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HOARDING GOLD.

The Bank of England secured most of the \$3,400,000 new gold which came on the market in London at the beginning of the week. The big English central bank maintains its official rate at 4½ p.c. Further recessions in rates have occurred in the open market at London. Call money is 2½ to 3 per cent.; short bills are 3⅝ to 3 11-16; and three months' bills, 3⅝ to 3 11-16 p.c. Financial unsettlement and relative stringency characterize the Paris market. Bank of France rate is 4 p.c. and the private rate is quoted as 4, but it is said that borrowers are required to pay higher rates in many instances. Bank rate at Berlin is 6 p.c.; and discounts in the private market, 5⅝ p.c. At this centre the monetary troubles appear to be disappearing, one evidence of which is seen in the disposition of the German speculative fraternity to repurchase the Canadian Pacific stock which they were forced to throw over a short time ago.

HOARDING GOLD IN FRANCE.

In spite of the fact that the Bank of France refused to pay gold except at a premium, the gold holdings of this bank have shown little or no increase in recent weeks. The French officials doubtless believe that their policy of refusing to give up gold for export tends to protect their metallic reserves and preserve financial stability. But to observers in other lands it is quite clear that a policy of refusal to pay in gold brings serious inconveniences to the nation or country practising it. As mentioned in preceding issues of *The Chronicle*, that policy tends to encourage hoarding in much the same way that the American suspension induced hoarding in the United States in 1907. Again, when the great banking institutions will not give gold freely in exchange for their own obligations, importers and all who have debts to meet abroad are forced to pay exorbitant prices for the necessary exchange. This naturally reacts to some extent on prices of imported goods. And finally, the policy of refusing gold usually has a tendency to retard the movement of funds into the banks after the critical stage of a monetary tension has passed. At any rate the French bank, according to report, became active in seeking for gold in the New York market this week; and exports to Paris were inaugurated. Doubtless the Americans received a highly satisfactory consideration for the metal supplied by them.

THE NEW YORK POSITION.

In New York call money is quoted at 2¾ per cent. Sixty day loans are 3¾ to 4; ninety days, 4 to 4¼; and six months, 4½ p.c. The Saturday statement showed that the bank members of the clearing house had strengthened themselves largely at the expense of the trust companies. Taking banks and trust companies the loan contraction amounted to less than half-a-million while the cash holdings decreased \$1,100,000. The increase of surplus reserve was \$809,950. And in case of the banks alone the reduction of loans amounted to \$7,811,000; the cash holdings increased \$3,400,000; and the surplus rose \$6,287,000—from \$9,876,750 to \$16,163,750.

GOLD MOVEMENTS.

With reference to the gold export movement to Paris, it is said that it may possibly reach \$10,000,000. The movement is taken in New York as representative of the pressing needs of the French market. The low rates of interest for call loans on Wall Street indicate apparently that the funds can be spared; though it should be said that the New York banks ought to take steps very shortly now towards building up a surplus that will be available for crop financing in the fall. As mentioned in last week's *Chronicle*, it is quite possible that the Canadian banks will make some extensive transfers of funds from New York to Montreal in connection with the new