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## THE GENERAL FINANCIAL SITUATION.

The Continent and India obtained the bulk of the receipts of new gold from the Transvaal mines this week, which amounted to about $3,700,000. However, the Bank of England has been satisfying its wants in New York very satisfactorily. On the completion of the very large shipments of Tuesday and Wednesday the bank withdrew the special price it had been paying for United States eagles and double eagles. It is therefore presumed in New York that the present gold movement is about done. Bank of England rate was left unchanged at 4 p.c. In the London market call money is 3½ to 4 p.c. short bills, 3⅞; and three months bills 3 15-16 to 4 p.c. This is slightly higher than a week ago for all maturities. The closeness of the open market rates to the bank's 4 p.c. suggests that the central institution has the market in hand, for the time being at any rate.

The Bank of France and the Bank of Germany have not departed from their existing rates. So 3 p.c. still prevails at the former institution and 4 at the latter. Neither has any change occurred in the market rates for money in Paris and Berlin. At the French capital 2¼ p.c. is quoted as against 3⅛ at the German centre. London has been particularly busy with its rubber and oil speculation and with many new security issues by foreign and colonial states and governments, to say nothing about the peculiar state of the British Government's finances. And it is but natural that interest should rule higher there than on the continent.

In New York this week again the market met the loss of gold without showing any hardening tendency. If anything the tendency has been towards lower rates. Call loans are 2¾ to 3 p.c., with most of the loans at 3; 60 days, 3½ to 3¾; 90 days, 3¾ to 4; and six months, 4 p.c. On Saturday the New York clearing house banks reported a loss of $2,580,000 in surplus It came about through a loan expansion of $7,200,000 along with a cash loss of $700,000. The amount of the surplus, as at the end of the week, was $12,387,900. Trust companies and non-member state banks reported a loan expansion of $5,500,000 and a cash loss of $180,000.

Considerable alarm prevailed in some quarters over the killing frosts which swept over the middle and southern states at the end of the week. Some extremists declared that half the wheat crop and half the cotton crop had been ruined; but the course of prices in the wheat and cotton markets did not support that theory. It is said that a considerable part of the cotton crop will have to be replanted. The secretary of the Cotton Seed Crushers' Association of Georgia, on Monday sent a telegram to every cotton seed mill in the state suggesting that they all stop crushing and hold the seed now on hand for replanting until the crisis in cotton crop is passed. It would be a world wide calamity if any serious disaster should overtake this year's cotton crop. A large yield is imperatively demanded. What with the recent big failure and the revelations of fraudulent bills of lading, the short crop of last year and the efforts of certain greedy speculators to corner the market, the cotton trade is in an upset condition.

So far no reports of serious damage to our Western wheat crop have materialized. Because its start was so very early—nearly a month ahead of normal—the wheat was peculiarly open to damage or destruction by frost. But as May approaches it is permitted us to hope that the exceptional danger is fading away. In another month we shall be able to take stock more confidently of the acreage planted and to calculate and estimate regarding the probable yield.

There has been no change in the position of the Canadian money markets. Call loans in Montreal and Toronto remain generally at the 5 p.c. level though it is said that some new loans have gone through in Toronto at 4½. Each week sees an increase in the demand for bank loans for commercial purposes. The business men and firms of Winnipeg and the other Western cities and towns are borrowing heavily; and in view of the fact that they expect to transfer considerable funds from call loans to mercantile discounts the banks would be glad to get higher rates on their advances to Canadian stock brokers. However, it appears that the amount of outside funds in the markets has been steadily increasing of late. Thus in March there occurred quite a considerable speculation with rising prices in a number of local stocks, and one might have expected that it would cause an expansion of the call loans of the Canadian banks. However, when the March bank statement appeared it transpired that Canadian call loans had decreased instead of rising. The inference is that the supplies of capital coming from outside lenders have become much larger.

A noticeable, but altogether natural result of