

**Recent Funded Debt Operations.**—Conversions and other national debt operations carried out between 1914 and 1930 are dealt with at pp. 842-843 of the 1933 Year Book; those between 1931 and 1934 at pp. 905-907 of the 1934-35 Year Book; those of the fiscal year 1936 at pp. 845-846 of the 1936 Year Book; those of the fiscal year 1937 at p. 837 of the 1937 Year Book; those of the fiscal year 1938 and 1939 at pp. 898-899 of the 1939 edition and those for the fiscal year 1940 on pages 855-856 of the 1940 edition. The following review carries the summary down to Mar. 31, 1941.

On May 1, 1940, the Dominion sold to the Bank of Canada one-year 1 p.c. notes in the amount of \$250,000,000 at 100, and accrued interest and treasury bills in the amount of \$75,000,000 at an average yield of 0.739 p.c. The purpose of this operation was to provide funds for the purchase by the Foreign Exchange Control Board of gold held by the Bank of Canada and of foreign exchange required to be sold to the Board by residents of Canada under the Foreign Exchange Acquisition Order, 1940, and generally for the purposes of the Board.

On June 1, an amount of \$80,000,000 of 1½ p.c. bonds issued on June 1, 1936, matured and was repaid from proceeds of an issue of \$65,000,000 of 2 p.c. bonds dated Mar. 1, 1940, and maturing Mar. 1, 1945, which were sold to the Bank of Canada and the chartered banks at 99⅔ p.c. to yield 2.13 p.c. The balance of the amount required to meet the maturity was provided from the Treasury.

The Second War Loan was issued in the fall of 1940 in the amount of \$324,945,700, of which \$24,945,700 represented conversions of 4½ p.c. bonds that matured on Sept. 1, 1940, holders of which were given the privilege of converting to the new issue. The loan was dated Oct. 1, 1940, matures Oct. 1, 1952, bears interest at the rate of 3 p.c. and was sold at 98.75 to yield 3.125 p.c. The number of individual subscribers to this loan was 150,890.

There was issued in January, 1941, \$250,000,000 of 2½-year 1½ p.c. notes to the chartered banks. The notes were dated Jan. 2, 1941, mature July 2, 1943, and were sold at 99.695 to yield 1.625 p.c. The proceeds of this issue were used for war and general purposes.

In addition to the foregoing issues, the Dominion initiated the sale of War Savings Certificates in May, 1940. These certificates are sold at a discount and, if held to maturity, are equivalent to a yield of 3 p.c. compounded semi-annually. The amount issued (maturity value) to Mar. 31, 1941, was \$62,120,215.

In July, 1940, the Government, in response to many public requests, authorized the issue of \$10,000,000 Non-Interest Bearing Certificates. These Certificates are dated the 15th of the month in which payment is received and mature June 15, 1945, the registered holder having the option to redeem his Certificates at par at any time after six months from the date of issue. These Certificates are issued in registered form in any amount not less than one dollar and are non-transferable. The amount issued to Mar. 31, 1941, was \$6,212,057.

In addition to providing funds for war and general purposes, it has been necessary to furnish funds for the repatriation of sterling issues held in Great Britain. These repatriation operations have the ultimate effect of making available Canadian dollars to the United Kingdom for the purchase of Canadian primary commodities and manufactured products required for the prosecution of the War.

The first such operation was the calling for redemption on Apr. 17, 1940, of Dominion of Canada 3½ p.c. Registered Stock due July 1, 1950, but subject to redemption at any time after July 1, 1930. This issue was outstanding in the amount of £28,162,775-11-0 of which amount £7,732,779-18-9 was held in various sinking