In addition to this, some $1,950 million of our marketable funded debt will be maturing during this fiscal year, and these maturing securities will require to be paid off by an equivalent amount of new borrowing. In other words, during this fiscal year we shall need to sell bonds or other securities in a total amount of close to $3,400 million. This is a major financial operation and will require the closest co-operation between the Department of Finance, the Bank of Canada, the chartered banks, and all investment institutions and dealers.

We have already made a good beginning. Since April 1st we have sold issues totalling $950 million, of which $350 million was new cash. We still have before us the need to refund $1,350 million of maturing bonds and to raise more than $1,000 million of new cash.

We shall be making every effort to promote a good sale of Canada Savings Bonds next autumn, but whatever net new cash we obtain from that source will still leave us with a very large financing task.

This is an appropriate time to review the principles which should be observed in the development of a large programme of public financing by the government. Perhaps the most important general objective was referred to in the Speech from the Throne on May 12th as follows:

> "My Ministers remain mindful of the importance of financing their large programme of expenditures in such manner as will best safeguard against the recurrence of inflationary dangers in future."

This means that we must to the greatest feasible extent seek to raise the funds from private investors, both institutional and individual, and hold to a minimum the amount of financing done through the banking system, particularly where this is associated with over-all monetary expansion.

Obviously the government must plan its bond issues in such a way as to make the maximum appeal to investors and must in so doing take account of the desire and needs of investors and of the general psychology of the investing public. This means that there must be a considerable proportion of medium-term and long-term bonds in any debt management programme as well as an appropriate amount of short-term securities.

From the point of view of the government also it is very desirable to achieve a well-balanced maturity distribution in our public debt. Excluding Canada Savings Bonds which are redeemable on demand, the average term to maturity of our funded debt measured from today is 5¾ years;