

## 7.—Sales of Canadian Bonds, by Class of Bond and Country of Sale, 1949-58—concluded

Year	COUNTRY OF SALE		
	Canada <sup>1</sup>	United States	Total
	\$	\$	\$
1949.....	1,543,464,384	140,000,000	1,683,464,384
1950.....	2,980,740,453	172,700,000	3,153,440,453
1951.....	1,266,188,237	384,023,000	1,650,211,237
1952.....	1,743,578,115	284,650,025	2,028,228,140
1953.....	2,638,889,450	306,599,215	2,945,488,665
1954.....	4,295,385,364	173,598,000	4,468,983,364
1955.....	2,506,953,323	154,563,000	2,661,516,323
1956.....	2,623,137,285	470,532,982	3,093,670,267
1957.....	3,888,168,638	606,876,100	4,495,044,738
1958.....	4,067,956,304	482,077,621	4,550,033,925

<sup>1</sup> Excludes treasury bills, deposit certificates and other financing for a term of less than one year and the Canada Conversion Loan of 1958.

## THE CANADA CONVERSION LOAN\*

The largest financing ever undertaken in Canada, the Canada Conversion Loan of 1958, merits explanation concerning the nature of this refunding and the principal objectives involved. The series for refunding covered the 5th to 9th Victory Loans, which were issued during World War II and matured at various dates from Jan. 1, 1959 to Sept. 1, 1966. The actual amount of these series outstanding was \$6,415,880,350, representing 60 p.c. of the outstanding funded debt, excluding special categories of treasury bills and Canada Savings Bonds.

Of the amount outstanding, \$1,300,000,000 was held before conversion by the Bank of Canada, \$300,000,000 by the Unemployment Insurance Commission, \$100,000,000 in government accounts, \$1,400,000,000 by the chartered banks and \$3,300,000,000 was held by insurance companies, trust and loan institutions, other corporations, and individuals.

Statistics on individual ownership of Victory Bonds were given in the 1957-58 Year Book, p. 1162, where it was indicated that holdings of the 5th to 9th Victory Loans were held about equally by individuals and corporations at the time the various issues were sold. Of course, the nature of holdings altered greatly between date of sale and conversion time in 1958 and it is safe to assume that many more Victory Bonds were sold by individuals to large corporations and government agencies than were originally acquired by them.

At the same time, it has been reliably reported that surprisingly large amounts of individual holdings were located when the conversion campaign got under way, the majority of them in rural areas. The unexpected number of such conversions emphasized that the process did not entirely represent financing by large corporations and government agencies to the exclusion of individual investors.

Because a principal objective was directed to the longest possible term, emphasis was placed on the 4½-p.c. 25-year bonds during the conversion campaign. It was further indicated, however, that "if desired", 4½-p.c. 14-year bonds, or 3¾-p.c. 7-year bonds, or 3-p.c. 3¼-year bonds were available for investors desiring shorter maturities. The following statement, prepared by a Canadian investment house, summarizes information concerning the conversion offer. Of special interest are figures showing how bonus features of cash per \$1,000 bond were applied to various maturities.

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