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THE GENERAL FINANCIAL SITUATION.

The Bank of England secured most of the \$4,000,000 new gold offered in the London market on Monday. The Bank's 3 1-2 per cent. official rate of discount is still maintained in force. In the open market at the British capital, call money is 3 to 3 1-4, short bills are 3 1-2; and three months bills, 3 1-2. As a disturbing influence, the coal strike is gradually losing its force. While British industry and trade have suffered severe injury, it is to be hoped that when the men return to work after Easter the damage will be gradually repaired. On the continent, the money situation has eased notably during the week. Discounts in the Paris market are 3 1-4—last week's level—and at Berlin the tension has relaxed. Discounts in the German capital are now 4 p.c. The Imperial Bank of Germany quotes 5 per cent. and the Bank of France 3 1-2. It is understood that with the passing of quarter-day in Berlin, the problems confronting the banks are somewhat simplified.

In New York, call loans are 2 3-4 per cent., sixty

day loans, 3 1-4 to 3 1-2; ninety days 3 1-2 to 3 3-4; and six months, 3 3-4 to 4 per cent. These figures represent a slight advance over last week's quotations. While it has been generally expected that money rates in New York would show a tendency to harden, the position disclosed by the end-of-the-week bank statement, appears to have exerted an immediate effect in influencing lenders to demand better rates. In the case of all members of the clearing house, the loans increased \$13,820,000, the cash fell \$10,400,000; and the excess cash reserve decreased by \$11,747,000, which decrease almost wiped it out. In the case of the banks alone, the surplus of reserves was actually turned into a deficit. Their loans increased \$8,262,000 and cash fell \$7,230,000, the combination of movements causing the surplus to decline \$7,816,000.

Of course, the increase in Wall Street speculation in the past two or three weeks has helped to wipe out the surplus of the banks. But that has not been the sole factor at work and it is doubtful if it has been the most important factor. The loans to Berlin have perhaps been quite as important. It is altogether likely that the credits created by means of these loans were responsible for much of the gold export movement from New York to Paris and from New York to South America. That is to say, if the American banks had not gone to the rescue of Berlin, the other European markets would not have been able so easily to command the movement of New York's gold.

It is believed that the American bankers can at will recall their funds from Germany. No doubt this is true enough; and the German banks should be able, now that the March settlements are practically concluded, to liquidate a portion of their special indebtedness to America. But at the same time, it is probable that if the American lenders begin to hasten or hurry the German repayments, stringency may re-appear in Berlin.

With reference to the labour troubles in the American coal trade, the newspapers appear to be making much of the "friendly" or "amicable" nature of the cessation of work on the part of the hard-coal miners. It is to be hoped that this cessation will not be protracted. But at the same time the consuming classes may be wise to anticipate that an attempt will be made to force them to pay higher prices for coal, no matter how the skirmishing between the miners and the operators ends. Something will have been gained when the general public realizes clearly that all such demands, as those now made by the anthracite workers, are actually made in the last instance upon the pockets of householders in general and not upon the operating coal companies to whom they are addressed.

In Canada, money rates are unchanged, call loans in Montreal and Toronto being 5 to 5 1-2 per cent. It is said that some of the Canadian municipalities have been making progress, though unwillingly, towards the conclusion that municipal bonds may decline in value,