

former loans at lower interest rates and for expenditures in connection with public works and railways.

Provincial bond issues have been on a much larger scale since the War than formerly, probably due to the development of provincially-owned public utilities and of improved highways. Sales of the bonds of Canadian municipalities, on the other hand, were greater in 1913, toward the end of the 'land boom', than they have been in any other year, although sales in 1930 almost reached the record. However, apart from considerations of the increased urbanization of the population there has not been the same marked increase in the average annual sales of municipal bonds in the period since the War, as compared with the period before the War, that is noticeable in the case of provincial bonds.

Sales of corporation bonds, which from 1926 to 1930 had averaged over \$257,000,000 per year, dropped to \$10,550,000 in 1932, and to \$4,385,000 in 1933, this being due largely to the uncertainty of the industrial outlook. Railway bonds also showed a precipitate decline to \$12,500,000 in 1932, and fell to \$1,000,000 in 1933. From 1934 to 1938 substantial recoveries were shown in the former class, the 1936 figures being particularly high. A change in the method of accounting between the Dominion and the Canadian National Railways partly accounts for the apparent decrease since 1936.

A very striking change has taken place during the present century in the market in which Canadian bond issues are principally sold. Prior to the War, a great part of the capital required for Canadian development came from the United Kingdom, and the major portion of Canadian bond issues was sold there. The outbreak of war temporarily eliminated that market, and Canadians turned largely to the United States for outside capital. However, the great increase in wealth during and since the War has enabled a much greater proportion of public and industrial financing to be done at home, and, beginning with the Victory Loan campaigns, Canadians not only learned how to invest their money in bonds, but had the necessary funds to invest on a large scale in bond issues. In 1938, 92.1 p.c. of all bonds issued were sold in Canada, 3.6 p.c. in the United States, and 4.3 p.c. in the United Kingdom.

6.—Sales of Canadian Bonds, by Class of Bond and Country of Sale, calendar years 1926-38.

(From the *Monetary Times Annual*.)

Note.—Figures for 1904-25, inclusive, are given at p. 921 of the 1933 Year Book.

Year.	CLASS OF BOND.					
	Dominion.	Provincial.	Municipal.	Railway.	Corporation.	Total.
	\$	\$	\$	\$	\$	\$
1926.....	105,000,000	76,633,267	65,020,194	34,500,000	250,919,200	532,072,661
1927.....	45,000,000	114,795,500	72,742,114	80,000,000	289,680,067	602,217,681
1928.....	1	92,992,500	27,120,588	48,396,000	285,083,000	463,592,088
1929.....	1	119,960,500	98,667,809	198,200,000	243,330,600	661,158,909
1930.....	140,000,000	160,004,000	109,648,053	137,238,000	229,355,000	767,245,063
1931.....	858,109,300	126,239,205	85,900,066	121,750,000	59,432,000	1,250,820,571
1932.....	226,250,000	128,217,000	95,600,632	12,500,000	10,550,000	473,117,632
1933.....	440,000,000	82,859,000	41,282,512	1,000,000	4,385,000	569,556,513
1934.....	400,000,000	139,568,000	24,690,132	32,500,000	40,902,696	637,960,828
1935.....	739,300,000	123,407,000	44,793,200	48,400,000	60,605,700	1,016,505,900
1936.....	793,000,000	118,735,000	34,356,087	133,000,000	219,983,224	1,299,074,311
1937.....	919,000,000 ¹	174,362,000	52,137,475	30,380,000 ²	89,560,800 ²	1,265,440,275 ²
1938.....	898,491,666	119,982,000	30,053,396	19,480,000	62,312,500	1,130,319,552

¹ Not reported for this year.

² Revised since the publication of the 1938 Year Book.