

### THE SITUATION.

Yesterday was the first day since the panic began that signs of a real reaction and improvement began to manifest themselves in local financial circles. There have been days when affairs wore a cheerful exterior, and people felt better without exactly knowing why. Yesterday everybody seemed to know that there was a change for the better. In the first place, the price of wheat advanced 6 cents per bushel, and before the close of the day gained  $3\frac{1}{2}$  cents more, closing at \$1.03 $\frac{1}{4}$  cash, against 94 cents the previous day. Corn also advanced  $\frac{1}{2}$  cents, with shipments of 140,000 bushels on Tuesday, and a demand for freight-room for 750,000 bushels yesterday. Prices of grain are now higher than at any time since the panic began. Foreign exchange has advanced in New York to a point which insures the rapid and regular movement of the crops. General trade was more active than on any previous day, and the streets presented a livelier appearance than before, while the harbor was fairly alive with shipping. The savings banks report more deposits than notices of withdrawal. The receipts of currency by the express companies were about \$3,000,000. The banks have commenced crediting their customers for checks on other city banks of good standing, instead of waiting to pass them through the Clearing-House. The fast freight lines are doing a grain business fully equal to their capacity. The railroads are also carrying great loads of the cattle, and the temporary blockade at the Stock-Yards has been removed. They are now in a condition to receive and care for all the cattle that may be sent forward.

There is also a healthier feeling in New York consequent upon the advance in sterling exchange. Certified checks, however, are quoted at 2 to 3 per cent below par, which is not unnatural in view of the fact that \$22,000,000 of loan-certificates have been issued. The slight decline in stocks is accounted for in two ways: (1) An indisposition to speculate, and (2) sales of collaterals to meet matured paper. The suspension of the banking house of Northrup & Chick is attributed to the demand that has been made on them by their Western correspondents. The majority of these are in Kansas, Missouri, and even as far south as Texas; there are but two or three in the four States of Illinois, Iowa, Wisconsin, and Minnesota. One of the most encouraging signs in New York is that the demand for currency from the country banks has materially decreased. Orders for money are countermanded and even greenbacks that have been drawn out are being returned. New York is beginning to trace the immediate cause of the currency lock-up to one of Jay Gould's stock corners. The suspension of Paton & Co., a dry-goods firm, is only temporary, occasioned by the contraction in currency; it is intimated that there will be a liberal policy of extensions on any commercial paper that may need it, owing to the transient stringency of the money market.

Elsewhere throughout the country there are the same evidences of a restoration of public confidence that are to be found in New York and Chicago. In Memphis, the banks are resuming and the cotton trade is improving. The solid St. Louis bankers have already begun to regret the adoption of the policy of issuing loan-certificates. The notice of voluntary liquidation by the Union National Bank, of this city, has caused no suspensions among its country correspondents, as it was feared might be the case. The farmers' notes in the country banks falling due the first of the month are being met promptly. The outlook is brighter from every possible point of view.