

## COMMERCIAL.

There has been no material increase in the volume of business since our last review. In several lines a fair trade is doing, but the aggregate is by no means so large as had been anticipated. This causes some dissatisfaction, but, no doubt, in many instances expectations were over-sanguine. Both city and country merchants were calculating on the returns from last year's big crop, but the difficulty which has spoiled shrewd calculations is that a good proportion of the farmers, true to their proverbial policy, have held on to their produce of various kinds, and now do not find as favorable markets as they thought they would, while those who did realize had, no doubt, a good many old scores to clear off. But the stuff is in the country, while supplies of general merchandise in small dealers' hands are generally admitted to be small. Therefore, wants should gradually increase, though traders are pursuing a conservative policy at present which may prove a blessing in disguise. On the whole few changes appear in any of the ruling conditions and trade generally occupies a waiting position. Remittances have been during the week quite up to expectations, and renewals are, as a rule, rarely solicited for more than one-third and then for short terms. This shows that money is comparatively easy—indeed plentiful. In fact the conservative policy that the majority of our traders have adopted during the past year in only buying what they know they will want, renewing stock at frequent intervals and selling almost entirely for cash, is gradually putting business on a firmer basis, and, if adhered to, must reduce business risks to a minimum.

**WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & Co., New York, May 21.**—"During the past week business at the Stock Exchange has still been largely confined to the dealings of professional operators. The 'bear' element has been out in force, led by strong and skillful commanders. Their attacks have been mainly directed to exposed specialties, through battering which they have hoped to reach the general list; they have conducted their operations with skill and vigor, and their success has perhaps been proportioned to their effort. But the confidence of holders of dividend properties, whether on this market or in London, remains virtually unshaken. The stocks most assailed have been Union Pacific and Northern Pacific; the former, after having been advanced through purchases connected with the election, being naturally weak and unsupported, while the latter was legitimately weak on account of the falling off in earnings and the passing of dividend on Thursday. The failure of the Richmond Terminal reorganization plan has also been an adverse element; as also some decrease in the current earnings of railroads, owing to the bad condition of Western wagon roads having interrupted the forwarding of produce.

Beyond these passing weaknesses in the situation, the 'bears' have a theory that prices are too high as compared with a year ago; and on the strength of that, their aim is to break their way into the general list through forcing a passage at these weak and feebly defended spots. But is that theory tenable? Is the situation of to-day at all comparable to that of a year ago? Within the twelve months, there has been a vast recovery from the world-wide effects of the Baring shock, and the improvement is about as manifest in the European markets as on this side of the Atlantic. This country is now thriving on the benefits of unprecedented crops, which a year ago were but dimly anticipated and not realized.

At this date of 1891, all the money markets of Europe were in a state of high tension, and apprehension was felt on every hand; the Bank of England rate of discount was 5 per cent; gold shipments from this port were of unprecedented volume, the May export amounting to \$28,000,000; the reserves of the New York banks were showing a surplus of only 3½ millions, and call money was bringing 5 per cent; there was little demand for investment securities and speculation was absolutely dormant; everywhere confidence was at a low ebb and distrust arrested every branch of enterprise. In short, everywhere financial affairs were at the lowest point of depression in one of those periods of reaction that come upon the world within every ten years, and stagnancy, contraction and liquidation pervaded the two commercial continents.

Where is the sense in comparing the conditions of to-day with those then existing? The recovery within the twelve months' interval has been remarkable. Formerly, the recuperation following these general great reactions was gradual and slow. Under the changed conditions of modern business, it has become surprisingly rapid. International, commercial and financial relations have become adjusted to the lightning methods of communication; a situation therefore is more quickly ascertained and consequently more readily and easily dealt with. In short, the world has become one vast counting-room, in which a general disorganization can be straightened out in as many weeks or months as it formerly required months or years. The significance of this change to the present situation is that the world has already gained a point of recovery from the great breakdown initiated by the Baring suspension which, under former conditions, would not have been reached until years later. We fail to keep pace in our judgments with the modern quicker pace of events, and therefore the degree of recovery already attained from the break up of 1890-91 is very imperfectly appreciated. The tardiness of comprehension has not however prevented the facts from finding expression in market values; but because some do not understand the causes of the improvement, they conclude that the rise in values is premature.

But nevertheless, although the 'bears' may be acting upon a false theory of the situation, it is not to be denied that they have lately had the upper hand; and their success must be respected. A vigorous 'bear' campaign, however, usually culminates in an oversold market, and if the over-selling is carried to excess, naturally an upward reaction follows. The present danger of large short sales and the hope of holders lie in the possibility of just such an over-doing. Northern Pacific Preferred has fallen heavily within

the last week, which decline should be considered ample for any changes that have occurred in its intrinsic position; and the quick advance that followed the passing of its dividend is some evidence that the 'bears' thought it prudent to call a halt in their attack. The current terms for borrowing a wide range of stocks indicate an unusually large 'short' interest outstanding. From present symptoms, therefore, it is not impossible that the 'bears' may soon find it wise to moderate their attacks."

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

	Week	Previous	Weeks	corresponding to				
	May 19.	1892	1891	1890	1889	Failures for year to date.	1892	1891
United States	156	184	200	186	140			
Canada	21	36	45	28	19			

**DRY GOODS.**—Business continues to be somewhat dull in the dry goods trade, owing to causes previously noted. A good run of trade is, however, expected as soon as warmer weather sets in. Prices remain firm all round without any change. In retail branches American visitors, who are beginning to arrive quite freely, have given considerable life and activity to this department. Remittances are about the same.

**IRON, HARDWARE AND METALS.**—In our local market trade in pig iron has not been extensive, and the only transactions that have transpired have been of a medium sort on account of actual requirements. Recent advices from England report only 4 furnaces now in blast in the north of that country, against 91 a year ago. In Cumberland, the hematite iron district, there are only 8 furnaces in blast, against 39 a year ago. The stocks of iron in the yards in the Cumberland and Cleveland districts are being speedily depleted through the comparatively large deliveries and the curtailment of production through the late strike. The stocks of pig iron in Connolly's yards are 469,000 tons, against 510,000 tons a year ago, showing a decrease of 41,000 tons. Two or three years ago the stock in those yards was over a million of tons, and although they are now reduced to less than half that amount, prices are \$2 to \$2.50 per ton lower than those ruling at this time last year. Pig iron has advanced on the other side, where speculators have taken hold of it in earnest. It has sold in New York at 21c. for delivery all the year round, so it would seem that they anticipated the improvement to be permanent. A London despatch says:—"Tin, spot at £95 7s. 6d.; three months' futures £95 2s. 6d.; market firm; sales 20 tons spot and 100 tons futures. Copper, spot at £46 10s.; futures £47; market firm; sales of 250 tons spot and 875 tons futures. Scotch warrants at 40s. 11d.; No. 3 Middlesborough iron at 38s. 10½d.; Silesian spelter at £22 15s.

**BREADSTUFFS.**—More desire for business in flour has been shown locally, but the volume of transactions cannot be said to have increased. Oatmeal remains dull and quiet. Feed is without change. Beorbohm's cable states that wheat is active but corn is *nil*. The Liverpool public cable quotes wheat quiet, demand poor, holders offer moderately; corn firm with fair demand. In United States markets wheat has been very uncertain. Recent extensive floods in the valleys of the Mississippi and tributary streams have caused an immense amount of damage to the growing crops, but the extent is as yet problematical. This renders the markets unsettled. Under these circumstances reliable quotations are impossible.

**PROVISIONS.**—A better local movement is reported in pork, but business cannot yet be regarded as brisk. Lard and smoked meats are in fair request at quotations. At Liverpool provisions generally have had a more buoyant tendency under a more lively demand and prices are decidedly firmer, though quotations are nominally unchanged. In Chicago the provision market has ruled stronger. Hogs and cattle have been steady and sheep strong.

**BUTTER.**—No change in the situation has occurred in the local butter market. A really first-class "giltedged" article is difficult to obtain just now and what little does offer is quickly taken up. Still Toronto, Montreal and other points to the North-West of us are sending down ample supplies of quite excellent roll butter, and acceptably "fill the gap" till the native, grass-fed article comes in. Prices, though firm, have not advanced during the week. A Montreal report says:—"Butter does not improve its position, business continuing dull. We repeat the old quotations—creamery 19c; townships 18c to 19c; western dairy 14c to 15c." A London correspondent writes:—"Prices of butter are generally about 20s per cwt, higher than at this time last year, being very stiff for the season; but the smallness of keep both here and on the Continent by reason of the backward cold spring has kept production so low that rates have inevitably been held up by shortness of supplies, also in the first week in May we should not be paying nearly the prices now ruling for all grades, the remark applying not alone to London but to markets the country through. So strong was the market for Danish at the commencement of the week that agents who had sold at 120s repurchased at 122s, and were enabled to get quit at 124s; and being helped by a 2 kroner rise in Copenhagen, Monday's quotations will probably be thereat. Irish will be coming forward more freely presently, but just now is the agents' chance, and they will probably be able to play their own game for a fortnight, though sudden accessions from the Continent may cause a tumble at any time. American is *non est* here."

**CHEESE.**—Locally there is nothing to say of cheese. No new is making and old cheese is not in demand here to any great extent. Business is consequently very quiet. The supply is small but quite sufficient to meet all requirements. A letter from London stated that:—"There is no change in the market for English cheese, Cheshire being quoted 78s to 84s for finest, 60s to 70s for second grade; Cheddar 58s to 72s, Wiltshire doubles 48s to 64s for fair to finest. Demand has quickened for American and Canadian, and holders have been able to make 60s to 62s easily for September, summer makes fetching 54s to 56s, with anxiety shown by purchasers to get in anywhere near these figures. Dutch is slow, 52s to 54s Gouda, up to 64s Edams."

Eggs continue to be in plentiful supply here and low prices prevail.