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Debt Operations Report

July 1993

Canada



Debt Operations Report

July 1993

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Preface

The *Debt Operations Report* provides an annual overview of the government's borrowing operations and their underlying rationale. It describes and explains various strategic and operational aspects of the debt program and the government's cash management activities, both for the past year, and from an historical perspective.

Reference Tables provide an outline of the evolution of gross public debt and public debt charges, the structure of outstanding market debt, a record of Treasury bill issues, interest rate swaps, Exchange Fund Account cash management swaps and bond issues in 1992-93, an historical summary of the Canada Savings Bond program, a list of all outstanding issues of Government of Canada marketable bonds, data on foreign holdings of Government of Canada debt, the current composition of Canada's foreign currency debt, an historical overview of the distribution of domestic holdings of Government of Canada securities, information on domestic market trading in Government of Canada issues, and summaries of market borrowing and borrowings from the Consolidated Revenue Fund by Crown corporations. There is also an annex containing a summary of the important features of the main Government of Canada debt instruments: marketable bonds, Treasury bills, Canada Savings Bonds, and Canada bills.

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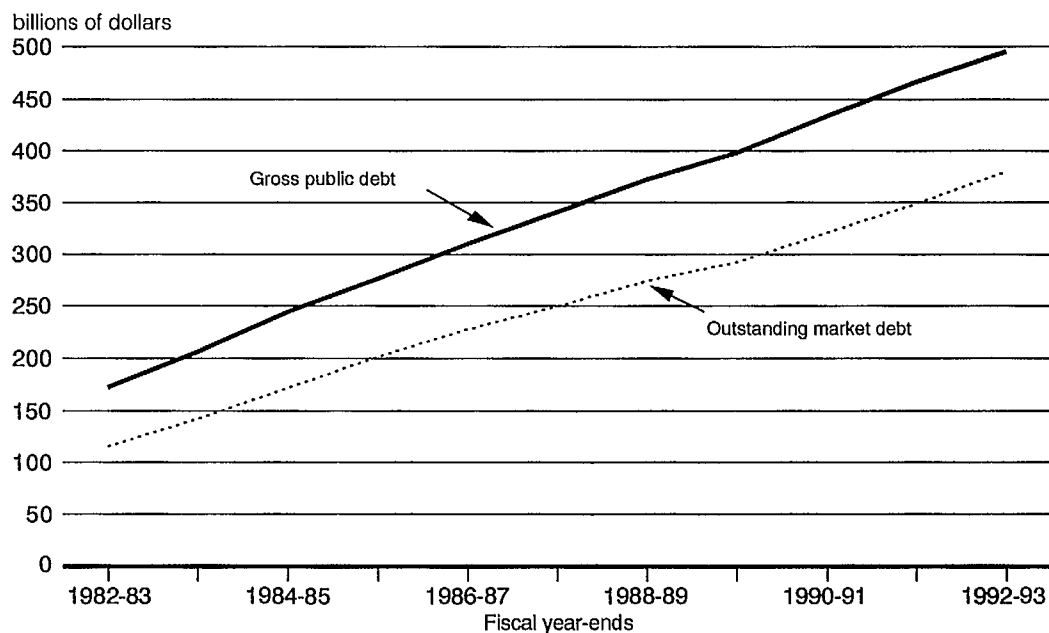
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Introduction

On March 31, 1993, the end of the 1992-93 fiscal year, gross Government of Canada debt stood at \$495 billion, up from \$173 billion at the end of fiscal 1982-83. The level of outstanding market debt – marketable securities and Canada Savings Bonds – was \$380 billion, up from \$115 billion ten years earlier (See Chart 1). In line with the growth of debt, as shown in Chart 2, total debt charges increased from \$17.0 billion in 1982-83 to a peak of \$42.5 billion in 1990-91 and have fallen to \$39.5 billion since that time due to the decline in interest rates over the past two years. (Reference Table I traces the growth in debt and debt charges over the past decade.)

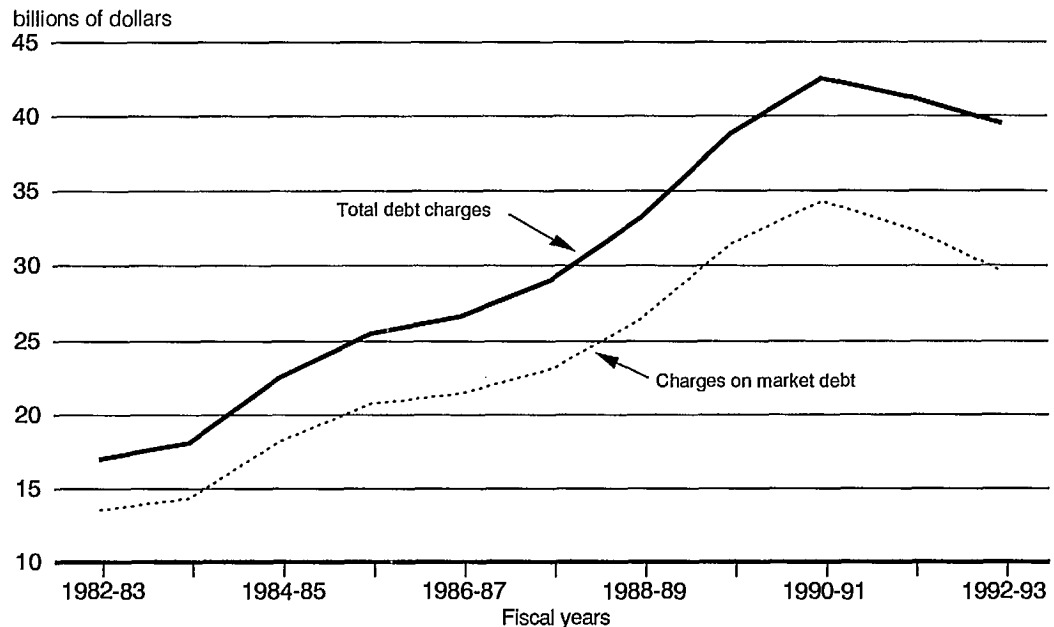
Chart 1

Gross public debt and outstanding market debt



Sources: *Public Accounts of Canada*; *Bank of Canada Review*; and Department of Finance estimates.

Chart 2
Public debt charges



Sources: *Public Accounts of Canada* and Department of Finance estimates.

The fiscal deficit of the Government of Canada is financed in two main ways, either through borrowings in the form of market securities, or through "internal" debt (principally liabilities to the superannuation account).

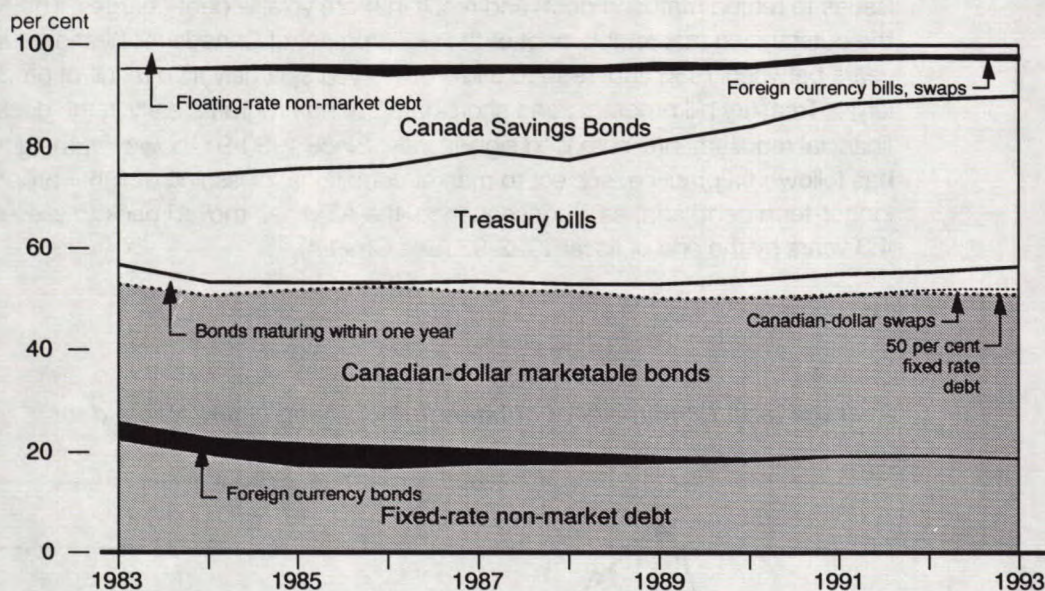
The objective of debt management is to raise the funds required by the government at the minimum long-term cost, while at the same time keeping variability in this cost at reasonable levels. The pursuit of this objective is carried out by balancing the proportion of Government of Canada market debt issued in three main debt instruments, Treasury bills, marketable bonds, and Canada Savings Bonds. Reference Table II shows how the outstanding amounts of these instruments (along with borrowings in foreign currencies) have varied over the past fifteen years.

Currently, the level of outstanding gross debt (market borrowings, internal borrowings, and other financial liabilities), is split about evenly, with approximately half in floating-rate form and half in fixed-rate form. Chart 3 shows the various types of outstanding debt within the basic 50 per cent fixed, 50 per cent floating breakdown, over the past ten years.

Chart 3

Structure of outstanding debt

(fiscal years ending March 31)

Sources: *Public Accounts of Canada*; *Bank of Canada Review*; and Department of Finance estimates.

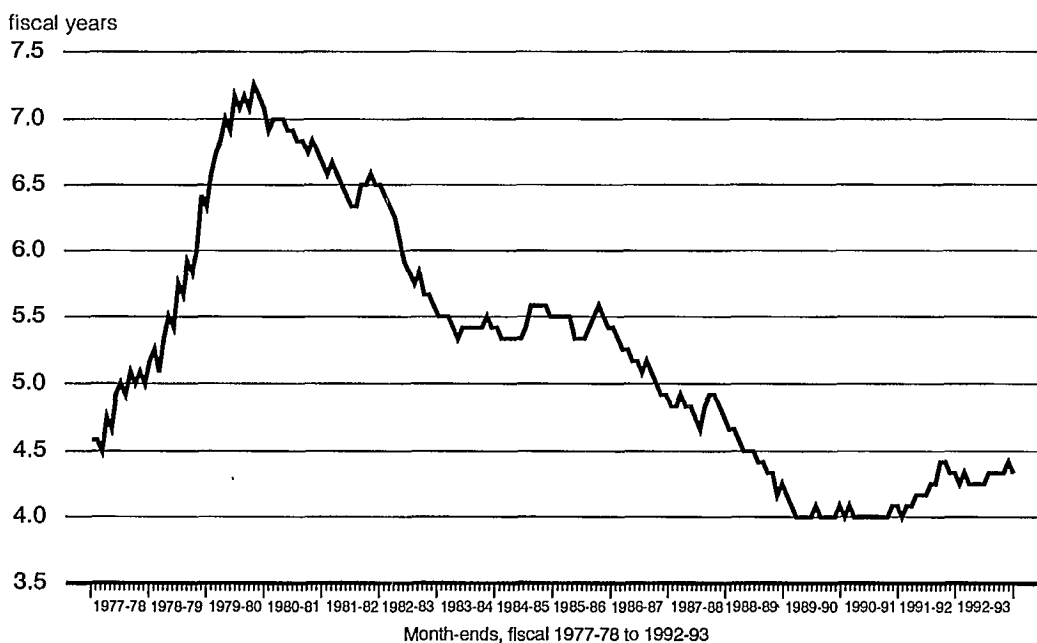
The most notable change in the structure of this debt over this period has been the decrease in the share of the debt held as Canada Savings Bonds, and a corresponding increase in the share of Treasury bills. CSBs, which at the end of fiscal 1982-83 constituted approximately 19 per cent of the debt, had fallen to around 7 per cent by the end of the 1992-93 fiscal year, while Treasury bills increased from 17 per cent to 33 per cent over the same period. The shares of the two other major components of the debt changed to a lesser extent: marketable bonds made up 31 per cent of the debt at the end of fiscal 1982-83 and 37 per cent at the end of fiscal 1992-93, while fixed-rate non-market internal debt – of which the main component is the government's superannuation liability – fell from 22 per cent to 19 per cent.

While it is typically cheaper to borrow short-term funds, the government also structures its debt to moderate the impact of changes in interest rates. The government's strategy for borrowing in fixed- and floating-rate form is based upon achieving a balance between cost minimization and cost stability. Looking out over the coming decade, the government's long-term strategy is to shift the balance between fixed- and floating-rate debt to more fixed-rate debt (towards 60 per cent from 50 per cent currently), and to somewhat increase the average term to maturity of the debt.

In determining the mix of outstanding debt instruments, debt management also focuses upon the various maturities available among debt instruments. Typically, outstanding debt with a lower average term to maturity (ATM) will require a larger annual volume of gross issues to refund maturing debt, and result in more volatile debt charges. The ATM of the outstanding marketable debt of the Government of Canada fell by more than three years between 1980 and 1990 to a low of 4.0 years, largely as a result of proportionately larger Treasury bill programs and short-dated bond programs early in the decade, as financial requirements increased significantly. Since 1990-91, however, the government has followed a practice, subject to market conditions, of issuing a higher proportion of longer-term debt, and, as a consequence, the ATM had moved back to a level of 4.3 years by the end of fiscal 1992-93 (See Chart 4).

Chart 4

Average term to maturity of outstanding domestic marketable debt



Source: Bank of Canada *Review*.

As detailed in Reference Table II, total outstanding Government of Canada market securities stood at \$380 billion on March 31, 1993. Of this outstanding debt, about 47 per cent was in the form of Canadian dollar denominated marketable bonds, 43 per cent in Treasury bills, 9 per cent in Canada Savings Bonds, and 1 per cent in debt denominated in foreign currencies.

Overview of 1992-93

Table 1 gives details on debt management operations in fiscal 1992-93. On a net basis, the Government of Canada issued \$29.0 billion of domestic market debt during the fiscal year, and raised \$0.1 billion through EFA cash management swaps.

Table 1

The debt program, 1992-93

	(billions of dollars)
Canadian dollar market transactions	
Fixed-coupon bonds	19.9
Real Return Bonds	0.5
Canada Savings Bonds	-1.1
Treasury bills	9.8
EFA cash management swaps	0.1
Total Canadian dollar market transactions	29.1
Change in Canadian dollar cash balances	2.2
Closing cash position	2.8
Interest rate swaps ¹ : Gross	2.5
Net	2.0

¹ Fixed-to-floating rate interest rate swaps transacted during the year, which increase the effective proportion of the government's floating-rate debt, but do not increase outstanding debt or give rise to additional cash balances.

Source: Department of Finance estimates.

Reflecting the continuation of the government's practice of increasing the proportion of fixed-rate debt issues, gross marketable bond issues (including Real Return Bonds) totalled a record \$35.3 billion during the year. Net of maturing issues, outstanding marketable bonds increased by \$20.4 billion.

The level of outstanding Treasury bills increased \$9.8 billion during the fiscal year. Gross sales of Canada Savings Bonds were off slightly from the previous year, but the outstanding stock of CSBs remained relatively stable. The Canada bills program was restarted during the year, after a temporary suspension in the previous year.

Despite volatility in Canadian and international credit markets over the fiscal year, Canadian interest rates declined on balance, reflecting the low level of inflation in Canada. (Rates continued to decline in early fiscal 1993-94, reaching 25-year lows.) As a result, debt charges fell over the year despite growth in the debt stock.

The market for Government of Canada securities

■ *The domestic market: recent initiatives*

A number of initiatives were taken during the fiscal year to improve the efficiency of the markets for Government of Canada securities and thereby lower debt charges. This will remain an important focus of the government's debt operations in the future.

In April 1992 and March 1993, the Minister of Finance announced that the size of Canada bond benchmarks would be substantially increased to improve their liquidity. Target sizes for two- and three-year benchmark issues were raised to \$4 billion, five-year benchmarks to \$5 to \$7 billion, and ten- and thirty-year benchmarks to \$6 to \$8 billion.

In the April 1992 and March 1993 announcements, the government also took steps to significantly improve the transparency of its debt operations. These included the adoption of a bond issuing calendar with regular quarterly five- and ten-year bond issues, and the announcement ahead of each quarter of dates for the remaining auctions scheduled for the quarter.

The government issued all fixed-coupon bonds on an auction basis in fiscal 1992-93.

During the year, the government adopted new pension fund regulations which expanded the scope of investment activities. It also reduced withholding taxes on cross-border repurchase agreements ("repos"). These changes, along with initiatives on the ten-year Canada bond futures contract, were similarly aimed at improving market liquidity.

Treasury bill auctions were moved from Thursdays to Tuesdays in November, and deliveries of bills were moved from Fridays to Thursdays. This was designed to improve the functioning of the Treasury bill market, by allowing more time for the settlement process and to permit participants to adjust their holdings ahead of weekends.

Turnover in the Government of Canada Treasury bills market, as shown in Reference Table III, grew from \$707 billion in 1991 to \$920 billion in calendar 1992. Turnover in the bond market grew from \$797 billion to \$885 billion.

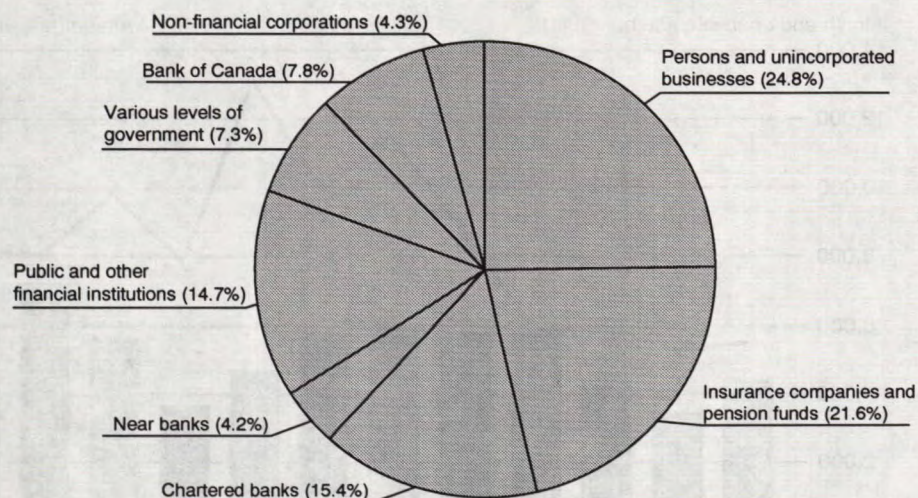
■ *Domestic holdings of Government of Canada debt*

Reference Table IV shows the evolution of the distribution of domestic holdings of Government of Canada market debt over the past 17 years. Most notable in the past few years has been the decline in direct holdings of the personal sector. This decline is mirrored by an increase in the holdings of financial institutions, some of which represent indirect holdings of the personal sector through mutual funds, insurance policies, and pension funds.

Chart 5

Distribution of domestic holdings of Government of Canada market debt

as of December 31, 1992

Sources: Statistics Canada, the *National Balance Sheet Accounts*.

Holdings of persons and unincorporated businesses fell by 4.0 per cent in 1992, while holdings of the chartered banks rose by 24.4 per cent.

The personal sector, however, continues to hold the lion's share (24.3 per cent) of domestically held Treasury bills, as well as all outstanding Canada Savings Bonds. In terms of holdings of Canada marketable bonds, insurance companies and pension funds, with 43.4 per cent of total domestic holdings, remain the most important sector.

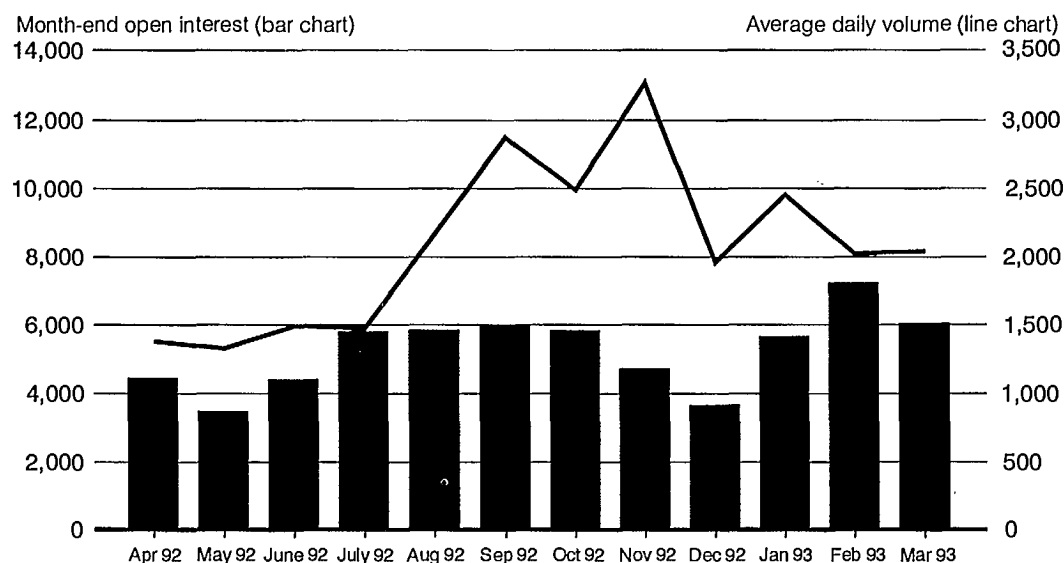
■ **The Government of Canada bond futures market**

The market for the ten-year Government of Canada bond futures contract has grown significantly since its launch in September 1989. Each bond futures contract covers a notional \$100,000 Government of Canada bond. Chart 6 shows the performance of the market for this contract over the 1992-93 fiscal year. More recently, this market, with the concerted support of the market makers in the contract, has shown robust growth: by the end of June 1993, open interest had grown to 11,358 contracts, while average daily volume had reached 3,626 contracts. There is also a small options market on this futures contract.

Chart 6

**Average daily volume and open interest: Montreal Exchange
ten-year Government of Canada bond futures**

(Number of contracts)

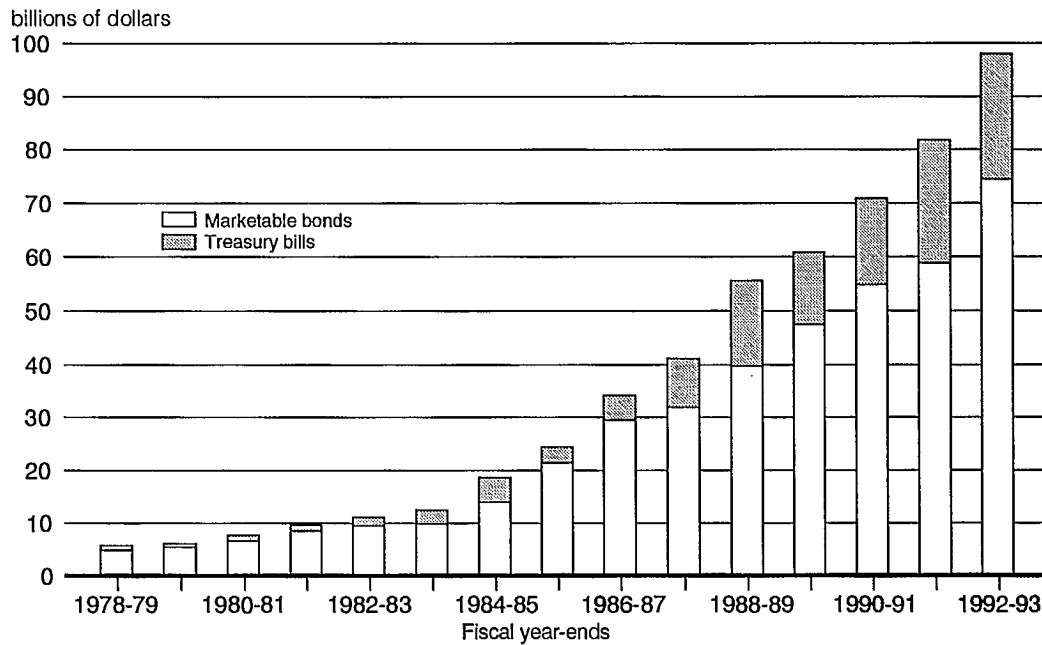


Source: The Montreal Exchange.

■ Foreign holdings of Government of Canada debt

Foreign holdings of the Government of Canada's outstanding market debt are estimated to have reached \$98.0 billion at the end of March 1993, up \$16.2 billion from a year earlier. While the size of the Government of Canada's foreign currency debt outstanding has been falling, the proportion of the Government of Canada's domestic debt held abroad has been increasing steadily, reflecting the current account deficit and the international nature of sovereign bond markets. Non-resident holdings represented 26 per cent of the Government of Canada's total market debt at the end of fiscal 1992-93, up from 10 per cent at the end of fiscal 1982-83. As shown in Chart 7, this reflects a \$65.0 billion increase in foreign holdings of marketable bonds over the past ten years; in fiscal 1992-93, foreign holdings of bonds increased by some \$17.7 billion (See Reference Table V). Foreign residents held 42 per cent of outstanding Government of Canada marketable bonds at the end of fiscal 1992-93; estimates indicate that Japanese and European (E.C.) investors each accounted for approximately one-third, while U.S. investors held just under one-quarter of these bonds. Total foreign holdings of Treasury bills amount to 15 per cent of total bills outstanding.

Chart 7

Foreign holdings of Government of Canada debt

Source: Statistics Canada, *Canada's International Investment Position*.

Government of Canada debt management operations and cash management

■ *Floating rate borrowing*

The Treasury bill program

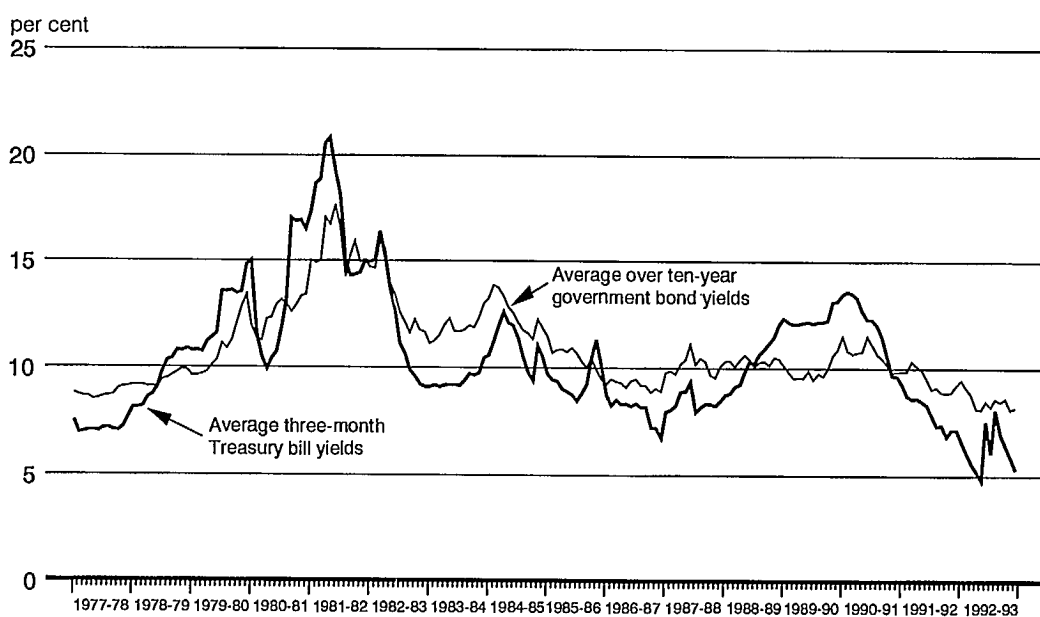
Treasury bills are offered on a weekly basis to meet part of the new financial requirements of the government and to refinance maturing Treasury bills. Cash management bills are also issued from time to time to meet financing requirements and to bridge low points in the government's cash balances. These bills are typically issued for somewhat shorter periods and smaller amounts than weekly offerings of Treasury bills.

Treasury bill financing costs were less expensive during the 1992-93 fiscal year than in 1991-92. Average three-month bill yields, for example, were about 1½ percentage points lower than in fiscal 1991-92, and fell 216 basis points between the beginning and end of the fiscal year, despite a temporary rise in rates as a result of volatile foreign exchange market conditions prevailing in the fall (See Chart 8).

Net issues of Treasury bills totalled \$9.8 billion during fiscal 1992-93, down from \$13.2 billion in the previous fiscal year. This reflected an increased reliance by the Government on marketable bond financing, and a small increase in the level of floating rate financing provided by fixed-to-floating rate interest rate swaps, during the fiscal year. Gross issues of Treasury bills totalled \$382.4 billion during the year: Table 2 shows the distribution of these gross issues among various terms to maturity. (See Reference Table VI for a list of all Treasury bill issues during the fiscal year.)

Chart 8

Average yields on Government of Canada securities



Source: Bank of Canada *Review*.

Table 2

Selected floating-rate statistics, fiscal 1992-93

Term	Gross transactions (billions of dollars)	Average rate (per cent)
Treasury bills:		
Cash management	26.8	5.96
Three months	199.0	6.19
Six months	95.1	6.25
Twelve months	61.6	6.40
EFA cash management swaps	6.9	5.84
Interest rate swaps	2.5	5.59
Canada Savings Bonds	9.2	6.00

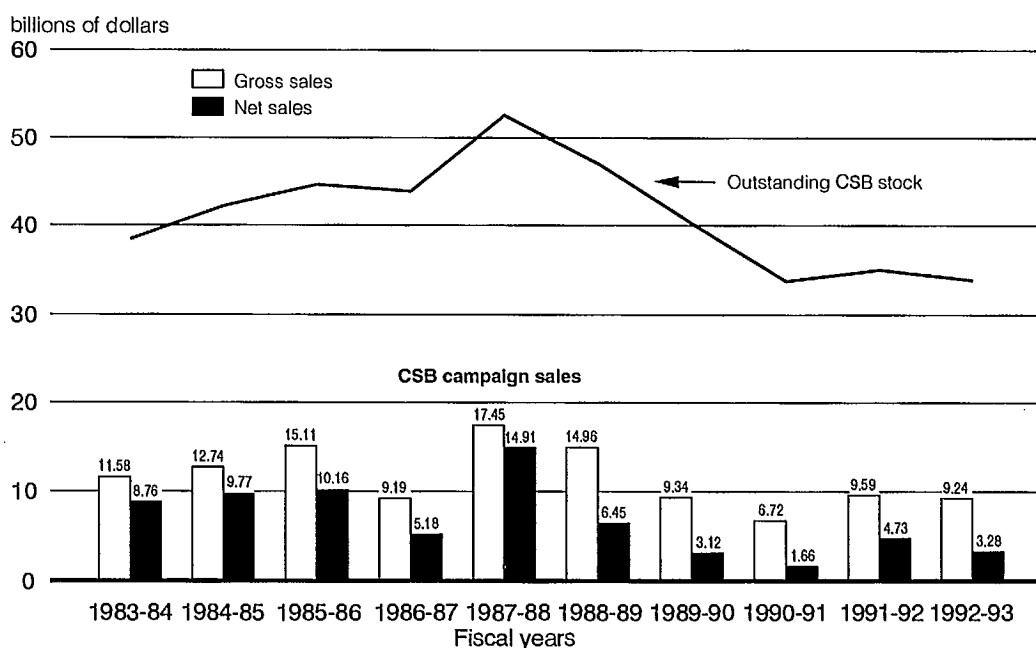
¹ For Treasury bills, average tender yields during the fiscal year. For Canada Savings Bonds, rate paid on bonds sold in the 1992 campaign.

Source: Department of Finance.

Canada Savings Bonds

Total gross sales of CSBs during the 1992 campaign were \$9.2 billion, slightly less than last year's gross sales of \$9.6 billion. Interest rates, having increased in the unsettled market conditions prevailing in early October, declined rapidly during the CSB campaign. With the coupon rate set at 6 per cent, attractive relative to competing rates, CSB sales were reasonably strong.

Chart 9

CSB sales and stock over the past decade

Sources: Bank of Canada *Review*, and Department of Finance.

Net purchases of the new bonds during the campaign were \$3.3 billion, after allowing for redemptions of past series. Gross redemptions during the rest of the fiscal year were \$4.4 billion, and the outstanding CSB stock fell to \$33.9 billion at March 31, 1993. This relatively small decline in outstanding levels, as seen in Chart 9, maintains the stability of the CSB stock. (Reference Table VII traces the developments in the level of outstanding CSBs and in CSB sales campaign results over the past decade.)

CSBs continue to face vigorous competition for savings. Notwithstanding, CSBs continue to attract demand from a broad cross-section of Canadians and play an important role in government debt operations. They remain a principal means of facilitating widespread retail distribution of the government's debt.

The Canadian dollar interest rate swap program

Since February 1988, as opportunities have arisen, Canada has entered into domestic fixed-to-floating interest rate swap agreements with selected counterparties. These agreements make use of Canada's relative advantage in issuing fixed-rate debt to obtain floating-rate funds at rates below those on Treasury bills.

During fiscal 1992-93, the government transacted 26 swaps with a nominal principal amount totalling \$2.5 billion, at floating rates between 55 and 77 basis points below three-month bankers' acceptances (BAs), with a weighted average of 66 basis points. With the total stock of \$7.78 billion outstanding at March 31, 1993, estimated savings of about \$54.4 million per year below comparable Treasury bill costs are being realized. (Reference Table VIII contains a list of all interest rate swaps done by the government between April 1, 1992 and March 31, 1993).

Exchange Fund Account cash management swaps

The government continued to use Exchange Fund Account (EFA) cash management swaps during fiscal 1992-93 as an effective means of raising Canadian dollars on short notice for cash management purposes such as peak financing requirements at the time of the annual CSB campaign. These swaps are typically for somewhat smaller amounts and shorter maturities than cash management bills.

EFA cash management swaps exchange a small portion of Canada's foreign currency exchange reserves for Canadian dollars, with a simultaneous agreement to buy the foreign currency back at a fixed price sometime in the future. At the end of fiscal 1992-93, U.S. \$900 million of these swaps were outstanding. Reference Table IX provides a list of all EFA cash management swaps undertaken during the fiscal year.

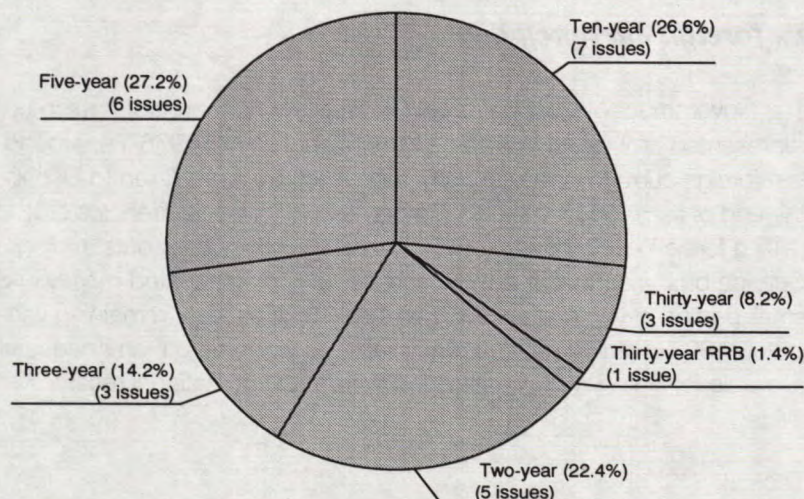
■ *Government of Canada marketable bonds*

Gross issues of Government of Canada marketable bonds totalled \$35.3 billion in fiscal 1992-93, up from \$27.8 billion in the previous fiscal year. Of this amount, \$14.9 billion was used to finance maturing bonds, while \$20.4 billion represented net new funds. (See Reference Table X for a summary of gross issues during fiscal 1992-93, and Reference Table XI for a list of all bond issues outstanding on March 31, 1993.)

Chart 10

Fiscal 1992-93 marketable bond program

(by approximate term to maturity)



Source: Department of Finance.

The growth in the size of the bond program and the increased importance in the debt program of fixed rate instruments reflected the government's continuing objective of keeping the variability of debt charges due to changes in interest rates at reasonable levels.

The average term to maturity of the bond program was 8.0 years. Chart 10 shows the distribution of issues in the bond program by approximate term to maturity.

In September 1992, the Minister of Finance announced that, given the steep slope of the yield curve, and as a deficit-reduction measure, the Government would not issue any 30-year bonds for delivery between October and December. Thirty-year bond issues resumed early in 1993, however, when the spread between short- and long-term yields moderated. Long bonds continue to form an integral part of the Government's debt program.

There were 24 Government of Canada bond auctions delivered during the year, three more than in the previous fiscal year. The average size of these auctions was \$1,450 million, up about \$400 million from fiscal 1992-93, in line with the increase in the size of the bond program as a whole.

Real Return Bonds

In 1991-92 the Government introduced a new program of Real Return Bonds (RRBs) whose return is linked to changes in the consumer price index. This instrument represents a small, cost-effective diversification of the marketable bond program and has value for institutional investors whose long-term liabilities are related to the rate of inflation and for retail investors principally for their RRSPs. The inaugural offering of these bonds was launched in November 1991. In October 1992, the Government offered an additional

\$500 million of these bonds, bringing the total amount issued to \$1.2 billion. The new bonds, like the original issue, bear a real coupon rate of 4.25 per cent and mature in 2021. In May 1993, the government issued its third tranche of RRBs with a principal amount of \$325 million.

■ *Canada's foreign currency debt*

The Government of Canada has a relatively small amount of foreign currency debt. It represented around 11 per cent of total debt in fiscal 1978-79, around 5 per cent after the last foreign currency issue in 1987, and since then has fallen to just above 1 per cent by the end of fiscal 1992-93. Canada borrows in foreign currencies only for the purpose of raising foreign exchange reserves. Foreign currency debt outstanding, which includes Canada bills, marketable bonds, and loans, is denominated mostly in U.S. dollars, with a small portion in yen obligations (See Table 3). Canada's remaining yen obligations mature in July 1993. Total foreign currency liabilities were more than adequately covered by available foreign currency assets in the form of international reserves.

Table 3
***Composition of foreign currency debt
as of March 31, 1993***

Currency and amount	U.S. dollar equivalent (billions)	Per cent of total foreign debt	Floating rate portion (billions)
U.S. \$ 3.8 billion ¹	3.8	88	3.4
¥ 60 billion ²	0.5	12	0.5
	4.3	100	3.9

¹ Includes U.S.\$120 million nominal principal amount of swap agreement for ¥ 20 billion due July 1993.

² Does not include ¥ 20 billion due July 1993, which has been swapped for floating-rate U.S. dollar liabilities.

Source: Department of Finance.

On March 31, 1993, Canada's international reserves stood at approximately U.S.\$13.2 billion. Other than Canada bills (discussed below), there are no immediate plans to borrow in foreign currencies for reserve purposes.

Canada bills

At the end of 1992-93, almost half the government's outstanding foreign currency debt was in the form of short-term U.S. dollar denominated Canada bills, which are issued from time to time in the U.S. market and provide secure access to low-cost U.S. dollar funding. The proceeds of this program are invested in high-quality U.S. dollar denominated assets.

In fiscal 1991-92, the government suspended the Canada bills program, as reserves were at historically high levels. Over the course of the 1992-93 fiscal year, however, international reserve levels fell as the Canadian dollar came under pressure and it was deemed prudent management to replenish them to appropriate levels. The level of outstanding Canada bills was increased to about U.S. \$2.0 billion by the end of the year.

■ *The management of the government's cash balances*

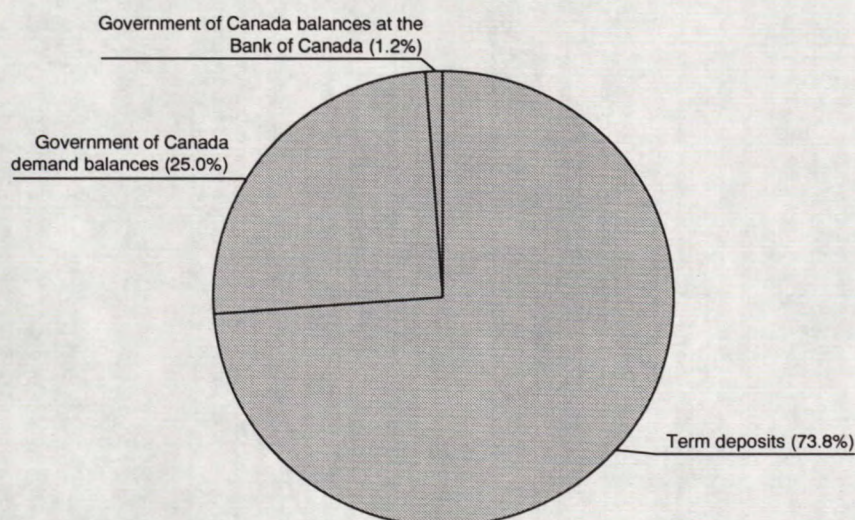
The government's objective is to keep its cash balances at minimum levels, given operational needs and the variability of cash flows, while at the same time maximizing interest earned on these assets. This is accomplished by investing as much as possible in the form of term deposits, which receive a higher rate of return than demand deposits. During fiscal 1992-93, rates received on term deposits were almost 1.6 percentage points higher than those on demand deposits. The government's ability to maximize earnings on cash balances, however, is to some extent constrained by the uncertainty in forecasting the level of cash balances, owing to the scope of the government's financial operations and the operations of the Bank of Canada.

Each week the direct clearers (a group of financial institutions) bid, at an auction, for a share of the government's demand balances. These balances are priced off the direct clearers' prime rate. After the government's cash needs for the next day are determined, the excess is auctioned to direct clearers in the form of term deposit balances (having maturities of from one to ten days during 1992-93). The amounts are announced at the end of the afternoon and the auctions take place the following morning.

Chart 11

Government of Canada cash balances

(fiscal year 1992-93)



Source: Department of Finance.

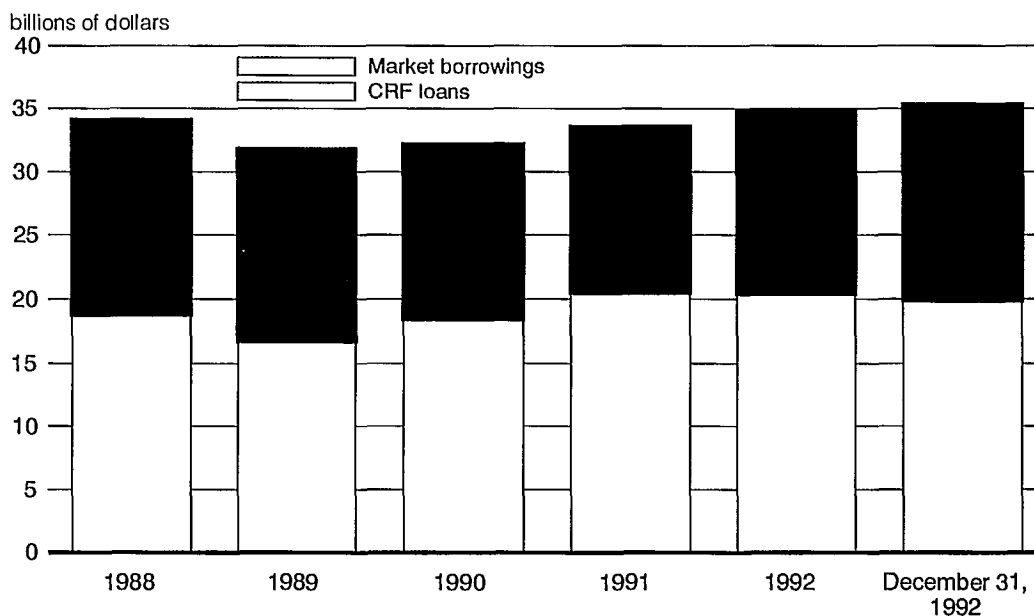
The level of the government's daily cash balances averaged \$2.7 billion in fiscal 1992-93. Term deposits, typically in amounts varying between \$200 million and \$1,500 million, for terms ranging between one and eight days, averaged \$1,989 million, up \$202 million from the previous fiscal year. Earnings on these balances averaged 6.55 per cent, down from 8.57 per cent in the previous year, in line with the decline in short-term rates generally. Average demand balances, at \$674 million, were \$146 million higher than in 1991-92, earning 4.91 per cent, down from 5.87 per cent (See Chart 11).

Borrowings by Crown corporations

In order to fully assess the government's total impact in financial markets, it is necessary to include as well the market borrowings of federal Crown corporations. Reference Tables XIII and XIV provide information on Crown corporation borrowings from the market and from the Consolidated Revenue Fund. As illustrated in Chart 12, total outstanding borrowings by Crown corporations increased from \$34.1 billion at the end of fiscal 1987-88 to \$35.3 billion on December 31, 1992, reflecting an increase in market borrowings from \$18.8 billion to \$19.9 billion and an increase in Consolidated Revenue Fund borrowings from \$15.2 billion to \$15.4 billion.

Chart 12

Crown corporation borrowings, as of March 31, 1992, except where indicated



Sources: Receiver General, *Public Accounts of Canada*; Department of Supply and Services, *Summary, Quarterly Statements of Crown Corporations*.

Annex: Government of Canada market debt instruments

■ *Marketable bonds*

Government of Canada marketable bonds are available in both fully registered and bearer form, in denominations ranging from \$1,000 to \$1,000,000. With the exception of the 3.75 per cent bonds maturing March 15, 1998, all Canadian dollar marketable bonds are non-callable. All Canadian dollar marketable bonds pay interest semi-annually.

New issues of government bonds are sold via public tender, with the Bank of Canada acting as the government's fiscal agent, through a syndicate of primary distributors, made up of Canadian securities dealers and a small number of Canadian chartered banks. These sales are via bid-price (American-style) auction.

There is also an extensive domestic secondary market in marketable bonds. Canada bonds are the benchmark bonds of the Canadian bond market, and are very liquid, with market participants buying and selling bonds quite actively in this market.

■ *Treasury bills*

Government of Canada Treasury bills are issued in bearer form, in denominations ranging from \$1,000 to \$1,000,000.

New issues of Treasury bills are sold by public tender on a discount basis, with the Bank of Canada acting as the government's fiscal agent, through a syndicate of primary distributors, made up of Canadian securities dealers and chartered banks. Treasury bills with terms to maturity of three, six, or twelve months are auctioned on a weekly basis, typically on Tuesday for delivery Thursday. From time to time, shorter-term cash management bills are also auctioned.

On June 1, 1993, after consultation with the financial industry, the government moved to increase the size and liquidity of one-year Treasury bills by beginning a program of issuing fungible one-year bills, in which two consecutive regular weekly auctions are accumulated on one common maturity date.

There is also an extensive domestic secondary market in Treasury bills. Chartered banks, securities dealers, and the general public actively buy and sell Treasury bills in this market.

■ ***Canada Savings Bonds***

CSBs are offered for sale by most Canadian financial institutions for a limited time in October. Some sales are made through payroll plans.

Except in certain specific circumstances, Canada Savings Bonds can only be registered in the name of residents of Canada, and are available in both regular-interest and compound-interest forms. Denominations range from \$100 to \$10,000. All CSBs are non-callable, and, except in certain limited circumstances, non-transferable.

CSBs pay a competitive rate of interest which is guaranteed for one year. They may be cashed in at any time, and, after the first three months, pay interest up to the end of the month prior to encashment.

■ ***Canada bills***

Canada bills are promissory notes denominated in U.S. dollars in bearer form. They mature not more than 270 days from their date of issue and are discount obligations with a minimum order size of U.S.\$1,000,000 and a minimum denomination of U.S. \$100,000. Delivery and payment for Canada bills occur in same-day funds at the offices of Morgan Guaranty Trust Company of New York in New York City.

The Government of Canada is pursuing initiatives designed to move towards a fully-registered book-entry transaction system for Canada bills.

Primary distribution of Canada bills occurs through four issuing agents, Wood Gundy Inc., RBC Dominion Securities Inc., Goldman, Sachs & Co., and The First Boston Corporation. Rates on Canada bills are posted daily, for terms of one to six months.

There is also a small secondary market in Canada bills. Participants in this market include U.S., Canadian, and international financial institutions.

Reference Table I

Gross public debt, outstanding market debt, and debt charges¹

Fiscal years ending March 31, 1982-83 to 1992-93

	Gross public debt				Outstanding market debt			
	Fixed-rate portion ²	Total debt charges	Average rate ²		Fixed rate portion	Total debt charges	Average rate	
	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)
1982-83	172.6	52.4	17.0	10.89	115.4	34.6	13.5	11.74
1983-84	206.1	50.2	18.1	9.69	142.1	34.3	14.4	10.11
1984-85	244.0	51.3	22.6	10.27	171.8	35.5	18.2	10.62
1985-86	276.4	51.9	25.5	10.03	201.4	36.8	20.7	10.30
1986-87	310.1	50.9	26.7	9.28	227.4	37.2	21.5	9.43
1987-88	341.1	51.2	29.0	9.22	249.2	38.6	23.1	9.28
1988-89	372.1	49.6	33.2	9.70	274.2	37.6	26.5	9.68
1989-90	398.0	49.9	38.8	10.62	292.2	38.5	31.4	10.76
1990-91	433.9	50.4	42.5	10.54	321.1	38.9	34.3	10.68
1991-92	466.7	50.7	41.2	9.39	348.9	39.3	32.4	9.29
1992-93 ³	495.1	50.4	39.5	8.31	379.8	39.4	29.6	7.79

¹ For 1982-83 and 1983-84, interest charges only (does not include servicing and new issue costs).² After adjusting for non-interest bearing liabilities.³ Estimate, consistent with April 1993 budget.Sources: *Public Accounts of Canada*, Bank of Canada *Review*, Department of Finance estimates.

Reference Table II

Government of Canada outstanding market debt

(in millions of Canadian dollars, fiscal years ending March 31)

	Payable in Canadian dollars				Payable in foreign currencies					Total
	Treasury bills	Marketable bonds	CSBS	Total	Marketable bonds	Canada bills	Standby drawings	Term loans	Total	
1977-78	11,295	21,146	18,036	50,477	181	0	850	0	1,031	51,508
1978-79	13,535	26,496	19,443	59,474	3,319	0	2,782	1,115	7,216	66,690
1979-80	16,325	32,900	18,182	67,407	3,312	0	359	1,030	4,701	72,108
1980-81	21,770	40,795	15,966	78,531	3,236	0	355	1,046	4,637	83,168
1981-82	19,375	43,429	25,108	87,912	3,867	0	0	550	4,417	92,329
1982-83	29,125	48,304	32,753	110,182	4,872	0	0	362	5,234	115,416
1983-84	41,700	56,811	38,403	136,914	4,306	0	510	398	5,214	142,128
1984-85	52,300	69,256	42,167	163,723	4,972	0	1,909	1,172	8,053	171,776
1985-86	61,950	81,067	44,607	187,624	9,331	0	2,233	2,247	13,811	201,435
1986-87	76,950	94,426	43,854	215,230	9,120	1,045	0	2,047	12,212	227,442
1987-88	81,050	103,899	52,558	237,507	8,438	1,045	0	2,257	11,740	249,247
1988-89	102,700	115,748	47,048	265,496	6,672	1,131	0	934	8,737	274,233
1989-90	118,550	127,682	40,207	286,439	4,364	1,446	0	0	5,810	292,249
1990-91	139,150	143,601	33,781	316,532	3,555	1,008	0	0	4,563	321,095
1991-92	152,300	158,058	35,031	345,389	3,535	0	0	0	3,535	348,924
1992-93	162,050	178,436	33,884	374,370	2,926	2,552	0	0	5,478	379,848

Source: Bank of Canada Review.

Reference Table III

Domestic market trading in Government of Canada securities

	1991	1992	1992			
			Q1	Q2	Q3	Q4
			(billions of dollars)			
Treasury bills	706.5	920.2	206.1	232.1	242.2	237.8
Marketable bonds:						
maturing within 3 years	207.4	241.4	78.3	59.2	54.8	54.8
maturing in 3 to 10 years	323.7	457.6	79.4	103.1	154.8	120.3
maturing in over 10 years	265.2	186.4	66.3	31.6	46.2	42.2
Total bonds	797.3	885.3	222.0	193.9	264.1	217.3

Source: Investment Dealers' Association of Canada *Bulletin*.

Reference Table IV

Distribution of domestic holdings of Government of Canada securities

PART A – Treasury bills, marketable bonds, and Canada Savings Bonds

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(millions of dollars)								
Year-ends									
1976	17,945	395	8,331	8,666	716	1,436	2,388	449	40,326
1977	20,367	336	10,268	9,601	1,048	2,158	3,354	709	47,841
1978	22,918	403	12,001	9,896	1,537	3,593	4,305	1,401	56,054
1979	23,302	376	13,656	10,156	1,684	6,502	4,481	2,572	62,729
1980	24,919	561	15,858	10,002	2,771	8,992	6,008	3,948	73,059
1981	33,684	598	17,100	10,003	2,452	10,221	5,863	3,898	83,819
1982	43,194	2,255	15,428	11,233	3,288	12,724	9,270	4,139	101,531
1983	52,634	5,518	16,859	15,107	5,551	17,369	10,614	4,399	128,051
1984	61,243	7,006	17,184	15,164	4,887	23,466	12,630	6,575	148,155
1985	74,477	7,413	15,668	15,198	5,706	30,408	15,794	9,701	174,365
1986	72,415	6,270	18,374	17,779	7,177	33,435	19,053	10,869	185,372
1987	84,362	8,572	20,366	16,012	6,300	37,632	20,265	13,606	207,115
1988	86,102	8,983	20,606	21,115	7,657	41,737	20,433	16,841	223,474
1989	84,214	11,586	21,133	19,804	9,959	45,522	25,298	17,546	235,062
1990	80,748	12,458	20,325	23,224	10,607	51,946	27,684	19,542	246,534
1991	74,298	11,691	22,370	35,792	12,222	55,949	34,462	22,975	269,759
1992	71,955	12,529	22,607	44,555	12,225	62,593	42,541	21,176	290,181

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

¹ Includes Quebec savings banks, credit unions and caisses populaires, trust companies, and mortgage loan companies.

² Includes investment dealers, mutual funds, fire and casualty insurance companies, sales, finance and consumer loan companies, accident and sickness branches of life insurance companies, other private financial institutions (not elsewhere included), federal public financial institutions, and provincial financial institutions.

³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART B – Treasury bills, marketable bonds, and Canada Savings Bonds

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(per cent of total)								
Year-ends									
1976	44.50	0.98	20.66	21.49	1.78	3.56	5.92	1.11	100.00
1977	42.57	0.70	21.46	20.07	2.19	4.51	7.01	1.48	100.00
1978	40.89	0.72	21.41	17.65	2.74	6.41	7.68	2.50	100.00
1979	37.15	0.60	21.77	16.19	2.68	10.37	7.14	4.10	100.00
1980	34.11	0.77	21.71	13.69	3.79	12.31	8.22	5.40	100.00
1981	40.19	0.71	20.40	11.93	2.93	12.19	6.99	4.65	100.00
1982	42.54	2.22	15.20	11.06	3.24	12.53	9.13	4.08	100.00
1983	41.10	4.31	13.17	11.80	4.33	13.56	8.29	3.44	100.00
1984	41.34	4.73	11.60	10.24	3.30	15.84	8.52	4.44	100.00
1985	42.71	4.25	8.99	8.72	3.27	17.44	9.06	5.56	100.00
1986	39.06	3.38	9.91	9.59	3.87	18.04	10.28	5.86	100.00
1987	40.73	4.14	9.83	7.73	3.04	18.17	9.78	6.57	100.00
1988	38.53	4.02	9.22	9.45	3.43	18.68	9.14	7.54	100.00
1989	35.83	4.93	8.99	8.43	4.24	19.37	10.76	7.46	100.00
1990	32.75	5.05	8.24	9.42	4.30	21.07	11.23	7.93	100.00
1991	27.54	4.33	8.29	13.27	4.53	20.74	12.78	8.52	100.00
1992	24.80	4.32	7.79	15.35	4.21	21.57	14.66	7.30	100.00

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

¹ Includes Quebec savings banks, credit unions and caisses populaires, trust companies, and mortgage loan companies.

² Includes investment dealers, mutual funds, fire and casualty insurance companies, sales, finance and consumer loan companies, accident and sickness branches of life insurance companies, other private financial institutions (not elsewhere included), federal public financial institutions, and provincial financial institutions.

³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART C – Treasury bills

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(millions of dollars)								
Year-ends									
1976	156	125	2,053	4,219	52	44	535	99	7,283
1977	458	151	2,461	4,949	143	97	1,045	208	9,512
1978	652	198	3,567	5,517	193	256	1,593	409	12,385
1979	811	167	4,345	6,690	65	241	1,620	749	14,688
1980	1,419	294	5,394	7,500	619	450	2,517	1,427	19,620
1981	1,020	372	5,431	8,597	343	532	2,297	996	19,588
1982	1,855	1,935	2,483	10,034	1,357	1,208	4,706	914	24,492
1983	4,109	5,162	2,780	12,879	3,180	2,547	5,559	599	36,815
1984	7,554	6,453	3,548	12,997	2,792	3,838	6,661	2,108	45,951
1985	13,427	6,543	4,041	12,629	3,651	3,859	8,221	3,940	56,311
1986	16,295	4,886	7,967	15,161	4,709	3,522	10,296	3,206	66,042
1987	17,646	7,213	9,847	11,498	3,725	4,795	9,672	4,874	69,270
1988	20,158	7,433	9,945	15,224	5,648	7,567	9,406	7,537	82,918
1989	32,568	9,990	11,124	16,410	8,156	7,577	12,752	8,722	107,299
1990	37,434	11,339	10,574	16,841	9,021	11,482	13,424	8,916	119,031
1991	32,997	10,559	13,093	24,382	9,120	10,221	16,637	11,382	128,391
1992	33,648	10,355	14,634	27,989	9,545	11,996	22,113	8,420	138,700

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

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³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART D – Treasury bills

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(per cent of total)								
Year-ends									
1976	2.14	1.72	28.19	57.93	0.71	0.60	7.35	1.36	100.00
1977	4.81	1.59	25.87	52.03	1.50	1.02	10.99	2.19	100.00
1978	5.26	1.60	28.80	44.55	1.56	2.07	12.86	3.30	100.00
1979	5.52	1.14	29.58	45.55	0.44	1.64	11.03	5.10	100.00
1980	7.23	1.50	27.49	38.23	3.15	2.29	12.83	7.27	100.00
1981	5.21	1.90	27.73	43.89	1.75	2.72	11.73	5.08	100.00
1982	7.57	7.90	10.14	40.97	5.54	4.93	19.21	3.73	100.00
1983	11.16	14.02	7.55	34.98	8.64	6.92	15.10	1.63	100.00
1984	16.44	14.04	7.72	28.28	6.08	8.35	14.50	4.59	100.00
1985	23.84	11.62	7.18	22.43	6.48	6.85	14.60	7.00	100.00
1986	24.67	7.40	12.06	22.96	7.13	5.33	15.59	4.85	100.00
1987	25.47	10.41	14.22	16.60	5.38	6.92	13.96	7.04	100.00
1988	24.31	8.96	11.99	18.36	6.81	9.13	11.34	9.09	100.00
1989	30.35	9.31	10.37	15.29	7.60	7.06	11.88	8.13	100.00
1990	31.45	9.53	8.88	14.15	7.58	9.65	11.28	7.49	100.00
1991	25.70	8.22	10.20	18.99	7.10	7.96	12.96	8.87	100.00
1992	24.26	7.47	10.55	20.18	6.88	8.65	15.94	6.07	100.00

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

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³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART E – Marketable bonds

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(millions of dollars)								
Year-ends									
1976	1,199	270	6,278	4,447	664	1,392	1,853	350	16,453
1977	1,659	185	7,807	4,652	905	2,061	2,309	501	20,079
1978	2,083	205	8,434	4,379	1,344	3,337	2,712	992	23,486
1979	3,637	209	9,311	3,466	1,619	6,261	2,861	1,823	29,187
1980	5,977	267	10,464	2,502	2,152	8,542	3,491	2,521	35,916
1981	7,072	226	11,669	1,406	2,109	9,689	3,566	2,902	38,639
1982	7,755	320	12,945	1,199	1,931	11,516	4,564	3,225	43,455
1983	8,821	356	14,079	2,228	2,371	14,822	5,055	3,800	51,532
1984	10,191	553	13,636	2,167	2,095	19,628	5,969	4,467	58,706
1985	11,557	870	11,627	2,569	2,055	26,549	7,573	5,761	68,561
1986	10,935	1,384	10,407	2,618	2,468	29,913	8,757	7,663	74,145
1987	12,917	1,359	10,519	4,514	2,575	32,837	10,593	8,732	84,046
1988	12,626	1,550	10,661	5,891	2,009	34,170	11,027	9,304	87,238
1989	9,149	1,596	10,009	3,394	1,803	37,945	12,546	8,824	85,266
1990	8,908	1,119	9,751	6,383	1,586	40,464	14,260	10,626	93,097
1991	5,468	1,132	9,277	11,410	3,102	45,728	17,825	11,593	105,535
1992	3,334	2,174	7,973	16,566	2,680	50,597	20,428	12,756	116,508

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

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³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART F – Marketable bonds

	Persons and unincorporated businesses	Non- financial corporations	Bank of Canada	Chartered banks	Near- banks ¹	Insurance companies and pension funds	Public and other financial institutions ²	Various levels of government ³	Total
	(per cent of total)								
Year ends									
1976	7.29	1.64	38.16	27.03	4.04	8.46	11.26	2.13	100.00
1977	8.26	0.92	38.88	23.17	4.51	10.26	11.50	2.50	100.00
1978	8.87	0.87	35.91	18.65	5.72	14.21	11.55	4.22	100.00
1979	12.46	0.72	31.90	11.88	5.55	21.45	9.80	6.25	100.00
1980	16.64	0.74	29.13	6.97	5.99	23.78	9.72	7.02	100.00
1981	18.30	0.58	30.20	3.64	5.46	25.08	9.23	7.51	100.00
1982	17.85	0.74	29.79	2.76	4.44	26.50	10.50	7.42	100.00
1983	17.12	0.69	27.32	4.32	4.60	28.76	9.81	7.37	100.00
1984	17.36	0.94	23.23	3.69	3.57	33.43	10.17	7.61	100.00
1985	16.86	1.27	16.96	3.75	3.00	38.72	11.05	8.40	100.00
1986	14.75	1.87	14.04	3.53	3.33	40.34	11.81	10.34	100.00
1987	15.37	1.62	12.52	5.37	3.06	39.07	12.60	10.39	100.00
1988	14.47	1.78	12.22	6.75	2.30	39.17	12.64	10.67	100.00
1989	10.73	1.87	11.74	3.98	2.11	44.50	14.71	10.35	100.00
1990	9.57	1.20	10.47	6.86	1.70	43.46	15.32	11.41	100.00
1991	5.18	1.07	8.79	10.81	2.94	43.33	16.89	10.98	100.00
1992	2.86	1.87	6.84	14.22	2.30	43.43	17.53	10.95	100.00

Note: Because of timing and valuation differences, the *National Balance Sheet Accounts* data contained in this table are not necessarily on the same basis as other data elsewhere in this publication. (Most of the data in this report is on a par value basis – that is, outstanding securities are valued at par.) For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

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³ Includes federal government holdings of its own debt, as well as provincial, municipal, and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

Source: Statistics Canada, the *National Balance Sheet Accounts*.

Reference Table V

Foreign holdings of Government of Canada debt

(fiscal year-ends)

	Marketable bonds	Treasury bills	Total	Total as per cent of total market debt
	(billions of Canadian dollars)			
1978-79	4.8	0.9	5.7	8.5
1979-80	5.4	0.7	6.1	8.5
1980-81	6.6	1.1	7.7	9.3
1981-82	8.5	1.1	9.6	10.4
1982-83	9.5	1.6	11.1	9.6
1983-84	9.9	2.6	12.5	8.8
1984-85	14.0	4.6	18.6	10.8
1985-86	21.4	3.0	24.4	12.1
1986-87	29.5	4.7	34.2	15.0
1987-88	31.9	9.3	41.2	16.5
1988-89	39.8	15.7	55.5	20.2
1989-90	47.5	13.3	60.8	20.8
1990-91	54.8	16.1	70.9	22.1
1991-92	58.8	23.0	81.8	23.4
1992-93	74.5	23.5	98.0	25.8

Sources: Statistics Canada, *Canada's International Transactions in Securities*; Bank of Canada Review; Department of Finance estimates.

Reference Table VI

Fiscal 1992-93 Treasury bill program

Date	Maturing					New issues					Average tender yields			
	CM ¹	3 mo	6 mo	12 mo	Total	CM ¹	3 mo	6 mo	12 mo	Total	CM ¹	3 mo	6 mo	12 mo
	(millions of dollars)										(per cent)			
03-Apr-92	750	3,000	1,400	800	5,950	1,000	3,000	1,400	800	6,200	7.13	7.16	7.47	7.84
08-Apr-92	0	0	0	0	0	750	0	0	0	750	6.93	—	—	—
10-Apr-92	0	3,200	1,600	800	5,600	0	3,200	1,600	800	5,600	—	6.96	7.11	7.23
16-Apr-92	0	4,000	1,700	800	6,500	1,000	4,100	2,000	1,200	8,300	7.03	6.74	6.85	7.07
24-Apr-92	0	4,000	1,800	1,100	6,900	0	4,100	2,000	1,200	7,300	—	6.60	6.83	7.36
28-Apr-92	0	0	0	0	0	1,750	0	0	0	1,750	6.59	—	—	—
01-May-92	1,000	4,000	1,900	1,100	8,000	0	4,100	2,000	1,200	7,300	—	6.72	6.80	7.39
08-May-92	3,250	3,200	1,500	1,100	9,050	0	3,200	1,700	1,100	6,000	—	6.53	6.72	7.17
15-May-92	2,500	3,000	1,400	1,100	8,000	0	2,900	1,400	1,000	5,300	—	6.37	6.48	6.82
22-May-92	0	3,700	1,700	1,100	6,500	0	4,000	1,800	1,200	7,000	—	6.25	6.40	6.74
29-May-92	0	4,000	2,000	1,100	7,100	1,500	4,100	2,000	1,200	8,800	6.09	6.08	6.19	6.52
05-Jun-92	0	3,200	1,600	1,100	5,900	0	3,700	1,900	1,200	6,800	—	5.98	6.04	6.33
08-Jun-92	0	0	0	0	0	1,000	0	0	0	1,000	6.06	—	—	—
12-Jun-92	0	3,700	1,900	1,200	6,800	0	4,100	2,000	1,200	7,300	—	5.84	5.89	6.14
19-Jun-92	0	4,000	2,000	1,200	7,200	0	4,100	2,000	1,200	7,300	—	5.66	5.70	5.89
22-Jun-92	0	0	0	0	0	750	0	0	0	750	5.80	—	—	—
26-Jun-92	0	4,100	1,700	1,200	7,000	0	4,300	1,900	1,300	7,500	—	5.60	5.69	5.88
29-Jun-92	0	0	0	0	0	1,750	0	0	0	1,750	5.55	—	—	—
03-Jul-92	1,500	3,000	1,400	1,200	7,100	0	4,300	1,900	1,300	7,500	—	5.48	5.50	5.60
10-Jul-92	1,000	3,200	1,700	1,200	7,100	0	4,000	2,000	1,300	7,300	—	5.41	5.35	5.39
17-Jul-92	0	4,100	2,000	1,200	7,300	0	3,500	1,700	1,300	6,500	—	5.36	5.39	5.47
23-Jul-92	0	0	0	0	0	1,500	0	0	0	1,500	5.46	—	—	—
24-Jul-92	0	4,100	2,000	1,100	7,200	0	4,200	2,000	1,300	7,500	—	5.25	5.25	5.29
29-Jul-92	0	0	0	0	0	1,250	0	0	0	1,250	5.47	—	—	—
30-Jul-92	0	0	0	0	0	1,000	0	0	0	1,000	5.48	—	—	—
31-Jul-92	0	4,100	1,900	1,100	7,100	0	4,400	2,100	1,300	7,800	—	5.17	5.16	5.24
07-Aug-92	2,500	3,200	1,700	1,100	8,500	0	3,500	1,600	1,200	6,300	—	5.07	5.03	5.14
14-Aug-92	0	2,900	1,600	1,100	5,600	0	3,300	1,400	1,100	5,800	—	4.94	4.88	5.02
21-Aug-92	0	4,000	1,800	1,100	6,900	0	4,300	2,000	1,300	7,600	—	4.86	4.79	4.88
28-Aug-92	0	4,100	1,800	1,100	7,000	0	4,300	2,000	1,300	7,600	—	4.82	4.84	4.99
04-Sep-92	2,750	3,700	1,600	1,100	9,150	0	4,400	2,100	1,300	7,800	—	4.69	4.69	4.84
08-Sep-92	0	0	0	0	0	2,000	0	0	0	2,000	4.76	—	—	—
11-Sep-92	1,000	4,100	2,000	1,200	8,300	0	4,400	2,100	1,300	7,800	—	4.89	4.97	5.17
18-Sep-92	0	4,100	2,000	1,200	7,300	0	3,800	1,800	1,300	6,900	—	5.09	5.38	5.56
25-Sep-92	0	4,300	1,900	1,100	7,300	0	3,700	1,700	1,100	6,500	—	5.44	5.61	5.79

¹ Cash management

Reference Table VI (cont'd)

Fiscal 1992-93 Treasury bill program

Date	Maturing					New issues					Average tender yields			
	CM ¹	3 mo	6 mo	12 mo	Total	CM ¹	3 mo	6 mo	12 mo	Total	CM ¹	3 mo	6 mo	12 mo
						(millions of dollars)					(per cent)			
02-Oct-92	0	4,300	1,400	1,100	6,800	0	3,800	1,800	1,200	6,800	—	7.37	7.04	6.77
09-Oct-92	2,000	4,000	1,600	1,000	8,600	0	3,800	1,800	1,200	6,800	—	7.68	7.68	7.45
16-Oct-92	0	3,500	2,000	1,100	6,600	1,750	2,750	1,400	1,000	6,900	7.64	7.56	7.42	7.16
23-Oct-92	0	4,200	2,000	1,100	7,300	1,750	2,750	1,400	1,000	6,900	7.86	7.12	6.74	6.62
30-Oct-92	0	4,400	2,000	1,100	7,500	1,750	3,250	1,700	1,100	7,800	7.22	6.06	5.76	5.58
06-Nov-92	1,750	3,500	1,700	1,000	7,950	0	3,400	1,700	1,200	6,300	—	5.93	5.93	6.00
13-Nov-92	1,750	3,300	1,400	1,000	7,450	0	4,000	1,900	1,200	7,100	—	6.72	6.75	6.71
20-Nov-92	0	4,300	1,800	1,100	7,200	0	3,800	1,700	1,200	6,700	—	7.70	7.64	7.45
26-Nov-92	0	4,300	2,000	1,100	7,400	0	3,800	1,800	1,200	6,800	—	8.57	8.58	8.18
03-Dec-92	1,750	4,400	1,900	1,100	9,150	0	3,900	1,800	1,200	6,900	—	8.02	7.88	7.78
10-Dec-92	0	4,400	2,000	1,100	7,500	1,250	4,100	1,900	1,200	8,450	—	7.51	7.28	7.23
17-Dec-92	0	3,800	2,000	1,200	7,000	0	4,200	2,000	1,300	7,500	—	7.45	7.50	7.57
22-Dec-92	0	0	0	0	0	1,750	0	0	0	1,750	7.11	—	—	—
24-Dec-92	0	3,700	1,900	1,100	6,700	0	4,200	2,000	1,300	7,500	—	7.18	7.06	7.07
31-Dec-92	0	3,800	1,900	1,000	6,700	0	4,400	2,100	1,300	7,800	—	7.11	7.17	7.31
07-Jan-93	0	3,800	2,000	1,100	6,900	0	3,100	1,400	1,000	5,500	—	7.02	7.07	7.15
14-Jan-93	1,250	2,750	1,700	1,100	6,800	0	3,300	1,500	1,100	5,900	—	6.74	6.79	6.95
21-Jan-93	0	2,750	2,000	1,200	5,950	0	3,400	1,700	1,100	6,200	—	6.51	6.59	6.78
28-Jan-93	0	3,250	2,100	1,100	6,450	0	3,800	1,700	1,200	6,700	—	6.56	6.78	6.95
04-Feb-93	1,750	3,400	1,600	1,100	7,850	0	3,700	1,700	1,100	6,500	—	6.38	6.61	6.84
11-Feb-93	0	4,000	1,400	1,100	6,500	0	4,000	1,800	1,200	7,000	—	6.15	6.36	6.76
18-Feb-93	0	3,800	2,000	1,100	6,900	0	3,900	1,700	1,200	6,800	—	6.05	6.33	6.70
25-Feb-93	0	3,800	2,000	1,100	6,900	1,250	3,800	2,000	1,100	8,150	5.92	5.84	6.13	6.48
04-Mar-93	0	3,900	2,100	1,100	7,100	0	3,900	2,100	1,100	7,100	—	5.64	5.90	6.33
11-Mar-93	0	4,100	2,100	1,100	7,300	0	4,100	2,100	1,300	7,500	—	5.41	5.66	6.13
18-Mar-93	0	4,200	1,800	1,100	7,100	0	4,400	2,100	1,300	7,800	—	5.31	5.72	6.24
25-Mar-93	0	4,200	1,700	800	6,700	0	4,400	2,200	1,300	7,900	—	5.21	5.57	6.05
29-Mar-93	0	0	0	0	0	2,000	0	0	0	2,000	4.87	—	—	—

¹ Cash management.

Source: Department of Finance.

Reference Table VII

Canada Savings Bonds, fiscal 1982-83 to fiscal 1992-93

Fiscal year	Gross sales during campaign	Net sales during campaign	Outstanding at fiscal year-end
		(millions of dollars)	
1982-83	11,229	9,567	32,753
1983-84	11,584	8,761	38,403
1984-85	12,743	9,768	42,167
1985-86	15,107	10,157	44,607
1986-87	9,191	5,177	43,854
1987-88	17,450	14,913	52,558
1988-89	14,962	6,454	47,048
1989-90	9,338	3,121	40,207
1990-91	6,720	1,660	33,781
1991-92	9,588	4,733	35,031
1992-93	9,235	3,275	33,884

Sources: Department of Finance, Bank of Canada Review.

Reference Table VIII

Government of Canada interest rate swaps, fiscal 1992-93

Start date	End date	BA spread	Effective semi-annual fixed rate (per cent)	Amount (millions of dollars)
09-Apr-92	01-Mar-97	76	9.220	100
04-May-92	01-Mar-97	63	9.035	100
14-May-92	01-Jul-97	70	8.810	100
19-May-92	01-Nov-95	66	8.120	50
11-Jun-92	01-Jul-97	55	8.310	100
15-Jun-92	01-Jul-97	55	8.043	350
18-Jun-92	01-Jul-97	55.5	8.003	50
22-Jul-92	01-Feb-96	57.5	6.675	100
30-Jul-92	01-Feb-96	55	6.510	100
19-Aug-92	01-Feb-98	59	7.000	100
19-Aug-92	01-Feb-98	59	7.000	100
26-Aug-92	01-Feb-98	60	7.150	200
26-Aug-92	01-Feb-98	62.5	7.175	100
28-Sep-92	01-Feb-98	61.5	7.703	100
05-Oct-92	01-Feb-98	73	8.105	100
09-Oct-92	01-Feb-98	70.5	7.757	50
15-Oct-92	01-Feb-98	73	7.890	50
21-Oct-92	01-Feb-98	76	7.960	50
23-Nov-92	01-Feb-98	76	8.404	200
24-Nov-92	01-Feb-98	77	8.327	50
22-Jan-93	01-Feb-98	70.5	8.190	100
29-Jan-93	01-Feb-98	70	8.050	100
10-Feb-93	01-Feb-98	70	7.830	150
22-Feb-93	01-Feb-98	73	7.665	100
15-Mar-93	01-Feb-98	70	7.665	100
22-Mar-93	01-Feb-98	69	7.490	100

Source: Department of Finance.

Reference Table IX

Exchange Fund Account cash management swaps, fiscal 1992-93

Effective date	Maturity date	Amount	Amount	Effective cost	Estimated cost of T-bills	Savings
		(millions of U.S. dollars)	(billions of Yen)	(per cent)		(per cent)
03-Apr-92	06-Apr-92	250		6.73	7.05	0.32
22-Apr-92	06-May-92	100		6.50	6.75	0.25
24-Apr-92	25-Jun-92		20	6.60	6.70	0.10
27-Apr-92	29-Jun-92		45	6.64	6.65	0.01
24-Apr-92	08-May-92	150		6.27	6.50	0.23
29-Jun-92	29-Sep-92		45	5.62	5.63	0.01
25-Jun-92	25-Aug-92	200		5.43	5.71	0.28
26-Jun-92	26-Aug-92	150		5.43	5.62	0.19
31-Jul-92	04-Aug-92	200		5.36	5.60	0.24
03-Aug-92	17-Aug-92	100		5.31	5.55	0.25
04-Aug-92	14-Aug-92	200		5.24	5.55	0.32
25-Aug-92	15-Sep-92	200		4.79	5.05	0.26
26-Aug-92	16-Sep-92	150		4.76	5.00	0.24
27-Aug-92	17-Sep-92	200		4.58	4.80	0.22
31-Aug-92	15-Sep-92	100		4.50	4.75	0.26
10-Sep-92	15-Sep-92	300		4.84	4.75	-0.09
11-Sep-92	16-Sep-92	150		4.82	4.75	-0.07
08-Oct-92	15-Oct-92	250		7.04	7.15	0.11
09-Oct-92	16-Oct-92	250		6.88	7.00	0.12
07-Jan-93	07-Apr-93	100		6.73	6.91	0.18
11-Jan-93	12-Apr-93	225		6.70	6.88	0.18
11-Jan-93	12-Jul-93	50		6.90	7.01	0.11
11-Jan-93	12-Jul-93	50		6.94	7.05	0.11
27-Jan-93	26-Feb-93	100		6.17	6.27	0.10
27-Jan-93	28-Apr-93	75		6.44	6.56	0.12
28-Jan-93	31-Mar-93	150		6.32	6.38	0.06
18-Feb-93	11-Mar-93	250		5.89	6.00	0.11
18-Feb-93	18-Mar-93	200		5.53	5.85	0.32
22-Feb-93	08-Mar-93	200		5.69	6.00	0.32
22-Feb-93	15-Mar-93	400		5.69	5.90	0.21
26-Feb-93	05-Mar-93	250		5.71	6.00	0.29
22-Mar-93	06-May-93	150		4.82	5.02	0.20
31-Mar-93	06-May-93	250		4.59	4.87	0.28

Source: Department of Finance.

Reference Table X

Fiscal 1992-93 marketable bond program

Offering	Delivery date	Maturity date	Maturing	Gross	Net
				(millions of dollars)	
Fixed-coupon bonds:					
24-Mar	01-Apr	01-Mar-94	600	600	0
21-Apr	01-May	01-Apr-2002	0	1,200	1,200
28-Apr	08-May	01-Nov-95	0	1,500	1,500
05-May	15-May	01-Jun-2022	0	900	900
20-May	01-Jun	01-Jul-97	2,050	1,500	-550
-	08-Jun	*	1000	0	-1,000
02-Jun	15-Jun	15-Sep-94	0	1,700	1,700
16-Jun	02-Jul	01-Jul-97	1,799	1,500	-299
30-Jun	15-Jul	01-Apr-2002	0	1,300	1,300
21-Jul	04-Aug	01-Feb-96	0	1,700	1,700
04-Aug	17-Aug	01-Jun-2023	0	1,000	1,000
18-Aug	01-Sep	01-Feb-98	874	1,700	826
-	08-Sep	*	1,200	0	-1,200
01-Sep	15-Sep	15-Sep-94	0	1,800	1,800
15-Sep	25-Sep	01-Jun-2003	0	1,500	1,500
29-Sep	15-Oct	01-Feb-98	400	1,500	1,100
14-Oct	26-Oct	01-Jun-2003	0	1,200	1,200
-	16-Nov	*	500	0	-500
10-Nov	20-Nov	01-Jun-2003	0	1,300	1,300
17-Nov	01-Dec	01-Feb-98	0	1,600	1,600
-	07-Dec	*	1,300	0	-1,300
02-Dec	15-Dec	15-Mar-95	2,050	1,800	-250
16-Dec	06-Jan	01-Feb-96	0	1,800	1,800
06-Jan	18-Jan	01-Jun-2003	0	1,400	1,400
20-Jan	01-Feb	01-Jun-2023	1,850	1,000	-850
03-Feb	15-Feb	01-Jun-2003	0	1,500	1,500
17-Feb	05-Mar	14-Nov-2093	1,300	1,800	500
03-Mar	15-Mar	15-Mar-95	0	2,000	2,000
Real Return Bonds:					
23-Sep	14-Oct	01-Dec-2022	0	500	500

Note: * indicates no new issue on this date.

Source: Department of Finance.

Reference Table XI

Outstanding Government of Canada marketable bonds

as at March 31, 1993

Maturity	Amount outstanding (millions of dollars)	Coupon rate (per cent)
Fixed-coupon bonds		
01-Apr-1993	925	10.25
01-May-1993	1,725	10.75
01-Jul-1993	1,625	8.75
01-Jul-1993	446	14.75
01-Sep-1993	2,450	9.50
06-Sep-1993	1,400	8.75
15-Oct-1993	2,125	11.75
06-Dec-1993	1,400	7.00
15-Dec-1993	850	11.50
01-Feb-1994	250	8.75
01-Feb-1994	2,350	10.25
01-Mar-1994	800	8.25
01-Mar-1994	700	12.00
06-Mar-1994	1,600	7.50
01-Apr-1994	1,025	13.00
15-May-1994	1,200	13.75
15-Jun-1994	611	9.50
15-Jul-1994	400	7.75
15-Jul-1994	250	13.50
15-Sep-1994	3,500	7.00
01-Oct-1994	2,525	9.25
01-Oct-1994	475	12.75
15-Dec-1994	1,700	9.25
15-Dec-1994	900	12.50
01-Feb-1995	375	11.50
01-Feb-1995	725	12.25
01-Mar-1995	2,800	10.00
01-Mar-1995	925	11.75
15-Mar-1995	3,800	7.00
01-Apr-1995	1,350	11.25
01-Jun-1995	3,100	10.50
01-Oct-1995	100	6.50
01-Oct-1995	652	10.00
01-Nov-1995	1,500	8.25
15-Dec-1995	3,050	10.75
01-Feb-1996	3,500	6.00
01-Mar-1996	2,600	10.25
01-May-1996	3,300	9.25
01-Jun-1996	2,175	8.75
15-Sep-1996	55	3.00
01-Oct-1996	3,425	9.25
01-Mar-1997	3,400	8.25
15-May-1997	876	9.25
01-Jul-1997	4,200	7.50
01-Oct-1997	2,775	9.75

Reference Table XI (cont'd)

Outstanding Government of Canada marketable bonds

as at March 31, 1993

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
Fixed-coupon bonds (cont'd)		
01-Feb-1998	6,600	6.25
15-Mar-1998	197	3.75
15-Mar-1998	2,225	10.75
01-Oct-1998	3,100	9.50
01-Dec-1998	2,275	10.25
15-Oct-1999	528	9.00
01-Dec-1999	2,825	9.25
01-Dec-1999	400	13.50
15-Mar-2000	1,050	13.75
01-May-2000	1,575	9.75
01-Jul-2000	2,900	10.50
01-Jul-2000	175	15.00
01-Sep-2000	1,200	11.50
15-Dec-2000	500	9.75
01-Feb-2001	4251	5.75
01-Mar-2001	3,175	10.50
01-May-2001	1,325	13.00
01-Jun-2001	3,550	9.75
01-Oct-2001	1,233	9.50
01-Dec-2001	3,850	9.75
01-Feb-2002	213	8.75
15-Mar-2002	350	15.50
01-Apr-2002	5,450	8.50
01-May-2002	1,850	10.00
15-Dec-2002	1,625	11.25
01-Feb-2003	2,700	11.75
01-Jun-2003	6,900	7.25
01-Oct-2003	671	9.50
01-Feb-2004	2,200	10.25
01-Jun-2004	550	13.50
01-Oct-2004	875	10.50
01-Mar-2005	1,775	12.00
01-Sep-2005	1,375	12.25
01-Mar-2006	975	12.50
01-Oct-2006	1,025	14.00
01-Mar-2007	325	13.75
01-Oct-2007	700	13.00
01-Mar-2008	750	12.75
01-Jun-2008	3,450	10.00
01-Oct-2008	725	11.75
01-Mar-2009	400	11.50
01-Jun-2009	925	11.00
01-Oct-2009	1,300	10.75

Reference Table XI (cont'd)

Outstanding Government of Canada marketable bonds

as at March 31, 1993

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
Fixed-coupon bonds (cont'd)		
01-Mar-2010	325	9.75
01-Jun-2010	2,975	9.50
01-Oct-2010	325	8.75
01-Mar-2011	1,975	9.00
01-Jun-2011	750	8.50
15-Mar-2014	3,150	10.25
01-Jun-2015	2,350	11.25
15-Mar-2021	1,800	10.50
01-Jun-2021	4,650	9.75
01-Jun-2022	2,550	9.25
01-Jun-2023	2,000	8.00
Real Return Bonds:		
01-Dec-2021	1,200	4.25

Source: Department of Finance.

Reference Table XII

Crown corporation market borrowings

(thousands of dollars, as at March 31, except where indicated)

Corporation	1986	1987	1988	1989	1990	1991	1992	December 31, 1992
Export Development Corporation	5,842,278	5,814,483	5,257,204	5,198,057	5,802,119	5,684,555	6,220,597	6,746,158
Wheat Board	4,060,604	4,017,295	3,797,800	3,767,331	4,354,413	6,449,293	7,323,037	6,663,436
Federal Business Development Bank	1,183,730	1,562,944	1,915,936	2,065,349	2,299,374	2,270,863	2,249,126	2,497,127
Farm Credit Corporation	984,100	1,597,809	1,328,156	1,328,156	1,215,613	1,128,391	813,459	829,289
CN	3,302,039	3,037,686	2,525,682	1,715,358	1,715,777	1,861,273	1,802,513	1,832,557
Canada Eldor	517,259	615,785	625,670	525,138	566,320	611,706	712,794	584,228
Petro-Canada Ltd.	874,192	1,072,792	1,369,029	2,096,814	2,450,354	1,656,372	980,000	460,000
Petro-Canada	—	—	—	—	—	718,225	—	—
Canada Ports	—	—	—	—	—	—	200,137	191,473
Air Canada	1,411,466	1,430,701	1,430,249	—	—	—	—	—
Canada Deposit Insurance Corporation	1,035,585	987,830	496,771	—	—	—	—	—
Other	126,535	98,462	43,812	40,976	42,469	98,428	94,584	95,116
Total	19,337,638	20,235,787	18,790,309	16,737,179	18,446,639	20,479,106	20,398,247	19,899,384

Sources: Receiver General, *Public Accounts of Canada*; Department of Supply and Services, *Summary Quarterly Financial Statements of Crown Corporations*.

Reference Table XIII

Crown corporation borrowings from the Consolidated Revenue Fund

(millions of dollars, as at March 31, except where indicated)

Corporation	1986	1987	1988	1989	1990	1991	1992	December 31, 1992
Canada Mortgage and Housing Corporation	9,639	9,386	9,151	8,879	8,678	8,484	8,181	8,259
Canada Deposit Insurance Corporation	935	1,203	1,334	1,695	1,375	1,225	3,085	3,650
Farm Credit Corporation	3,896	3,304	3,483	3,253	2,549	2,432	2,420	2,574
Other	2,299	1,952	1,313	1,218	1,106	934	717	923
Total	16,769	15,845	15,281	15,045	13,708	13,075	14,403	15,406

Note: Figures do not include "allowance for valuation".

Source: Department of Supply and Services.