

6.—Sales of and Applications for Federal Government Bonds, Feb. 1, 1940 to Nov. 1, 1956

(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	1,681,267
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	3,053,051
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	1,563,619 ¹	3,178,275
Nov. 1, 1945	1,221,342	801,132	2,027,487 ¹	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	910,742
Nov. 1, 1948	260,491,150	—	260,491,150	862,886
Nov. 1, 1949	320,200,000	—	320,200,000	1,015,579
Nov. 1, 1950	285,600,000	—	285,600,000	963,948
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
Nov. 1, 1955	729,100,000	—	729,100,000	1,180,000
Nov. 1, 1956	850,000,000	—	850,000,000	1,234,000

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 1951-56. Figures for the issues 1946-55 are for the entire loans, i.e., either to the year-end or to the closing date within the year or in subsequent years. The figure for Series Eleven (1956) is approximate as at mid-July 1957.

Excluded from Table 6 on federal financing are the short-term issues in the form of treasury bills with a maturity of less than one year. These totals amounted to \$4,580,500,000 in 1955 and \$6,420,000,000 in 1956. If included, they would bring the grand total of all federal borrowing to \$5,929,000,000 in 1955 and \$7,777,000,000 in 1956. Comparable figure for 1954 was \$6,980,540,900.

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 importance outside the banking system until 1954. This development arose because an increasing number of corporations and other investors turned to securities of less than one year for the profitable employment of short-term surplus funds not required for immediate business needs. An expanding market for treasury bills, in turn, has enabled the Government of Canada to increase substantially the total of bills outstanding with important gains in terms of convenience and economy.

On Nov. 1, 1956, the Bank of Canada announced that there would no longer be periodic changes in the Bank Rate but that it would be maintained at one-quarter of one percent above the average yield price received at each week's sale of 91-day treasury bills. This change was intended to make the Bank Rate more flexible and responsive to changing conditions in the short-term money market. It was also felt by some observers that the previous method of making changes in the Bank Rate caused certain disturbances and dislocations that could be avoided by continuous smaller adjustments.