

In addition to the sales of Victory Loans in the Second World War, War Savings Certificates were issued to a total amount of about \$389,000,000 and Canada Savings Bonds to the amount of \$1,083,000,000 were sold to the public.

Although complete statistics of preferred and common stock holdings are not available, an examination of the shareholders' lists of a number of the older and more prominent Canadian companies seems to indicate a wider distribution among shareholders at the present time as compared to the earlier period. For instance, there were 55,371 shareholders of the chartered banks in 1949—in 1930 there were 46,712. In the case of the Bell Telephone Company there were 52,500 shareholders in 1949—nearly double the number in 1945—while in 1935 Bell Telephone had approximately only 20,000 shareholders.

Channels of Distribution.—A wide variety of organizations and institutions has developed which provide the channels of distribution for publicly traded bonds and stocks. The chartered banks, the insurance, trust and loan companies, the stock-brokers and the investment dealers have all played their part in the development of the capital market, although the functions of these differ widely. The chartered bank's function is primarily one of making commercial loans; insurance, trust and loan companies have their particular functions, but all are substantial holders of securities and as such have played an important part in developing the public capital investment market. The stock-broker's function is essentially one of trading outstanding securities for a widening clientele. The function of the investment dealer is to:—

- (a) procure new capital as required for government and industry;
- (b) carry on day-to-day trading of all types of publicly held securities, in which function he acts as a principal as contrasted to the stock-broker who operates on an agency basis.

Each of these various categories has its own organization. Throughout all the spirited growth of the capital market the investment dealer gradually developed his retail business. While, at first, he confined his activities largely to government and municipal bonds, with the expansion in business he was able to extend his operations to include the underwriting of new issues on behalf of governments, municipalities and companies engaged in public utility operations, manufacturing and transportation. It was the investment dealer to whom the Government turned during the First World War and again during the Second World War to provide the nucleus for the development of the broad and expansive organization required at those times to float the large volume of Canadian Government bonds then issued.

As conditions throughout Canada vary, there exist a number of local and, in some cases, provincial organizations of brokers or dealers which, while serving the particular purposes for which they were formed, distribute both new issues and outstanding securities. There is only one national organization of investment dealers, formed in 1916 as the Bond Dealers Association of Canada. Renamed in 1935 the Investment Dealers Association of Canada, this organization has, as its chief objective, the general welfare of investment dealers and investors interested in government, municipal and corporation securities, as well as providing mutual protection, both to the dealer and the investor, against any irregular or illegal activities that may affect either. Membership in the Association is confined to