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OUR BOND ISSUES.

The annual compilation made by Mr. E. R. Wood regarding the amount of Canadian bond issues, contains much information of more than passing interest. It has already been indicated that our bond issues last year were on an unprecedented scale, aggregating no less than \$373,795,295, an increase of more than one hundred millions over the issues of 1912, which totalled \$272,937,982. Of this total \$22,386,666 were the issues of Canadian corporations in foreign countries leaving a net total of \$351,408,629 as the issues of our governments, municipalities, railways, public service and miscellaneous corporations for the year. Over 70 per cent. of this latter amount of bonds, \$285,084,114, were absorbed in Great Britain; \$50,720,762 or 14.43 per cent. in the United States and \$45,603,753 or 12.97 per cent. in Canada. In regard to these ratios, it may be noticed that both British and Canadian consumption show a decline, while the proportion of our bonds placed in the United States shows a 3 per cent. gain over 1912, when the United States proportion was only 11.35 per cent. against 14.43 per cent. last year.

This increase in American interest in our bonds is directly due, Mr. Wood points out, to the large proportion of our municipal bonds taken in the States. Last year American investors purchased nearly 20 per cent. of our municipal bond issues as compared with 8 per cent. in 1912. A considerable number of cities, both in the East and West, have had their debentures taken in the States, while the fact that Canadian bond firms have been unusually aggressive in that market and American houses have also been active in recommending our municipals to their clients would seem to indicate that we may rely on an increasing amount of these issues being taken south of the boundary line.

However, it remains true that for the bulk of our supplies of new capital for municipal as well as other purposes, we have still to rely on the British market. Last year British investors sent us no less than \$285,000,000, and the figures do not lose in impressiveness when it is remembered under what circumstances the issues which go to make up that enormous total were made. Added to the Balkan situation, political complications, disturbing financial and commercial conditions on the Continent and social difficulties at home, were a series of attacks on Canada, in the newspaper press and elsewhere, marked not less by misrepresentation than by venom. Apart from these circumstances there were a number of instances—isolated but still too numerous—

where it became evident during the year that the British investor's interest had been secured in Canadian undertakings or pseudo-Canadian undertakings which were unworthy of his support and through which he incurred heavy losses. That in spite of these adverse circumstances, we were able to place in Great Britain so large an amount of our issues is an indication that the confidence of the British investor in Canada has not been shaken either by the wild outpourings of hysterical journalists or by the isolated instances of default and loss. Sentiment possibly accounts in part for this continued support of our issues, but it is probably that a realization of the soundness of our banking system, and of the conservatism and high character of those in charge of it, and a firm belief in the future of the great majority of our enterprises and of the probity of those conducting them, have contributed mainly to induce the British investor to continue to give to Canadian undertakings the liberal support which is indicated by the figures of our new bond issues absorbed in Great Britain last year.

It is not to be supposed that our issues this year will reach in amount those of last year. The general policy of economy of expenditure which is being put in force in all directions is against such a supposition. But it may be anticipated with safety that there will be again this year a very large influx of capital from abroad into Canada. Sir Edmund Walker made some very interesting observations on this point at the recent annual meeting of the Canadian Bank of Commerce. "England has patiently remembered," he said, "that we are obliged to finish the many sound and important enterprises, public, semi-public and private, which had been undertaken before the financial clouds began to gather. That such enterprises will command the money of the investor in preference to loans for the rehabilitation of foreign countries devastated by war, or in preference to securities based upon new ventures, we need not doubt, and out of the vast sum available each year in the markets of Europe for new investments, we may be sure of getting a generous share." Sir Edmund referred only, it will be noted, to undertakings which were already begun before the present stringency and which it is necessary to push to completion. As regards new enterprises, it is undoubtedly true that there must be for the time being comparative inactivity in their inauguration. However, a year's economy, backed, if so it be, by favorable crops, will probably lead to conditions under which they can again be taken in hand with good promise of success.