

## FINANCIAL FACTORS AFFECTING CANADA

## Dominion Entered the Past Year With Trembling But Achieved Prosperity—Summary of Borrowings

Some of the most important financial and commercial developments from a Canadian standpoint, according to Mr. E. R. Wood in his annual bond review were:—

The re-opening of the London stock exchange in January for restricted trading;

The great British domestic war loan of \$3,000,000,000 at 4½ per cent.;

The boom in American and Canadian war industrial stocks;

A low record level in sterling exchange at \$4.50 and consols declining to 57, the lowest price in a century;

New York temporarily becoming the world's financial centre;

The \$500,000,000 Anglo-French loan in the United States;

The \$100,000,000 Canadian internal war loan;

Great Britain's plan to mobilize American and Canadian securities;

Canada's favorable trade balance of \$170,000,000 for 1915.

Financially speaking, Mr. Wood says, Canada entered 1915 with a certain fear and trembling. The war had cut off our supply of capital from abroad; our 1914 crops had been disappointingly small; and business generally was unsatisfactory. The close of 1915 finds us enjoying a unique degree of prosperity, reaping the benefit of our record-breaking crops, with every available factory turning out war munitions and equipment, and with practically every industry active or reviving.

## Domestic Loan Crowned Year.

As the crowning achievement of the year, in response to the government's appeal for subscriptions to a \$50,000,000 domestic war loan, we subscribed for over \$100,000,000, half of which will be available as a credit to Great Britain, thereby reducing to that extent the financial pressure upon the motherland.

The continuance of the war obviously closed the London market to Canada, so far as borrowing there in 1915 was concerned. While in 1913 that market supplied us with nearly \$280,000,000, and over \$185,000,000 in 1914, our financial operations of last year were almost entirely confined to renewals of maturing obligations.

## Summary of Borrowings.

Canadian borrowings in this review are summarized as below:—

Issue.	Amount.	Canada.	United States.	Great Britain.
Government .....	\$214,814,133	\$100,603,300	\$ 80,877,500	\$ 24,333,333
Municipal .....	66,508,073	34,052,677	32,455,396	.....
Railway .....	37,915,668	.....	17,500,000	20,415,668
Public Service Corporations	10,225,000	2,475,000	7,750,000	.....
Miscellaneous Corporations	8,050,000	2,500,000	3,390,000	160,000
	\$337,512,871	\$148,630,977	\$143,972,896	\$ 44,988,998
Canadian Corporations operating abroad .....	4,380,000	800,000	.....	3,580,000
	\$341,892,871	\$149,430,977	\$143,972,896	\$ 48,488,998
		43.71 %	42.11 %	14.18 %
Comparative figures for 1914 .....	\$272,935,067	\$ 12,990,860	\$ 53,044,548	\$185,900,659
		12.00 %	19.77 %	68.14 %

N.B.—Temporary financing of less than one year not included in above figures.

## SUGGESTED RURAL CREDITS

That the provincial government should create a board to value farmlands, and decide what amounts could be safely lent on a first mortgage basis, was the suggestion of Mr. G. W. Prout (Kildonan and St. Andrew's) in the Manitoba house. The board would be authorized to issue bonds to the farmers that applied for first mortgages. The advantage of this, said Mr. Prout, was that any bank would lend on the security of bonds issued by a farm valuation board, backed by the government, in this way. The chartered banks could thus get around the provision of the bank act, which forbids them to lend on mortgages.

## LOSSES BY FIRE

The following table, compiled by the New York Journal of Commerce, affords a comparison of fire losses of the United States and Canada by months during 1913, 1914 and 1915:—

	1913.	1914.	1915.
January .....	\$ 20,193,250	\$ 23,204,700	\$ 20,060,600
February .....	22,084,600	21,744,200	13,081,250
March .....	17,511,000	25,512,750	18,786,400
April .....	16,738,250	17,700,800	18,180,350
May .....	17,225,850	15,507,800	11,388,450
June .....	24,942,700	29,348,000	10,893,950
July .....	20,660,900	17,539,800	9,006,800
August .....	21,180,700	11,765,650	10,067,100
September .....	17,919,300	14,383,050	14,823,500
October .....	14,932,750	14,004,700	14,465,850
November .....	15,207,600	21,372,750	21,204,850
December .....	16,126,450	23,507,150	20,877,100

Total for year \$224,723,350 \$235,591,350 \$182,836,200

The *Monetary Times* record for Canada shows the losses for the same years were: 1913, \$26,346,318; 1914, \$24,321,012; 1915, \$13,670,527.

## BRITISH COLUMBIA ELECTRIC RAILWAY

"I think there is no doubt that the worst is past. There is already improvement in the lumber trade, some increase in activity in mining, and the restoration of the Canadian Pacific steamship service to Japan and China is definitely announced, which affords grounds for hoping that a more marked improvement will take place when the winter is over. The Panama Canal and the Canadian Northern Railway across the continent to Atlantic tide water, both of which were completed in the last year, will prove most powerful factors in hastening the development of British Columbia on the return of normal conditions, and there is nothing in the situation which causes me to abate in the least degree my absolute confidence in the splendid future of the province, which can be hastened or retarded chiefly by the disposition shown by the people to treat capital with honesty and consideration or otherwise." This is the opinion of Mr. R. M. Horne Payne, chairman of the British Columbia Electric Railway Company, expressed in his annual address to the shareholders.

The British Columbia Electric Railway Company has had a successful career, but the returns of the past year show the effects of the depression, jitney competition, and war. As these temporary setbacks are removed, by development and the return to normal commercial conditions, the company should rapidly return to normal earnings. The figures for the past year show a net profit of \$180,661.

## ENCOURAGING FIGURES IN BRITISH COLUMBIA

(Staff Correspondence.)

Vancouver, January 15th.

Provincial figures for the past year will show an increase in almost every department. There has been greater volume of trade done, but in instances prices were lower. In 1914, the mineral production was valued at \$26,388,820, and it is estimated that for 1915 it will reach \$30,000,000. The highest figure yet has been \$32,000,000. The fisheries produced \$13,000,000 odd in 1914 and \$14,000,000 odd in 1913, and in 1915 the estimate is \$15,000,000. Lumber exports in 1914 were 38,031,246 feet, but for the first 11 months of 1915 they reached 60,000,000 feet. The shingle industry has been good all year. Logging camps which were to have been shut down for the middle of the winter, when the usual slack time occurs, are being continued in operation, and new camps are starting up. Prices of logs have also strengthened.

Returns from the Trail smelter contain items almost every week of some new mine shipping ore, and the number of dividend payers is being increased.

The monthly development statement issued by the British Columbia Telephone Company shows net gains in Vancouver and Victoria, and out of 42 telephone exchanges operated in the province there were net gains in 31 in December.