

£4,800,000 of 4 per cent. bonds in 1868-1875 guaranteed by the British Government, and between 1868 and 1875 £4,500,000 of 4 per cent. bonds were also issued in London, whilst at the end of 1875 there were two outstanding earlier issues bearing 6 per cent. interest. Afterwards, the Dominion Government was able to borrow in the London market upon reasonable terms, and an increasingly high status. A prolonged period of cheap money enabled our finance minister to arrange a loan in the English market in 1897 upon a 2½ per cent. basis at an average price of about 91½, following upon issues in 1884 and 1888 at the rates of respectively 3½ per cent. and 3 per cent. Up to 1912—with the exception of the loan offered in January, 1909, upon a 3¾ per cent. basis—the Dominion was able to satisfy all her requirements in London at 3½ per cent. Towards the end of 1913 4 per cent. had to be paid, and that rate has since remained operative.

Markets This Year and Last.

Coming now to sales of Canadian bonds, not only in the United States but also in other markets, it is found that the neighboring republic has done the lion's share of Canadian financing this year to date. The following table, compiled by *The Monetary Times*, shows a complete change during the past year in the market situation, so far as Canadian bond sales are concerned:—

Sales of Canadian bonds in	January-April,	
	1914.	1915.
Great Britain	\$122,598,889	\$25,000,000
United States	16,747,616	46,589,772
Canada	13,052,694	13,249,028
	<u>\$152,399,199</u>	<u>\$84,838,800</u>

Great Britain was our chief banker during the first months of 1914, as it had always been previously, but owing to war conditions, the United States has assumed that role during the current year.

War and Railroad Financing.

The only Canadian loan in Great Britain since the war has been the £5,000,000 4½ per cent. bond issue maturing in 10 years and underwritten at 99½ last month. This has been the only Canadian issue in London since August. The Canadian government's war financing, as previously pointed out in these columns, is being done under a special arrangement with the British government by which Canada is receiving loans of £2,000,000 monthly. These will be repaid later by the issue of Canadian war loans in the London market.

In the matter of railroad financing, there has been some difficulty. While the Canadian Pacific Railway is pretty well supplied with funds, the Grand Trunk Pacific and the Canadian Northern are not so well off. In the session of 1914, parliament authorized the government to guarantee bonds of the Canadian Northern Railway to the

amount of \$45,000,000, and bonds of the Grand Trunk Pacific Railway to the extent of \$15,000,000. The former company succeeded in floating \$15,000,000 of bonds in the London market at 91½. However, the underwriters under the English moratorium were able to withhold payment. The Grand Trunk Pacific Company was unable to float any of its bonds. Both companies asked the Dominion government for loans last fall.

Banks Were Unwilling.

The government endeavored to have the loans made through the banks, pointing out that the bonds were guaranteed by the Dominion of Canada and the Dominion notes could be issued to the banks on the security of those bonds under the legislation passed last August. The banks, however, declined to intervene. The government thereupon passed an order-in-council whereby \$10,000,000 in Dominion notes was advanced to the Canadian Northern on the security of \$12,000,000 of guaranteed bonds and \$6,000,000 in notes was lent to the Grand Trunk Pacific Railway on the security of \$7,500,000 of guaranteed bonds. Had the money not been supplied by the government the two railway companies would have had to cease construction work and thus thrown 12,000 men out of employment.

Sir Robert Borden, premier, recently pointed out that the bonds of the two railways could have been sold at an advance of eight or ten per cent. over the figure at which the loans were made, but that it had been felt that by a delay a better price might be obtained and more money would be available for the construction of the roads.

United States as Bond Market.

While the United States is not likely to supplant London as Canada's banker after the war, it seems reasonable to expect the neighboring republic from now on to be an important purchaser of Canadian bonds. This supposition is strengthened by the fact that Canada is the second best customer of the United States in the matter of trade and commerce.

Discussing the Canadian bond statistics of *The Monetary Times*, the New York *Analyst* says: "It appears certain that Canada must look to the United States to fulfil the most of her monetary requirements during the war period. It seems reasonably sure that she will of necessity continue to do so for a long time after the war is over. The demand for capital which will follow to replace the property destroyed by war will in all probability be so pressing as to preclude the possibility of Europe's exporting it for a long period. Meanwhile, tariff changes are tending to increase Canada's merchandise exports to us, and if that movement should grow to any extent, the United States, even under normal conditions, would be the natural place for Canada to seek the funds necessary to develop her great natural resources."

Mr. Lyndhurst Ogden, for over thirty years secretary of the Toronto Stock Exchange, died last week.

Mr. A. A. Adams, of Hamilton, has received a letter from Mr. Sydney W. Pascall, of the London wholesale house, James Pascall, Limited, which reads in part: "The other day I was rather amused to receive an article from a Canadian trade paper in support of the 'made-in-Canada' campaign, counselling all its readers to buy Canadian products and eschew foreign manufactures. From the figures, etc., it appeared that one of the chief foreign countries aimed at was Great Britain. By the same post I had a request from

the same paper for an advertisement. Naturally, I declined (with proper courtesy) to enter into competition in its advertisement columns with the opinions expressed in its leader columns. Fortunately, most people in this country who read this sort of thing understand that it is—what do you call it—hot air! They realize that the desire to keep out British goods at a time when Britain wants all the help she can get is merely the passing crank of a few people, and that the real mind of Canada is expressed by the fine young fellows in khaki who are spending themselves so nobly for the United Empire."