

NEW YORK EXCHANGE PROBLEMS.

Discussing recent high rates of exchange with New York, a Toronto correspondent says if Canada can manage to keep exchange rates near the normal basis by means of borrowings in New York it will be more satisfactory than if she is obliged to part with her modest stock of gold. Compared with eight or ten years ago the gold held in Canada amounts to a large figure. In the Dominion treasury at Ottawa there is roundly \$95,000,000, and as the banks also hold \$65,000,000 the total is \$160,000,000. This, however, does not appear to be such a large amount when the great volume of Canadian indebtedness to Europe, newly created, is considered.

It is understood, continues the correspondent, that there has been a sharp drop in the importations of American goods, notably iron and steel. This development tends to reduce materially the demand in this country for New York funds. The war upset the financial arrangements of the railways and other companies which had been engaged actively in construction work. The Canadian Pacific Railway is going ahead with the completion of its improvements as begun a few years ago. These, however, will be finished in a very short time, and then the capital expenditures probably will be relatively small for several years.

The other roads have been hampered greatly by the condition of the international financial market. Altogether the orders from the railways and other corporations have not sufficed to keep the Canadian iron and steel plants at anywhere near their full capacity. Consequently we have seen the Canadian plants competing with the Americans for the orders of United States railways. This illustrates how the demand for exchange has fallen.

THE BANKS' GAIN IN DEPOSITS.

Referring to the gain in demand deposits of \$8,400,000 during the month of March, a Toronto correspondent writes that the impression prevails that this increase is due in large measure to the preparations made by sundry industrial concerns to carry out the terms of contracts made with the British and Russian governments for war munitions. Several of these companies have been obliged to extend their plants, install new machinery and provide funds for purchasing large amounts of raw materials. This necessitates the carrying of large balances in banks. In some cases, the Russian order for shells being a conspicuous example, the funds for alterations and additions to plants are provided by the European Government immediately concerned in the execution of the order. It is understood also that the larger banks which have branches in London are now holding some large special balances placed with them by or for the account of numerous purchasing agents operating in Canada. These big balances help to swell the current accounts and in due course the funds are distributed through the whole list of banks as payments are made to customers of other institutions.

Mr. H. W. Farmer, former manager at Vancouver for the Gresham Life, has been appointed provincial manager for Manitoba in succession to Mr. A. E. Moulds, who is at present serving at the Front.

PRESENT DAY DUTIES.

Every dollar's worth of merchandise imported which could be made at home, or which could be avoided as an expenditure altogether, is a sin against Canada at this moment. We cannot live precisely by such a severe principle, but so far as we do we are helping to win the great battle. Every extra dollar's worth of produce raised on every farm or plot of ground, every dollar's worth added by better labor or other economy to the product of the factory, every dollar's worth of food or any produce released for export by being saved in the economy of the household, is so much towards winning the great battle. I do not mean that wealthy people should so change their scale of living as to lessen the need for employing so many servants, indeed, every man must decide as to his own duty, but I do wish to point out that a man who is perfectly able to pay for any foreign object he may desire to buy may have a distinct duty to perform to Canada in not indulging his power to buy, laudable as that may be at another time.

Let us hope, then, that our faces are set as to a few things, and that until the curtain falls on the great drama in Europe we shall not relax.

1. We shall not build anything or buy anything which is not in a high degree necessary for the immediate good of Canada. That does not mean that we shall not do a good deal in finishing what we have begun, in building roads, and in many improvements the wisdom of which is beyond question.

2. We shall avoid as far as possible that waste in every physical aspect of life which characterizes the habits of almost all people in North America. If for the moment we could even approach the economy of the people of Europe, we could easily withstand any financial pressure that could be imagined.

3. While we spend so warily, we shall, as the result of unusual industry, greater intelligence and longer hours of application, produce a larger amount of new wealth than ever before.—*Sir Edmund Walker.*

MR. E. F. HEBDEN'S LOSS.

The respectful sympathy of the business community is tendered to Mr. E. F. Hebden, general manager of the Merchants Bank of Canada, in the grief that has befallen him through the death of his son, Mr. Jack Hebden, who was accidentally killed by gunshot on Tuesday at Manitou, in the Laurentians. Mr. Jack Hebden was only in his twenties, and the news of his death came naturally as a great shock.

FIRE LOSSES IN THE LARGE CITIES OF THE WORLD.

The following compilation of the 1913 per capita fire loss of the large cities of the world is quoted by Mr. Robert D. Kohn, president of the National Fire Prevention Association, from a statement compiled by Mr. H. Arthur Stewart, city statistician of Minneapolis. It will be noticed that Canada occupies the unenviable position of being at the top of the list.

	1913.		1913.
Canada (6)	\$2.46	France (5)	\$0.49
United States (60)	2.09	England (14)	0.33
United States (8)	1.81	Germany (18)	0.28
Russia (2)	0.89	Italy (5)	0.25
Japan (3)	0.59	Austria (4)	0.25