

point that, while Canada at present must expect to buy abroad more than it sells, financial safety lies in preserving reasonable proportions between purchases and sales. Otherwise the high state of our credit in London and elsewhere may suffer. He noted with satisfaction, therefore, that during recent months of decreased imports the country was able to send abroad increased exports.

Following the hearty adoption of the report by the shareholders present at Tuesday's meeting, resolutions were passed expressing appreciation of able work accomplished by the management and officers of the bank.

At a meeting of the newly elected Board of Directors held subsequently, Mr. B. E. Walker was elected president, and Mr. Robert Kilgour, vice-president.

#### CANADA'S SHARE IN THE GREATER-BRITISH FLOTATIONS OF 1908.

With a bank rate barely reduced from 7 to 6 per cent., the prospects a year ago for large inter-Imperial credit transactions must have seemed slim—to the casual observer. But, as always in periods of industrial quiet, money became cheaper and cheaper as months went on—and the last half-year of 1908 saw the unusual happening of an uninterrupted  $2\frac{1}{2}$  per cent. Bank of England rate. As a consequence, the British money market supplied home and foreign applicants more largely than in any previous year. The amount of capital raised by public subscription in London and the Provinces during 1908 was some \$960,000,000—being nearly \$350,000,000 more than in 1907. Of course, it is to be considered that many of the 1908 security flotations would normally have appeared in 1906 or 1907—being deferred on account of unusually dear money during these years. In spite of yesterday's advance to 3 per cent. in the Bank rate, continued cheap money is looked for during 1909. But it is scarcely likely that the record of \$960,000,000 will be duplicated this year.

Quarter by quarter for the past five years capital applications have been as follows (\$5 being taken as equivalent to £1):

#### NEW CAPITAL APPLICATIONS.

	1904	1905	1906	1907	1908
	\$	\$	\$	\$	\$
1st qr.	99,525,000	336,806,000	151,324,000	247,143,000	226,439,500
2nd "	253,270,000	194,477,500	275,299,000	201,523,000	321,928,000
3rd "	47,735,000	114,270,500	54,179,000	78,157,000	157,709,000
4th "	214,565,000	200,583,000	120,064,000	91,327,000	254,942,000
Total	615,095,000	845,937,000	600,866,000	618,150,000	961,018,500

As to the way in which the foregoing enormous total was made up, some \$22,000,000 went to the Imperial Government; about \$100,000,000 to various Colonial Governments (Canada being the chief borrower); nearly \$125,000,000 to foreign

governments; \$215,500,000 to foreign railroads; and \$95,000,000 to Indian and Colonial railways. Altogether, in the neighbourhood of \$600,000,000 represented loans for abroad; of which amount well on to \$250,000,000 remained within the bounds of Greater Britain.

A circumstance remarked upon more than once during the year was the temporary leaving upon the hands of the underwriters considerable proportions of several colonial flotations—passing market conditions militating against immediate public participation. Also there was a tendency last year to allow new issues to find their market level. In general, however, subsequent demand made up for any initial hesitancy—and in some instances there were distinct advances upon the issue price.

That Canada should have received the major share of British capital invested within the Empire during 1908 is taken as a matter of course. Indeed, its government, municipal and corporation bond issues taken up by the British market during 1908 totalled over \$165,000,000. Taking also into account \$24,000,000 of Canadian Pacific stock, and various minor issues, a total approximating \$200,000,000 is easily obtained. Of course, it is to be noted in this connection that about \$40,000,000 of the bond issues represented refundings—no less than \$36,852,500 or 56 per cent., of the \$65,000,000 borrowed by the Dominion Government being so disposed of. But even so, at the very least, \$150,000,000 of new British capital has during the past year been made available for the development and upbuilding of Canada. This omits the \$18,000,000 or so obtained by Canadian corporations operating abroad; as also does the following table showing Canada's bond flotations at home and abroad during 1908. The estimate is that quoted by Mr. Byron E. Walker, president of the Canadian Bank of Commerce.

Canadian Bond Issues.	Canada.	Great Britain.	United States.
Government..	\$3,098,500	74,500,000	.....
Municipal ....	17,977,390	25,083,271	4,372,250
Corporation ..	3,509,250	65,871,750	1,944,000
	<u>\$24,585,140</u>	<u>\$165,455,021</u>	<u>\$6,316,250</u>

From which it will be seen that Canadian bond issues (including some \$40,000,000 of refundings) totalled \$196,357,411 in 1908; as compared with \$82,635,740 in 1907; \$53,987,531 in 1906; \$134,874,531 in 1905; and \$34,249,247 in 1904. The Dominion's dependence upon Great Britain is evident from the fact that well on to 85 per cent. of the year's total issue was placed in the Motherland.

This emphasizes, too, the necessity for constant care in keeping the country's credit unimpaired—in respect alike of Dominion, provinces, municipalities and corporations.