

was a slight decrease in 1941, but in each of the years 1942 to 1945, sales were successively higher. The 1946 total, however, was 27·8 p.c. lower and the 1947 total 41·8 p.c. lower than that of 1945.

Sales of Dominion and guaranteed bonds in 1947 showed a marked decline at \$3,852,975,850 compared with \$4,974,223,850 in 1946 and \$7,747,691,000 in the peak year 1945. While buoyant Federal Government revenues and curtailed expenditures accounted for this decrease, the second issue of Canada Savings Bonds encouraged the continuation of regular savings habits developed by the Victory Loan campaigns. During 1947, the Federal Government's fiscal position did not necessitate any early large-scale public borrowings. Treasury Bills outstanding remained at a fairly constant level while the cash resources of the Government permitted a substantial decrease in the outstanding amount of deposit certificates.

As contrasted with Federal financing, the total of provincial and guaranteed issues in 1947 at \$229,562,000 was greater than in any previous year and more than double the 1946 figure of \$114,296,800. Municipal financing also increased to \$238,887,410 as compared with \$140,815,491 in 1946. On the other hand, in the field of corporate bond financing, the aggregate for 1947 of \$379,674,500 was much lower than that of \$581,499,188 for 1946. While industrial and railway bond sales maintained levels approximately the same as those for 1946, the public utility aggregate was less than one-half that of the preceding year.

In retrospect, 1947 was an important year in the Canadian bond market. While new issues were generally well absorbed by institutions and individual investors, the year witnessed a gradual firming in interest rates. This trend culminated with the withdrawal of the Bank of Canada from supported pegged markets, immediately after the close of the year. With this change in central bank policy, bond markets are now freer to reflect the judgment of the investing public than they have been for several years.

6.—Sales of and Applications for Federal Government Bonds, Feb. 1, 1940, to Nov. 1, 1947

Date	Purchases by Individuals	Purchases by Corporations	Total Cash Sales	Applications
	\$'000	\$'000	\$'000	No.
War Loans—				
Feb. 1, 1940.....	132,000	68,000	200,000	178,363
Oct. 1, 1940.....	113,000	187,000	300,000	150,890
Victory Loans—				
June 15, 1941.....	279,500	450,900	730,400	968,259
Mar. 1, 1942.....	335,600	507,500	843,100	1,681,267
Nov. 1, 1942.....	374,600	616,800	991,400	2,032,154
May 1, 1943.....	529,500	779,200	1,308,700	2,668,420
Nov. 1, 1943.....	599,700	775,300	1,375,000	3,033,051
May 1, 1944.....	641,500	763,500	1,405,000	3,077,123
Nov. 1, 1944.....	766,400	751,200	1,517,600	3,327,315
May 1, 1945.....	836,300	732,600	1,563,619 ¹	3,178,275
Nov. 1, 1945.....	1,221,342	801,132	2,027,487 ¹	2,947,636 ¹
Savings Loan—²				
Nov. 1, 1946.....	416,963 ³	Nil	416,963 ³	1,266,000 ⁴
Nov. 1, 1947.....	256,014 ³	"	256,014 ³	861,878 ⁴

¹ Department of Finance figure. ² Total subscriptions were limited to \$2,000 for any one individual for the 1946 issue and to \$1,000 for the 1947 issue. ³ As at Dec. 31, 1947. ⁴ Approximate.