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THE GENERAL FINANCIAL SITUATION.

The South African gold offered in London on Monday amounted to nearly $5,000,000. The bulk of it went to the Bank of England. Bank rate in London is maintained at 3 p.c. But the London money market has softened noticeably. Call money is now quoted at 1½ to 2 p.c.; short bills, 2 3-16; three months' bills, 2 5-16. On the Continent rates are unchanged. The Bank of France and the Bank of Germany quote 3 and 4 p.c. respectively as heretofore; the Paris market is 2 5-16, and the Berlin market 2⅞ p.c.

Notwithstanding a moderate increase of stock market activity and a rise in security quotations, the New York money market continues to reflect the presence of a surplus of lendable capital. Call loans are 2¼; sixty day loans, 2¼ to 2½; ninety days, 2½ to 2¾; six months, 3 p.c. The Saturday bank statement showed but small changes. Loans decreased $1,500,000, cash increased $500,000, and the surplus increased $633,000. The amount of surplus is now $40,452,500. Trust companies and non-member state banks reported a loan expansion of $6,000,000 and cash gain of $1,375,000, which combination served to increase their percentage of reserve to liability from 17.5 to 17.6.

The plans for the admission of the trust companies to the clearing house were forwarded this week at a conference held on Tuesday. It was agreed to call a special meeting of all members of the clearing-house association to consider admitting the New York city trust companies. According to the information given out by the bankers the trust companies, upon joining the clearing house, are to carry a 15 per cent. cash reserve and maintain a special 10 per cent. reserve represented by balances in banks. They are also to make a weekly statement which will be exactly the same as that now made by the banks.

Needless to say, when this comes to pass the banking position in New York will be in several respects more satisfactory. The weekly statement will afford a more faithful representation of the state of affairs. There will not be occasion for the banks to shift loans to the trust companies on such a large scale as in the past. And a most important consideration is that relating to the supervision or inspection of the trust companies. At present the clearing houses in Chicago, St. Louis and San Francisco have a very efficient system of supervision and inspection of the member banks. It is expected that the New York clearing house will now extend its supervising system over the trust companies and this should result in a marked improvement of practice.

Money market conditions in Canada are unchanged. Call loans are quoted as before at 5 to 5½ per cent. It appears as if the banks which advanced the funds to enable the Sovereign Bank to liquidate will shortly be repaid. The president of the Sovereign informed the press this week that the subscriptions promised by Sovereign Bank stockholders for the stock of the new Company to be organized to take over the assets of the bank amount to close upon $2,000,000. Success thus seems to be assured and presumably the banks will be given cash and bonds to release their claims against the Sovereign's estate. Such cash as they receive will have a tendency to increase the lending power of the banks, but probably the bonds will have to be held a couple of years before they can be turned into money. This loan to the Sovereign