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## THE GENERAL FINANCIAL SITUATION.

India, Germany, and the Bank of England all secured a portion of the $4,500,000 South African gold which was offered in London on Monday, Germany securing the largest share. It is said that the German banks have been offering 9 per cent. in London for loans to carry over into April. After the end of March it is confidently expected that the monetary situation in Berlin will become notably easier; in fact some well-informed authorities declare that the arrangements for financing the quarterly settlements are already perfected. The improved tone of the European and American stock markets seems to bear out this contention.

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Bank rate in London is held at 5 per cent. In the open market call money is 4½ to 4¾; short bills are 4 13-16; and three months' bills, 4 13-16 to 4⅞. At Paris the Bank of France quotes 4 and the private rate is the same; at Berlin the bank rate is 6 p.c. and private rate also is 6 p.c. These rates are practically the same as last week's figures. During the week the European powers have taken strong ground regarding the bombardment of Scutari and they have also increased the pressure on the belligerents with the object of expediting the final cessation of hostilities, However, the financial markets have been somewhat uneasy over the prospect of isolated action by Austria to coerce Montenegro and Servia.

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In New York call loans are lower at 4 per cent.; Sixty day loans are 5½ p.c.; ninety days, 5¼ to 5½; and six months, 5 to 5¼. The Saturday statement of clearing house members contained another surprisingly large gain in surplus. Taking banks and clearing houses the loan contraction amounted to $35,500,000; the cash loss was $4,000,000; and the surplus reserve increased $4,318,750. The surplus reserve now amounts to $13,556,200. In the case of the banks alone the loans were reduced $22,700,000; cash holdings fell $4,500,000; and the surplus increased $2,700,000.

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Trading on the securities market in Wall Street has been characterized by more cheerfulness this week. The general disposition apparently is to consider that on both sides of the Atlantic the tendency to discount trouble and disaster has been carried to extremes. Wall Street showed less inclination to dwell on the gloomy side of the Union Pacific-Southern Pacific question and of the approaching tariff revision. Then the cessation of gold exports has been taken as another encouraging factor. Apparently the wants of Paris and Berlin have been satisfied, for the time at any rate. It would not be strange if Wall Street entirely reversed its position during the next three months, especially if the expectations of European improvement are realized. Once the transatlantic investment public is able to throw off its nightmare it is very likely that instant steps will be taken to re-purchase American and Canadian stocks. And it can perhaps be assumed that the American holders will promptly advance their prices just as soon as an extensive European demand appears. In banking circles it is not thought that monetary scarcity in New York will stand in the way of a revival.

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In Canada money continues to be very tight, and the banks apparently have little or nothing to spare for stock market operations. Call loans are 6 to 6½ per cent. as heretofore. When money is so scarce, especially after a period of unexampled prosperity, it is obviously unwise for speculators to undertake heavy ventures on borrowed funds. However, the man with funds available for outright purchases is in a different position. If such a purchaser is satisfied with the rate of return to be derived at present prices and is satisfied also as to the continuation of the dividend or interest payment at the present rate,