

COMMERCIAL.

The trade of the last week, though it has not been characterised by any marked activity, has, on the whole, resulted in a moderately good volume of business. Remittances in most lines have been fair for the season, and a feeling of confidence pervades commercial circles generally. The majority of our merchants speak hopefully of the spring trade. Money is obtainable on good security on very reasonable terms, and there appears to be lots of capital awaiting investment if the right parties will utilize it. Therefore the prospects are that mercantile enterprises will not be cramped by excessively high rates of interest, as it has been apprehended by some of our leading financiers that they would be.

At the annual meeting of the Toronto Board of Trade, held a few days ago, Mr. Baird, the retiring President, made a quiet and conservative speech, but one that was full of suggestions, which, being the expressed opinions of a mature mind based on the deliberation of a practical business man, are of much value. He noted that, despite the McKinley tariff, the export trade of the Dominion had been larger during the past year than ever before, but he "doubted whether the middle man and the producer had shared to a like degree in the activity and profit." In this remark lies the germ of the question as to the relation of extended export trade to profit. It is demonstrable without trouble that, though Canada exported in 1892 largely increased quantities of her productions, the percentage of profits realized by the producers and the handlers was out of all proportion less than in previous years. Continuing, Mr. Baird, while carefully steering clear of any utterance that could be characterized as favoring of partyism, referred to what others had said regarding the advisability of lowering our tariff "on goods imported from Great Britain that we ourselves do not manufacture, and on goods produced by those who have expressed their readiness to compete with outside manufacturers." He plainly intimated that the result would be "a greater trade in interchanges." Increased imports and exports usually go together was his final deliverance upon this question. He referred to the steps being taken to provide an insolvency law and uttered a truism when he added: "It is proper, however, to remind you that so long as trade is overdone and conducted on unsound principles, no law will save merchants from loss by bad debts."

WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & CO., NEW YORK, February 4, 1893.—"The export of gold, upon so large a scale and contrary to general expectation, naturally has a depressing effect upon the market for securities, and holds in check the upward tendency in prices arising from the concurrence of several influential factors intrinsic to the value of investments. During the first four weeks of this year, we have shipped from this port over \$11,000,000 of gold, compared with merely nominal amounts for the same period in 1892 and 1891, and there is no clear assurance that we have yet reached the end of this movement. Did the outflow depend upon the purely commercial balance with foreign countries, there would be some ground for expecting its early end; for the trade balance for the last three months has not been such as to call for extraordinary shipments of specie; and it may be further cited that the foreign movement in our securities has balanced in our favor, probably to quite an appreciable extent. The real causes of the outflow are of an extraordinary character, and cannot be satisfactorily estimated either as to their extent or their probable duration. The disturbing influences are partly political and partly monetary. The startling Panama revelations in Paris have so shaken confidence in the French Government as to cause a severe contraction of credit operations by the Bank of France and by the other Paris financial institutions, the natural tendency of which has been to draw gold to that centre. Similar but more recent developments of official corruption in Italy have been an impetus to this derangement in credit operations and have widened its area. And the remarkable declarations of Chancellor Caprivi as to the threatening armaments of the great powers and the consequent necessity for Germany immediately putting herself in a position for undertaking aggressive operations cannot but bring over Europe a sense of its nearness to the great struggle which has so long appeared inevitably, but not hitherto actually imminent. The new Egyptian question looms up as still another disturbing factor. From similar political causes, Russia has during the past year been steadily withdrawing her deposits on the Continent, which are supposed to have gone into her military chest; and it is suspected that the hoarding of Austria-Hungary has also been for military contingencies, as well as for her preparations for establishing a gold financial basis. The distinctly monetary causes of this gold movement have been the apprehension incident to the position of silver, and the failure of the Brussels Conference to devise any means for staying its demonetization. To the Bank of France this is a grave situation. Having issued notes to the full amount permitted by its charter, it can put out no more paper for the procurement of gold, and in the event of a crisis might have to use its silver in making payments; which under the present state of the situation might prove to the last

degree perilous. Under these circumstances the bank has to enforce liquidation of its loans, and the Paris joint-stock banks are following suit, especially such of them as have branches in London, by stopping purchases of English bills; the effect of which is to draw gold to Paris notwithstanding the bank's inability to make direct purchases of gold. Concurrently with these influences, the absorption of gold by Austria, for the purpose of establishing the gold standard, is continued without abatement.

The effect of these political and monetary conditions is apparent in the fact that the Bank of France now holds \$37,000,000 more gold than a year ago, whilst the Austro-Hungarian Bank shows an increase in its holdings of \$25,000,000. The combined accumulations of these two banks, amounting to \$62,000,000—almost exactly corresponds with the net export of gold from the United States in 1892, which is officially stated at \$59,000,000. The connection of cause and effect is here so obvious as to tell its own story. This transference has come about through a natural banking process. The contraction of large credit operations on the Continent has necessitated a like restriction of credits in Great Britain, and that in turn has caused some contraction of credits in England's relations with the United States, and has induced withdrawals of bankers' balances from employment in this country. This seems to be about the only rational explanation of our large losses of gold in the face of a condition of our foreign trade that did not call for such remittances.

There is, however, a limit to our exposure to depletion by these processes, and it would seem as though such a drain cannot go much further. There is also this satisfaction, that if the dangers should really happen against which these hoards have been accumulated, the catastrophe will have been provided for in advance and the exposure of the United States to drain will have been correspondingly diminished. Our exposure to this sort of thing is no more than might be expected from our large dependence upon European credit; but it surely should be a serious question with Americans whether this sort of subjection is any longer a necessity, at least to such an extent as it now exists; and whether, with our vast increase of wealth, the time has not come when New York should have credit institutions competent to relieve this country from foreign relations that expose us to all the political and financial dangers of conditions in which we have no direct interest. The immediate policy of this country should be,—less money for speculative enterprise and more for broadening and consolidating our own credit organizations."

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

	Week Feb. 2.	Previous week.	Weeks 1893	Weeks 1892	Weeks 1891	Weeks 1890
United States	271	302	279	270	259	259
Canada	54	48	34	53	57	

DRY GOODS.—The wholesale trade is in a very healthy position, winter stocks having been sold up closer than for many years past. Orders show a decided improvement over those of the last few seasons, especially in heavy goods, and people appear to be buying with more courage. Many country dealers are ordering full woollens, which shows that their stocks must be completely exhausted. The fact that they have cleared their shelves has enabled them to meet their payments much better than in former years. Cotton goods are very firm, and an excellent volume of business is transpiring in them for the anticipated brisk spring trade. Woollen goods are also steady in value, but no advance is expected at present. Travellers now on the road report that they are meeting with very fair success, chiefly in sorting-up orders and for the spring trade. The city retail trade holds quite good and collections are about fair.

BREADSTUFFS.—A small local demand is reported for strong and straight roller flours, but business is, on the whole, quiet, and prices are more or less nominal. In U. S. grain centres wheat has been quiet with a decidedly easier tendency. English prices are not materially changed.

PROVISIONS.—The local movement in hog products is somewhat restricted, owing to the fact that holders are very firm in their prices. It is asserted that the supply is very much below the average, not only here, but also in the West, and a determined effort is making to advance figures. At the present writing it seems probable that buyers will have to yield to the sellers. In Chicago pork and hogs are very firm with a strong upward tendency. The cattle market there was 10c. higher and the sheep market was stronger.

BUTTER is fairly active in a jobbing way on local account. To supply the demand from this source parcels of creamery have sold pretty high—in fact 25c. has been paid, but this figure is hardly a fair one to quote. In dairy stock the supply is small and holders are firm. The supply of good roll butter is limited, and really good rolls would sell well. Advices from England state that, owing to large arrivals of Australian and New Zealand butter a sharp decline has been experienced all round, and that Canadian creamery has been sold at 106s. to 108s. We may, therefore, expect no more demand from England for a while at least.