

During 1941, the new-issue municipal market was characterized by very low volume. Rising employment throughout the Dominion and greatly increased industrial activity has had marked influence on municipal finances generally. Unemployment relief expenditures are down sharply and tax revenues are increasing. As a result, the municipalities have found themselves in a more comfortable financial position and new debentures for relief purposes have been declining.

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 to the unfavourable industrial outlook. Since then the amount of new money borrowed by corporations has been relatively small (except for the two years 1936 and 1939) and the trend has been toward the refunding and retirement of bonded debt. The War did not create any new volume of corporate borrowings since the costs of plant expansion for war production were borne mainly by the Dominion. Railway bonds also showed a precipitate decline to \$12,500,000 in 1932 and fell to \$1,000,000 in 1933. In 1940 and 1941, there was no direct financing by the railways for the first time on record, owing to a change in methods of financing. Since 1936, through a change in accounting procedure, much of the borrowing for the Canadian National Railways has been done directly by the Dominion, while, since the War, the Dominion has advanced money to both major systems for the purchase of equipment.

#### 6.—Sales of Canadian Bonds, by Class of Bond and Country of Sale, 1926-41

(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 <sup>1</sup>	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.....	<sup>2</sup>	92,992,500	27,120,588	48,396,000	285,083,000	453,592,088
1929.....	<sup>2</sup>	119,960,500	98,667,809	199,200,000	243,330,600	661,158,909
1930.....	140,000,000	160,004,000	109,648,063	137,238,000	220,355,000	767,245,063
1931.....	858,109,300	126,239,205	85,290,066	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	82,889,000	41,282,513	1,000,000	4,385,000	569,556,513
1934.....	400,000,000	139,868,000	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	174,362,000	52,137,475	30,380,000	89,566,800	1,265,446,275
1938.....	903,491,667	118,792,000	35,154,344	19,480,000	55,962,500	1,132,880,511
1939.....	1,024,585,000	154,059,900	26,897,689	6,500,000	236,208,600	1,448,251,189
1940.....	2,079,946,200	156,820,000	25,211,593	Nil	25,077,000	2,287,054,793
1941.....	1,996,820,250	69,736,000	13,455,695	"	16,081,000	2,096,092,945

<sup>1</sup> Includes treasury bill financing from 1934.

<sup>2</sup> Not reported for this year.