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## OUR BOND ISSUES.

Mr. E. R. Wood's annual compilation of the amount of Canadian bond issues again contains much information of more than passing interest. In 1913 our bond issues were on an unprecedented scale, aggregating \$373,795,295; from this huge total they were brought down last year to \$272,935,067, within \$3,000 of the figures reported for 1912. Of the 1914 total, \$15,353,771 were issues of Canadian corporations operating in foreign countries, leaving a net total of \$257,581,296 as the issues of our governments, municipalities, railways, public service and miscellaneous corporations for the year, against \$351,408,629 in 1913. Over 68 per cent. of our total issues of bonds, \$185,990,659, were absorbed in Great Britain; \$53,944,548 or 19.77 per cent. in the United States and \$32,999,860 or 12.09 per cent. in Canada. In regard to these ratios, it may be noticed that both British and Canadian consumption again shows a decline, while the proportion of our bonds placed in the United States shows a 5 per cent. gain over 1913, and an 8 per cent. gain over 1912.

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Mr. Wood very clearly points out that for purposes of comparison with former years, the bond market of 1914 may be divided into two periods, the first period covering the seven months to the end of July, and being prior to the outbreak of the European war, the second period covering the remainder of the year. Up to the end of July the total output of Canadian bonds amounted to \$230,448,989, as compared with \$211,998,108 for 1913. Of this total, Great Britain absorbed \$178,675,660, as against \$159,937,536 in 1913; the United States \$25,851,116, as against \$26,187,262 in 1913, and Canada \$25,922,153, as against \$26,873,310 in 1913. It is interesting to notice the very large amount of our bonds taken by Great Britain during this period—almost \$20,000,000 more than in the corresponding period of 1913. While throughout the period there were many disquieting factors to affect the financial markets, Canada was able to dispose freely of very large amounts of securities, a fact which in view of the sequence of subsequent events has proved to be of even greater importance than could have been at that time anticipated. With the declarations of war in Europe, a period of absolute stagnation in the bond market developed. When new offerings re-appeared they were at very materially reduced figures, and the total of five months' business is only some \$40,-

000,000, compared with \$230,000,000 in the previous seven months.

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The United States market for our bond issues continues to develop. As a matter of fact, our bonds were purchased in greater amount south of the boundary line during the five months of the year that the war was in progress than they were during the corresponding five months of 1913. Doubtless, the present year will see a further large increase in the amount of our bonds taken in the United States, so that at least for the time being that market will become an important source of supply of funds to many of our borrowers. To what extent Great Britain will purchase our bonds during the current year remains to be seen and meantime furnishes an interesting subject of speculation. It seems possible that the British Treasury's embargo on new capital issues announced this week will not affect business of this kind to the overwhelming extent that might at first sight be anticipated. Apart from the exception made in the case of renewal of Canadian short dated securities of which there must now be a considerable volume held in London and included in the figures which have been already quoted, it must be remembered that a large amount of our bonds are disposed of in London through private negotiations and not by public sale, and it does not appear that private business of this kind will be prejudiced or hindered by the embargo that has now been announced.

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It may be assumed as probable in any case that our bond offerings during the current year will not be so large as those of 1914. The Dominion Government undoubtedly is likely to be a heavy borrower, but an increase in this direction is likely to be offset by a reduction in the demands of our municipalities who are at length aware of the necessity for economy in their expenditures whether on capital and current account, and of the railways and various trading corporations, owing to their disinclination to undertake new construction and development. But even if our demands in the immediate future are lighter, the necessity for the safeguarding and upholding of our credit at the highest possible level remains pressing. Credit maintained at a high level means the ability to borrow economically. The necessity of borrowing economically, and not merely borrowing, does not need enforcement in these days.