

COMMERCIAL.

The week has not exhibited any special change in the condition of general wholesale or jobbing business. The hopeful feeling noted during the past month or so still continues unchecked, and, unless unforeseen disaster should assail the crops, there is every reason to anticipate a really good business during the rest of the summer and the fall. Local business generally is good all round, and orders from travellers are still showing a good, healthy feeling in the country. Prices are pretty firm all round with a tendency towards a rise in certain lines. About two-thirds of the hay crop of this province has already been garnered, and reports from every section show it to be an unusually large one and in prime condition. Potatoes, grain, and fruit are all looking well, and the indications are all favorable to a large yield. In Ontario it is stated that there will be a large surplus of wheat for export, and the North-West will be even better if the frosts only hold off till the grain is actually gathered in. Remittances in all lines continue to keep up fairly well—better than was hoped for a few weeks ago.

WEEKLY FINANCIAL REVIEW OF HENRY CLEWS & CO.—NEW YORK, August 8, 1891.—During the past week the Stock Market has shown more activity and some recoveries in prices; but the advances have been mainly due to increased sales by the 'bears' having created sudden demands for covering 'shorts,' while there seems to be no improvement in the real spirit and tone of the market. No sooner is one line of 'short' contracts liquidated than another is put out at the consequent advance; which is evidence of increasing determination on the 'bear' side. The disposition to sell has been increased by the notable weakness of the Gould stocks, and especially of Union Pacific, which seems to have no friends either here or in Europe; and if Mr. G. is not an active 'bear' he is at least counted, in street opinion, as a passive one, which for practical purposes is reckoned as being almost the same thing, as it leads others to sell with all the more assurance.

All the symptoms indicate that it is hopeless to expect any extravagant buying spirit until there are stronger indications of a removal of the prevailing distrust than at present exist. The booming tendency of good crops is now little heard of, for the reason that there are so many serious obstacles to that factor having the effect upon prices that would attend it under normal conditions. How much of our grain can Europe take? What prices will Europe pay for our wheat? In what form will it pay for it,—in gold, in goods, in returned securities, or even through borrowing in the United States? If the payment is not made to a liberal extent in gold, what will be the resources of our banks for meeting the Western Fall drain of currency? And if securities should be returned to even but a moderate extent, what would be the ability of our market to receive them? And, again, how far will the present unsettled condition of European finances tend to embarrass the financial and commercial markets under the extraordinary importations of American grain that will have to be made?

These are the kind of questions that are now occupying the attention of the speculative interests. Every one of them has a direct and vital bearing upon the value of securities; and yet it is impossible to form a satisfactory judgment about the probable outcome of any one of the problems. A general feeling of uncertainty is the result; and uncertainty is even more demoralizing than a clearly understood actual catastrophe. It paralyzes enterprise, causes a general taking-in of sail, contracts credit, discourages buying and encourages selling, and produces a shock of general apprehension. No doubt, the current adverse probabilities or possibilities are exaggerated in the public mind; but that is a consideration of little practical value; for in a dubious situation it is but human nature to discount and prepare for the worst that may happen, and prudent men are always found willing to make a sacrifice in order to escape possible disaster. While, therefore, it may be conceded that fear is now exaggerating more or less the gravity of some aspects of the foreign situation, yet that fact cannot be expected to prevent a great deal of realizing on securities and therefore cannot be trusted to avert a consequent decline in prices.

The resumption of the silver agitation is also calculated to encourage this distrust and is actually amounting to a pretty stubborn 'bear' factor. The apprehension on this account, however, is perhaps more due to the seriousness of the view taken of the situation that would arise should a free coinage law be actually enacted, than it is to any positive expectation that such a measure will really find a place in our statutes. Politics, however, are in an abnormally confused condition. Parties are vying to buy success through almost any concessions to popular clamor; and, however repugnant free-coinage may be to the common sense and the moral sense of a majority of our people, it is not impossible that the fundamental principles of a sound currency may be sacrificed to win a small minority of misguided voters. There is therefore uncertainty about the final outcome of the silver agitation; and but a small degree of uncertainty about a matter so vital to investments and to the general welfare of the country is quite sufficient to depress the Stock Market.

These uncertainties have their natural effect upon the banks and upon lenders generally. The reasons that are inducing European banks to accumulate cash and hold to it tenaciously are causing our own banks to keep their loanable resources within easy reach. They will lend on call to any extent and at almost any rates; but time loans can be procured only with the utmost difficulty and upon a class of collaterals that are very scarce. It is true that the last bank statement showed an amount of surplus reserve 118 per cent higher than that of the same date in 1890 and 1889; but it is also true that the West will have a wholly unprecedented surplus of wheat to send East, which places us in a condition of very delicate dependence on the problematical disposition of Europe to exchange its gold for our grain. Under these circumstances, it would be almost impossible to borrow

large amounts of money for long purchases of stocks even did conditions happen to encourage such purchases.

On every side, therefore, influences seem to favor a continued conservative policy."

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

	Week Aug 7.	Prev. week.	Weeks corresponding to Aug. 7.			Failures for the year to date			
	1891	1891	1890	1889	1888	1891	1890	1889	1888
United States.....	218	260	165	173	186	7335	6355	7032	6277
Canada.....	20	20	25	31	40	1140	995	1018	1073

DRY GOODS.—There is very little new to report in dry goods since our last issue. The continued fine weather is having a most telling effect upon the crops, and is consequently producing a general improvement in business. Orders taken so far this season are generally, if anything, rather smaller than in the last season, there seeming to be a growing tendency, on the part of retail merchants to visit the city in the fall—a change that merchants look upon with satisfaction. Under the heading of "Long Credits and Dating Ahead" the *Trade Bulletin*, Montreal, remarks: "The majority of our wholesale dry goods men candidly admit that the two great evils they have to combat, are long credit and the custom of dating ahead, both of which have been so long established that they almost despair of any permanent reform being accomplished, owing to the keen competition that exists in this line of business. 'If I were to insist upon not giving more than three months' credit and decide not to date ahead,' said a well-known representative of the wholesale dry goods trade of this city, 'why I would at once lose a good portion of my business, for the reason that other first-class houses would be only too glad to avail themselves of the opportunity of offering the very terms that I had refused.' We saw at once the force of this argument, and of course had to admit that the much needed change could only be effected through an agreement entered into by the whole trade. We were given to understand, however, that this had been attempted with unsuccessful results, as certain wholesale houses, after signing an agreement to curtail credits to a stated period, took advantage of the movement by resorting to the mean artifice of appearing to observe the spirit of the agreement by accepting notes for the amount of goods purchased at the curtailed date mentioned, while at the same time breaking the compact in the letter, by a tacit understanding with the customer to renew his note in order to extend the time to the original long date that was sought to be done away with. And by such contemptible means, it was discovered that those who observed the agreement honestly, had their customers stolen from them right and left, and ever since that signal failure to reform the long credit system, our best houses seem to have abandoned the idea of accomplishing the much needed change by concerted action. Still, it is contended that never in the history of dry goods trade was a modification of the system of giving long credit more needed than in the present day, and it is hoped that the recent steps adopted by English houses in withholding the long credits they have been accustomed to grant the Canadian trade, will have the desired effect of forcing a curtailment of credit upon the weaker firms, and then the strong ones will gladly fall into line."

IRON, HARDWARE AND METALS.—The pig iron market is quiet, business during the week being unimportant. Cables show no change in makers' brands, but ocean freights are advancing as the fall season approaches. Bar iron furnishes nothing special, there being only a quiet jobbing business to note.

BREADSTUFFS.—The flour market is steady with merely a fair local trade doing. Beerbohm's cable reports wheat and corn in England steady, but with nothing doing. The weather there has been cold and wet. The Liverpool public cable reports wheat quiet, demand poor, holders offer moderately; corn dull, demand poor. In Chicago the wheat market fluctuated considerably, but within narrow limits, declining, however, only $\frac{1}{4}$ c. to $\frac{1}{2}$ c. A Chicago firm telegraphs:—"Foreign wheat markets are lower, cables quoting Liverpool weak. London was unchanged, but Berlin, Antwerp and Paris are all materially lower, and we think some large lots bought long ago at higher prices for foreign account have been sold out."

PROVISIONS.—The local provision trade continues very quiet, and prices are unchanged. In Liverpool the market was somewhat easier, but quotations remain as before. In Chicago the provision market held steady. The hog market was $\frac{1}{2}$ c. lower. That for sheep fell off 10 c., and cattle evinced a decidedly downward tendency. This state of affairs is quite usual at this season when the consumption falls off materially and the majority of the active dealers are off on their vacations. A few weeks more will bring cooler weather, and will wake up the trade to a considerable extent.

BUTTER.—There is little doing in butter; holders still hang back more or less. New fresh butter is coming in more freely, but there is as yet no accumulation in this line, the demand for a really good grade being about equal to the supply. Some from the Upper Provinces has been received which is of excellent quality, and is carefully made and well packed. A London letter says:—"Muggy weather and slightly larger arrivals prevented the rise in butter that was expected, and a quieter feeling pervades the market, quotations, instead of advancing, have in some cases receded. Dutch has gone back 1 $\frac{1}{2}$ guilders, Brittany baskets 2s., and other qualities in somewhat similar proportions. There is a very dull feeling prevalent. American sells up to 90s. for creameries, and down to 74s. for ladies."

CHEESE.—This market remains as before with quietness a prominent fact. Finest is as firmly held as ever, however, and our quotations require no alteration. A London report is:—"Demand for cheese continues of a consumptive character, the higher prices cabled from the other side completely knocking out whatever of speculation there is here. There is a tendency to firmness, which the fact of the make being small will tend to intensify, and prices—now 41s. to 46s. and up to 48s. for now, and from 53s. to 56s. for Septembers—look well like going higher."

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