

Montreal Grocery Trade Notes.

The raw sugar markets are very strong and advancing. The developments of the last few days have demonstrated the stability of the general position of the market and the probability of still higher prices before long. In New York on Tuesday sales were reported of 8,000 bags molasses sugar at 3½ for 96 test, 60,000 bags centrifugals at New York and 20,000 at Philadelphia at 4½, to be shipped afloat, coast and freight, and 6,000 hhds. muscovadoes at 3½. In fact the Trust, which has been bearing the market right along, has picked up all the available centrifugals afloat and on hand at 4½ to 4¾, purchases having been made to-day at the last figure. There are also reports current that the trust has made many heavy purchases in Cuba and of beet in Europe, having evidently come to the conclusion that sugars are not going to be any cheaper. Of course the local market is very firm on the strength of this bullish news and refiners are refusing to make large contracts. During the afternoon the local refiners were asking 4 5/16c for granulated, and 4¾ for the lowest yellows, but no business was reported at the advance.

There is not much demand for syrup, but the market holds strong at 1¾ to 2c per lb.

The molasses market is very dull at the moment. Latest quotations from the island are 12c, but it is difficult to name a price here, the market being quoted nominal at 31c. There are now ten vessels on passage from Barbadoes to Montreal, carrying from 500 to 1,200 packages each.

At New Orleans the molasses situation continues unchanged. Prices entirely nominal for open kettle and centrifugal goods. The clean rice market is rather quiet. Rough rice is quiet and steady, with small movement going on.—*Planter*.

The tea market is very quiet at the moment, both for blacks and Japans. A few small lots of low grade Japans have been moved at 12 to 14c, and some transactions are reported in medium grades at 17 to 18c. No transactions of any importance are reported in blacks.

The first cargo of new crop rice has arrived, and the quality proves to be excellent. The prices have advanced 31 to 44d in the European markets, but there is no change here. We quote: Ordinary, \$3.85 to 4; Japans, \$4 to 4 50; Patna and Carolina, \$4.50 to 5.50.

Mail samples of new Japan teas have arrived at New York and show up very fine. The steamer Rio Janeiro sailed from Yokohama May 6 with 4,000 packages, practically the first movement of the season. One of the fast Glen line will leave about end of May as the first Suez steamer of the season.

The feature of the wholesale grocery market in New York on Wednesday was the immense deal in raw sugars, reaching some 5,000 tons of muscovado at 3¾ for 89 test, about 10,000 bags molasses sugars at 3½ for 89 test, and about 80,000 bags centrifugal at 4½ for 96 test. This restores the position of sellers cleans up available supplies, and with continued advices of short crop on Cuba probably makes foundation for further gain in value. Refined goods can hardly fail to increase in cost through sympathy.

A London report upon the advices from Hankow tea district says that the information is somewhat conflicting, "but from what we gather from a reliable source, the Ningehows are fine and pure, and the Russians having good orders are likely to keep value up to over the price that London buyers can afford to pay for a time. As yet the Russians are the only operators, and it is very possible that we shall not get our first cargo in before the first week of July." Another report says that the Kentucky are poor and in big supply.—*Gazette*, May 26.

The General Business Situation.

There has been for some weeks a critical time for many business men, and especially for those who depend largely upon borrowed

capital. The fact that there has been some apprehension of the ability of the Government to maintain the currency of the country upon a gold basis was a disturbing factor, and although there is now seen to be no good cause for these apprehensions, unless it be in the remote future, there is no doubt that they have had their effect upon public sentiment, and have led many lenders to scrutinize the standing of business houses more closely than usual, and to be more particular about the character of the collateral upon which loans were predicated, with the result of refusing to lend to any but firms of undoubted standing and on staple securities. The failure of some firms that were large borrowers have of course occurred, and a few banks that were involved by speculation have been obliged to suspend, but the losses to the public were insignificant. The business atmosphere is now clearing up, and the banks are not refusing to discount to any reasonable extent for their depositors in good standing, and in fact they have done so all along, only lopping off those who had too extended a line of discounts or who could not give acceptable security. There is no scarcity of money, but there has been a want of confidence; the latter will soon return, for the tests applied have shown no general unsoundness. Business men as a rule have had a good and lucrative trade, many are not borrowers at all, and most of those who occasionally call upon the banks for accommodation can get along without serious inconvenience in times such as we have passed or are passing through, by curtailing their operations for the time being, thus enabling the banks to recuperate their funds, and put themselves in a strong condition. The banks naturally wish to be conservative, and perhaps they are overdoing the matter; they cannot make any money by keeping their funds locked up, and it will not be long before they are seeking good borrowers, so as to employ their money to advantage. This will promote trade in the manufacture and distribution of commodities, give employment to labor, and take away the clogs from the wheels of trade and commerce. As a rule trade has not been seriously crippled by the crisis through which we have passed; those who have speculated in inflated stocks have suffered seriously in some cases, but very little if any money has been lost by business men. But there has been enough apprehension of disaster to cause a curtailment of operations in many lines of trade, so that the aggregate reduction is sufficient to be seriously felt. But the recuperative powers of the business of the country have not been impaired, and we may confidently expect that the deficiency will be made good in the early future.

It is pretty certain that we must make further liberal shipments of gold to Europe, for Australia is calling for the yellow metal to support her tottering finances, but the demand is not likely to be more than we can readily furnish.

It is not improbable that our little disturbance will check foreign imports of commodities and promote exports, so that our foreign commerce will be turned in our favor during another year, and the outgo of gold materially reduced, if the current is not turned in our direction. The outlook for future prosperity in business has been improved rather than otherwise by the recent financial disturbance. Cincinnati *Price Current*.

Australian Banking.

The Australian system of banking, says the Cincinnati *Price Current*, is not legitimate banking at all. Disaster after disaster has followed with such rapidity, and they were of such magnitude as to paralyze business in many quarters, that it shows something radically wrong in the system. It seems that the banks there lent money on real estate and for long time. Their loans may be good and eventually be paid, but they are not such as can be realized upon by the bank in an emergency. It was doubtless for this reason that our Na-

tional banking law prohibited our National banks from making loans upon our real estate. In a new country it is doubtless a convenience if not an actual necessity to have facilities for borrowing money on real estate, but this business of lending money can not be combined with banking without constant danger and almost certain disaster, sooner or later. Australia is not probably bankrupt, but her system of banking has been long pursued on a dangerous basis, and her banks have reached a crisis at about the same time, so that great hardship must, for the time being, result to the many depositors involved, and serious losses will doubtless be suffered even if the outcome should be less serious than now seems probable.

The London *Times*, in a recent article, warns the public to be on guard against unreasonable panic in connection with Australian failures. It says:—

"It is difficult for people not thoroughly well acquainted with Australian affairs to understand that the term 'bank' is applied in Australia to various corporations which would be more correctly described as land mortgage companies, as well as to the few real banks which exist there. Companies of this kind are indispensable to a new country, and if properly managed are a source of profit to their proprietors, but they cannot safely employ as large a proportion of the money at their disposal as banks in London, or in other places where it is comparatively easy to employ money for short periods. Points of difference between London banks and Australian 'banks' are shown thus:—'Here banks keep on the average about 12½ per cent of their liabilities in cash, another 10 or 12 per cent in loans at call or short notice, and another 15 per cent or so in investments on which money could be borrowed easily. In a new country some of these modes of employing money safely do not exist at all. In addition the contents of the London bank's bill cases are presumably falling due and being paid daily, while good bank bills are, for various reasons, not easy to get in Australia. Of course, if the London bank invests an excessive amount in long dated paper, or allows a customer to become its debtor to an extent beyond his real means, it may be in no better position to stand a run than the Australian banks which have lately failed. As we remarked a few days ago, these Australian Banks not only borrow too much money, but pay too much for it, and this unfortunate error drove them in turn into lending too much at rates which were too high for safety."

Pork Packing and Provisions.

The movement of hogs the past week has been especially small for the time of year and disappointing to most of the trade. Western packing has been 165,000 hogs for the week, compared with 245,000 the preceding week, and 305,000 for corresponding period last year. From March 1 the total is 2,075,000, against 2,610,000 a year ago. Decrease 140,000 for the week and 535,000 for the season, compared with last year. It is quite likely that the light receipts are in some measure due to the fact that farmers have been especially busy the past week, under the favorable weather generally prevailing. But the evidence of positive shortage in the supply in the country is too plain to admit of the view that the current small movement is to be followed by an especially liberal supply for months to come. With this is the increased confidence in the maintenance of prices for hogs, which will tend to prevent undue hurrying of stock into market. Prices of hogs at the close average a little lower than a week ago. The provision market has had a fair call for product for distribution to both domestic and foreign markets, but under speculative influences values at Chicago receded yesterday quite sharply. The export clearances of products for the week were of good proportions.—Cincinnati *Price Current*, May 25.