

# The Chronicle

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## THE GENERAL FINANCIAL SITUATION.

The Bank of England secured the bulk of the \$3,500,000 Transvaal gold offered in the market on Monday. Bank rate in London remains at  $3\frac{1}{4}$  p.c. In the market call money is 3 to  $3\frac{1}{4}$ ; short bills are  $3\frac{1}{2}$ ; and three months bills, 37-16 to  $3\frac{1}{2}$ . While call money is thus a shade easier, rates of discount have hardened. The hardening process is more in evidence on the Continent of Europe. The Bank of France and the Bank of Germany have adhered to the rates hitherto quoted by them— $3\frac{1}{2}$  per cent. and 5 per cent. Discounts in the Paris market are  $3\frac{1}{2}$  p.c., and in Berlin the market rate of discount has risen to  $4\frac{1}{2}$  p.c.

The British coal strike is still the outstanding feature in European affairs. It appears that the grievances of the miners are taking a secondary part in the discussions of the subject. The general public, while admitting that the miners may have grievances, are more disposed to give consideration to the matter of putting it out of the power of a few labor leaders

to paralyze at will the whole commerce and industry of the country. This, in the opinion of many competent observers, is the vital point. There is no tyranny so detestable as the tyranny which can be exercised by an oligarchy of labor leaders, and if Great Britain does not soon take a firm stand against the encroachments of organized labor, her industries and her commerce will have little chance in the world struggle for commercial and industrial supremacy. Germany and the United States are pressing Britain hard; and the mother country cannot afford to have her industries bound hand and foot. It is too early to estimate the damage that will be done by a protracted strike. All classes of the British people would feel its baleful effects. And yet a settlement purchased by means of a national submission to the labor leaders' demands would seem to promise a speedy recurrence of the present calamity.

The money market in New York is about the same as a week ago, with perhaps a slight tendency towards higher rates in time money. Call loans are  $2\frac{3}{8}$  p.c.; sixty day loans, 3 per cent.; 90 days,  $3\frac{1}{4}$  per cent. and six months,  $3\frac{1}{2}$  per cent. The Saturday statement revealed a heavy loss of surplus by the clearing house institutions. Taking the banks and trust companies, the loan expansion amounted to \$10,000,000; the cash loss to \$4,100,000; and the decrease in excess cash reserves to \$5,388,000. The excess cash reserve, therefore, was reduced to \$22,810,000. So far as the banks alone were concerned, the figures were much the same: loan expansion \$10,035,000; cash loss, \$4,600,000; and decrease of surplus, \$4,632,000.

The United States also are threatened with a big coal strike. The anthracite miners have served the mine owners with a number of preposterous demands. These demands have been emphatically and un-animously rejected by the coal operators; and the miners have now to decide whether they will close down the mines and inflict serious injury upon the general public. Prices of coal have advanced in the United States partly on account of the threatened deadlock and partly on account of the orders for coal emanating from Great Britain. In the meantime the securities markets have been assuming a more confident tone; and apparently some of the bear operators who have been so unusually active of late, have been effecting their retreat. General conditions in the United States are steadily improving. As a disturbing force the Presidential election may not have such great influence as has been feared; and the securities market has been sold and sold till it is difficult to see how the bears can hope to force it materially lower.

In Canada money rates are the same, call loans in Montreal and Toronto being 5 to  $5\frac{1}{2}$  p.c. It is said that the strong demand for mercantile credits continues unabated. In a few weeks now the banks will be relieved of part of the load of loans representing