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THE GENERAL FINANCIAL SITUATION.

It transpired, when this week's shipment of Transvaal gold came upon the London market, that competition was again in evidence. The \$5,000,000 arriving were divided among three important bidders. Germany secured about \$1,600,000, the Bank of England, \$2,250,000, and India the balance. Although there has been some increase of activity in London securities, together

with an increase of speculative confidence the money market as yet shows no sign of hardening. Quotations, in fact, show declines as compared with last week. Call money is 2½ to 2¾; short bills, 2½ p.c.; and three months' bills, 2 1-16 to 2½. At Paris discounts in the market are 2 5-16 and at Berlin the market rate is 3½. The three great European state banks have maintained their official rates of discount unchanged—the Bank of England at 3 p.c., the Bank of France at 3 p.c. and the Imperial Bank of Germany at 4 p.c.

Rates for money in New York are practically at last week's level. Call loans 2¼; sixty days, 2½; ninety days, 2¾; six months, 3 to 3¼. The clearing house banks on Saturday reported a loan expansion of \$10,605,000 and a cash gain of \$600,000, the result thereof being a decrease of \$1,354,000 in the surplus. The surplus now stands at \$30,820,025. Trust companies and non-member state banks reported loss of cash \$1,760,000 and loan contraction of \$3,252,000. Their proportion of reserve to liability declined from 17.7 p.c. to 17.6 p.c.

It is understood that the loan expansion of the clearing house institutions resulted in part from preparations to finance the April coupon and dividend disbursements. Apparently the same circumstance would influence the loan account during the current week. It appears that the speculative community in New York also is slowly gaining heart. There have been some indications during the week of an increase in the dealings. It may be that the bull operators consider that the low money rates constitute a strong argument for the purchase of stocks. Or they may consider that as the underlying influences have been for some time working to improve general conditions in America, the time may be ripe for Wall Street to put out the signs for a moderate revival of prosperity. Whether such reasonings are correct or not, and whether any advance in prices now brought about would prove permanent, cannot as yet be determined. It hardly seems probable that general business in the United States can assume activity and confidence until the manufacturers and merchants discover what the Democrats will do with the tariff. Until they know upon what measure of protection they will be required to carry on business both the importers and the industrial concerns are likely to move slowly and cautiously. In the meantime idle cars of the railways show a tendency to increase, evidences of railway curtailment continue to be reported, railway earnings south of the boundary are not altogether satisfactory, and the cotton mills have entered into a plan of curtailment whereunder it is said 25 p.c. of their equipment is idle.