have their accounts with various banks; and in most cases they carry on their operations by means of bank loans. Payments to them by the company, therefore, serve to reduce their indebtedness to the banks, and in that way the monetary stringency may be slightly alleviated.

Probably there is no record in Canadian history of any single operation in securities resulting in bringing into the country so large an amount of new money. It is to be remembered, however, that of the total proceeds of this issue, something over $30,000,000 will be retained in London to retire bonds maturing shortly. But allowing for that there will be some $60,000,000 new money coming into the country from this one source within a period of eight months. It would be quite possible to throw this vast sum into Canada's monetary system in such a manner as to do harm. For example, it is generally conceded that the monetary stringency, through which the country has been passing, indicates that credit has been stretched perhaps unduly, and that there has been too much speculation in some directions. The cure or correction is already in operation. What is needed is a period of restraint, or abstention from speculation or excessive borrowing. The bankers are advising the business men to go slowly and carefully, to keep their lines of credit well within control, and to postpone extensions of plant or of business activity.

Well, if through the sudden injection of a large amount of new funds, which will only be at the disposal of the banks for a short time, the monetary position should get abnormally easy, speculators and business men might be tempted to strike out boldly—to their own danger and to the peril of the country. However, the executive heads of the railway company are probably well aware of the responsibility thus resting on them. And the bankers are not likely to give much encouragement to those of their customers who wish to plunge. Perhaps the new funds, or a considerable part thereof will be kept in London or New York until the occasions for expending them arrive. This influx of money, regulated and controlled as the bankers are likely to regulate and control it, and taken with other receipts of capital from abroad, should offer a reasonable assurance that Canada's commerce and trade in 1913 will proceed prosperously and satisfactorily.

THE FINANCIAL INDICATOR

During January, February and March the prosperity of the Dominion has shown no diminution.

Conditions of a generally favorable character have prevailed from coast to coast. World-wide factors have been felt and have influenced the situation somewhat, as the stringency which has existed in the financial centres of the world has done. High interest rates and slow collections have been particularly noticeable, as well as a lack of interest in speculative enterprises. Among the main financial indications can be taken the bank clearings and other statistics of Toronto and Montreal. The bank clearings were as follows:

Toronto.

	1913.	1912.
January	$196,761,436	$157,827,099
February	162,899,405	147,595,624
March	171,305,591	157,906,947

Montreal.

January	$247,912,102	$219,256,570
February	210,727,399	189,650,913
March	207,856,733	195,780,541

The number of bank branches opened and closed during the first quarter of 1913 and of 1912 is as follows:

	1913 Opened.	1913 Closed.	1912. Opened.	1912. Closed.
January	34	5	20	5
February	29	16	19	5
March	25	6	14	5

The state of the investment situation is revealed by the following table showing the stocks and bonds sold on the Toronto and Montreal exchanges during the first three months of this year compared with those sold during the same period of last year. The sales of stock were:

Toronto.

	1913 Shares.	1912 Shares.
January	111,771	69,577
February	69,506	69,701
March	76,235	53,963

Montreal.

	Shares	Shares.
January	157,574	204,733
February	171,852	144,272
March	255,346	141,741

Bond sales for the first quarter of 1913 and 1912 were:

Toronto.

	1913	1912
January	$ 57,000	$141,000
February	123,000	101,000
March	180,600	191,700

Montreal.

January	$553,843	$463,500
February	413,260	340,150
March	901,700	805,450

Railway earnings are also indicative of progress and expansion.

The following tables give the gross railway earnings:

Canadian Pacific Railway.

	1913	1912	Increase.
January	$9,519,000	$7,201,000	$2,318,000
February	9,526,000	8,743,000	783,000
March	10,965,000	10,389,000	576,000

Grand Trunk Railway.

	1913	1912	Increase.
January	$4,048,248	$3,422,286	$625,962
February	3,763,463	3,259,943	503,520
March	4,678,681	4,076,230	602,451

Canadian Northern Railway.

	1913	1912	Increase.
January	$1,513,400	$1,228,100	$285,300
February	1,308,700	1,203,400	195,300
March	1,685,900	1,572,700	113,200

London continues to be Canada's banker. The public loans for the first quarter of each year since 1905 are appended below:

1905	$8,787,287
1906	3,345,000
1907	1,595,000
1908	10,328,700
1909	9,756,172
1910	10,466,657
1911	8,063,088
1912	10,157,190
1913	9,603,524

Quebec is the only province which has made a public loan during the quarter, this being to the extent of £400,600. Canada's municipal financing for the first three months of the year has been as follows:

Issues in London amounted to £3,663,900 as compared with £1,817,923 during the first quarter of 1912.

Municipal bond sales in Canada as compiled by The Monetary Times for the first quarter of the year, com-