OF THE OUTLOOK

Conditions To-day and their Bearing on Business, Trade and Commerce.

By the end of April, future events of the year are fairly well defined. The business man is asking as to the outlook. The reply may be given, It is good. One might even qualify the statement with a tinge of optimism. Deserving first consideration is the trend of the money and stock markets, finance and banking, credit and borrowing. One of the significant features of the Canadian chartered banks' statements is the simultaneous growth of deposits and extension of credit. The increase in the former has been larger than in the case of loans, which is satisfactory. At the same time, the demand for investments has been strong. Industrial and municipal bonds, real estate, stock exchange securities have received a share of the patronage. The number of undesirable company promotions commenced to increase—always a sign of growing prosperity—until checked by the campaign of the financial press. Three excellent factors there are, then, in financial conditions to-day, the conservative extension of banking credit for industrial and commercial development and other purposes, a good investment demand and a continued advance in the savings of the people.

Both at home and abroad indications there are of a firmer money market. The advance in the Bank of England's minimum discount rate in March was one example that money is becoming dearer. A long period of easy money usually follows commercial and financial disturbances. Concurrent with a return to general activity, a stiffening of money rates has begun. As yet, this point has not become an important consideration in commerce and industry. An early rise in the Bank of England rate, or at least a maintenance for some time of the present figure, is apparently likely. The Bank's reserve has been low for several weeks. Egypt and India have called for heavy shipments of gold. The Bank, on the other hand, has during the past three weeks imported large sums of American gold, consequently checking the volume of European investments in United States securities. Our heavy borrowings abroad and the influx of immigrants with capital will to some extent relieve financial tension. Despite that, and because of the increased call for banking accommodation, the outlook for firmer money rates seems clear.

The Canadian stock exchanges, while having lately handled a much greater volume of business than in previous years, have not enjoyed trading as heavy as some anticipated. Diversion of funds, now being applied to stock purchases, will probably be made for industrial and commercial expansion. Adverse factors in exchange circles are the unsettled conditions respecting the internal organization of several large corporations whose securities have in the past helped to form the backbone of the exchanges, such as the Steel and Coal, the larger Cobalt issues and others. The continuance of company amalgamations, the consequent issue of new securities and the listing of many of them also help to spread rather than concentrate attention in the stock markets. The money situation is not working altogether to the stock market's advantage. The present commercial demand, the early opening of navigation, will tax the funds of our banks. Money for Canadian stock market purposes, therefore, will apparently not be plentiful anyway in the early part of the year. If New York rates rule sufficiently low, funds may be brought in from that market. Stock brokers and investors in listed securities will not perhaps benefit immediately by the present quickened national pulse. Th outlook for increased earnings by industrial, railroad, insurance and other companies should insure an active period in stock exchange spheres later in the year.

The same conditions partly apply in the case of bonds, in fact all such investments. Our manufacturers are planning for increased output. The home demand has grown with the larger population and foreign markets for the sale of Canadian goods have expanded. A fair demand for municipal bonds is assured. This may become strengthened should there be any slackening in the public appetite for securities affording high yields. Municipal development makes it imperative for many cities and towns to finance their requirements. Canadian municipal bonds will be absorbed largely at home and in the United States. Advantage will be taken of Canada's high credit in London and of the large sums available there for investment. Industrial bonds this year will probably enjoy greater patronage than municipals. Because of a slightly luxurious tendency and the increasing prices of commodities a demand has arisen for securities which will yield a larger return than those given by government and municipal bonds.

A factor of general benefit is the growing disposition of the British investor to patronize Canadian offerings. In the first sixteen weeks of the current year alone, through the medium of public flotations in London we have obtained about one-third of the aggregate obtained in that way during the whole of last year. This feature of the situation will not only represent actual investment, but should also insure a live British interest in Canada, which must necessarily be reflected in our trade, commerce and general development.

(To be Continued.)

MARCH BANK STATEMENT

Shows Canada's Financial and Business Position to be Excellent.

As we go to press, the March Bank Statement comes to hand. Its three outstanding features are gains in circulation eposits and current loans in Canada. The following table indicates the principal changes during the month and the year:—

	Mar., '09.	Feb., '10.	Mar., '10.
Deposits on demand	$200,843,984	$236,697,987	$247,562,171
Deposits after notice	445,626,884	507,307,733	5.5,272,117
Current loans in Canada	520,109,936	602,454,539	624,550,051
Current loans elsewhere	34,915,132	42,403,784	40,719,679
Call loans in Canada	48,911,736	61,855,519	59,945,735
Call loans elsewhere	117,850,605	120,374,681	130,194,540
Circulation	68,708,458	74,686,443	78,265,822

Only Two Increases.

The largest gain is one of eight per cent. in call loans out of Canada. The next biggest increase is in circulation, which has changed by nearly 4 million dollars or 4.7 per cent. during the month. Deposits show an expansion of 4.5 per cent. and current loans of 3.6 per cent. The only decreases from the previous month's figures are in current loans out of Canada and domestic call loans. Comparing the figures with those of the corresponding period last year, gains are exhibited in every item, the largest being in deposits on demand. Domestic current loans show an increase of more than 20 per cent. over March, 1909, and circulation exhibits a gain in the same period of nearly 14 per cent.

Best in Recent Years.

The March bank statement may bt considered as one of the best in recent years. An unusual phase is the marked growth of circulation concurrent with loan extension and a comparatively heavy increase in deposits. General business impetus is probably the chief reason for the greater use of bank notes while speculation particularly in real estate has undoubtedly been an additional influence. While the expansion of call loans out of Canada is noticeable, considerably more than half of the aggregate amount is the financing of one bank. Fourteen of the twenty-eight active institutions loaned funds out of the country last month.

The usual detailed statement and comparisons will appear in next week's Monetary Times.

A merger of the tanneries of Ontario and Quebec is the proposal of Montreal brokers.