Still the wheat and barley crop is stated to be generally short in ear, and therefore containing a smaller quantity of grain, the yield will be proportionately small. The root crops are said to be greatly benefited by the recent rains. The potato crop promises to be abundant, and up to the present time no trace of disease has been discovered. Some rumors have been heard, but they lack confirmation.

SUPPLY.—The supply of home-grown wheat has continued this week on the same diminished scale as reported a week ago. The quantity brought to market is only about two thirds of what it was last year and one half of what it was two years ago, at the corresponding time. The deliveries of barley and oats are now so small as scarcely to be worthy of notice. IMPORTS.—The imports of foreign grain have continued this week in the aggregate as large as in each of the two preceding weeks. The bulk from the North of Europe. The imports of Wheat and Oats are a fair average. There is an increase in the imports of Barley, and those of Maize are again large. The returns of Peas show a rather large quantity, but small of Beans and Rye. The imports are, to a moderate extent, still principally French.

The British corn trade has not offered, this week, any feature of interest. Very little business has been done, and most articles have lost in value. Fine growing weather was experienced this week. The most satisfactory accounts respecting the growing crops, the approaching harvest, as well as the hope of a speedy restoration of peace between Prussia, Austria and Italy, have caused a general falling off in the demand for breadstuffs, most of the millers appear resolved to work their stock on hand, and to replace it only as far as required for immediate wants. The continuance of tight money, with its oppressive 10 per cent bank rate, is exercising a depressive influence upon trade in general, from which the Corn trade is not exempted. Some facts, however, exist, which, although they cannot quicken at present the pulse of the trade, prevent prices from undergoing any important fall. Whatever may be the result of our harvest, so much appears generally admitted that it will not exceed an average,—how much it may fall short of it remains to be seen. It must also be borne in mind that the importation of foreign Wheat and Flour into the United Kingdom will be limited for some months to come, principally to shipments from the Black Sea and Azov. Prices of Wheat and Flour in America and France have risen so much above English quotations as to have put a stop to exportations from those quarters. In the Baltic Ports, the stock available for shipment is too small to expect any quantity of importance. If we consider the stocks of English wheat in farmers' hands, the quantity will be found unprecedently small, and the same may be said of the stock of foreign grain in granary, whilst the consumption of breadstuffs at present is as large as is generally at this season. Drawing conclusions from these premises, it would appear that prices of wheat and flour are not likely to fall permanently below the present moderate range, though they may temporarily slightly give way if the weather should keep fine, the crops be harvested in good order, and the yield turn out better than was anticipated. The following is a brief summary of the movements of the trade in the United Kingdom this week in relation to its principal articles. Wheat. Notwithstanding the smallness of the supplies of home-grown, and fair imports of foreign grain, the demand has been very dull at barely last week's prices, and in some markets a decline of 1s. to 2s has had to be submitted to.

Flour. The demand has been limited to pressing wants at about last week's prices.

Barley has been slow to sell, and in some markets grain of secondary quality has lost out to 1s in value, compared with last week's rates.

Oats have been difficult to sell, and in some places prices of light sorts have declined 6d. to 1s on the week.

Beans. From scarcity, late prices have been maintained, but there is very little business doing.

Peas. Few buyers have shown a disposition to purchase, and the tendency in prices has been downwards.

Maize. The large quantity offering exceeding the present demand, has had a depressing influence on prices, which are quoted 6d. to 1s, lower on the week.