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THE GENERAL FINANCIAL SITUATION.

The Bank of England secured the most of the $4,000,000 African gold laid down in London this week. Conditions of the market at the British capital have been highly disturbing. Bank rate was continued at 3 p.c. A rise had been expected. Quotations in the open market are: call money, 1½ per cent.; short bills, 2½; three months bills, 2¾ per cent. Conditions at the continental centres are unchanged. Bank of France rate, 3 p.c.; Bank of Germany's rate, 4 p.c. Open market rate at Paris, 2⅜, and at Berlin, 3⅛ p.c.

Financial circles in the United Kingdom have been considerably upset by the persistent selling of first-class securities. A number of causes are given First, the squabble over Moroccan affairs had an unsettling influence. The failure of the Birkbeck Bank and subsequent developments depressed the market. It is said that the collateral pledged by the insolvent institution for the loan which it negotiated for the purpose of paying the 10 shilling dividend to depositors is thrown on the market whenever it appears capable of absorbing any. Also it is stated in cable dispatches received on this side that depositors in sundry private banks in the United Kingdom have had their confidence shaken by the Birkbeck breakdown, and that they are now transferring some of their funds to the post office and other depositories. This has necessitated sales of investment securities by the banks losing the deposits. Finally the widespread labor troubles in the United Kingdom have had a potent effect in striking alarm into the breasts of traders and financiers. To some clear-headed and impartial observers on this side of the Atlantic it appears that the particular question or questions involved in these strikes are not of so much importance as is the general question involved in the ever-encroaching power of the labor unions. These observers see in the spread and progress of this power a grave menace to British supremacy in the commercial world. If the great industries and trades are to hold their position they will be compelled some day to make their stand against labor's demands. Whenever they did so the struggle would necessarily be fierce and bloody. The longer it is delayed the more terrible it promises to be. Some of the railway and shipping interests are apparently in favor of bringing on the battle on the present occasion.

In the meantime, while the domestic affairs of the mother country, are so much upset it seems inevitable that those Canadian corporations which were intending to reinforce their supplies of cash resources through issuing new securities in London will be required to postpone their operations. The situation in London is not now so favorable for new security flotations. In all probability the market there will require to be left alone for awhile.

In New York call loans are 2⅜; sixty day loans, 2¾ to 3 p.c.; ninety days, 3 to 3¼; and six months, 3¾ p. c. The bank statement on Saturday was received as a favorable document. Taking all members of the Clearing House the loans showed a contraction of $26,300,000; the cash increased $5,260,000; and the excess cash reserve increased by nearly $9,000,000. The showing made by the banks alone was similarly favorable. Their loans fell $18,900,000, their cash increased $5,900,000, and their surplus of reserve increased by $9,160,000 to $25,617,000. This market too has been considerably agitated during the week. One of the things mentioned as causing depression was