

COMMERCIAL.

A firmer tone has characterised the market in most lines during the past week, although the volume of business has been certainly rather below the average. In several lines buyers and sellers are far apart in their ideas, and the former appear to be well contented to await developments. Though it seems certain that the harvest will be a bounteous one, the expected improvement has not, as yet, materialised. It seems that many farmers are pursuing their old tactics of "sitting on their crops"—in other words that they will neither pay their bills nor buy much goods until they either get the prices for which they are kicking or are scared into accepting the market value. In fact, throughout all Canadian produce, holders' ideas are above the export limit.

Remittances are still much below what they should be, but latest crop reports induce the belief that a revival of activity may be expected in the fall and winter. Money in London is reported more easy, the demand for the moving of the crops being less than was anticipated owing to the poor-ness of the harvest in Great Britain. Continental exchanges also are in favor of London. The demand for gold from Germany is falling off while that from the United States has not yet assumed formidable proportions. The street rate there is quoted at $1\frac{1}{2}$ per cent, as against $3\frac{1}{2}$ to 4 per cent for the corresponding week last year. However, in New York the loan market is more sensitive, and, under the influence of the increased speculative demand and the augmented flow of money to the West, the street rate has advanced to 4 to $4\frac{1}{2}$ per cent.

WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & CO.—NEW YORK, SEPTEMBER 12, 1891—"For the last few days the stock market has been subjected to the effective test of realizing profits. The sellers have included many large and influential holders, and the 'bears' also have made 'short' sales. These combined transactions have been large enough to try the confidence of the market pretty sharply, but their effect has appeared rather in checking the upward tendency than in producing any material decline in prices. In other words, the result has shown that the disposition to buy about equals the disposition to sell.

The condition of the market must be conceded to be a strong and healthy one. The speculative movement is backed by a revival of the long dormant investment demand for bonds and the better class of shares, and a considerable amount of securities are going out of the floating supply into the strong boxes of permanent holders. London, Boston, Chicago, Philadelphia and the minor cities participate in the renewed activity, and appearances indicate that the 'boom' has substantial elements of permanence. It remains to be seen what may be the attitude of the important class of operators who have been realizing. Some of them conclude that they have been hasty in realizing and are buying in again; but a larger proportion are waiting, or perhaps are using their influence to create a reaction in order to get in at lower prices. It seems reasonable to infer that, unless some unforeseen inflating element appears, the present halting attitude of the market may be continued somewhat longer without any extreme changes in prices.

It can hardly be questioned that the status of the chief conditions that regulate values has improved quite as much as prices have advanced. In every condition there has been a gain beyond what was expected six weeks or two months ago. The apprehensions then felt about the supposed weakness of finances in Europe have been dissipated by a large recovery of confidence and even by the beginning of a revival of speculation, especially in American securities. It is no longer expected that any attempt will be made by the British and Continental banks to interfere with the natural course of exchange resulting from unusual imports of American grain; which removes the distrust at one time felt as to the return of gold and the consequent course of our fall money market. The outflow of currency to the interior turns out to be lighter than usual, and although the loan market may work into a more active condition later, there is no certain prospect of special stringency and no difficulty in procuring time loans for stock exchange purposes.

The crop situation has almost passed the stage of possible adverse contingencies. The corn crop, according to the Government report of September 1st, shows an improvement over the condition in August, and may be already considered as virtually beyond reach of frost, and the late storms have caused but little discounting of the earlier good prospects. The reports of damage to spring wheat in the far west prove to have been exaggerated, and we may safely count upon a total yield of 575 millions of bushels of that grain, in excellent condition and of better than average quality. The reports of damage from worms to the cotton crop have undoubtedly been grossly magnified; for that kind of injury is now so largely under immediate control by the planter that it is no longer the source of danger it once was. Besides, even supposing that a loss of a quarter million of bales were to arise from this cause, it is more likely, in view of the present large stocks, that it would increase the total value of the crop than that it would diminish it.

The general conditions of trade are encouraging. There are nowhere any specific complaints, nor is there anywhere a boom, but the feeling on all hands is hopeful for a good and prosperous season's business. In the iron trade, the firmer tone of prices indicates the beginning of a better demand. The increase in the current consumption of coal is a clear evidence of growing activity in our industries. The earnings of the railroads show a gaining rate of increase over those of last year, which is also evidence of a steady expansion of the commercial movement.

The uneasiness felt in some quarters in prospect of the demands upon the Treasury for the redemption of the $4\frac{1}{2}$ per cents. is found to have been ungrounded. Already about \$11,000,000 of the obligations have been redeemed in cash, and the facility with which those liquidations have been

met removes any doubt about the ability of the Treasury to deal with the outstanding remainder of about \$13,000,000, the more so as the surplus of gold beyond the requirements of the Greenback reserve now amounts to about \$80,000,000.

The foregoing are the main conditions at present surrounding the market. They certainly are more favorable than has been expected, and they must be regarded as laying the basis for a year of unusual, if not unprecedented, tonnage on our railroads, and for a prosperity which is likely to develop into an era of marked industrial and commercial activity. Indeed, America is now beyond doubt under an impetus which will soon force it to the front of nations, where it will stand pre-eminent in the business world. All these results cannot come at once; but it is the wont of Wall Street to anticipate coming good times; and the question of the moment is—how far will speculation discount those prospects in advance, and how far will it wait for them?

At present, the prospects are plainly towards higher rates for money, to continue for the next few months; in fact excessively easy money is now about over until the middle of next April; the only contingency to the contrary being the possibility of a large reflux of gold from Europe. It is quite possible, therefore, that at later stages the condition of the money market may force out 'long' stocks and cause at least temporarily lower prices than those now prevailing.

At the moment, there are too many bulls and too few bears to make the market a safe one to buy upon, except upon set-backs; and, owing to the lack of a large short interest, good depressions may be expected to occur. The Granger and Southwestern stocks have largely helped to carry the market where it now is, and their improvement has about exhausted itself for the present at least; for this reason among others it seems safe to begin to sell long stocks. The Union Pacific directors have ratified that Company's need of trust; but as the arrangement is nothing beyond a means of extending a virtually bankrupt corporation, it should not have the effect of enhancing the value of the stock. In view of the considerations, while regarding the situation as in the long run a good one, I deem it prudent at this juncture in developments to maintain a conservative attitude, and to husband profits rather than put them into new purchases at present prices."

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

	Week Prev.		Weeks corresponding to		Failures for the year to date			
	Sept. 11, 1891	1891	1890	1889	1888	1891	1890	1889
United States	233	178	162	190	124	8326	7100	7936
Canada	23	17	22	11	35	1214	1127	1213

DRY GOODS—Retailers report a brisk trade. The return of summer holiday-makers, the re-opening of scholastic institutions and the millinery fall openings have stimulated trade. Prices are generally firm. Quite a number of representatives from the other side have been, or are visiting our merchants, but wholesale houses here are making a practice of ordering their goods direct or through their own buyers whom they send across, and are very chary of buying from trans-Atlantic drummers who come over to offer their goods. Most travellers are in town, as it is useless for them to go out just now, when so many exhibitions are in full swing, and all the farmers are busy in the field. Consequently, country trade is confined to letter orders. It is not probable that drummers will find it possible to accomplish much till about the middle of next month. Local manufacturers report a steady sale of their goods, and there are few or no complaints of cutting. Many of our buyers are now on the way to Europe to select goods for the spring of 1892, and some have already arrived there. Money continues to be the subject of serious complaint, but this is by no means unusual at this season of the year. September is always a poor month for remittances, and, until the crops are gathered in and marketed, and the money in hand, we can look for but little improvement.

IRON, HARDWARE AND METALS.—But little has been doing in iron or the heavy metals during the week. Buyers generally have it practically their own way, as the demand is almost nil, and sellers would be foolish to refuse any reasonable offers just now. Consumers seem determined on pursuing a cautious policy at present. They are only taking for immediate requirements, and the actual movement since our last has been unusually small. Nothing has transpired in connection with the English market as regards makers' brands, but warrants had a little splurge, which sent them up to 47s. 5d., but they almost immediately fell off to 47s. 3d. In copper, lead, etc., there have been no special features to note. Lead moves very quietly at nominal figures, and nothing is doing in tin. On outside metals, however, there appears to be more or less animation displayed in a speculative sense, and some fluctuation has been exhibited at New York.

BREADSTUFFS.—There is no change in the local flour market, which rules fairly active in a jobbing way. Demand is, however, restricted to immediate wants, as buyers are not operating ahead. Oatmeal shows no change, with only a slow local demand at the old prices, buyers taking merely for immediate wants. Beerbohm's cable reports wheat inactive—no business doing; corn nil, with a downward tendency. French country markets quiet. Weather in England hot and forcing. At Chicago, wheat gained $1\frac{1}{2}$ ¢. Corn opened weak, but afterwards became very strong. Through the corn belt the weather has been perfect. Oats were firm, but dull. At New York wheat advanced $\frac{1}{2}$ ¢. to $1\frac{1}{2}$ ¢., as to options. In St. Louis the advance in wheat was 1¢. to $1\frac{1}{2}$ ¢.

PROVISIONS.—Locally, pork is moving fairly well, more attention being given to mess. Prices remain unchanged. No change has occurred in the English provision markets. The Cincinnati *Price Current* estimates that the stocks of meats in the West have decreased in sixty days by 186,000,000 pounds. At the close, pork showed an advance of 30 cents, and ribs 7 cents over Wednesday.

BUTTER.—The local market does not show any change, moving along on the basis already noted. Finest creamery is held for full figures. Holders

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