

\$30,000,000; Gunnar Mines Limited, \$19,500,000; British American Oil Company Limited, \$15,000,000; Canadian Industries (1954) Limited, \$25,000,000; and Dryden Paper Company Limited, \$10,500,000. The International Bank for Reconstruction and Development also took advantage of the strong bond market in 1954. Its issue for \$25,000,000 on the Canadian market was well received by investors.

A significant trend in the sale of corporate bonds during 1954 pertained to a greater offering of convertible securities as a means of raising additional equity capital. Practically all such issues met with a ready reception on the part of investors and many of them later sold at substantial premiums, reflecting the strength prevailing on stock markets at the time. An increased emphasis on the convertible feature constituted a strong factor which tended to narrow the differential between bond and stock yields during 1954.

In contrast to a general increase in new issues placed at home, Canadian bond sales in the United States declined considerably in 1954 from the previous year. This trend reflected a closer relationship between interest rates in the two countries and a larger prevailing discount for United States funds. Although \$306,599,215 of Canadian new issues were sold in the United States during 1953, only \$173,598,000 were sold during 1954.

A Directory of "Security Issues Placed During 1954" published in *The Monetary Times, Annual National Review 1955* shows that six federal issues (excluding all short term financing of less than one year), 37 provincial and guaranteed issues, 644 municipal issues (including parochial and miscellaneous) and 80 corporate issues were placed in 1954 as compared with two federal issues, 25 provincial and guaranteed issues, 589 municipal issues and 77 corporate issues in 1953. Thus 767 new issues of all classifications were sold in 1954 compared with 693 in 1953. Consequently the total increase of 74 represented a dollar increase of \$1,523,494,699, i.e., from \$2,945,488,665 in 1953 to \$4,468,983,364 in 1954. As already stated, much the greater dollar amount was the result of very considerable increases in relatively few issues of federal and guaranteed financing. In this one category the number of issues placed increased by only four while the total dollar amount increased by \$1,249,992,000. Excluding federal and guaranteed financing the 1954 increase of 70 issues over 1953 accounted for a corresponding dollar increase of \$273,502,699.

6.—Sales of and Applications for Federal Government Bonds, Feb. 1, 1940 to Nov. 1, 1954

(SOURCE: *The Monetary Times*)

Type and Date of Loan	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	1,681,287
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	1,568,900	3,178,275
Nov. 1, 1945.....	1,221,342	801,132	2,022,474	2,947,636
	\$		\$	
Savings Loans—²				
Nov. 1, 1946.....	535,285,550	—	535,285,550	1,248,444
Nov. 1, 1947.....	287,733,100	—	287,733,100	910,772
Nov. 1, 1948.....	260,491,150	—	260,491,150	862,686
Nov. 1, 1949.....	320,200,000	—	320,200,000	1,015,579
Nov. 1, 1950.....	285,600,000	—	285,600,000	963,048
Nov. 1, 1951.....	394,642,400	—	394,642,400	986,900
Nov. 1, 1952.....	380,761,100	—	380,761,100	982,274
Nov. 1, 1953.....	850,548,900	—	850,548,900	1,267,506
Nov. 1, 1954.....	800,540,900	—	800,540,900	1,175,264

¹ Department of Finance figures. ² Total subscriptions were limited to \$2,000 for any one individual for the 1946 issue, \$1,000 for the issues of 1947-50 inclusive and \$5,000 for the issues of 1951-54. Figures for the issues 1946-54 are for the entire loans, i.e., either to the year-end or to the closing date within the year or in subsequent years.