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How Canada's Bond Markets Have Changed

GREAT BRITAIN Took 73 Per Cent. and United States 10 Per Cent. of our Securities Issued During the First Four Months of Last Year—This Year to date the United States Has Taken 55 and Great Britain 30 Per Cent.—Analysis of Sales as Compiled by The Monetary Times

CANADA is keeping busy its new banker, the United States. During the first four months of 1915, it has sold 29 issues of high-grade bonds aggregating \$47,589,947. The beginning of December really saw the commencement of the new trend of the Canadian bond market. Between August and December practically no sales were made. Then the buying commenced, and the British market being closed to practically all except war loans, Canada had to place its securities in the United States. Since December, the sales of high-grade Canadian bonds in that market have totalled \$73,179,947. As bond statistics are usually given for the calendar year, however, the sales as compiled by *The Monetary Times* may be divided as follows:—

Sales of Canadian bonds in	Amount.
December, 1914	\$26,590,000
January-April, 1915	46,589,772
Total	\$73,179,772

The records of these sales have been carefully revised and corrected in the light of the most recent information received. It is understood, for instance, that a little more than half of the \$4,533,696 Toronto issue of 4½ per cent. long-term bonds is being placed in the United States. Early advices told of a sale of \$3,000,000 6 per cent. one-year notes of Edmonton. Negotiations were in progress for this sale when a hitch occurred and to date only \$1,000,000 of these notes have been placed in the neighboring market. These are typical examples of the revision made of the figures previously published in these columns.

Taking the total sold during the first four months of 1915, we have the following result:—

Borrowers.	No. of issues.	Amount.
Provincial Government	7	\$21,375,000
Municipal	20	16,214,772
Railroad	1	2,000,000
Public utilities	1	7,000,000
	29	\$46,589,772

Numerically, the municipal borrowers have been the strongest, 20 of them having raised over \$16,000,000. Seven provincial government issues account for \$21,375,000. The Montreal Tramways and Power Company's

issue has been the only important one this year in the public utilities class. The amount was \$7,000,000. Of issues in the near future there are probably many provincial government and municipal loans. The corporation issues are not likely to be heavy.

The maturity of the 29 issues made this year is an interesting question. The following table classifies the same loans with that point in view:—

Maturity (years).	No. of issues.	Amount.
One and two	7	\$13,925,000
Three	6	7,036,000
Five	5	17,300,000
Ten	3	2,138,772
Long terms	8	6,190,000
	29	\$46,589,772

Only eight of 29 issues mature in a period longer than 10 years. They represent securities aggregating \$6,190,000 of a total of \$46,589,772. There are 3 ten-year issues, accounting for a little more than \$10,000,000. Eighteen loans are for 5 years and less and account for over \$38,000,000 of the total. The tendency to invest in short-term securities, therefore, is very marked although brokers state that investors are now beginning to seek longer terms.

The rate of interest is another important phase of the present bond market. The following table shows the rates carried by the 29 loans under review:—

Bearing %	No. of issues.
4½	4
5	16
5½	1
6	8
	29

The change in rates in recent years is clearly reflected in the comparatively high rate of 4½ per cent. for the \$5,000,000 Dominion five and ten-year loan made in London last month. As was pointed out in *The Monetary Times* last week, it is a long time since the Dominion government had to issue a loan with such conditions attached as 4½ per cent. at a discount. In 1860 a 5 per cent. loan was issued for the purpose of consolidating the various outstanding loans. This was followed by an issue of