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THE GENERAL FINANCIAL SITUATION.

The Bank of England secured most of the $4,000,000 new gold offered in London on Monday. Bank rate remains at 5 p.c. In the market call money is 3 to 3¼ per cent.; short bills are 4 7-16 to 4⅝ per cent.; and three months' bills, 4 13-16 to 4⅞ per cent. London is apparently standing the strain resulting from the war better than Paris or Berlin. At Paris especially there has been quite a toppling over of the speculative edifice. Notwithstanding last week's rise in Bank rate to 3½ p.c., the market rate of discount has again gone above the official quotation of the Bank of France. Discounts in the market are 39-16; and as mentioned in last week's CHRONICLE, when the market rate is above bank rate, the specie in the vaults of the Bank of France is subject to attack.

The news, received Tuesday, of the resignation of three agents de change in Paris, illustrates the pressure at that centre. These brokers had liabilities of 15,000,000 francs, but of course the other members of the Bourse are responsible for their debts. It is reported that London too is somewhat nervous over the approaching end-of-the-month settlement.

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The Imperial Bank of Germany quotes 4½ p.c. as yet, and the private rate of discount in Berlin is 4¼. It is quite probable that the German bank rate will rise very shortly if Bank of England rate remains as high as 5 p.c. For Berlin is susceptible to a specie drain when London quotes a rate higher than the Reichsbank's. German exporters, merchants and manufacturers are accustomed to discount many of their bills in London when the rate there is lower. But when the home rate is below London bank rate, of course, it pays them to discount all bills at home; and one result of the change of policy is to turn the exchanges against Berlin.

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The European financiers are hopeful that after the decisive battle for the possession of Adrianople, it will be possible for the powers to intervene and end the war. There is, of course, a chance of such an opportunity presenting itself; but on the other hand it may not be possible to hold back a powerful army of 300,000 victorious troops, whether they be Turks or Christians, without the application of a heavier force than the other powers are willing to use.

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In New York call loans are 4⅞ p.c.; sixty day loans, 5½ p.c.; ninety days, 5¾ to 6 p.c.; and six months, 5¼ to 5½. In their Saturday statement the clearing house institutions reported loan expansion of $12,485,000, cash gain of $1,900,000, and a decrease of $1,156,000 in the excess cash reserve. The item stands at $9,408,950. This change of position apparently resulted chiefly from transactions passing through the banks. For the banks alone had to report a loan expansion of $14,648,000, a cash gain of $800,000, and a decrease of $3,103,000 in surplus.

The expansion of the loan account is said to have been largely due to the arrival in New York of the first instalment of the heavy mass of American securities sold by Europe on the outbreak of the war It is the general opinion that interest rates in New York will now resume their upward tendency. For the returned securities have to be carried by means of loans from the New York banks; and, besides, the sharply rising tendency of discount rates in London, Paris, and Berlin will naturally have some effect in sending the large American borrowers home with their loans.

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While that movement to liquidate American securities is in evidence among the European speculators, it is idle to expect Wall Street stock prices to rise. The Europeans are being forced out in many cases; and the Americans, being well aware of the position on the other side of the ocean, are not at all likely to put up their prices while the liquidation is on. They will prefer to buy the securities as cheaply as possible. Afterwards, when the scare is over and Europe settles down to the enjoyment of normal con-