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CANADIAN BONDS IN THE UNITED STATES.

The fact that the 5 per cent. 15-year bonds of the Canadian Government, issued in New York in March at 94.94 and interest, this week sold at par on the New York Stock Exchange is a factor of considerable significance to Canada. It indicates practically a confidence in the Dominion that should prove most valuable to our borrowers in the New York market. Sir Thomas White and his advisers, when negotiating the \$75 million loan of which these particular bonds constitute one-third, followed the policy of not trying to drive too hard a bargain—a policy which was generally regarded as statesmanlike. The loan constituted the most important offering of the kind ever made by Canada in the American market, and in fact was three times the size of any loan ever attempted by the Dominion in London. It was highly desirable that the issue should achieve success, not only, as it were, in the interests of the loan itself, but in the interests also of Canadian credit as a whole. Success was duly achieved at the time of issue, and that fact and the subsequent rise in values of the bonds, particularly the 15-year issue, has undoubtedly had a most beneficial effect upon Canadian credit in the United States and acted as an effective advertisement in drawing the attention of a wider circle of American investors to our securities.

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It has been before remarked that while the average American investor has not yet been financially educated up to the extensive holding of foreign bonds—as witness the bargain price at which the Anglo-French loan was recently procurable—he does not regard Canada as a "foreign" country. To the average American investor, Canada has the great advantage of close geographical proximity. He can come and look at us when he likes, and see for himself where his funds have been invested. Our manners and ways of living are more or less

as his own. This idiosyncrasy on the part of our southern neighbors has been of enormous value to Canada in recent years and particularly since the London market was closed to our offerings, and only our own fault is likely now to forfeit the increasingly assured position which Canadian borrowers are taking in the American market. A few months ago, Mr. E. R. Wood's valuable compilation of bond issues showed that the United States took \$143,972,896 of our bond issues in 1915 compared with only \$53,944,548 in 1914, and almost a negligible quantity a few years ago. Mr. Wood emphasises the importance of the cultivation 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. It rests with prospective borrowers themselves to see that the good opinion which American investors have now come to hold of Canadian securities is not forfeited.

BANKING AND AGRICULTURE.

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to enforce a remedy for the excessive costs of distribution now reflected by too many storekeepers, too many implement agents, and too many collecting agents. With a pooling of assets and an exercise of control over debt assumption, many more farmers would be able to obtain all their credit from the bank than is now the case. The banks, in Mr. Brown's opinion, would be found ready to further any form of co-operative effort on the part of the farmers which would be calculated to promote the prosperity of agriculture. If the co-operative credit association should prove to be generally acceptable to the varied nationalities of farmers in Western Canada—based on the principles of a pooling of assets, floating debts limited to the association and all purchases for cash, restriction of land buying, and, incidentally, enforced adoption of the best farming methods—then it is safe to say, in Mr. Brown's opinion, that there would be in sight a solution of all the problems connected with short-term rural credits. That there are very considerable difficulties in the way of co-operative developments along these lines is indicated by the editorial remark of the Grain Growers' Guide that the individualistic spirit is very strong in Western Canada and is one of the chief factors in preventing the development of co-operative movements. In any case, action arising from the July conference of bankers and agriculturalists will be watched with interest.