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THE GENERAL FINANCIAL SITUATION.

By all accounts, the problem of employment, about which there was considerable anxiety in financial circles a month or two ago, has not developed as seriously as might have been expected, considering the large number of munition workers who have been discharged. The proportion of unemployed in the industrial centres is now reported as not much larger than at the end of an ordinary winter. As soon as the winter finally breaks up (a consummation which the chilly first days of daylight saving has made devoutly to be wished), rural employment will open up, and with the new construction work to be undertaken will absorb large numbers of men. The plans for railway renewal and betterment for this coming summer now being worked out, will, it is estimated, occupy 30,000 men, and the programmes of housing and building of highways now being fathered by the Dominion Government, will also absorb large numbers.

The monthly bank statements, which have made their appearance since the armistice have been uniformly favourable documents, and the good record is kept up by the February statement which has become available during the last few days. The growth in notice deposits is particularly noteworthy. Their increase during the month was $28,184,427, following a rise of $31,526,528 in January, and of over $19,000,000 in December. Their end of February total of $1,018,184,512 is only some $58,000,000 below the high-water mark of notice deposits established in October last, before the flotation of the second Victory Loan, when the aggregate of those deposits was reported as $1,076,514,000. Compared with February, 1918, notice deposits show a gain of well over $109,000,000.

This increase in notice deposits during February appears, however, to have been at least partly due to transfers from current accounts of funds, which are not required temporarily in industry or trade, demand deposits being down for the month by $57,143,976 to $566,775,434, at which figures they stand, however, on about the same level as a year ago. Circulation shows little change from January, being $1,355,278 higher than in the earlier month at $204,779,750, and about $28,500,000 higher than in February, 1918. Current loans are at a very high level, old loans, which under other circumstances would have been liquidated ere this by the movement forward to Europe of wheat and other produce, being added to by new demands in anticipation of spring activity, and by financing by industries which, with the war over, are finding it possible to get into active operation again. They are reported as $1,095,301,791, an increase for the month of $14,960,930 and for the year of no less than $235,938,644. Current loans abroad are also up somewhat by $4,076,725 for the month to $130,590,063, and by $20,911,923 for the year. Canadian call loans, on the other hand, show a considerable decrease, being down during February by nearly $8,500,000 to $79,154,121. In this connection, it is to be noted that a considerable volume of private money has been lately offering at rates somewhat lower than the banking institutions are prepared to accept, and in consequence bankers' loans to the banks have been liquidated. Under present circumstances, of course, the banks are not over-anxious for this class of business. Call loans abroad, on the other hand, were substantially increased during February by $15,116,025 to $155,935,681, at which figure they are practically $21,000,000 higher than at the end of February a year ago.

The rise of New York exchange to as high a level as 2 9-32 within the last few days has attracted considerable attention. The general consensus of opinion in financial circles appears to be that adverse exchange rates are likely to be in force for some considerable time to come. In the post-bellum period, as during the war, we are selling our exports as credit, while we have to pay cash for our imports, and while this method of doing business is the only one open to us, if we are to develop and maintain export trade connection, the effect upon an exchange position is not good. However, the old adage that "it's an ill-wind" holds good even in this connection, and exporters are reaping the benefit of present rates, the outstanding instance in this connection being, of course, the pulp and paper companies, whose heavy exports to the United States must, at the present time, result in quite a substantial revenue from premiums and exchange.

That English economists and financial students are not depressed by the present financial

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