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R. WILSON-SMITH,
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THE GENERAL FINANCIAL SITUATION.

Most of the \$2,500,000 Cape gold, offered for sale in London at the commencement of the week, passed into the vaults of the Bank of England. The bank directors on Thursday allowed the 3 per cent. official discount rate to stand. Conditions in the London market have tended towards cheaper money. Such appearances of scarcity as occurred in the past fortnight are said to be largely due to the retention of funds in the government balances. The effect of this has been but temporary and in the present week rates have again tended down-

ward. Call money $2\frac{1}{4}$ to $2\frac{1}{2}$; short bills, $2\frac{3}{4}$; three months bills $2\frac{5}{16}$ to $2\frac{3}{8}$.

In Paris the open market is the same as last week, $2\frac{5}{16}$, and at Berlin there has been no change at $2\frac{7}{8}$. The Bank of France and the Bank of Germany still adhere to the rates hitherto quoted by them, viz.: 3 p.c. and 4 p.c. Political and commercial affairs in Europe are now proceeding smoothly and quietly, and the circumstance tends towards tranquil finance. Apparently the various European centres will have a substantial supply of funds available for investment in Canada, the United States, and South America. A large amount of European capital has gone into Mexico in the past ten or fifteen years. But conditions in that republic at present are such as to deter outsiders from investing there. The capitalists and investors who put money into Mexico did so quite largely, in the belief that President Diaz had succeeded in establishing a strong and durable government. This week's news that his fall is expected will not be reassuring. The rise and spread of the revolutionary spirit serve to make the position of foreign property holders less secure. Those who understand Mexico say that the insurgents or rebels are not by any means united, and that there is likely to be a succession of rebellions or insurrections once it is discovered that the strong arm of Diaz is no longer strong enough to enforce submission upon all Mexicans.

Interest rates in New York were lowered slightly during the week. Call loans are $2\frac{1}{4}$ p.c.; sixty day loans, $2\frac{1}{2}$; ninety days $2\frac{1}{2}$ to $2\frac{3}{4}$; and six months 3 p.c. On Saturday the clearing house banks reported a cash gain of \$8,700,000 and a loan expansion of \$2,000,000, the result thereof being an increase of \$5,740,000 in surplus, bringing that item up to \$33,517,350. The trust companies and non-member state banks expanded their loans \$10,450,000 and lost \$1,570,000 in cash. Their percentage of reserve to liability is 17.5 p.c. There has been lately a renewal of the movement to bring the trust companies into the clearing house; and it is hoped that before long this object will be achieved. When it does come to pass the trust companies will be subject to the same searching supervision that is now exercised over the clearing house institutions, and besides, the weekly statement of the clearing house banks will be more intelligible and will furnish a more dependable representation of the New York banking position.

The interior banks are said to have very large balances just now with their New York correspondents. This is perhaps one result of the depressed state of industry and trade. Advices from Pittsburgh state that the increase of 47,000 tons in the Steel Corporation's unfilled orders during March,