

The combined companies showed a substantial increase in business for 1954 as compared with the previous year. The number of small loans made to the public during the year increased from 770,449 to 831,721, or by 8 p.c., and the amount of such loans rose from \$174,503,555 to \$186,696,899, or by 7 p.c. The average small loan made was approximately \$224 in 1954 compared with \$227 in 1953. At the end of 1954 small loans outstanding numbered 523,628 for an amount of \$88,822,891 or an average of \$170 per loan and, for 1953, small loans outstanding numbered 482,966 for an amount of \$81,840,415 or an average of \$169 per loan.

Section 3.—Sales of Canadian Bonds*

Canadian borrowers, whether governments or corporations, sold through various forms of financing a total of \$4,468,983,364 in new bond issues during 1954. This was an alltime record, contrasting with a total of \$2,945,488,665 in 1953, \$2,028,228,140 in 1952 and \$1,650,211,237 in 1951. It was well over the wartime peak financing of \$3,934,975,794 in 1945.

For purposes of analysis the 1954 total of \$4,468,983,364 may be classified as follows: federal and guaranteed, \$3,200,540,900; provincial and guaranteed, \$400,916,000; municipal, \$260,993,664; corporation, \$606,532,800. Of the federal and guaranteed total at \$3,200,540,900, the amount of \$2,750,540,900 represented direct financing and \$450,000,000 represented guaranteed financing by the Federal Government. Of the direct financing \$1,950,000,000 represented the total of three federal issues (at \$850,000,000, \$400,000,000, and \$700,000,000 respectively) which were floated to meet refunding requirements. On the other hand an amount of \$800,540,900 represented new capital acquired by public subscription to Canada Savings Bonds, Series Nine. In the federal guaranteed category, an amount of \$450,000,000 represented two issues (at \$200,000,000 and \$250,000,000 respectively) of financing for the Canadian National Railways. Consequently all federal financing (excluding short-term issues of less than one year) totalled \$3,200,540,900 in 1954 compared with \$1,950,548,900 in 1953. This greatly increased financing largely contributed to the record total of all security issues placed during the year.

Excluded from the total of \$3,200,540,900 in federal financing are the short term issues of less than one year in the form of treasury bills, treasury notes, and deposit certificates. These amounted to \$3,780,000,000 and if included would bring the grand total of all federal borrowing in 1954 to \$6,980,540,900 and the grand total of all Canadian security financing to \$8,248,983,364. Comparable figures for 1953 were \$5,615,548,900 and \$6,610,488,665 respectively.

Although Canadian short term financing of less than one year dates back to the 1930's when Government of Canada treasury bills were first introduced, it did not become of particular interest outside the banking system until 1954. This development arose because increasing numbers of corporations turned to short term securities for the profitable employment of surplus funds not required for immediate business needs. An expanding market for treasury bills, in turn, enabled the Government of Canada to increase substantially the total of bills outstanding with important gains in terms of convenience and economy. As a result about 37 p.c. of the total bills outstanding were held outside the banking system by the end of 1954 compared with less than 5 p.c. at the end of 1953.

In contrast to upward trends in other security classifications provincial and guaranteed financing was down somewhat in 1954 from the totals shown in 1953. Total financing in this category amounted to \$400,916,000 of which \$226,032,000 represented direct financing and \$174,884,000 represented financing guaranteed by various provincial governments. These totals compared with \$258,500,000 direct provincial financing and \$178,116,900 guaranteed provincial financing in 1953.

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