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THE GENERAL FINANCIAL SITUATION.

As some of the experts predicted, continental competition developed this week in the market at London for the Transvaal gold arrivals. Germany secured \$2,000,000; the balance was divided between India and London. It is said that France also is likely to bid for gold in London during the next few weeks. Despatches state that the money

market stiffened slightly under the influence of these developments. However, the current rates are slightly lower than those quoted a week ago. Bank rate remains at 3 p.c. In the market call money is $2\frac{3}{4}$ to 3; short bills, $2\frac{3}{8}$; three months' bills, $2\frac{3}{8}$ to $2\frac{7}{10}$. At Berlin money is slightly higher—the market quotation now being $3\frac{1}{2}$ p.c. Paris market is lower at $2\frac{3}{8}$. The Bank of France and the Bank of Germany quote the same rates as a week ago, viz.: the former 3 p.c. and the latter 4.

Rates at New York again declined. Call loans are $2\frac{1}{4}$; sixty days, $2\frac{1}{2}$; ninety days, $2\frac{3}{4}$; and six months, 3 to $3\frac{1}{4}$. On Saturday the clearing house banks reported an increase of cash amounting to \$2,100,000, and, as the loan expansion was but \$2,000,000, an increase of surplus amounting to \$4,331,000 was effected. The total surplus, according to the "actual" figures, is now \$32,174,025. Although the trust companies and non-member state banks expanded loans to the extent of \$5,724,000 their cash gain was large enough to enable them to maintain their strength in reserve unimpaired at 17.7 p.c.

The New York Journal of Commerce remarked: "It relieved Wall Street's mind a little to note that the largest bank in the city had reduced its enormous cash holdings by more than \$4,000,000 and had expanded its loans by nearly \$5,000,000, these changes being regarded as suggestive of more confidence in the outlook."

As regards the general financial situation in the republic, there has been some anxiety in connection with the extended position of western banks. The national bank returns just published show that the contraction of loans is not so extensive as was generally anticipated. This leads a prominent New York paper to observe, "If banks cannot place themselves in a healthy position during times like the present, there is a danger that they will become over extended when prosperity returns."

It is reported that hardening tendencies in the principal European money markets were responsible for increasing the inquiry for sterling in New York. Also the approach of April 1st, one of the big dividend and coupon dates, has probably stimulated the demand for remittance. Europe has been steadily increasing its holding of Canadian and United States securities and the dividend and interest requirements connected therewith have been increasing rapidly each year. But on the other hand the New York bankers are said to have now liquidated their floating indebtedness to London and to have accumulated at that centre a considerable amount of credits, through selling bonds and railway notes to Europe.

Money rates in Canada are about the same as last week. Call loans are 5 to $5\frac{1}{2}$ p.c. The February bank statement, with its \$6,700,000 expansion