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THE GENERAL FINANCIAL SITUATION.

The Bank of England secured practically all of the \$3,300,000 Cape gold arriving in London on Monday. The 3 p.c. bank rate was continued in force; and an immediate reduction is now considered to be doubtful. In the London market call money is $2\frac{1}{2}$ to 3 p.c.; short bills $2\frac{5}{8}$ p.c.; three months bills, $2\frac{5}{8}$ p.c. Official rate of discount at the Bank of France is 3 p.c., and at the Bank of Germany 4. In the Paris market 2 5-16 is quoted, while in Berlin the market is $2\frac{7}{8}$.

At New York the money market has been dull and uninteresting. Call loans are $2\frac{1}{4}$ p.c.; sixty

day loans are quoted at $2\frac{1}{2}$ p.c.; 90 days, $2\frac{3}{4}$ to 3 p.c.; and six months, 3 to $3\frac{1}{4}$. The statement of the clearing house banks on Saturday was featureless. Loans decreased \$2,600,000; cash increased about \$500,000, and the surplus was strengthened by \$1,377,000. The surplus stands at \$27,775,575. However, it appears that the trust companies and non-member state banks were required to undertake the bulk of the financing done during the week. Their loans were expanded by \$13,500,000; but, as their holdings of cash increased about \$3,200,000, their proportion of reserve to liability rose from 17.4 p.c. to 17.7 p.c.

General business in the United States has continued dull. The railroads are curtailing their expenditures wherever possible, and the circumstance naturally has its effect upon general conditions. Whether the railway companies are prosperous or not in 1911 depends to quite an extent upon the crops. This week the Department of Agriculture at Washington issued its first crop report of 1911. The report deals with winter wheat, and gives its condition as 83.3, against 80.8 a year ago, and 86.9 the average at this season for the past ten years. However, it is to be remembered that this estimate may be changed considerably by favorable weather during the spring and early summer. News from the Southern States and from New England indicating that the cotton mills are still curtailing their operations is still in evidence. And the dry goods trade is noticeably affected by the uncertainty about the tariff. Some hopefulness is derived from the monthly report of the United States Steel Corporation covering the amount of unfilled orders on its books. These totalled 3,447,301 tons on March 31st, the figures representing an increase of 47,000 tons as compared with the record for February 28, 1911.

Prices of produce still tend downwards. Perhaps this movement is in part due to liquidation by the banks of their swollen loan accounts. Recent published statements of the United States national banks have shown that speculation in land and commodities in all parts of the Union had a marked effect in expanding the bank loans. This the banks have latterly been endeavoring to correct. Chicago bankers report that the drain of funds to Canada is proceeding at a record pace. This, of course, is a natural effect of the immigration movement. The well-to-do farmers who are taking up land in Saskatchewan and Alberta usually bring large amounts in drafts on New York and cash, and the banks in Chicago feel the effects of the movement. Money market conditions in Canada are still unfavorable for borrowers on stock and bond collateral. Call loan rates are quoted, as before, at 5 to $5\frac{1}{2}$ p.c., but the supply of funds is small. The pressure upon the banks emanating