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IMPROVEMENT IN MUNICIPAL BOND MARKET.

Among the developments of the week, one of the most interesting has been the improvement in municipal debentures. Municipalities now offering debentures are assured of getting bids more advantageous from their point of view than any which were forthcoming in the recent stringent period. The experience of the City of Brantford is taken as illustrative of the present tendencies in the municipal market. For Brantford's offering there were over a dozen bids and the prices quoted were such as to indicate the placing of the debentures on sale by the successful tenderers at a price to yield the investor around 4.80 or 4.85 p.c.

Bond dealers report that in the last two or three weeks the inquiry has broadened considerably, and a number of issues which had been on their hands have been cleaned up.

LIQUIDATION OF SPECIAL LOANS.

It appears that investors had been to some extent

holding back in the expectation that prices of debentures would work still lower; but the sharp reductions in European bank rates and the other indications of sudden easing of the money markets caused many to take immediate action so as to be in time to secure the bargains remaining. The revival of demand and clearing away of stocks on hand, of course, puts the bond houses in position for making somewhat better offers or bids to the municipalities; and it is to be expected that advantage will be taken of the new turn of affairs to liquidate special loans carried by the banks. In some quarters the opinion prevails that money will be very cheap in the course of a few months. Consequently the municipal officers in some cases may be disposed to wait a little while before bringing out their loans. Then when through issue of debentures the municipalities have pretty well cleaned up their special loans, the banks will find their cash resources still further augmented. As the demand for mercantile credits has slackened notably and will not likely revive at once, it is natural to presume that liquidation of municipal and industrial loans will have a tendency to drive down the rates applying to brokers' call loans. At present the quoted rate for call loans on stock market collateral is 6 p.c. Commercial paper is 6 to 7 p.c. as heretofore.

EUROPEAN MONEY.

This week there was strong rivalry for the \$5,500,000 African gold offered in the market. The price advanced 1/2d. France took \$1,500,000; Germany, \$1,500,000; Russia, \$1,500,000; and India, \$1,000,000. Following last week's reduction of Bank of England rate to 3 p.c. the London market has been quite cheerful. The disposition is to expect a further reduction in the near future. Call money in London is very cheap. Rates quoted are 3/4 to 1 p.c. Short bills are 1 7/8 to 2 p.c.; and three months bills, 2. American financiers are now finding it cheaper to borrow in London than in New York. This week loans were made at the British capital to American firms at 1 7/8 p.c. for three months.

Bank rate at Paris is 3 1/2 p.c.; and discounts in the private market are 3/4. At Berlin the Imperial Bank of Germany quotes 4 1/2; and in the private market 3 is the quoted rate. At all the European markets the talk is of reductions of discount rates, official and private, and there are confident expectations of rising prices of securities. This, of course, is a favorable omen for the finance ministers and corporations waiting to fund their floating debts. The indications are that they will be able to borrow on terms less onerous than appeared likely a short time ago.

NEW YORK POSITION.

Call loans in New York: 1 3/4 to 2 p.c., most of the business being done at 1 7/8. Sixty day loans, are 2 3/4