and $200. Further details of this type of business are given in the 1940 report "Small Loans Companies and Money-lenders Licensed under The Small Loans Act, 1939", published by the Dominion Department of Insurance.

Section 3.—Sales of Canadian Bonds*

The total sales of Canadian bonds naturally reached a very high mark toward the close of the First World War owing to the Dominion Government financing required to cover war expenditures. The 1919 total of over $900,000,000 was not exceeded until 1931 when a large amount of war bonds was refunded at lower rates of interest. In 1941, the second complete year of the present war, total sales were far greater than in any previous year, with the exception of 1940, the record year to date. Owing to the concentration on Dominion Government loans, the proportion of all other types of financing to the total sales was the lowest since 1918. External markets were still closed and the country was faced with the necessity of raising all required funds within the Dominion.

The highlight of the year's bond issues came in June with the successful flotation of the Third War Loan (First Victory Loan). This loan totalled $836,820,250, as compared with $324,945,700 for the Second War Loan, and $250,000,000 for the First War Loan.

Dominion Government bond financing since 1907 may be divided into four periods: from 1907 to 1914, the period of the First World War from 1914 to 1918, from 1919 to 1939, and from 1939 to date. In the first period the money was required largely for internal development, public works and railways; in the second, war expenditures required very large borrowings. The third was divided into two phases by the year 1929; up to that year, the annual borrowings of the Dominion tended to decline although the borrowings on account of the Canadian National Railways were considerable. After 1929 the sales of new Dominion Government bond issues rose steadily, comprising borrowings to pay for unemployment relief, refundings at lower rates of interest, and various public works. Since the outbreak of the War in 1939, the Dominion has been forced to borrow on an unprecedented scale in order to meet the tremendous expenditures that have to be borne.

Until 1940, provincial bond issues were on a much larger scale since the First World War than formerly, probably because of the development of provincially owned public utilities and of improved highways. Owing to additional demands on Canada's capital markets, however, the provincial governments expressed the intention in 1941 of strictly limiting bond financing for the duration of the War. Consequently, the aggregate of provincial direct and guaranteed bond financing in that year was only $69,736,000, as compared with $156,820,000 in 1940 and $154,059,900 in 1939. The 1941 figure is the lowest since 1919. With the total of refunding also smaller in 1941, it was only natural that the volume of provincial flotations should decrease.

Sales of the bonds of Canadian municipalities were greater in 1913, towards the end of the 'land boom', than they have been in any other year, standing at $110,600,936. Sales in 1930 almost reached the record when they totalled $109,648,063. In spite of the increased urbanization of the population, however, there has been a marked decrease in the annual sales of municipal bonds, the amounts being $25,211,593 in 1940 and $13,455,695 in 1941.

* Revised by E. C. Gould, Assistant Editor, the *Monetary Times*.