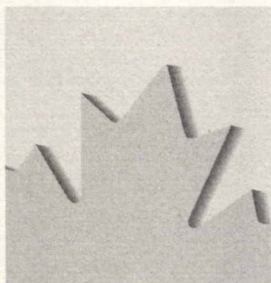


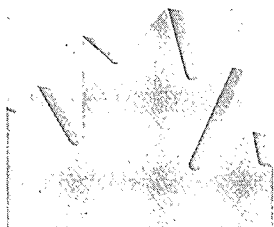
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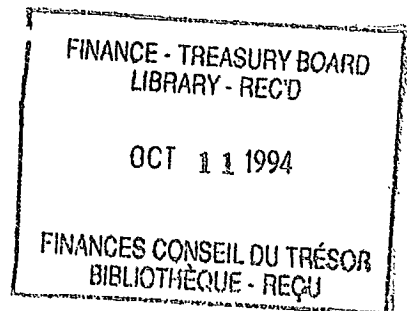
September 1994

Canada



DEBT OPERATIONS REPORT

September 1994



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PREFACE

The *Debt Operations Report* provides an 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 over the past year and historically.

Three technical annexes are also included. The first contains a summary of the important features of the main Government of Canada debt instruments: marketable bonds (including Real Return Bonds), Treasury bills, Canada Savings Bonds, and Canada bills. The second is a short discussion of the primary distribution of Government of Canada securities. The final annex contains a list of selected international news service pages on Government of Canada debt.

Reference Tables are provided containing historical data on: gross public debt and public debt charges, the structure of outstanding market debt, Treasury bill issues, interest rate swaps, Exchange Fund Account cash management swaps, Government of Canada marketable bonds, foreign holdings of Government of Canada debt, Canada's foreign currency debt, the distribution of domestic holdings of Government of Canada securities, domestic market trading in Government of Canada issues, and borrowings from the Consolidated Revenue Fund by Crown corporations.

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INTRODUCTION

The debt of the Government of Canada represents the sum of its annual budgetary deficits. This debt totaled some \$508 billion on March 31, 1994 (the end of the 1993-94 fiscal year), up from \$170 billion ten years earlier. Gross Government of Canada debt at the end of fiscal 1993-94 stood at \$548 billion, against \$204 billion at the end of fiscal 1983-84. (See Chart 1.) This debt can be broken down into two main categories: *Market debt*, that is, outstanding Government of Canada securities and market borrowings, and *Internal debt*, of which the principal component is superannuation liabilities. Market debt has grown to \$411 billion from \$142 billion over the past 10 fiscal years.

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 through the development of efficient capital markets, through varying the maturity of market debt instruments issued, and the development of new cost-effective debt instruments.

In line with the growth in total outstanding debt, the cost of servicing the debt has grown over the past decade. As Chart 2 shows, however, debt charges have leveled off over the past two years, reflecting the decline in interest rates that has occurred since the late 1980s. Debt servicing charges remain, however, the largest single budgetary expenditure item; in fiscal 1993-94, they were 24 per cent of total budgetary spending. (Reference Table I traces the growth in debt and debt charges since 1983-84.)

Chart 1

Gross public debt and outstanding market debt

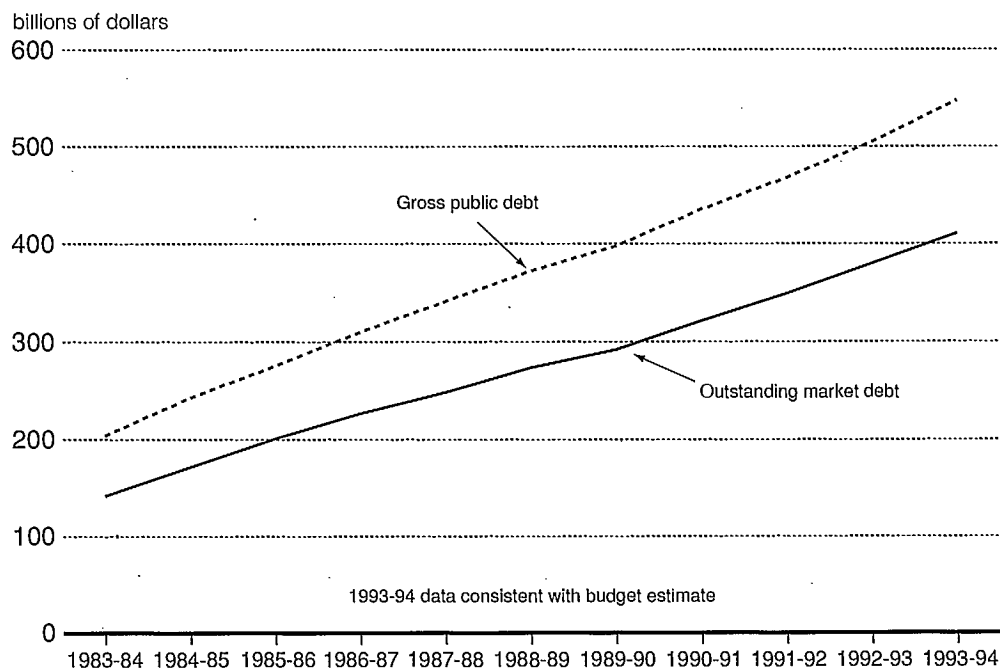


Chart 2

Government of Canada debt charges

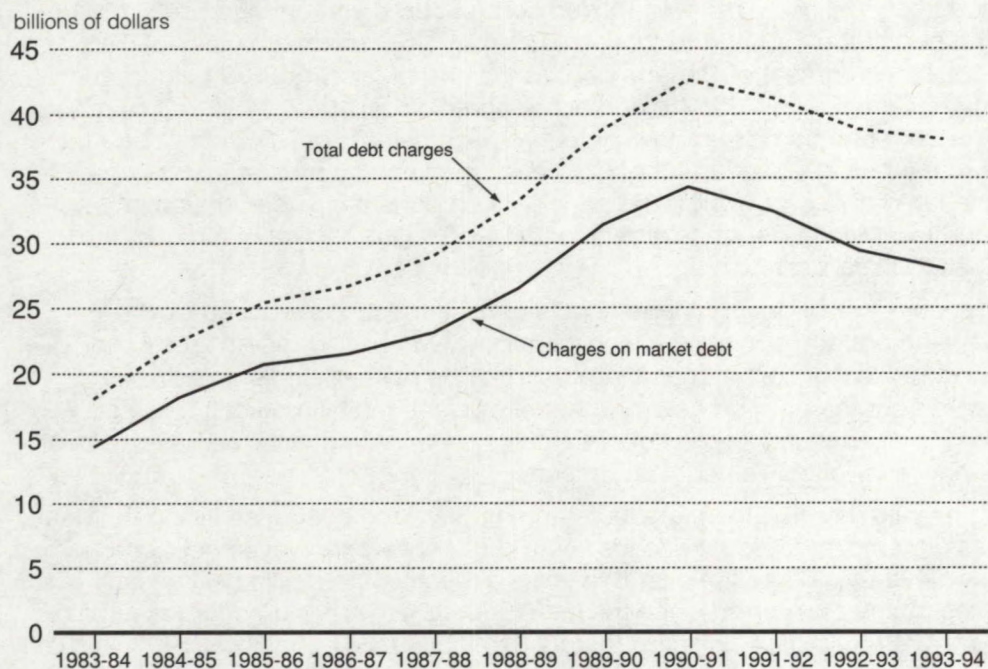
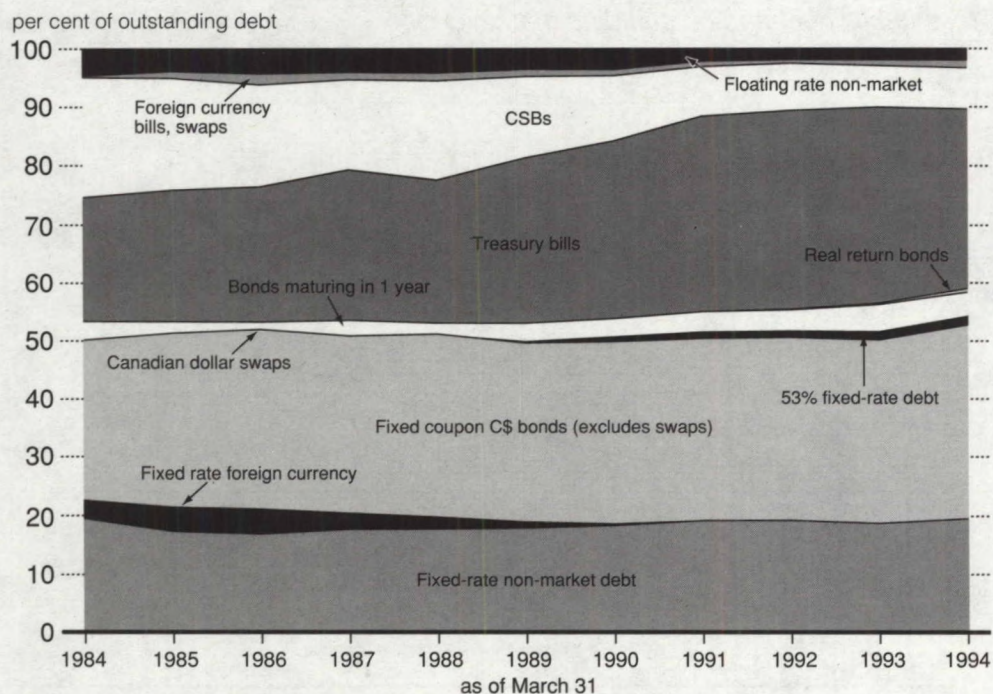


Chart 3

Structure of outstanding debt



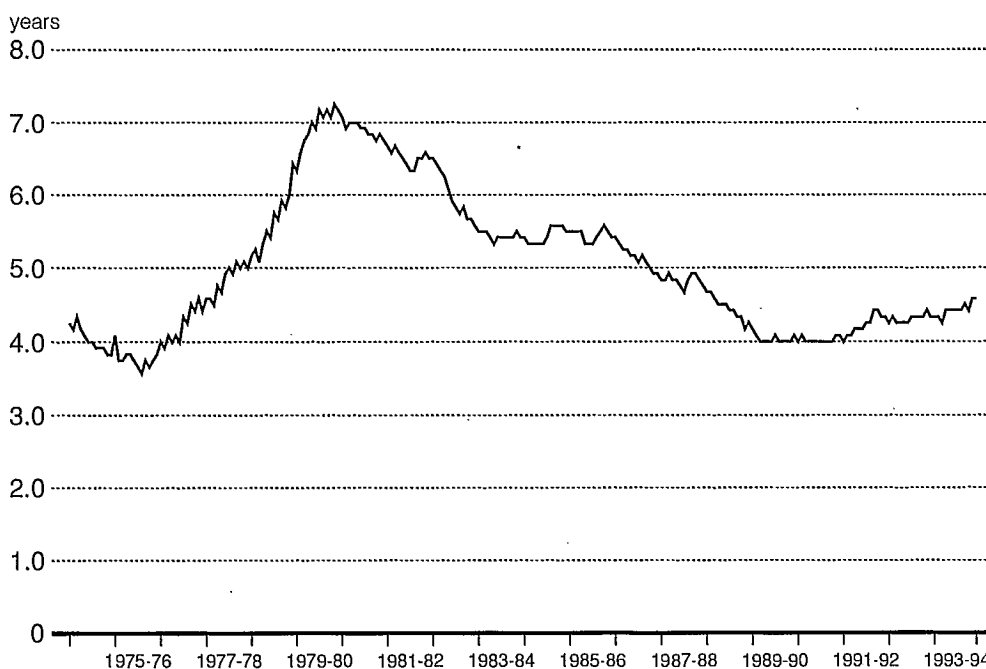
Currently, the level of outstanding gross debt (market borrowings, internal borrowings, and other financial liabilities), is split about evenly, with about 47 per cent in floating-rate form (that is, debt maturing or re-priced within one year) and 53 per cent in fixed-rate form. Chart 3 shows the structure of outstanding debt over the past ten years.

As detailed in Reference Table II, total outstanding Government of Canada market securities stood at \$411 billion on March 31, 1994. Of this outstanding debt, about 49 per cent was in the form of marketable bonds, 40 per cent in Treasury bills, 8 per cent in Canada Savings Bonds, and 3 per cent in debt denominated in foreign currencies.

Debt management also concerns itself with the mix of maturities offered on the range of Government of Canada debt products. 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 market debt of the Government of Canada fell by more than three years between 1980 and 1990 to 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 of issuing a higher proportion of longer-term debt, and, as a consequence, the ATM has rebounded, reaching a level of 4.5 years at the end of fiscal 1993-94. (See Chart 4.)

Chart 4

Average term to maturity of outstanding domestic marketable debt



The government's objective of minimizing debt charges over the long term is also served by promoting efficient Canadian credit markets. To this end, the government has taken a number of steps to enhance the market's liquidity, and to increase the transparency of its own operations over the past few years. Among these are: deepening its benchmark issues, regularizing its issuing calendar, supporting the development of derivatives markets, and the use of book-based clearing systems. These initiatives are discussed more fully later in this Report.

The Dynamics of Debt

The total size of the debt of the Government of Canada is increasing. In essence, this is affected by two key trends – the operating balance of the government and the effect of compounding interest. As indicated in Chart 5, program expenditures and revenues, the operating balance, have been in a small surplus over the past five years; this influence has had little net effect upon the size of the debt. On the other hand, the effect of compounding interest has been very significant; adding \$199 billion to the national debt over the five year period. Looking forward, the greater the size of the debt now, the larger this latter effect will be in dollar terms, and the more other factors will have to change to offset compound interest in order to get the debt under control.

Chart 5

The effect of compound interest upon the debt

The national debt in 1988-89		\$330B
Compound interest on the 1988-89 debt	+	\$199B
Operating surplus since 1988-89	-	\$21B
1993-94 national debt	=	\$508B

REVIEW OF 1993-94

Table 1 gives details on debt management operations in fiscal 1993-94. On a net basis, the Government of Canada issued \$26.0 billion of domestic market debt during the fiscal year, made up of \$23.4 billion in fixed-coupon marketable bonds, \$1.5 billion in Real Return Bonds, \$4.0 billion in Treasury bills, and had net redemptions of \$3.0 billion in Canada Savings Bonds, and paid down \$1.1 billion, in EFA cash management swaps. Canadian dollar cash balances fell by \$0.7 billion over the period.

Table 1

The debt program, 1993-94

	(billions of dollars)
Canadian dollar market transactions	
Fixed-Coupon Bonds	23.4
Treasury bills	4.0
Real Return Bonds	1.5
Canada Savings Bonds	-3.0
EFA cash management swaps	-1.1
Total Canadian dollar market transactions	24.8
Change in Canadian dollar cash balances	-0.7
Closing cash position	2.0
Interest rate swaps ¹ : Gross	1.1
Net	-0.9

¹ Fixed-to-floating rate interest rate swaps transacted during the year, which are an alternative form 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.

Gross marketable bond issues totalled \$45.8 billion during the year, up from \$35.3 billion in the previous fiscal year, reflecting the maturity-lengthening strategy. Building upon the success of its continuing quarterly cycle of two-year and five-year auctions, the government introduced a program of quarterly ten-year issues at the beginning of the year, which also met with positive market reaction. The size of fixed-coupon bond market benchmarks reached levels of \$4.9 billion in the two-year range, \$6.8 billion at five-years, \$8.8 billion at ten-years, and \$7.0 billion at thirty-years. Liquidity in the Real Return Bond was also improved; the outstanding level of RRBs was built to \$2.7 billion by the end of the year. The last two issues of Real Return Bonds in 1993-94 also set aside portions of each issue specifically for the retail sector of the market. The government ceased issuing new series of bonds in bearer form during the year, in line with initiatives to support a move towards a fully electronic "book-based" transaction system for marketable bonds.

The level of outstanding Canada Savings Bonds dropped by \$3.0 billion over the fiscal year, with redemptions more than offsetting new issues during the annual sales campaign in October. Sales were weak in the face of stiff competition from other borrowers and low yields for short-term investments in a steeply upward-sloping yield curve environment.

The Treasury bill program was modified somewhat early in the fiscal year. In order to deepen the liquidity of one-year bill issues, a fungible one-year Treasury bill was introduced in June, with issues on two consecutive weeks having the same maturity date.

On a net basis, U.S. \$2.1 billion in Canada bills were issued during the year, reflecting the need for reserve replenishment. The government also launched a successful U.S. \$2.0 billion floating-rate note in Europe during February. The operation was undertaken to diversify the funding of the Government's foreign currency liabilities.

In June 1994, Moody's downgraded Canada's foreign currency debt – which represents around 2 per cent of Canada's total debt – from Aaa to Aa+, bringing its rating in line with Standard & Poor's. Both Moody's and Standard & Poor's, however, continue to rank Canada's own-currency debt at a triple-A rating.

Canadian interest rates trended downward throughout most of the fiscal year, falling to the lowest levels seen in three decades, tracking Canada's low inflation rates. Beginning in 1994 with the first Federal Reserve Board tightening of U.S. monetary policy, however, financial market uncertainty around the world, in combination with growing concern about public sector deficits in Canada and uncertainty about Canadian political events, pushed interest rates back to earlier levels.

AN OVERVIEW OF DEBT STRATEGY

Key Themes

Federal debt management seeks to provide cost-effective funding for the government through a balance of cost minimization and cost stability, through the development of liquid and well-functioning Canadian fixed-income markets, and through the introduction of new products to diversify the investor base.

Prudent management requires the balancing of costs and risks. The debt stock should be structured to handle the inevitable event risks that will be faced over time.

Borrowing costs can be lowered by ensuring that markets work as efficiently as possible. Therefore, debt strategy places major emphasis upon *market development*: the promotion of liquidity and efficiency in the government's borrowing program, as well as innovation in the products offered.

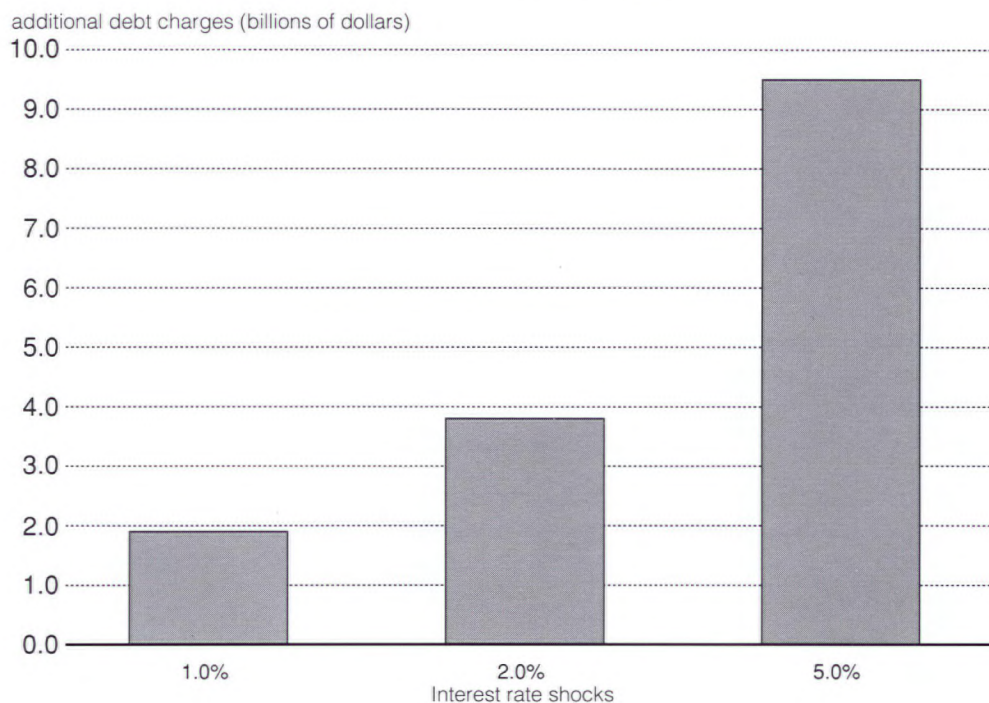
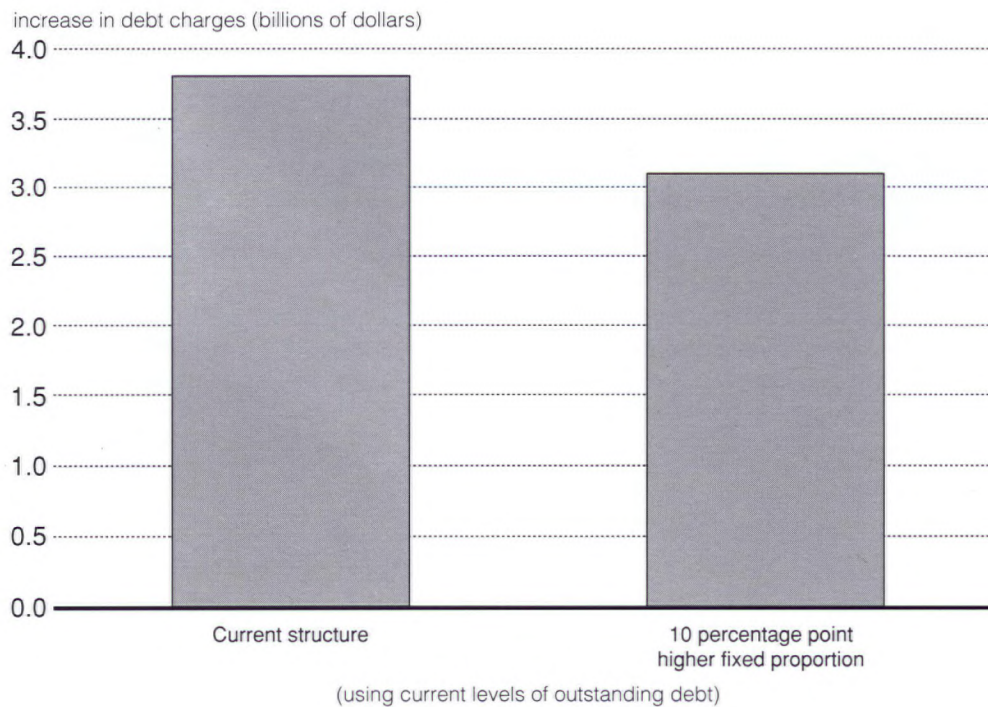
Finally, the government, through its *investor relations* program, seeks to enhance the distribution of its debt by maintaining an ongoing dialogue with end investors, providing them with information on key developments in Canada.

Prudent Management

Interest rates change over economic cycles, and in response to political and economic events.

Interest rate volatility is especially important to sovereign issuers, because of inevitable changes in interest rates which must be accommodated without disrupting public finances unduly. Canada's debt is more highly exposed to changes in interest rates than that of other countries; most major sovereign borrowers have considerably higher fixed-rate shares (usually over 70 per cent fixed), which provide more protection against changes in interest rates. (Private sector standards on interest rate risk are equally conservative.) On the other hand, the higher floating-rate share has permitted the government to benefit as interest rates have fallen from their peak in 1981.

Chart 6 shows what would happen to Canada's debt charges if the level of interest rates were to increase unexpectedly: a 2 percentage point increase in rates results in a \$3.8 billion increase in debt charges. (This is the effect over one year; annual debt charges would eventually increase by about \$10 billion per year as the effect of a sustained increase in rates incorporated itself into the debt stock.)

Chart 6*Effect of interest rate shocks on annual debt charges***Chart 7***Effect of a change in debt structure upon debt charges
(2% interest rate shock)*

The sensitivity of government debt charges is directly related to the volume of debt that must be refunded on an ongoing basis. The potential for unexpected variations in debt charges can thus be modified by changing the structure of the outstanding debt – a larger proportion of fixed-rate debt reduces its sensitivity to the risk of interest rate shocks. Chart 7 demonstrates how the sensitivity of the debt stock to changes in interest rates can be affected by the structure of outstanding debt: if fixed-rate debt was 10 per cent higher now, the variation in debt charges, should interest rates increase, would be about 20 per cent lower.

Typically, the yield curve slopes upward: in the short term, floating-rate debt will usually bear a lower interest rate than long-term, fixed-rate debt. However, as noted above, floating-rate debt also subjects the issuer to greater variability in debt charges than fixed-rate debt.

Because of this, prudent government debt management involves a balancing of the higher short-term costs of fixed-rate debt against the higher exposure to interest rate risk implied by floating-rate debt. This cost-risk tradeoff is illustrated below in Table 2; a lower proportion of fixed-rate debt could lead to short-term savings, but at a higher risk.

Table 2

The cost/risk trade-off

Sensitivity analysis – Changes in cost and risk of various alternative debt structures

Debt structure	Additional costs ¹	Risk ² of \$5 billion shock
	(millions of dollars)	(per cent)
55% fixed	-340	16
60% fixed	70	12
65% fixed	410	8

¹ Compared to 1993-94 debt strategy. A negative number indicates savings.

² Probability of an interest rate shock large enough to cause a \$5 billion increase in debt charges in the tenth year.

Source: Department of Finance estimates.

Because the debt is large, however, it is not practical to try to change the structure of this debt dramatically from one year to the next. For this reason, the government relies upon setting long-term objectives for debt structure, and then determining the strategy required over the short term to meet these objectives. The current strategy aims to increase the fixed percentage of debt by about eight percentage points in ten years, to about 61 per cent.

Market Development

The government's debt management strategy places significant emphasis on initiatives to improve the functioning of Canadian capital markets.

Table 3 gives a summary of the major ongoing government initiatives in this area.

Table 3

Major initiatives undertaken to promote efficient Canadian capital markets

Ongoing initiatives

Bond markets

Large benchmark issues (see Table 4)
Regular borrowing calendar
Quarterly, ten-, five-, and two-year auctions
One thirty-year issue per quarter
Common coupon dates
New issues only available in fully-registered form
Real Return Bonds (and promotion of retail strips on RRBs)

Derivatives markets

Promotion of Montreal CGB futures contract
Removal of tax limitations on repo transactions
CDS facilitation of strip operations

Treasury bill program

Fungible one-year bills
Reduced tender size volatility

Initiatives under review

Canadian dollar floating-rate notes
Treasury bill repos
Securitization

Possibly a way to diversify our floating-rate debt
Could provide a flexible cash management tool
Could generate cost savings for those programs that use government guarantees to access financing from banks

These initiatives have been, and will continue to be, announced on a regular basis. The government's ongoing commitment to keep the market abreast of its intended future plans continually reinforces the importance that is placed upon developing efficient capital markets.

For example, over the past three years, the government has on an annual basis announced its target benchmark sizes for marketable bonds, as shown in Table 4. These annual announcements increase the market's certainty about future debt operations, promote efficiency in the bond market, and as a result, reduce issuing costs.

Table 4*The growth of target benchmark sizes for Government of Canada bonds*

Benchmark	Target range		
	Fiscal 1992-93	Fiscal 1993-94	Fiscal 1994-95
	(billions of dollars)		
2-year	3	4	4 - 6
5-year	4 - 5	5 - 7	6 - 9
10-year	5 - 6	6 - 8	6 - 9
30-year	5 - 6	6 - 8	6 - 9

Source: Department of Finance.

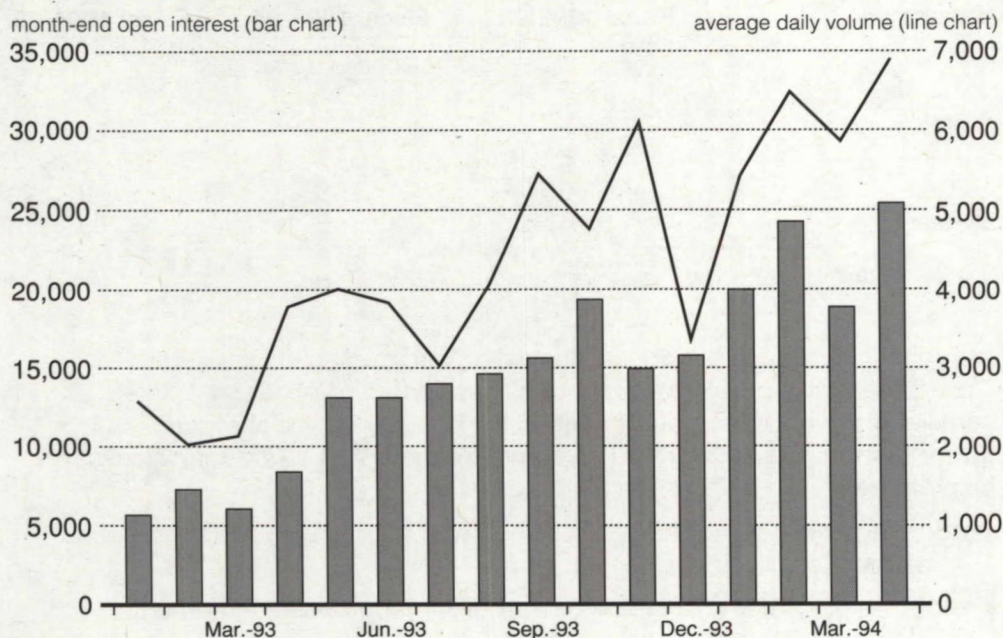
In addition, to reduce the costs associated with trading in Government of Canada securities, the government has supported initiatives by market participants with the aim of eliminating the need for physical securities. The government has demonstrated its commitment to well-functioning derivatives markets by:

- adopting new pension fund regulations which expanded the scope of investment activities;
- reducing withholding taxes on cross-border repurchase agreements ("repos");
- supporting the use of strips in the sale of its Real Return Bonds to retail investors;
- working with the Montreal Exchange and the investment community in developing the ten-year Government of Canada bond futures contract; and
- supporting the Toronto Stock Exchange in its development of the TSE100 futures contract.

Since its launch in September 1989, trading in the Government of Canada bond futures market has reached active and sustainable levels. Chart 8 shows the performance of the market for this contract over the 1993-94 fiscal year. By the end of March 1994, open interest had grown to 18,856 contracts, three times the previous years' level, and average daily volume had reached 5,856 contracts.

Chart 8

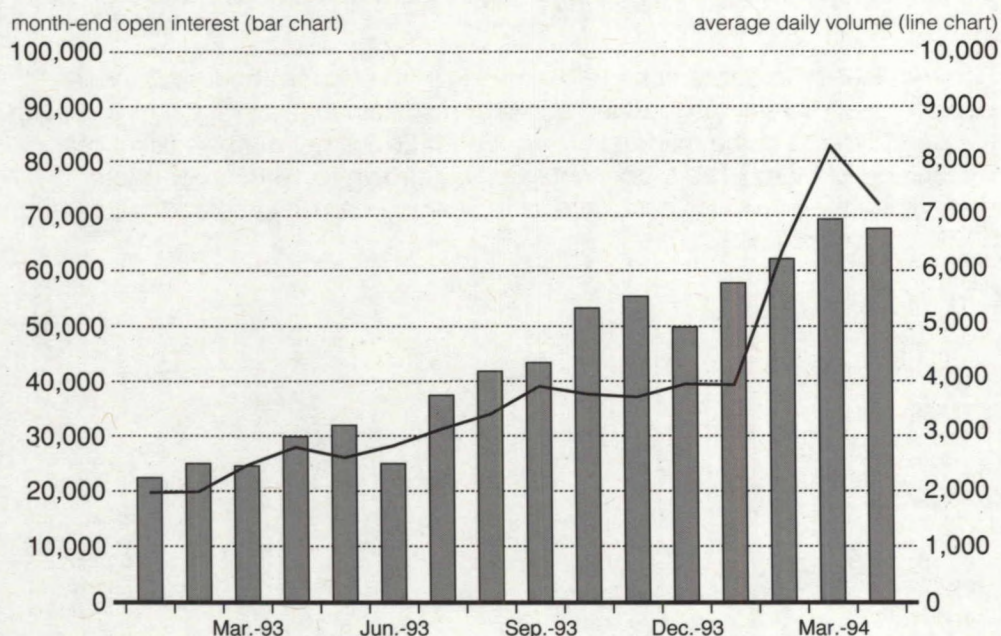
*Average daily volume and open interest:
Montreal exchange ten-year Government of Canada bond futures*



Source: Montreal Exchange.

Chart 9

*Average daily volume and open interest:
Montreal exchange bankers acceptance futures*



Source: Montreal Exchange.

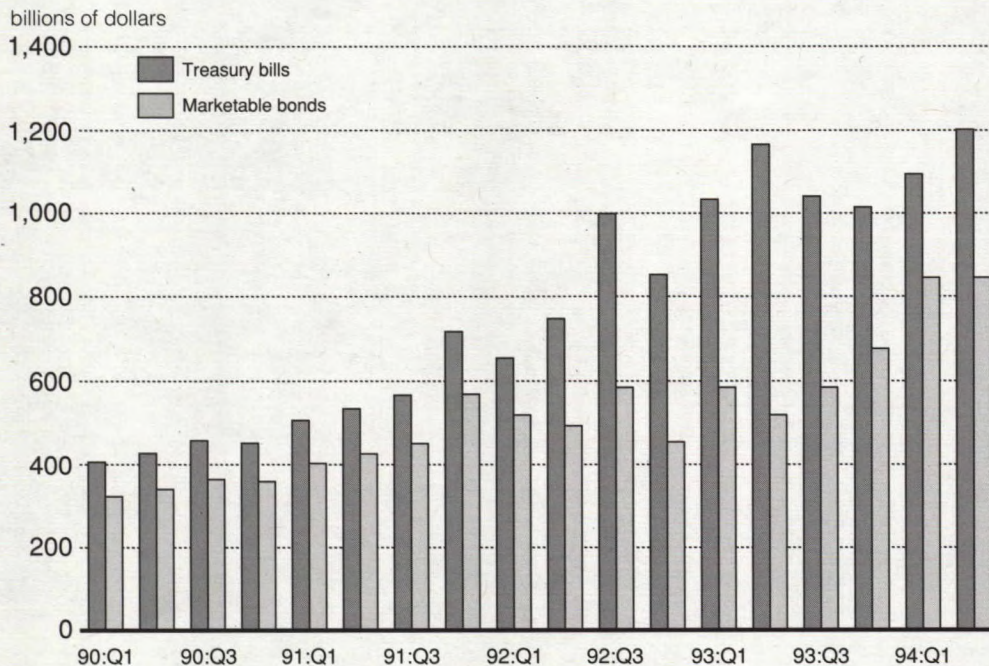
Begun in April 1988, the Bankers Acceptance (BAX) futures market in Canada has grown to open interest levels of 67,569, and total volumes of 7,192 contracts daily. Chart 9 shows the performance of this market over the 1993-94 fiscal year.

Partly as a result of these initiatives, the liquidity and efficiency of Canadian capital markets have increased, with benefits to both the government and other market participants: over the past three years, turnover in the Government of Canada bond market is estimated to have grown by 120 per cent, and in the Treasury bill market, by 190 per cent. (See Chart 10.) Bid-ask spreads in Canada's markets are among the tightest in the world. Importantly, the market's additional liquidity has reduced average government borrowing costs by an estimated 10 basis points.

Chart 10 also shows that bond and bill market activity has held up during the difficult market conditions in the first six months of 1994, in contrast to the experience of early 1992, when negative market developments saw a rapid slowdown in the volume of transactions in bond and bill market. This is attributed to improved market liquidity.

Chart 10

Domestic Treasury bill and marketable bond turnover



Source: Bank of Canada.

Investor Relations Program

The Investor Relations Program was established to enhance the Department of Finance's ongoing dialogue with investors, with the objective of improving investor knowledge of Canada and our debt management strategies. This will ensure that Canada continues to enjoy the status of a preferred investment location in a period of growing capital market internationalization. Among the program's key elements are the timely distribution of information on fiscal, economic and monetary developments, regular contact with domestic and international investors and annual investor missions to Canada from major markets.

On-going contact and close cooperation with investors is the essence of the program. Highlights from this year's program included a successful round of post-budget visits led by the Minister of Finance and Secretary of State (International Financial Institutions), who spoke to and heard from investors in Canada and abroad. Senior officials also met with major investors on a regular basis. Other activities included the co-ordination of an investor mission from Japan, where a group representing influential Japanese institutional investors travelled to Canada to meet with the Minister of Finance, the Governor of the Bank of Canada, and treasurers and senior officials from six other provinces. Internationally, the program relies heavily on Canada's G-7 Finance Counsellors and New York Finance Counsellor, a group that provides an on-going means of developing and maintaining links with the international investment community.

THE DISTRIBUTION OF HOLDINGS OF GOVERNMENT OF CANADA DEBT

Domestic Holdings of Government of Canada Debt

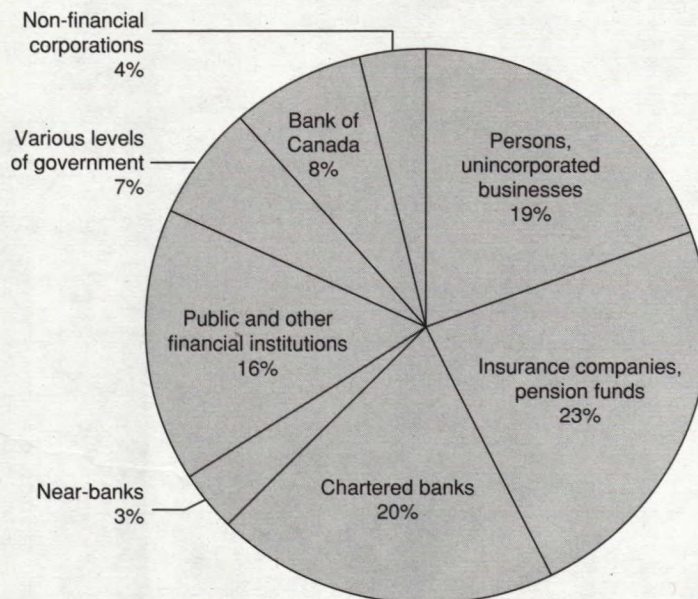
Reference Table IV shows the evolution of the distribution of domestic holdings of Government of Canada market debt over the past eighteen years. Most notable in the past few years has been the decline in the holdings of the personal sector, mirrored by an increase in the holdings of financial institutions, and, particularly, by insurance companies and pension funds.

Holdings of persons and unincorporated businesses fell by 18 per cent in 1993, while holdings of the chartered banks rose by 35 per cent.

Chartered banks and the personal sector account for the largest shares of domestically-held Treasury bills. As well, all outstanding Canada Savings Bonds are held by the personal sector. In terms of holdings of Canada Marketable Bonds, insurance companies and pension funds remains the most important sector.

Chart 11

Distribution of holdings of Government of Canada market debt



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

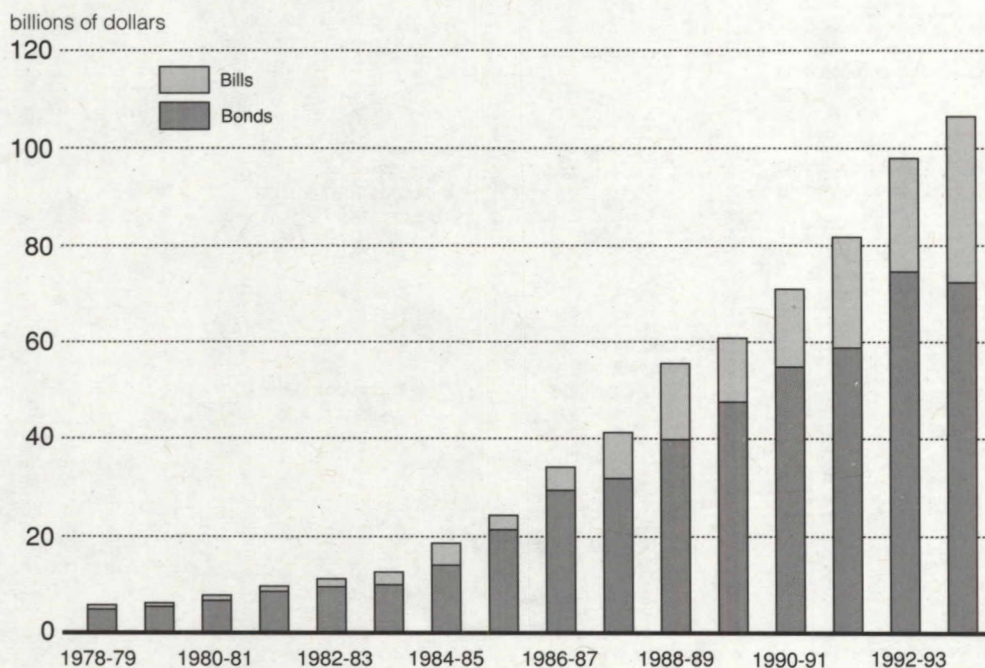
Non-Resident Holdings of Government of Canada Debt

Non-resident holdings of the Government of Canada's outstanding market debt are estimated to have reached \$106.5 billion at the end of March 1994, up \$7.0 billion from a year earlier. Non-resident holdings represented 26 per cent of the Government of Canada's total market debt at the end of fiscal 1993-94, up from 9 per cent at the end of fiscal 1983-84. As shown in Chart 12, this reflects an increase in foreign holdings of marketable bonds, which have risen \$62.4 billion over the past 10 years; in fiscal 1993-94, however, foreign holdings of bonds decreased slightly, by \$2.1 billion. Non-resident holdings of Treasury bills increased by \$9.1 billion over the fiscal year. (See Reference Table V.)

Non-residents held 36 per cent of outstanding Government of Canada Marketable Bonds at the end of fiscal 1993-94. It is estimated that Japanese investors accounted for 25 per cent, U.K. investors 19 per cent, and U.S. investors 32 per cent of these bonds. Total foreign holdings of Treasury bills amount to 21 per cent of total bills outstanding.

Chart 12

Non-resident holdings of Government of Canada debt



Source: Statistics Canada, *Canada's International Transactions in Securities*.

It is sometimes considered that government debt held by foreigners is, by itself, a problem. There are various aspects to this. Clearly foreign debt implies servicing costs that flow out of the country – a tax on Canadians to the extent the proceeds of the debt are not invested productively.

Foreign debt may or may not involve additional exchange rate risk for the issuer. In the case of Government of Canada debt, it is almost exclusively issued in Canadian dollars, so the issue does not arise. It is also not necessarily the case that foreign holders are more volatile on a day-to-day basis, though they may have less natural need to hold Canadian dollar instruments over the longer term.

The amount of Canadian government debt held abroad is not a policy variable or target. It is determined in the financial marketplace. It is far from clear that methods exist to change the allocation of holdings (other than reducing the total debt). If it were possible to reduce the amount of Canadian governments' debt held abroad, there would be offsetting adjustment in other financial markets to increase the share of debt and equity issued by Canadian companies and held by non-residents.

GOVERNMENT OF CANADA DEBT MANAGEMENT OPERATIONS AND CASH MANAGEMENT

Floating-Rate Borrowing

Table 5 shows a comparison of the size and cost of the various floating-rate financing alternatives available to the government. The bulk of the government's floating rate financing is in the form of Treasury bills. Cost savings can be achieved through other forms of financing; the potential size of these programs, however, is much smaller than that of the Treasury bill program, because of the well developed domestic Treasury bill market.

Table 5
Selected floating-rate statistics, fiscal 1993-94

	Gross transactions	Average rate ¹
	(billions of dollars)	(per cent)
Treasury bills:		
Cash management	11.0	4.54
Three months	211.7	4.37
Six months	104.2	4.71
Twelve months	63.6	5.09
EFA cash management swaps	6.9	4.06
Interest rate swaps	1.1	4.05
Canada Savings Bonds	0.8	4.25

¹ For Treasury bills, average tender yields during the fiscal year. For Canada Savings Bonds, rate paid on bonds sold in the 1993 campaign.

Source: Department of Finance.

The Treasury bill program

On a weekly basis, Treasury bills are offered to meet part of the new financial requirements of the government and to refinance maturing Treasury bills. In order to enhance liquidity of one-year Treasury bill issues, two consecutive auctions with a common maturity date is now the practice. Cash Management bills are also issued from time to time to meet financing requirements and for cash management purposes, for somewhat smaller amounts and shorter periods than typical Treasury bills.

Net issues of Treasury bills totaled \$4.0 billion during fiscal 1993-94, down from \$9.8 billion in the previous fiscal year. This decrease reflected growth in the marketable bond program and a reduction in Treasury bill issue sizes during the fiscal year taken to offset the short-term source of funds provided by foreign exchange operations. Gross issues of Treasury bills totaled \$390.5 billion during the year. Table 5 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.)

Canada Savings Bonds

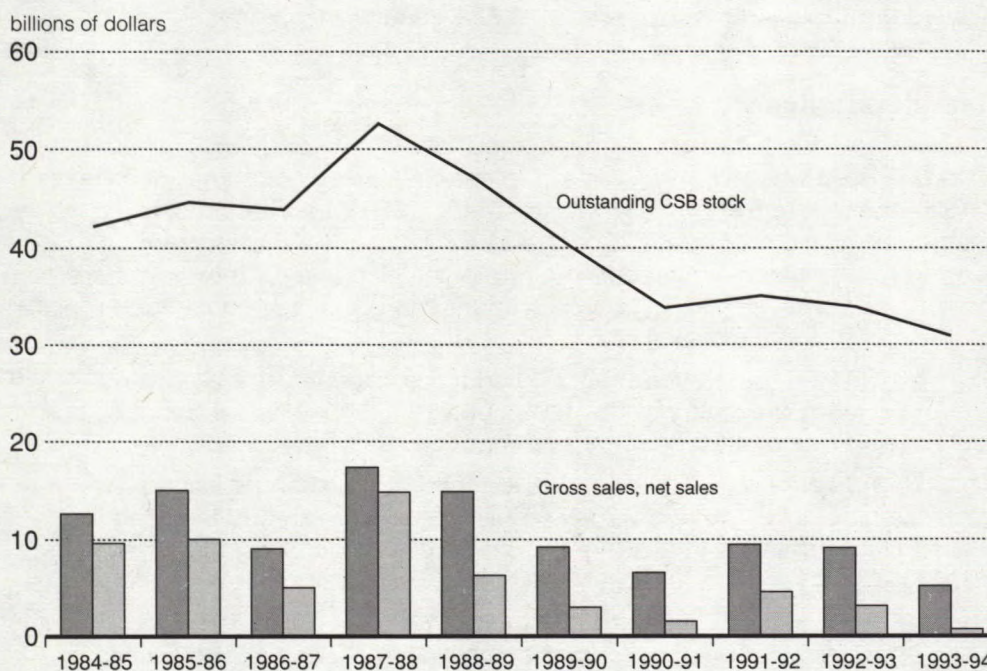
Total gross sales of CSBs during the 1993 campaign, which ran from October 20 to November 1, were \$5.4 billion, well under last year's gross sales of \$9.2 billion. Gross redemptions during the year totaled \$8.4 billion in 1993-94. The weak sales result is attributed to both the interest rate environment (a 4.25 per cent one-year coupon in the context of a steeply-sloped yield curve), and competition from banks and trust companies during the campaign and more generally increased investor interest in equities, mutual funds, and stripped bonds.

Net sales of the new bonds were \$0.8 billion, after allowing for redemptions of past series during the campaign. Gross redemptions during the rest of the fiscal year were \$3.8 billion, and the outstanding CSB stock fell to \$30.9 billion at March 31, 1994.

It is anticipated that CSBs will continue to meet strong competition for savings in the future. Despite this, CSBs continue to attract demand from a wide cross-section of Canadians who value the high quality of credit, the encashability option, the payroll savings option and other features. They will continue to play an important role in government debt operations; they have been a cost-effective source of funds in recent years and remain a principal means of facilitating widespread retail distribution of the government's debt.

Chart 13

CSB sales and stock over the past decade



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 1993-94, the government transacted 11 swaps with a nominal principal amount totaling \$1.1 billion, at floating rates between 34 and 70 basis points below three-month bankers' acceptances (BAs), with a weighted average of 46 basis points. With the total stock of \$7.9 billion outstanding at March 31, 1994, estimated savings of \$51.7 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, 1993 and March 31, 1994.)

Exchange Fund Account cash management swaps

The government continued to use Exchange Fund Account (EFA) cash management swaps during fiscal 1993-94 as a 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 1993-94, there were no swaps outstanding. (Reference Table IX provides a list of all EFA cash management swaps undertaken during the fiscal year.)

Real Return Bonds

In November 1991, 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 government offered an additional \$500 million of these bonds in October 1992.

In fiscal 1993-94, the government offered three tranches with a principal amount totaling over \$1.5 billion. These bonds, like the original issue, bear a real coupon rate of 4.25 per cent and mature in 2021.

These bonds are cost-effective to the extent that they can be issued to a certain type of investor who values certainty in real return and they can be issued at less than the implied real return on conventional bonds. Over the 1993-94 fiscal year, the real return on these investments rose 43 basis points.

The last two issues of Real Return Bonds in 1993-94 contained tranches set aside specifically for the retail sector of the market. These retail tranches totaled \$100 million each, and were repackaged into RRB strips by a syndicate of securities firms in a form tailored to individual RRSPs. The government intends to develop this product more in the future.

Government of Canada Marketable Bonds

Gross issues of Government of Canada marketable bonds totaled \$45.8 billion in fiscal 1993-94, up from \$35.3 billion in the previous fiscal year. Of this amount, \$20.9 billion was used to finance maturing bonds, while \$24.9 billion represented net new issues. These figures include \$1.5 billion in new Real Return Bonds (discussed above); net of RRBs, gross fixed-coupon bond issues totaled \$44.3 billion. (See Reference Table X for a summary of gross issues during fiscal 1993-94, and Reference Table XI for a list of all bond issues outstanding on March 31, 1994.)

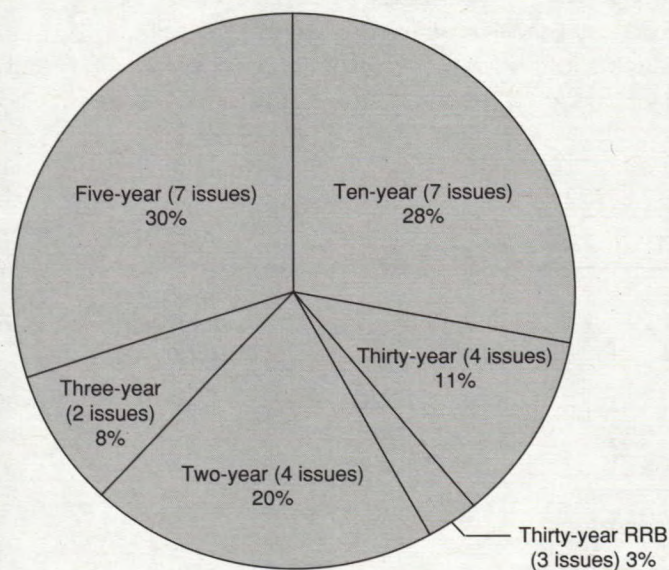
The average term to maturity of the fixed-coupon bond program increased to 8.6 years from 8.0 years. (Chart 14 shows the distribution of issues in the bond program by approximate term to maturity.)

There were 24 Government of Canada bond auctions delivered during the year, unchanged from the previous fiscal year. The average size of these auctions was \$1,850 million, up about \$400 million from fiscal 1992-93, in line with the increase in the size of the bond program as a whole and the generally positive bond market conditions prevailing through much of the fiscal year.

The government continues to pursue a number of initiatives designed to improve the efficiency of the Government of Canada bond market, and in so doing, to reduce the Government's borrowing costs. In March 1993, target

Chart 14

Fiscal 1993-94 marketable bond program



Source: Department of Finance.

sizes for benchmark issues were increased: two- and three-year benchmarks to \$4 billion, five-year benchmarks to \$5 to \$7 billion, and ten- and thirty-year benchmarks to \$6 to \$8 billion. All of these targets were met or exceeded during the course of the 1993-94 fiscal year. (In March 1994, these target sizes were again increased: two-years to \$4 to \$6 billion, and five-, ten-, and thirty-year benchmarks to \$6 to \$9 billion.)

Further, auctions of two-, five-, and ten-year bonds are conducted on a quarterly basis, and the rest of the bond program is announced quarterly. These announcements specify, well in advance, the number of auctions scheduled for the quarter and the dates upon which these auctions will take place.

The success of this program of regular quarterly two-year and five-year bond issues during fiscal 1992-93 led, after consultations later in the year with bond market participants, to the establishment of a program of regular quarterly ten-year bond issues for fiscal 1993-94. This initiative has also met with a positive market reception.

Regular quarterly auction schedules, and regular quarterly two-, five-, and ten-year bond auctions will continue in the 1994-95 fiscal year. In addition, the government has announced that it will auction thirty-year bonds each quarter.

Canada's Foreign Currency Debt

Canada borrows in foreign currencies for the principal purpose of raising foreign exchange reserves. Foreign currency debt outstanding, which includes Canada bills, a U.S. \$2 billion floating-rate note, marketable bonds, and loans, is denominated exclusively in U.S. dollars and amounts to 2 per cent of total debt, down from around 11 per cent in 1978-79.

Foreign currency liabilities were more than fully covered by available foreign currency assets in the form of international reserves. On March 31, 1994, Canada's international reserves stood at approximately U.S. \$11.2 billion.

Table 6

*Composition of foreign currency debt
as of March 31, 1994*

	Amount	Per cent of total foreign currency debt	Floating-rate portion
	(billions of U.S. dollars)		(billions of U.S. dollars)
Canada bills	4.1	52	4.1
Floating-rate note	2.0	26	2.0
Notes and loans	1.6	21	1.3
Total	7.7	100	7.4

Source: Department of Finance.

Canada bills

At the end of 1993-94, just over 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 cost of this program is offset by investing the proceeds of these issues in high-quality U.S. dollar denominated assets.

U.S. \$2 billion Floating Rate Note

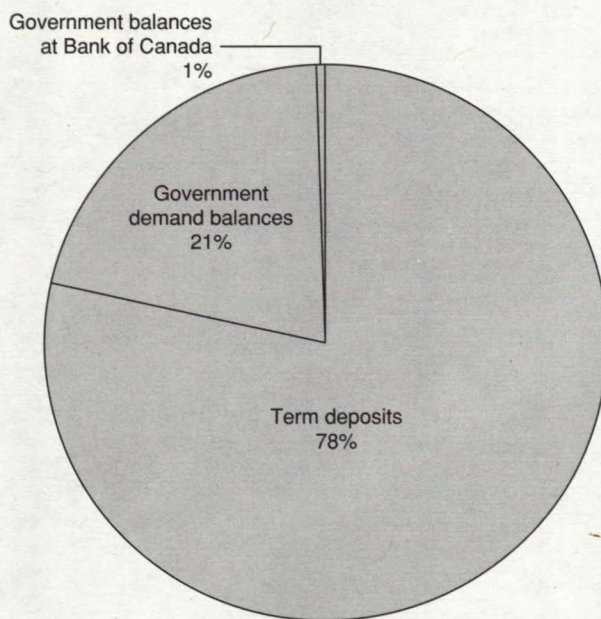
In January 1994, the Government launched its first U.S.-dollar Floating Rate Note. The notes, which pay an interest rate one-quarter of one per cent below the London Interbank Offered Rate (LIBOR), mature in February 1999. This issue generated strong demand, and sold out quickly. The proceeds of this issue were used to reduce the level of outstanding Canada bills.

The Management of the Government's Cash Balances

The government's objective is to keep balances at minimum levels, given operational needs and the variability of cash flows, while at the same time maximizing interest earned on these assets. All cash balances are auctioned to financial institutions in either term or demand form, with as much as possible in the form of term deposits, which receive a higher rate of return

Chart 15

Government of Canada cash balances



Source: Department of Finance.

than demand deposits. During fiscal 1993-94, rates received on term deposits were about 74 basis 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 daily large changes in 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 auction, for a share of the government's demand balances. These balances are priced off the direct clearers' prime rate. At the end of each business day, 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 1993-94). The amounts are announced at the end of the afternoon, and the auctions take place the following morning.

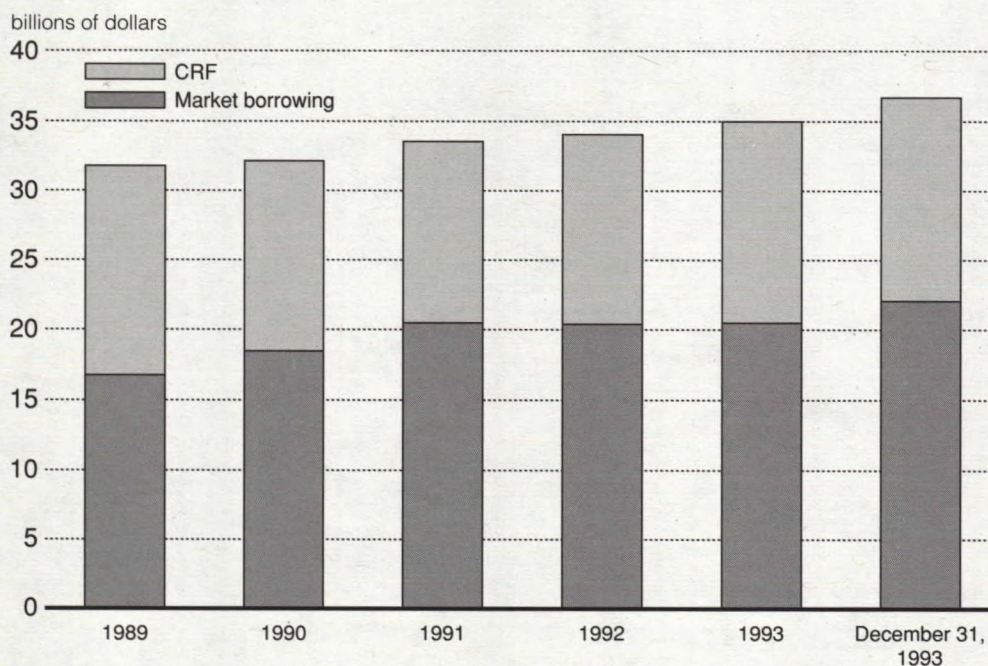
Term deposits are typically in amounts varying between \$200 million and \$1,500 million, for terms ranging between one and seven days. The level of the government's daily cash balances averaged \$3.1 billion in fiscal 1993-94. Term deposits, typically in amounts varying between \$200 million and \$1,500 million, for terms ranging between one and eight days, averaged \$2.4 billion, up \$418 million from the previous fiscal year. Earnings on term balances averaged 4.19 per cent, down from 6.55 per cent in the previous year, in line with the decline in short-term interest rates generally. Average demand balances, at \$645 million, were \$29 million lower than in 1992-93, earning 3.45 per cent, down from 4.91 per cent in the prior year. (See Chart 15.)

BORROWINGS BY CROWN CORPORATIONS

In order to assess fully the government's total impact in financial markets, it is necessary to include the market borrowings of federal Crown corporations. (Reference Tables XII and XIII provide information on Crown corporation borrowings from the market and from the Consolidated Revenue Fund.) As illustrated in Chart 16, total outstanding borrowings by Crown corporations increased from \$31.8 billion at the end of fiscal 1988-89 to \$36.7 billion on December 31, 1993, reflecting an increase in market borrowings from \$16.7 billion to \$22.1 billion and a decrease in Consolidated Revenue Fund borrowings from \$15.0 to \$14.6 billion. These increases in Crown corporation borrowings were accounted for largely by the growth in market borrowings of EDC, the Canadian Wheat Board, and CMHC.

Chart 16

*Borrowings by Crown corporations
as of March 31, except where indicated*



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

ANNEX 1:

GOVERNMENT OF CANADA MARKET DEBT INSTRUMENTS

Fixed-Coupon Marketable Bonds

Government of Canada Marketable Bonds are available in denominations ranging from \$1,000 to \$1,000,000. As of December 1, 1993, all new issues of Government of Canada bonds will be issued in fully registered format only. 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. Typically, these sales are via bid-price (American-style) auction.

There is also an extensive domestic secondary market in marketable bonds. Government of Canada bonds are the benchmark bonds in the Canadian bond market, and are very liquid, and market participants buy and sell 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 initiating a program of issuing fungible one-year bills, in which two consecutive regular quarterly auctions are accumulated on one common maturity date. Typically, in the first week of a two-week cycle, 364-day bills are issued, while in the second week, 357-day bills are issued.

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

Canada Savings Bonds

CSBs are offered for sale by most Canadian financial institutions for a limited time in October. To facilitate their purchase, many Canadians elect to purchase CSBs through payroll deductions.

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 or more years. They may be cashed at any time, and, after the first three months, pay interest up to the end of the month prior to encashment.

Government of Canada Real Return Bonds

Government of Canada Real Return Bonds pay a semi-annual coupon rate calculated based upon the sum of the principal amount and an inflation compensation component that adjusts for changes in the Canadian Consumer Price Index. At maturity, bondholders will receive, in addition to a coupon interest payment, a final payment equal to the sum of the principal amount and the sum of the accrued inflation compensation from December 10, 1991, the original issue date. These bonds must be purchased, transferred, or sold directly or indirectly through a participant of the CDS book-entry system and only in integral multiples of \$1000.

Primary distribution is through a syndicate of Canadian securities dealers. Two of the issues launched in 1993 each had \$100 million tranches set aside specifically for the retail sector. These bonds were stripped and repackaged by a retail syndicate, and sold primarily to RSPs.

While the level of outstandings in these bonds is small compared to that of fixed-coupon marketable bonds, a secondary market in these bonds is developing. The major participants in this market are Canadian securities dealers, insurance companies, and pension funds.

Canada bills

Canada bills are promissory notes denominated in U.S. dollars and available in fully-registered book-entry 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. \$1,000. 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.

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

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

ANNEX 2:**THE PRIMARY DISTRIBUTION OF GOVERNMENT OF CANADA FIXED-COUPON MARKETABLE BONDS AND TREASURY BILLS**

The Government of Canada does not deal directly with the public in the distribution of its domestic marketable debt, but transacts through a group of financial intermediaries known as primary distributors (except in the case of Real Return Bonds, for which there is a small syndicate).

There are at present about forty firms that participate in the primary distribution of bonds and Treasury bills. These primary distributors are investment dealers and chartered banks based in the major financial centres in Canada. Investment dealers have to be licensed by a provincial securities commission and be a member of the Investment Dealers Association. Banks are regulated by the Office of the Superintendent of Financial Institutions. The list of primary distributors has evolved over time. Additions to and deletions from the list of firms allowed to bid at auctions would change only after a sustained evaluation of a firm's performance over an extended period of time.

In order to be eligible as a primary distributor a firm must meet certain reporting, performance, and distribution criteria set by the Bank of Canada in its role as the Government's fiscal agent.

Those primary distributors active in both bond and Treasury bill markets may apply to become Bank of Canada jobbers. This is the core group of market makers that the Bank deals with in its monetary policy operations and, since they are the largest firms, they are also the dominant group among the primary distributors.

Investment dealer jobbers have resort to Purchase and Resale Agreements (PRA) with the Bank of Canada in Government of Canada direct securities with a maturity of under three years up to an assigned maximum, at the Bank Rate. Bank jobbers, which already have a line of credit with the Bank for settlement purposes, are not eligible for PRA. Both investment dealer and bank jobbers are eligible for Special Purchase and Resale Agreements with the Bank in the same collateral, but at the Bank's initiative, and at a rate that may differ from the Bank Rate.

Jobbers have a number of responsibilities in addition to those of primary distributors. They are expected to bid at every Treasury bill and bond auction in size, to consistently make markets in Treasury bills and bonds to a broad customer base, to provide the Bank with frank assessments of market conditions, weekly statistical reports, and audited financial statements.

ANNEX 3:

SELECTED NEWS SERVICE PAGES OF INTEREST TO GOVERNMENT OF CANADA DEBT MARKET PARTICIPANTS

Dow Jones Telerate

- 3105 – U.S./Canada combined capital markets page
- 3109 – Quarterly bond auction schedule
- 3110 – Latest bond auction results
- 3111 – Treasury bill auction results
- 3112 – Cumulative excess settlement balances/overnight rate
- 3114 – Swap program highlights
- 3143 – Multicontributor page – Government of Canada bonds
- 3144 – Multicontributor page – Government of Canada Treasury bills
- 3159 – Canadian yield curves/spread differentials to U.S.
- 3190 – Canadian money markets page
- 3196 – Canadian Government Bonds and interest rate swaps
- 3197 – 10 a.m. fixing – Canadian B.A. rates
- 3198 – 10 a.m. fixing – Government of Canada Treasury bills
- 9728 – 10:30 a.m. Bank of Canada jobber averages – Treasury bills,
B.A.'s, and Commercial paper
- 27455 – 10-year CGB futures (Montreal Exchange)
- 27456 – BAX futures (Montreal Exchange)
- 27458 – 10-year bond cheapest-to-deliver (CGB futures)
implied repo rate

Reuters

- CDMM – Summary page, short-term Canadian money market
- CDBN – Summary page, Canadian bonds
- CDBL – Canada – U.S. yield curves
- CDOR – 10 a.m. fixing – Canadian B.A. rates
- CDOS – 10 a.m. fixing – Canadian Treasury bill rates
- CUBU, FPRH – Swap quotes

- BAX <F3> – BAX futures, Montreal Exchange
- BAR <F3> – BAR futures, Montreal Exchange

REFERENCE TABLES

- I Gross public debt, outstanding market debt,
and debt charges
- II Government of Canada outstanding market debt
- III Domestic market trading in Government of Canada securities
- IV Distribution of domestic holdings
- V Foreign holdings of Government of Canada debt
- VI Fiscal 1993/94 Treasury bill program
- VII Canada Savings Bonds, fiscal 1983-84 to fiscal 1993-94
- VIII Government of Canada interest rate swaps, fiscal 1993-94
- IX Exchange Fund Account cash management swaps,
fiscal 1993-94
- X Fiscal 1993-94 marketable bond program
- XI Outstanding Government of Canada Marketable Bonds
- XII Crown corporation market borrowings
- XIII Crown corporation borrowings from the CRF

Reference Table I

Gross public debt, outstanding market debt, and debt charges¹
fiscal years ending March 31, 1983-84 to 1993-94

	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)	(%)
1983-84	204.2	50.2	18.1	9.69	142.1	34.3	14.4	10.11
1984-85	243.8	51.3	22.4	10.27	171.8	35.5	18.2	10.62
1985-86	276.2	51.9	25.4	10.03	201.4	36.8	20.7	10.30
1986-87	310.0	50.9	26.7	9.28	227.4	37.2	21.5	9.43
1987-88	341.0	51.2	29.0	9.22	249.2	38.6	23.1	9.28
1988-89	372.0	49.6	33.2	9.70	274.2	37.6	26.5	9.68
1989-90	397.9	49.9	38.8	10.62	292.2	38.5	31.4	10.76
1990-91	435.3	50.4	42.6	10.54	321.1	38.9	34.3	10.68
1991-92	467.8	50.7	41.2	9.39	348.9	39.3	32.4	9.29
1992-93	504.8	50.4	38.8	8.18	379.8	39.4	29.4	7.74
1993-94 ³	548.1	53.3	38.0	7.38	410.9	43.1	28.0	6.89

¹ For 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 1994 budget.

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

Reference Table II

Government of Canada outstanding market debt¹

	Payable in Canadian dollars				Payable in foreign currencies					Total
	Treasury bills	Marketable bonds	CSBS	Total	Marketable bonds	Canada bills	Standby drawings	Terms loans	Total	
(in millions of Canadian dollars)										
Fiscal years ending March 31										
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
1993-94	166,000	203,372	30,866	400,238	5,019	5,649	0	0	10,668	410,906

Source: Bank of Canada Review.

¹ Subcategorization of Government of Canada debt is in accordance with Bank of Canada reports, which may slightly vary from Public Accounts categories due to differences in classification methods.

Reference Table III

Average weekly domestic market trading in Government of Canada securities, January to June, 1994

	Marketable bonds					Total marketable bonds	Total
	Treasury bills	3 years and under	3 to 10 years	Over 10 years	Real return		
	(millions of dollars)						
January	78,082	16,596	27,214	12,275	179	56,624	134,706
February	84,017	23,445	30,443	13,445	261	67,595	151,612
March	89,169	28,477	28,517	15,306	102	72,402	161,571
April	90,376	18,392	25,633	16,483	42	60,550	150,926
May	85,432	15,634	20,786	16,329	32	52,782	138,214
June	99,670	19,145	33,164	8,057	103	60,468	160,138

Source: Bank of Canada *Review*.

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 business	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	18,009	395	8,331	8,666	716	1,436	2,388	449	40,390
1977	20,440	336	10,268	9,601	1,048	2,158	3,354	709	47,914
1978	22,917	403	12,001	9,896	1,537	3,593	4,305	1,401	56,053
1979	23,302	376	13,656	10,156	1,684	6,502	4,481	2,572	62,729
1980	24,861	561	15,858	10,002	2,771	8,992	6,008	3,948	73,001
1981	33,684	598	17,100	10,003	2,452	10,221	5,863	3,898	83,819
1982	43,979	2,255	15,428	11,233	3,288	12,724	9,270	4,139	102,316
1983	51,440	5,518	16,859	15,107	5,551	17,369	10,614	4,399	126,857
1984	61,244	7,006	17,184	15,164	4,887	23,466	12,630	6,575	148,156
1985	74,609	7,413	15,668	15,198	5,706	30,408	15,794	9,701	174,497
1986	72,415	6,270	18,374	17,779	7,177	33,435	19,053	10,869	185,372
1987	83,967	8,572	20,366	16,012	6,300	37,592	20,265	13,608	206,682
1988	85,770	8,983	20,606	21,115	7,657	41,704	20,433	16,844	223,112
1989	84,734	11,587	21,133	19,804	9,853	45,202	25,286	17,512	235,111
1990	81,472	12,456	20,325	23,224	10,413	51,972	27,540	19,260	246,662
1991	74,843	11,721	22,370	35,792	12,122	55,728	35,097	21,242	268,915
1992	71,875	13,782	22,607	44,555	12,441	63,738	42,626	19,277	290,901
1993	59,223	11,554	23,312	60,242	10,488	70,647	48,244	20,305	304,015

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 business	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)								
Year-ends									
1976	44.59	0.98	20.63	21.46	1.77	3.56	5.91	1.11	100.00
1977	42.66	0.70	21.43	20.04	2.19	4.50	7.00	1.48	100.00
1978	40.88	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	4.06	0.77	21.72	13.70	3.80	12.32	8.23	5.41	100.00
1981	40.19	0.71	20.40	11.93	2.93	12.19	6.99	4.65	100.00
1982	42.98	2.20	15.08	10.98	3.21	12.44	9.06	4.05	100.00
1983	40.55	4.35	13.29	11.91	4.38	13.69	8.37	3.47	100.00
1984	41.34	4.73	11.60	10.24	3.30	15.84	8.52	4.44	100.00
1985	42.76	4.25	8.98	8.71	3.27	17.43	9.05	5.56	100.00
1986	39.06	3.38	9.91	9.59	3.87	18.04	10.28	5.86	100.00
1987	40.63	4.15	9.85	7.75	3.05	18.19	9.80	6.58	100.00
1988	38.44	4.03	9.24	9.46	3.43	18.69	9.16	7.55	100.00
1989	36.04	4.93	8.99	8.42	4.19	19.23	10.75	7.45	100.00
1990	33.03	5.05	8.24	9.42	4.22	21.07	11.17	7.81	100.00
1991	27.83	4.36	8.32	13.31	4.51	20.72	13.05	7.90	100.00
1992	24.71	4.74	7.77	15.32	4.28	21.91	14.65	6.63	100.00
1993	19.48	3.80	7.67	19.82	3.45	23.24	15.87	6.68	100.00

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART C – Treasury bills

	Persons and unincorporated business	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	17,693	7,213	9,847	11,498	3,725	4,745	9,672	4,874	69,267
1988	20,169	7,433	9,945	15,224	5,648	7,555	9,406	7,537	82,917
1989	32,739	9,990	11,124	16,410	8,115	7,503	12,732	8,684	107,297
1990	37,758	11,339	10,574	16,841	8,929	11,478	13,309	8,803	119,031
1991	33,613	10,549	13,093	24,382	9,120	10,024	16,923	10,159	127,863
1992	34,963	11,350	14,634	27,989	9,667	11,881	21,102	7,114	138,700
1993	27,067	9,772	16,690	29,901	9,234	16,829	23,417	6,776	139,686

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART D – Treasury bills

	Persons and unincorporated business	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)								
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	25.54	10.41	14.22	16.60	5.38	6.85	13.96	7.04	100.00
1988	24.32	8.96	11.99	18.36	6.81	9.11	11.34	9.09	100.00
1989	30.51	9.31	10.37	15.29	7.56	6.99	11.87	8.09	100.00
1990	31.72	9.53	8.88	14.15	7.50	9.64	11.18	7.40	100.00
1991	26.29	8.25	10.24	19.07	7.13	7.84	13.24	7.95	100.00
1992	25.21	8.18	10.55	20.18	6.97	8.57	15.21	5.13	100.00
1993	19.38	7.00	11.95	21.41	6.61	12.05	16.76	4.85	100.00

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities

PART E – Marketable bonds

	Persons and unincorporated business	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	1,263	270	6,278	4,447	664	1,392	1,853	350	16,517
1977	1,732	185	7,807	4,652	905	2,061	2,309	501	20,152
1978	2,082	205	8,434	4,379	1,344	3,337	2,712	992	23,485
1979	3,637	209	9,311	3,466	1,619	6,261	2,861	1,823	29,187
1980	5,919	267	10,464	2,502	2,152	8,542	3,491	2,521	35,858
1981	7,072	226	11,669	1,406	2,109	9,689	3,566	2,902	38,639
1982	8,540	320	12,945	1,199	1,931	11,516	4,564	3,225	44,240
1983	7,627	356	14,079	2,228	2,371	14,822	5,055	3,800	50,338
1984	10,192	553	13,636	2,167	2,095	19,628	5,969	4,467	58,707
1985	11,689	870	11,627	2,569	2,055	26,549	7,573	5,761	68,693
1986	10,935	1,384	10,407	2,618	2,468	29,913	8,757	7,663	74,145
1987	12,475	1,359	10,519	4,514	2,575	32,847	10,593	8,734	83,616
1988	12,283	1,550	10,661	5,891	2,009	34,149	11,027	9,307	86,877
1989	9,498	1,597	10,009	3,394	1,738	37,699	12,554	8,828	85,317
1990	9,308	1,117	9,751	6,383	1,484	40,494	14,231	10,457	93,225
1991	5,397	1,172	9,277	11,410	3,002	45,704	18,174	11,083	105,219
1992	1,939	2,432	7,973	16,566	2,774	51,857	21,524	12,163	117,228
1993	342	1,782	6,622	30,341	1,254	53,818	24,827	13,529	132,515

Reference Table IV (cont'd)

Distribution of domestic holdings of Government of Canada securities
PART F – Marketable bonds

	Persons and unincorporated business	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)								
Year-ends									
1976	7.65	1.63	38.01	26.92	4.02	8.43	11.22	2.12	100.00
1977	8.59	0.92	38.74	23.08	4.49	10.23	11.46	2.49	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	16.51	0.74	29.18	6.98	6.00	23.82	9.74	7.03	100.00
1981	18.30	0.58	30.20	3.64	5.46	25.08	9.23	7.51	100.00
1982	19.30	0.72	29.26	2.71	4.36	26.03	10.32	7.29	100.00
1983	15.15	0.71	27.97	4.43	4.71	29.44	10.04	7.55	100.00
1984	17.36	0.94	23.23	3.69	3.57	33.43	10.17	7.61	100.00
1985	17.02	1.27	16.93	3.74	2.99	38.65	11.02	8.39	100.00
1986	14.75	1.87	14.04	3.53	3.33	40.34	11.81	10.34	100.00
1987	14.92	1.63	12.58	5.40	3.08	39.28	12.67	10.45	100.00
1988	14.14	1.78	12.27	6.78	2.31	39.31	12.69	10.71	100.00
1989	11.13	1.87	11.73	3.98	2.04	44.19	14.71	10.35	100.00
1990	9.98	1.20	10.46	6.85	1.59	43.44	15.27	11.22	100.00
1991	5.13	1.11	8.82	10.84	2.85	43.44	17.27	10.53	100.00
1992	1.65	2.07	6.80	14.13	2.37	44.24	18.36	10.38	100.00
1993	0.26	1.34	5.00	22.90	0.95	40.61	18.74	10.21	100.00

Note: Because of timing and valuation differences, the National Balance Sheet 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 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	74.4	25.1	99.5	26.2
1993-94	72.3	34.2	106.5	25.9

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

Reference Table VI
Fiscal 1993-94 Treasury bill program

Date	Maturing					New issues					Net increment			Average tender yields			
	CM	3 mo	6 mo	12 mo	Total	CM	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S	CM	3 mo	6 mo	12 mo
											(millions of dollars)			(per cent)			
01-Apr-93	0	4,400	1,800	800	7,000	0	4,100	1,900	1,200	7,200	200	200	162,250	5.11	5.47	5.90	
08-Apr-93	1,250	3,100	1,800	800	6,950	0	4,000	1,900	1,200	7,100	150	350	162,400	5.29	5.71	6.11	
15-Apr-93	0	3,300	1,400	1,200	5,900	0	3,800	1,900	1,200	6,900	1,000	1,350	163,400	5.12	5.50	5.90	
22-Apr-93	0	3,500	1,400	1,200	6,100	0	4,300	2,000	1,200	7,500	1,400	2,750	164,800	5.02	5.45	5.89	
29-Apr-93	0	3,800	1,700	1,200	6,700	0	4,400	2,200	1,200	7,800	1,100	3,850	165,900	5.35	5.81	6.26	
06-May-93	2,000	3,700	1,700	1,100	8,500	0	3,400	1,600	1,100	6,100	-2,400	1,450	163,500	5.14	5.45	6.01	
13-May-93	0	4,000	1,900	1,000	6,900	0	3,300	1,500	1,000	5,800	-1,100	350	162,400	4.98	5.38	5.95	
20-May-93	0	3,900	1,700	1,200	6,800	0	4,100	2,000	1,300	7,400	600	950	163,000	5.15	5.65	6.24	
27-May-93	0	3,800	1,800	1,200	6,800	0	4,400	2,200	1,300	7,900	1,100	2,050	164,100	4.85	5.24	5.82	
28-May-93	0	0	0	0	0	1,750	0	0	0	1,750	1,750	3,800	165,850	4.71			
03-Jun-93	0	3,900	1,800	1,200	6,900	0	4,300	2,000	1,300	7,600	700	4,500	166,550	4.81	5.26	5.88	
10-Jun-93	0	4,100	1,900	1,200	7,200	0	4,300	2,100	1,300	7,700	500	5,000	167,050	4.92	5.37	5.97	
17-Jun-93	0	4,400	2,000	1,200	7,600	0	4,400	2,200	1,300	7,900	300	5,300	167,350	4.69	4.97	5.57	
24-Jun-93	0	4,400	2,000	1,300	7,700	0	4,500	2,200	1,300	8,000	300	5,600	167,650	4.63	4.90	5.40	
30-Jun-93	0	4,100	2,100	1,300	7,500	0	4,500	2,200	1,300	8,000	500	6,100	168,150	4.54	4.85	5.32	
08-Jul-93	1,750	4,000	1,400	1,300	8,450	0	4,400	2,200	1,300	7,900	-550	5,550	167,600	4.48	4.75	5.22	
15-Jul-93	0	3,800	1,500	1,300	6,600	0	3,500	1,600	1,100	6,200	-400	5,150	167,200	4.33	4.51	4.76	
22-Jul-93	0	4,300	1,600	1,300	7,200	0	4,500	2,200	1,300	8,000	800	5,950	168,000	4.28	4.53	4.73	
29-Jul-93	0	4,400	1,700	1,300	7,400	500	4,000	2,000	1,200	7,700	300	6,250	168,300	3.96	4.16	4.49	4.90
05-Aug-93	500	3,400	1,700	1,200	6,800	0	3,400	1,700	1,100	6,200	-600	5,650	167,700	4.07	4.35	4.96	
12-Aug-93	0	3,300	1,800	1,100	6,200	0	3,400	1,500	1,100	6,000	-200	5,450	167,500	3.95	4.20	4.74	
19-Aug-93	0	4,100	1,700	1,300	7,100	0	3,600	1,700	1,100	6,400	-700	4,750	166,800	4.42	4.69	4.96	
26-Aug-93	0	4,400	2,000	1,300	7,700	0	4,100	2,000	1,100	7,200	-500	4,250	166,300	4.65	4.92	5.10	
02-Sep-93	0	4,300	2,100	1,300	7,700	0	4,200	2,000	1,200	7,400	-300	3,950	166,000	4.74	5.03	5.25	
03-Sep-93	0	0	0	0	0	1,000	0	0	0	1,000	1,000	4,950	167,000	4.59			
09-Sep-93	0	4,300	2,100	1,300	7,700	750	4,000	2,000	1,200	7,950	250	5,200	167,250	4.33	4.79	5.10	5.34
16-Sep-93	750	4,400	2,100	1,300	8,550	0	3,900	1,900	1,200	7,000	-1,550	3,650	165,700	4.77	5.15	5.53	
23-Sep-93	0	4,500	2,200	1,100	7,800	750	4,000	2,000	1,200	7,950	150	3,800	165,850	4.26	4.69	5.12	5.49
30-Sep-93	0	4,500	1,900	1,200	7,600	0	4,000	2,000	1,200	7,200	-400	3,400	165,450	4.65	5.07	5.44	

Reference Table VI (cont'd)
Fiscal 1993-94 Treasury bill program

Date	Maturing					New issues					Net increment			Average tender yields			
	CM	3 mo	6 mo	12 mo	Total	CM	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S	CM	3 mo	6 mo	12 mo
	(millions of dollars)											(per cent)					
01-Oct-93	0	0	0	0	0	1,000	0	0	0	1,000	1,000	4,400	166,450	4.43			
07-Oct-93	1,000	4,400	1,900	1,200	8,500	0	4,000	2,000	1,200	7,200	-1,300	3,100	165,150		4.70	5.03	5.33
14-Oct-93	0	3,500	1,900	1,000	6,400	0	4,000	2,000	1,200	7,200	800	3,900	165,950		4.62	4.85	5.07
21-Oct-93	0	4,500	2,000	1,000	7,500	1,750	4,000	2,000	1,200	8,950	1,450	5,350	167,400	4.55	4.52	4.77	4.96
25-Oct-93	0	0	0	0	0	2,000	0	0	0	2,000	2,000	7,350	169,400	4.43			
28-Oct-93	0	4,000	2,200	1,100	7,300	0	4,000	2,000	1,200	7,200	-100	7,250	169,300		4.38	4.60	4.87
04-Nov-93	1,750	3,400	1,600	1,200	7,950	0	4,000	2,000	1,200	7,200	-750	6,500	168,550		4.26	4.43	4.75
11-Nov-93	1,750	3,400	1,500	1,200	7,850	0	4,300	2,100	1,300	7,700	-150	6,350	168,400		4.15	4.38	4.69
18-Nov-93	0	3,600	2,000	1,200	6,800	0	3,900	1,900	1,200	7,000	200	6,550	168,600		4.21	4.51	4.85
25-Nov-93	0	4,100	2,200	1,200	7,500	0	4,300	2,200	1,300	7,800	300	6,850	168,900		4.11	4.36	4.75
02-Dec-93	2,000	4,200	2,000	1,200	9,400	0	4,300	2,200	1,300	7,800	-1,600	5,250	167,300		4.09	4.34	4.73
09-Dec-93	0	4,000	2,100	1,200	7,300	0	4,100	2,400	1,300	7,800	500	5,750	167,800		3.97	4.12	4.42
16-Dec-93	0	3,900	2,200	1,300	7,400	0	3,400	1,600	1,000	6,000	-1,400	4,350	166,400		3.89	4.10	4.33
23-Dec-93	0	4,000	2,200	1,300	7,500	0	4,300	2,400	1,300	8,000	500	4,850	166,900		3.90	4.17	4.47
30-Dec-93	0	4,000	2,200	1,300	7,500	0	3,700	1,700	1,100	6,500	-1,000	3,850	165,900		3.86	4.02	4.21
06-Jan-94	0	4,000	2,200	1,000	7,200	0	3,700	2,000	1,100	6,800	-400	3,450	165,500		3.80	3.95	4.21
13-Jan-94	0	4,000	1,600	1,100	6,700	0	4,100	1,900	1,200	7,200	500	3,950	166,000		3.73	3.89	4.08
20-Jan-94	0	4,000	2,200	1,100	7,300	0	4,500	2,200	1,300	8,000	700	4,650	166,700		3.69	3.83	4.10
27-Jan-94	0	4,000	2,000	1,200	7,200	0	4,500	2,200	1,300	8,000	800	5,450	167,500		3.63	3.75	3.93
03-Feb-94	0	4,000	1,700	1,100	6,800	0	4,100	2,200	1,200	7,500	700	6,150	168,200		3.62	3.75	3.93
10-Feb-94	0	4,300	1,500	1,200	7,000	0	3,900	1,900	1,200	7,000	0	6,150	168,200		3.75	3.95	4.18
17-Feb-94	0	3,900	1,700	1,200	6,800	0	3,000	1,500	1,000	5,500	-1,300	4,850	166,900		3.81	4.01	4.39
24-Feb-94	0	4,300	2,000	1,100	7,400	0	4,200	2,100	1,200	7,500	100	4,950	167,000		3.85	4.13	4.49
03-Mar-94	0	4,300	2,000	1,100	7,400	0	4,100	2,000	1,200	7,300	-100	4,850	166,900		3.86	4.24	4.69
10-Mar-94	0	4,100	2,000	1,300	7,400	0	3,600	1,600	1,200	6,400	-1,000	3,850	165,900		3.88	4.30	4.83
17-Mar-94	0	3,400	1,900	1,300	6,600	0	3,000	1,500	1,000	5,500	-1,100	2,750	164,800		3.97	4.46	5.06
24-Mar-94	0	4,300	2,000	1,300	7,600	0	4,000	2,000	1,200	7,200	-400	2,350	164,400		4.75	5.19	5.65
31-Mar-94	0	3,700	2,000	1,200	6,900	1,500	3,900	1,900	1,200	8,500	1,600	3,950	166,000	4.63	5.39	5.88	6.25

Source: Department of Finance.

Reference Table VII

Canada Savings Bonds, fiscal 1982-83 to fiscal 1993-94

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
1993-94	5,364	842	30,866

Sources: Department of Finance, Bank of Canada Review.

Reference Table VIII

Government of Canada interest rate swaps, fiscal 1993-94

Start date	End date	BA spread	Effective semi-annual fixed rate	Amount
		(basic point)	(per cent)	(millions of dollars)
29-Apr-93	05-Sep-98	70	7.590	100
03-Mar-94	03-Mar-99	35	6.795	100
04-Mar-94	04-Mar-99	34	6.915	100
07-Mar-94	08-Mar-99	37	6.815	100
08-Mar-94	08-Mar-99	39	6.891	100
11-Mar-94	11-Mar-99	40	7.188	100
15-Mar-94	15-Mar-99	41	7.185	100
22-Mar-94	22-Mar-99	47	7.469	100
24-Mar-94	24-Mar-99	51	7.583	100
25-Mar-94	25-Mar-99	53	7.624	100
29-Mar-94	29-Mar-99	57	7.690	100

Reference Table IX

Exchange Fund Account cash management swaps, fiscal 1993-94

Effective date	Maturity date	Amount	Effective cost	Estimated cost of T-bills	Savings
		(millions of U.S. dollars)	(per cent)	(per cent)	(per cent)
07-Apr-93	07-May-93	100	4.795	5.000	0.205
12-Apr-93	03-May-93	225	4.723	4.800	0.077
26-Apr-93	30-Apr-93	100	4.093	4.400	0.307
19-May-93	07-Jul-93	200	4.595	4.800	0.205
20-May-93	06-Jul-93	100	4.653	4.800	0.147
20-May-93	08-Jul-93	100	4.582	4.700	0.118
20-Sep-93	21-Sep-93	200	4.160	4.600	0.440
26-Nov-93	06-Jan-94	300	3.864	3.950	0.086
29-Nov-93	06-Jan-94	300	3.882	3.950	0.068
06-Jan-94	15-Feb-94	350	3.633	3.700	0.067
28-Jan-94	04-Feb-94	250	3.555	3.800	0.245
01-Feb-94	15-Feb-94	250	3.615	3.630	0.015
03-Feb-94	15-Feb-94	250	3.504	3.550	0.046
25-Feb-94	17-Mar-94	300	3.617	3.620	0.003
16-Mar-94	17-Mar-94	300	3.556	3.630	0.074

Reference Table X

Proposed fiscal 1993-94 marketable bond program

Offering date	Delivery date	Maturity date	Maturing	Gross	Net
(millions of dollars)					
Fixed-Coupon Bonds					
17-Mar	01-Apr	01-Jun-2023	925	1,100	175
31-Mar	13-Apr	01-Aug-1996		1,800	1,800
21-Apr	03-May	01-Sep-1998	1,725	1,400	-325
12-May	21-May	01-Dec-2003		1,600	1,600
19-May	01-Jun	01-Sep-1998	895	1,800	905
	06-Jun		1,350	0	-1,350
02-Jun	15-Jun	15-Sep-1995		2,100	2,100
16-Jun	02-Jul	01-Dec-2003	2,070	1,700	-370
30-Jun	13-Jul	01-Aug-1996		2,000	2,000
14-Jul	26-Jul	01-Jun-2023		1,200	1,200
04-Aug	16-Aug	01-Dec-2003		1,800	1,800
18-Aug	01-Sep	01-Sep-1998	2,450	1,800	-650
	06-Sep		1,400	0	-1,400
01-Sep	15-Sep	15-Sep-1995		2,200	2,200
15-Sep	28-Sep	01-Dec-2003		1,800	1,800
06-Oct	15-Oct	01-Jun-2023	2,125	1,200	-925
20-Oct	29-Oct	01-Sep-1998		1,800	1,800
03-Nov	15-Nov	01-Dec-2003		1,900	1,900
17-Nov	01-Dec	01-Mar-1999		2,100	2,100
	06-Dec		1,400	0	-1,400

Reference Table X (cont'd)

Proposed fiscal 1993-94 marketable bond program

Offering date	Delivery date	Maturity date	Maturing	Gross	Net
				(millions of dollars)	
01-Dec	15-Dec	15-Mar-1996	850	2,500	1,650
15-Dec	29-Dec	01-Mar-1999		2,300	2,300
05-Jan	14-Jan	01-Jun-2004		2,000	2,000
19-Jan	01-Feb	01-Jun-2023	2,600	1,500	-1,100
02-Feb	15-Feb	01-Jun-2004		2,000	2,000
16-Feb	01-Mar	01-Mar-1999	1,500	2,300	800
	06-Mar		1,600	0	-1,600
02-Mar	15-Mar	15-Mar-1996		2,400	2,400
Real Return Bonds					
15-Apr	03-May	01-Dec-2021		325	325
15-Nov	01-Dec	01-Dec-2021		600	600
06-Feb	22-Feb	01-Dec-2021		600	600
Total, fiscal year 1993-94			20,890	45,825	24,935

Reference Table XI

Outstanding Government of Canada Marketable Bonds
as at March 31, 1994

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
Fixed-Coupon Bonds		
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
15-Sep-1995	4,300	6.25
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

Reference Table XI (cont'd)

Outstanding Government of Canada Marketable Bonds
as at March 31, 1994

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
15-Mar-1996	4,900	4.75
01-May-1996	3,300	9.25
01-Jun-1996	2,175	8.75
01-Aug-1996	3,800	6.50
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
01-Feb-1998	6,600	6.25
15-Mar-1998	197	3.75
15-Mar-1998	2,225	10.75
01-Sep-1998	6,800	6.50
01-Oct-1998	3,100	9.50
01-Dec-1998	2,275	10.25
01-Mar-1999	6,700	5.75
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

Reference Table XI (cont'd)

*Outstanding Government of Canada Marketable Bonds
as at March 31, 1994*

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
15-Dec-2000	500	9.75
01-Feb-2001	425	15.75
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-Dec-2003	8,800	7.50
01-Feb-2004	2,200	10.25
01-Jun-2004	4,000	6.50
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

Reference Table XI (cont'd)

Outstanding Government of Canada Marketable Bonds
as at March 31, 1994

Maturity	Amount outstanding	Coupon rate
	(millions of dollars)	(per cent)
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
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	7,000	8.00
Real Return Bonds		
01-Dec-2021	2,725	4.25

Source: Department of Finance.

Reference Table XII

*Crown corporation market borrowings
as at March 31, except where indicated*

Corporation	1987	1988	1989	1990	1991	1992	1993	December 31, 1993
(millions of dollars)								
Export Development Corporation	5,814	5,257	5,198	5,802	5,685	6,220	6,983	7,624
The Canadian Wheat Board	4,017	3,798	3,767	4,354	6,449	7,323	6,966	6,714
Federal Business Development Bank	1,563	1,916	2,065	2,299	2,271	2,249	2,352	2,635
Farm Credit Corporation	1,598	1,328	1,328	1,216	1,128	813	797	822
Canadian National Railway System	3,038	2,526	1,715	1,716	1,861	1,803	1,905	1,936
Canada Mortgage and Housing Corporation	—	—	—	—	—	96	152	1,309
Canada Eldor Inc.	616	626	525	566	612	713	594	462
Petro-Canada Limited	1,073	1,369	2,097	2,450	1,656	980	455	479
Petro-Canada	—	—	—	—	718	—	—	—
Canada Ports Corporation	—	—	—	—	—	200	188	—
Air Canada	1,431	1,430	—	—	—	—	—	—
Canada Deposit Insurance Corporation	988	497	—	—	—	—	—	—
Other	98	44	41	21	79	81	97	100
Total	20,236	18,790	16,737	18,426	20,460	20,383	20,489	22,081

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
as at March 31, except where noted*

Corporation	1987	1988	1989	1990	1991	1992	1993	December 31, 1993
(millions of dollars)								
Canada Mortgage and Housing Corporation	9,386	9,151	8,879	8,678	8,484	8,419	8,181	8,317
Canada Deposit Insurance Corporation	1,203	1,334	1,695	1,375	1,225	1,785	3,085	3,099
Farm Credit Corporation	3,304	3,483	3,253	2,549	2,432	2,491	2,420	2,389
Other	1,952	1,313	1,218	1,106	934	975	819	802
Total	15,845	15,281	15,045	13,708	13,075	13,670	14,505	14,607

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

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