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WITH WHICH HAS BEEN INCORPORATED

THE MONTREAL TRADE REVIEW.

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COMMERCIAL AND FINANCIAL SUMMARY.

Amid the daily bustle and excitement incident to a time of war on so vast a scale as that now raging in Europe, it may and will seem to those who live in the romantic atmosphere of *la haute politique*, a narrow view to take of that terrible conflict, to say that it has little practical interest to this country beyond the question as to how it will affect the value of our wheat and other produce. But so it is. That question directly affects every individual throughout this Dominion, of which each harvest may be said to be the aggregate annual income, the remainder of which, when the aggregate expenditure is deducted, representing the progress made in financial strength. The condition of the Wheat and Produce trades is that of utter paralysis. The war news brought feverish excitement and inflation; with singular rapidity a reaction has set in, arising, chiefly, from—1st. The improved harvest prospects of this continent and Europe, and, 2nd. The conviction that the war will not involve England, and will shortly be over, owing to the marked success of the Prussian arms.

One of the most acute and experienced judges in England considers that wheat ranges now higher than is warranted by the stocks and harvest by seven shillings per quarter. He considers the yield will be thirty bushels per acre, or two bushels over an average, while the "quality is splendid; short, however, in straw, but healthy, and ears large and well filled." Owing to this, England will be able to dispense with any supply from Prussia (about one-seventh of her whole usual imports of wheat), as "there is a fine crop in South Russia and Hungary." Reports from our harvest are more hopeful in some respects as to yield than was feared. Good and well-colored barley will doubtless be scarce, as much of the crop has been injured by the rain; but it is doubtful whether the demand will be as great as usual from the United States, since their own crop is abundant. For choice samples it is very likely that prices will rule high, but the bulk of the crop will probably realize not more than sixty or seventy cents.

At present heavy stocks of flour and grain are held in Montreal. From 1st January to 1st August of this year, 77,467 more barrels of flour and 440,706 bushels of wheat were received in Montreal than in corresponding period of 1869. Last year, at this date, there were in store in Montreal of wheat, 161,000 bushels; this year there are 495,000 bushels. Of flour stored last year there were 52,000 barrels, now 120,000 barrels are held. This is, no doubt, in part owing to the very early harvest in England, which is full three weeks in advance of the ordinary period, thus checking the demand, but more to an anticipated rise, owing to the war, making holders cautious of sales.

One point in favor of holders is a decline in freights from Montreal to Liverpool, so that should any advance take place in the English market, it will lead to very prompt deliveries. The heavy diversion of the grain export from the Erie Canal to the St. Lawrence is causing much uneasiness in business and financial circles in the United States, and Congress is severely blamed for its folly in refusing to allow facilities for the registry of foreign ships under the American flag, thus facilitating the shipment of grain from American ports. We doubt if this has much to do with it. The temptation to speculate on the chances of war has been too great to resist, and the abundance of money in Canada has enabled means to be found to carry it on. As matters now look, there is no chance of profit from these speculations, and very great risk of loss.

The prospects of the Lumber trade for some years may be considered highly encouraging, owing to the widening of the market in which Canadian lumber is now sold. Shipments from Montreal, of sawed lumber, direct to South America, principally Monte Video and Buenos Ayres, have been made for some time past, to the extent of three or four cargoes a week. As those South American States become more settled in their political conditions, their vast natural resources will be developed, capital will flow in and be created from surplus incomes, which will be used in the construction of railways and dwellings, all requiring large expenditure in lumber which we can supply. Another significant feature in this trade is the appearance in the market of Australia as a purchaser. There is some talk of a vessel now loading at Montreal for Melborne; we hope this is correct. With a country so lightly timbered as is Australia, the "bush" there having a widely different meaning to the word as used here, Canada may, and in all probability will, do an increasing and profitable business. If a return cargo could be brought of preserved meat, to sell here at about 10 to 12 cents per pound, there can be little doubt that the transaction would prove a paying one. Such cooked meat, tender, juicy, and palatable as it is, would soon be largely in demand, especially through the hot season when cooking operations are as far as possible dispensed with, and in winter we know this meat would be very acceptable for breakfast, and occasional meals. This direct export trade to Australia may lead to their sending us their wools, so much finer than those of our own fleeces, the introduction of which at a cheap rate, would tend to stimulate the Canadian cloth manufacture, and enable us to produce home made broad cloths, equal to those now imported from England, and at a less cost.

The money market is easier, since the war has concentrated itself into "a struggle, not between two nations, but two men." The English funds have nearly gone up to the ante-war price, the Bank of England has relaxed its rate, and though some still think we shall not always have money so plentiful as it is now (which would do no harm) we may hope, that having a fairly productive harvest, our lumber trade prosperous and an increasing demand for produce, that we shall be able with care and prudence to avoid the mischiefs which tightness and dullness of money always create.

Our local money market is very easy indeed. The banks are discounting readily all the good paper offered them, and no good enterprise, and no sound and well conducted business need lag behind for want of capital, provided it can be taken on such terms as banks must always, for their own safety, insist upon.

EXPENSIVE LIFE INSURANCE.

Life insurance has been presented to the world in a new phase by the practice and experience of the United States. The experiment of government supervision has been tried there with marked and significant re-