

ten years ago the average term was $8\frac{3}{4}$ years; twenty years ago it was $10\frac{1}{2}$ years. If, for example, all maturing bond issues were refunded over the next five years for a consistent term to maturity of, say, only three years, then at the end of the five year period the average term of the outstanding debt would have shrunk to $3\frac{1}{2}$ years. If this steady trend towards a shortening average term is maintained, we shall soon be confronted with progressively larger and more frequent refundings which could impair the efficient operation of both the new issue market and secondary markets. Therefore, I hold the view that we should seize opportunities to create new long-term issues whenever these opportunities occur. I recognize that the large-scale placement of long-term bonds has been more difficult than money market operations in recent years for a wide variety of reasons but we must not shy away from a desirable course simply because it is a difficult course to follow.

Before considering further the programme of issuing marketable securities I should like to remind you of the importance of the Canada Savings Bond programme. As I indicated in my Budget Speech, there will be another issue of Canada Savings Bonds this autumn, which will be Series No. 13. This I trust is not an ill-omened figure, but on the contrary will inspire us to strong endeavours to make this the most successful issue ever made, particularly in terms of the amount of new money raised over and above the sums required to provide for the year's volume of redemptions of previous issues. You will recall that sales of the last Series reached the record total of \$1,217 million or \$317 million more than the previous record which was established in 1953. Even though as much as half of this record sale may have consisted of conversion by investors of part of their holdings of earlier series, it was nonetheless a tremendous merchandising feat to obtain applications from 1,293,000 Canadians. Investment dealers and banks alike deserve full credit for this achievement.

Turning now to consideration of marketable securities, it will be apparent that the Government will have to come to market with large scale offerings approximately every three months. We shall continue to provide a broad range of choice to investors as we did on the last occasion. The terms of new issues will be tailored to attract participation by all types of investors. To develop the full potential of any market, even the best merchandise must be sold. Within reasonable limits we wish to take any and every step that will improve our sales organization and sales promotion.

Government policy regarding the management of the public debt cannot follow any rigid formula; it must be adapted to economic conditions and to market requirements. While I do not propose to place an undue burden on the