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OUR BOND ISSUES.

The compilation by Mr. E. R. Wood of Canadian bond issues during 1915 is of an interest commensurate with the importance and unique developments of the period with which it deals. Remarkable changes in the character of our bond issues are noted as a result of the financial upheaval, the inability of London to continue financing our requirements on the same liberal scale as before, the rise of New York as a financial centre, and the capacity of Canada to absorb a much larger amount of bonds than in previous years. In 1914 our issues of bonds were \$272,935,067, of which total \$185,990,659 (68.14 per cent.) were absorbed in Great Britain; \$53,944,548 (19.77 per cent.) in the United States and \$32,999,860 (12.09 per cent.) in Canada. The statistics for 1915 show an extraordinary transformation. The total amount of our bond issues was \$341,892,871, and owing to the domestic War Loan, Canada, instead of taking the smallest part of the year's issues, in both amount and proportion absorbed the largest. The respective detailed figures for 1915 are Canada, \$149,430,977 or 43.71 per cent.; the United States, \$143,972,896 or 42.11 per cent.; Great Britain, \$48,488,998 or 14.18 per cent.

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Apart altogether from the \$100 millions War Loan, Canada appears to have done very well in taking securities during 1915. In the absorption of ordinary bond issues, the best previous year, 1913, was exceeded—an indication in Mr. Wood's opinion of the extent to which the country generally is saving and economising. The increasing popularity of Canadian bonds in the United States market is testified by the fact that in 1915, the United States took over \$90 millions more securities from Canada than in the year before, the respective figures being for 1915, \$143,972,896, and for 1914, \$53,944,548. The fact that the average American investor has not yet been educated up to the extensive holding of foreign bonds is well known, but fortunately, he does not regard Canada as a "foreign" country, and, as is evident, is prepared to take our bonds to a large and increasing extent. Mr. Wood emphasises the importance of the culti-

vation of the United States market as much as possible, in view of the fact that the London market is closed to us for an indefinite period. There can be no question, in Mr. Wood's opinion, that the United States market will absorb a greater amount of our government and municipal bonds each year, provided those responsible for the offerings are careful to see to the sufficiency of the security and that in form, interest rate, place of payment, etc., our bonds meet the requirements of the discriminating American investor.

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Some interesting points are also made by Mr. Wood in regard to the character of our borrowings. Since 1913 the borrowings of our municipalities, railways and other corporations have steadily diminished, while on the other hand loans raised by the Dominion and provincial governments, show a gradual increase since 1913, amounting last year, exclusive of the war loan, to almost 50 per cent. of the country's total borrowings. Refunding operations, decreased revenues, the necessity of aiding two of our transcontinental railways and providing for large war expenditures furnish the explanation.

The costliness of Canadian financing during the year was, in part, it seems, contributed to by the demoralisation in sterling exchange. British holders of Canadian securities were able to accept extremely low prices for their bonds and yet recoup their losses through exchange operations. The result was that large blocks of government and municipal bonds were continually being offered here by London at prices hitherto almost unheard of. In regard to the future, Mr. Wood emphasises that we must be prepared for some set-backs at the termination of the war. It would indeed be unwise to underestimate or smother in a blind optimism, the probable effects of the war's ending in creating a new industrial crisis in Canada. In regard to the further future also, it is necessary to remember that while increasing agricultural production and the development of our vast resources will probably ensure a capacity to bear increased burdens of taxation and result in very fair general prosperity, that prosperity will not come without hard work and good management.