

The Government of Canada issues Treasury bills, marketable bonds and non-marketable bonds, most of the latter being in the form of Canada Savings Bonds. The net annual increase in Canada Savings Bonds has been quite stable over the four years 1961-64, ranging from \$540,000,000 in 1962 to \$480,000,000 in 1964, but net issues of marketable bonds and Treasury bills had much larger year-to-year variations.

Bonds Outstanding.—Total government and business bonds outstanding were estimated at \$45,830,000,000 at Dec. 31, 1964, an increase of 20 p.c. over the total of \$38,274,000,000 outstanding at the end of 1961. The largest increase was shown by provincial bonds which went up 35 p.c. over the following three years and the smallest increase by Government of Canada bonds which advanced 11 p.c. In 1963 the Quebec Government purchased the private hydro-electric companies operating in that province and the corporate bonds of these companies were replaced by provincial government guaranteed bonds. Thus, debt of provincial governments as a whole increased by more and debt of corporations by less than would otherwise have been the case.

The total of outstanding bonds includes Treasury bills, finance company paper and other short-term commercial paper. It does not include the term deposits, certificates and debentures of trust and mortgage loan companies, which totalled about \$2,500,000,000 at the end of 1964. Also excluded is mortgage debt, which the Central Mortgage and Housing Corporation estimated at over \$16,000,000,000 at the end of 1963.

26.—Net New Issues of Canadian Bonds, 1961-64, and Bonds Outstanding, as at Dec. 31, 1961-64

Item	1961	1962	1963	1964
	BONDS ISSUED			
	\$'000,000	\$'000,000	\$'000,000	\$'000,000
Government of Canada.....	890	801	827	458
Treasury bills.....	-100	280	76	-100
Marketable bonds.....	347	38	273	55
Non-marketable bonds.....	643	483	479	502
Provincial Government.....	944	709	899	941
Municipal Government.....	317	243	302	395
Corporations.....	344	661	729	1,082
Finance company paper.....	-51	179	187	295
Other short-term paper.....	65	58	-43	46
Bonds.....	530	423	585	743
Other bonds.....	28	8	29	11
Totals.....	2,521	2,423	2,787	2,887
BONDS OUTSTANDING, DEC. 31				
	\$'000,000	\$'000,000	\$'000,000	\$'000,000
Government of Canada.....	18,636	19,448	20,276	20,733
Provincial Government.....	8,197	9,023	10,170	11,120
Municipal Government.....	4,058	4,376	4,678	5,073
Corporate.....	7,119	7,672	7,929	8,607
Institutional.....	264	271	297	297
Totals.....	38,274	40,790	43,350	45,830

Estimated Distribution of Holdings.—Table 27 shows the estimated distribution as at Dec. 31, 1963 of government and corporate debt among the major purchasers of securities. The largest holders were the chartered banks with 11.6 p.c. of the outstanding debt, followed by life insurance companies with 10.3 p.c., trustee pension plans with 7.9 p.c. and the Bank of Canada with 7.4 p.c.