

'bond conscious' and to persuade them to lend their savings to the nation. These campaigns, aided by the high interest rates (5 p.c. and 5½ p.c.) brought remarkable success. In 1915, 24,862 persons subscribed for \$78,729,000 of the first domestic War Loan issue. In the campaign of October, 1918, over 1,000,000 persons subscribed more than \$695,000,000.

Following the First World War, the investment boom of the 1920's in Canada was financed to a much greater extent out of Canadian savings than had been the case in any earlier period. Although investments of non-resident capital continued to be important there was a growing volume of Canadian capital available for investment. Much of this capital was invested in Canadian bonds, the sale of which in Canada rose substantially. Part of this Canadian capital was invested in foreign securities. Both Canadian individuals and institutions participated in this form of investment and in certain periods during the decade there were even net outward movements of capital from Canada. But the period from 1920 to 1930 as a whole was still one of predominantly inward movements of capital to Canada. An indication of the contribution of foreign capital to Canadian development in the decade is afforded by the value of non-resident investments in Canada in 1930 which reached an all-time peak of \$7,614,000,000 according to Dominion Bureau of Statistics data. This total was about \$3,000,000,000 higher than the value of non-resident investments in Canada at the end of 1919, which has been estimated at \$4,637,000,000. Almost all this growth in non-resident capital was in investments owned in the United States. Particularly important were developments financed by United States capital such as hydro-electric power, the pulp and paper industry, the automobile industry, and other industries being directly developed by United States companies. While statistics on the total value of all investments in Canada during the decade are not complete, available data covering part of the period indicate that capital of Canadian origin was very substantial in the decade as a whole.

The steady development of the Canadian capital market was seriously interrupted only from 1932 to 1934. From then until 1939 a continual flow of new bond and share financing was undertaken, much of which was of a reorganization and refinancing nature. With the outbreak of the Second World War it was obvious that Canada's financing of its war requirements must of necessity be done at home. The years 1939-45 witnessed the sharpest increase in the amount of Canadian Government financing in the history of Canada.

An important aspect of the expansion in Canadian investments in public securities has been the growing volume of Canadian bonds which are owned by residents of Canada. This is illustrated by the changes in the distribution of holdings of Canadian bonds between 1936 and 1947, shown in Tables 7 and 8. The par value of Canadian holdings rose during the decade from \$6,690,000,000 in 1936 to \$18,678,000,000 in 1947. In 1936, 66 p.c. of the total funded debt of Canadian governments and corporations was estimated as owned in Canada. In 1947 the corresponding proportion had expanded to about 87 p.c., chiefly because of the great expansion in issues of the Canadian Government arising out of the sale of Victory Loans in Canada during the recent war. The treatment of "Canada's International Investment Position" at pp. 390-394 gives a summary of non-resident investments in Canada, and British and foreign capital investments to which reference should be made.

The Bank of Canada now publishes an annual series of net new stock issues (i.e., new issues combined with retirements) in its Annual Report.