

In the field of combined direct and guaranteed financing by Canadian provinces, the totals for both 1955 and 1956 were higher than the total of 1954. Total financing in this category amounted to \$434,165,000 in 1955 of which \$222,349,000 was direct and \$211,816,000 was guaranteed municipal financing by various provincial governments. Comparable figures for 1956 show total financing of \$557,888,000 of which \$279,350,000 was direct and \$278,538,000 was guaranteed by various provincial governments. These totals compare with \$400,916,000 in 1954 of which \$226,032,000 was direct and \$174,884,000 represented guaranteed provincial financing.

Provinces which directly entered the bond market in 1955 and 1956 were:—

<u>Province</u>	<u>Month</u>	<u>Amount</u>	<u>Province</u>	<u>Month</u>	<u>Amount</u>
1955—		\$'000	1956—		\$'000
New Brunswick.....	January.....	11,500	Nova Scotia.....	January.....	12,000
New Brunswick.....	February.....	6,849	Prince Edward Island.....	February.....	1,700
Saskatchewan.....	April.....	10,000	Manitoba.....	March.....	12,000
Quebec.....	April.....	23,250	New Brunswick.....	March.....	7,400
Newfoundland.....	April.....	16,000	New Brunswick.....	April.....	5,000
Nova Scotia.....	May.....	10,000	Ontario.....	April.....	50,000
Quebec.....	June.....	37,750	Ontario.....	May.....	60,000
Ontario.....	July.....	50,000	New Brunswick.....	September.....	6,000
Saskatchewan.....	September.....	10,000	Saskatchewan.....	October.....	8,000
New Brunswick.....	September.....	10,000	New Brunswick.....	November.....	6,500
Saskatchewan.....	December.....	25,000	Ontario.....	November.....	50,000
Nova Scotia.....	December.....	12,000	Manitoba.....	December.....	10,000
			Nova Scotia.....	December.....	10,000
			Saskatchewan.....	December.....	15,750
			Quebec.....	December.....	25,000
<b>TOTAL, 1955.....</b>		<b>222,349</b>	<b>TOTAL, 1956.....</b>		<b>279,350</b>

In the field of direct municipal financing (i.e., exclusive of municipal financing guaranteed by various provinces) the market for new issues held up well in both 1955 and 1956, continuing the postwar trend. Local improvements constituted the principal purposes for such borrowing with the most important needs for new schools and waterworks. There were instances, however, when tight money conditions created problems for investment dealers so that some issues had to be postponed or the terms of the offerings altered to make them more attractive to buyers. When flotations for municipal parochial school purposes are included, total municipal sales amounted to \$293,055,423 in 1955 and \$318,597,867 in 1956, both up from a total of \$260,993,664 in 1954. The municipalities of Montreal, Toronto, Winnipeg, Hamilton, Regina, Vancouver, Kingston and Ottawa were among the most important borrowers.

During 1955 and 1956, corporate financing totalled \$585,795,900 and \$860,184,400, respectively, compared with \$606,632,800 in 1954. Among issues of particular interest, the International Bank for Reconstruction and Development offered \$15,000,000, 3½ p.c., ten-year Canadian dollar bonds which were very well received by investors. During the same period, there was a more active new issue market in uranium corporate bonds with a number of fairly large flotations. Debenture issues of pipeline and oil-producing companies were also popular in 1956 as a result of further discoveries in Western Canada and also perhaps of unsettled conditions in the Middle East.

A noteworthy issue in the miscellaneous field consisted of \$15,000,000 Commonwealth of Australia, 4 p.c., fifteen-year bonds. This issue was offered in November 1955, the first time an Australian bond issue was ever placed in Canada.

During the tight money period of the latter part of 1955 and 1956, underwriters of many new bond issues displayed considerable ingenuity in tailoring them to meet the requirements of the market and the needs of the issuer. In this regard, a growing number of conversion privileges and stock purchase warrants were attached to assist in the sale of securities while a number of major Canadian corporations raised equity capital through the issuance of rights to shareholders. In addition, a growing number of borrowers