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THE GENERAL FINANCIAL SITUATION.

The Bank of England again secured the bulk of the Transvaal gold arriving at the Imperial capital. The consignments this week amounted to $3,500,000. It was said that Paris was a competitor for the gold. On Tuesday the official discount rate of the Imperial Bank of Germany was advanced from 4 to 5 per cent. This of course is taken as resulting from the financial disturbance of the past few weeks. The pressure upon the Reichsbank has been quite severe; and the rate was moved up to protect the bank's gold reserve. During the recent crisis, when the exchanges began to move against Berlin, the Bank of Germany was able to correct the situation temporarily through selling a portion of its portfolio of foreign bills. And since then the German banks have effected an improvement in the exchange position at Berlin by means of the heavy sales of securities in New York and London for account of Berlin houses. Also the exchanges have been made more favorable to Germany by the borrowing operations of the great German banks. These institutions offered to pay 4 per cent. interest on deposits placed with them by New York bankers provided the deposits were not withdrawable until the expiration of two months. Some $20,000,000 are said to have been "placed on deposit" in Berlin by New York banks on these terms in the past three weeks.

In London the bank rate was advanced yesterday to 4 per cent. In the open market call money is quoted at 2 per cent.; short bills are 3½ per cent.; and three months bills, 3¾. In the Paris market discounts are 3½; Bank of France rate is 3½ per cent. At Berlin the market rate for money is 4½ per cent. These rates are well above the rates prevailing a week ago. In every market the tendency thus appears to be in the direction of dearer money. Yesterday, the Brussels and Vienna rates were advanced to 5½ and 5 per cent. respectively.

Call loans in New York are 2 to 2⅜ per cent. This is about the same rate as heretofore. But it is to be remembered that the Wall Street market has been experiencing successive waves of liquidation and heavy declines in prices. Call money is not much in demand as the speculative fraternity seems inclined to take the bear side. Time money has again hardened perceptibly. Sixty day loans are 3¼ to 3½; 90 days, 3½ to 3¾; and six months, 4 per cent. The level of interest in New York is thus distinctly under the European level. It is something unusual for New York to be in a position to lend active support to the European markets when the latter are undergoing a crisis. On this occasion New York has stood up and bought back large quantities of American stocks thrown over by the distressed speculators of Berlin and London. It has also made important direct loans to the market most in distress. On Saturday the clearing house banks effected a strengthening of their surplus reserves. The loans increased $1,100,000; cash increased $3,100,000; and the excess cash reserve increased by $1,900,000 to $25,201,000. This is the showing made by all the clearing house institutions. The banks alone reported a loan expansion of $900,000, a cash gain of $3,400,000, and an increase of surplus amounting to $2,600,000. The prospects are for a continuation of the gradual increase of interest rates in New York. The European centres are all endeavoring to attract gold and bring home capital. In the meantime the American crops are to be financed and that work promises to absorb the surplus supplies of capital in Wall Street. Should interest rates in New York work to a 5 or 5½ per cent. level early in October the development doubtless would be welcomed by the Canadian bankers. They are obliged to keep a considerable amount at call in Wall Street no matter what rates of interest rule there. For a long time these funds have commanded very low rates.

In Canada interest is unchanged. Call loans in Montreal and Toronto are quoted as heretofore at 5½ to 6 per cent. Money is not plentiful. The unfavorable situation of the London and other European