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THE GENERAL FINANCIAL SITUATION.

The Transvaal gold consignments appearing on the London market this week amounted to \$4,000,000, and the greater part found their way into the vaults of the Bank of England. The current belief is that the 3 p.c. Bank rate will be continued for the present. Discounts in the open market are lower than a week ago, but the rates now quoted do not represent the low level of the week. Call money is $1\frac{1}{4}$ p.c.; short bills are 2 5-16; and three months' bills, $2\frac{1}{4}$. Market rate in Paris is $2\frac{1}{8}$ and in Berlin $3\frac{1}{2}$ —the same as a week ago. Bank of France rate and that of the Imperial German bank are the same as in the preceding week, viz., 3 p.c. and 4 p.c.

The money market at New York exhibits prac-

tically no change. Call loans are $2\frac{3}{8}$; sixty day loans, $2\frac{1}{2}$ to $2\frac{3}{4}$; ninety days, $2\frac{3}{4}$ to $2\frac{7}{8}$; six months, $3\frac{1}{4}$ to $3\frac{1}{2}$. Owing to the inclusion of the figures of sixteen trust companies, which appear for the first time with the Clearing House banks, the Saturday bank statement, as published on the regular date, conveys but little information. It shows, for example, a loan increase of \$572,000,000, a cash increase of \$74,000,000, and an excess of lawful reserve, in other words surplus reserves, amounting to \$74,301,250. The Clearing House banks as before existing had a surplus of reserve, \$39,785,875 at the end of the preceding week. It is necessary to bear in mind, when considering the increase of surplus reported, that according to the terms of the arrangement by which the trust companies were admitted, they are allowed to report as reserve their balance in banks belonging to the clearing house, which carry 25 p.c. cash reserve. These balances on Saturday amounted to \$65,351,000. So that if the trust companies now in the Clearing House were judged on the same basis as the banks in that body—on the basis of a 25 p.c. reserve of pure cash—then it would be necessary to eliminate this reserve comprised of balances in bank, \$65,351,000. And if that were done the surplus would not be quite \$10,000,000. However, a considerable part of the deposit liabilities of the trust companies entering the Clearing House consists of balances due to estates and of trust monies of other descriptions which do not call for so large a percentage of cash reserve as ordinary deposits require.

In consideration of the fact that the figures of the new style bank statement, as published, did not permit a comparison of the bank position with past records, the Clearing House officials issued subsequently another statement showing the position of the banks exclusive of the trust companies. According to this the banks which formerly constituted the New York Clearing House increased their surplus by \$2,940,000 by means of a cash increase of \$9,300,000 which served to more than offset their large loan expansion of \$17,350,000. The general situation in the United States has been improved by the appearance of rains in the cotton states and the price of that staple consequently underwent a sharp decline. If the cotton mills in Canada and the States are to be placed in position for a resumption of activity in manufacturing, further declines in the price of cotton are necessary; and it is to be hoped that they will be forthcoming. Following the gratifying news of the collapse of the plans of a clique of Chicago bull operators in wheat, the price of that staple has rallied slightly owing, it is said, to the prevalence of rather dry weather in the Northwest and to reports of unsatisfactory harvesting returns in the Southwest.