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OUR BORROWINGS ABROAD.

In his Montreal address last week, Hon. W. T. White, Minister of Finance, referred to the value of the borrowings abroad which Canada has been able to make since the outbreak of war, in assisting in the adjustment of the heavy adverse trade balance existing at the outbreak of war and in conserving the gold stock of the Dominion. That these borrowings altogether amount to quite respectable figures is shown by a compilation by the Dominion Securities Corporation of the issues made during the present year and published in the Financial Post. It appears that for the ten months of the current year to October 31st, the output of new issues by governments, municipalities and railways in Canada, aggregated \$183,517,498, compared with \$229,209,427 for the whole year 1914, and \$277,356,519 for 1913. Of the present total, \$124,510,300 represents issues by Governments and railways and \$59,007,198, issues by municipalities. Well over 50 per cent. of the current year's issues under these headings have been taken in the United States, which is credited with having absorbed \$103,310,700 of our securities this year, an increase of nearly \$64 millions over the amount taken in 1914 and of \$100 millions over that taken in 1910. Great Britain this year has taken \$40,283,000 Government and railway issues, but no municipal issues. The figures compare with an aggregate of \$158,404,559 last year including nearly \$34 millions municipal issues. The home consumption in the ten months is reported as aggregating \$39,923,798, or nearly 12 millions more than in the year 1914. In connection with this larger home absorption, it may be noted that during the first nine months of the current year, the security holdings of the Canadian banks increased by nearly \$20 millions, from \$105,660,507 at December 31st, 1914, to \$125,148,420 at September 30th, 1915. The increase has been particularly large under the heading of Canadian municipal and foreign public securities, amounting to 14½ millions, and while the banks' subscriptions to the last British War Loan would probably account for a proportion of this increase, it may be assumed

with some confidence that the greater part of it is due to the banks' additional purchases during the current year of Canadian municipal bonds.

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This total of our borrowings abroad, over \$143 millions in ten months, may, in some quarters, be considered surprisingly large, particularly in view of the efforts towards economy and the reduction of new borrowings which have been recently a general topic of discussion, and have in some cases at least, been actively undertaken. It must, however, be borne in mind that the issues of this year represent to a large extent commitments entered upon prior to the war, at the tail-end of the boom period, and that the major effects of the regime of economy have not yet been seen in these statistics of new issues. A number of competent financial observers, who have lately been through the West, testify as to the reality of that regime in the cases of many municipalities, which have heretofore been under suspicion of being extravagant in their spendings. Probably in a year's time the effect of recently-inaugurated policies of economy will be more effectively seen in a considerably lowered aggregate of the amount of municipal new issues. Similarly, the close of the era of great railway construction has not yet shown itself markedly in the new issue statistics, owing to the fact that the railways were unable to arrange all their permanent financing prior to the war, and it is generally understood that there is yet much in this direction to be done at the earliest favorable opportunity. But with these arrears of permanent financing once completed, the railways are likely to enter upon a period when their new borrowings will be relatively small, since the main framework of their systems will have been completed and no new construction heavier than the building of new branch lines and the gradual extension and improvement of existing facilities is likely to be undertaken.

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From now on till the close of the war, there will thus probably be a gradual restriction in our bor-

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