

Distribution of the national debt: March 1970

This article, the latest in an annual series analysing the national debt by type of security and holder, discusses holdings of debt at the end of March 1970 and the changes in those holdings during the preceding twelve months. A short final section shows how, in recent years, an increasing proportion of the cost of servicing the national debt has been offset by interest received on the central government's own lending.

Distribution at March 1970

On 31st March 1970, the national debt¹ totalled £32,366 million in nominal terms, comprising:

	£ millions	per cent
Government and government-guaranteed stocks	21,240	66
Treasury bills	4,561	14
Non-marketable debt	6,565	20

Details are given in Table C, on page 80. Non-marketable debt includes national savings securities,² tax reserve certificates and non-interest-bearing notes.³

U.K. official holders accounted for £8,942 million, or 28% of the total debt; and the proportions held by the various official institutions differed little from a year earlier. About half was held by the National Debt Commissioners, who administer the two funds through which is invested the money deposited in the ordinary departments of the National Savings Bank and the trustee savings banks, the national insurance funds, and several other official accounts. More than another third of the official total was held by the Issue Department of the Bank of England, as the major part of the backing for the note issue. The remainder consisted of holdings by the Exchange Equalisation Account, by the Banking Department of the Bank of England, and by government departments which had funds temporarily surplus to their requirements. Some 56% of all U.K. official holdings was in the form of stocks and 35% in Treasury bills; non-marketable debt accounted for only 9%.

The remaining £23,424 million (72%) of the national debt was held by the "market", which in this analysis comprises all investors, at home and abroad, other than U.K. official holders. Of this total, stock holdings amounted to £16,256 million (69%), Treasury bills to £1,443 million (6%), and non-marketable debt to £5,725 million (25%). Among market holders, "other financial institutions", *i.e.* financial insti-

¹ In the context of this article, the total of the national debt payable in sterling, as given in the *Consolidated Fund and National Loans Fund Accounts 1969/70*, together with stocks issued by the nationalised industries and guaranteed by H.M. Government. In most of the data from which the figures of holdings are derived, such guaranteed stocks are indistinguishable from British government stocks.

² National savings certificates, defence bonds, national development bonds, British savings bonds, premium savings bonds, national savings stamps and gift tokens, and the contractual savings schemes of the Department for National Savings and the trustee savings banks.

³ Other non-marketable debt instruments of any size include terminable annuities, ways and means advances and sundry sterling loans.

tutions other than banks, held £5,825 million. Insurance companies remained by far the biggest institutional investors in government debt, with holdings of nearly £3,200 million. These were concentrated in medium and long-dated government stocks, reflecting the normal tendency of the life funds to match a substantial part of their maturing liabilities with assets of similar, fixed, redemption dates. Similarly, the pension funds of the private sector, of the local authorities and of the nationalised industries held £1,229 million in stocks, of which only some £75 million had less than five years to run to maturity. The building societies, with over £750 million of gilt-edged stocks, continued to treat these as part of their liquid reserves and invested the greater part in short-dated stocks. The National Savings Bank investment account, together with the special investment departments of the trustee savings banks,⁷ held nearly £500 million of gilts at end-March 1970, including £175 million of short-term stocks. For the group of financial institutions as a whole, the pattern of holdings of government debt was broadly the same as in previous years; that is to say, there was very little in Treasury bills or non-marketable debt, but holdings of gilt-edged stocks were very large and, with the principal exception of the building societies, concentrated in stocks having more than five years to run to maturity.

Overseas residents held just over £5,250 million on 31st March 1970, including more than £2,250 million held by overseas central monetary institutions in British government stocks and Treasury bills. This figure reflected both the investment of the official sterling reserves of overseas countries and also the sterling counterpart, invested in Treasury bills, of outstanding drawings of some £650 million by the United Kingdom on special aid facilities. Nearly 95% of the holdings of international organisations was in non-marketable debt in the form of non-interest-bearing notes (£1,845 million), arising partly from U.K. drawings from the International Monetary Fund and also from subscriptions to the Fund and to the International Development Association. Identified holdings of other overseas residents, including banks abroad, were a little over £1,000 million, most of which was held in British government stocks.

Between them, overseas residents and financial institutions in the United Kingdom, other than banks, accounted for rather less than half the total market holdings of government debt. The remainder was held by public bodies, banks and other holders in the United Kingdom. Public corporations and local authorities held a little over £200 million – mainly in stocks. The banking sector held £2,465 million, of which over £2,100 million was in stocks (mainly short-dated); holdings of Treasury bills were reduced to the exceptionally low figure of £311 million, reflecting the size of the central government surplus in the financial year 1969/70.

The "other holders" group had over £9,600 million of government debt at the end of March 1970. The figures given in Table C for most of the categories in this group are no

⁷ Because their deposits do not have to be invested wholly in government debt, holdings of the National Savings Bank investment account and trustee savings banks' special investment departments are, unlike those of their ordinary accounts, regarded as "market" holdings.

more than broad estimates, partly because of difficulties of valuation (wherever possible nominal values have been used, but sometimes the only figures available are at book or market values), and partly because of a lack of comprehensive information about holdings by industrial and commercial companies and private funds. Stock holdings of industrial and commercial companies are derived from a new source – a survey of the liquid assets and liabilities of a sample of large companies initiated by the Department of Trade and Industry late in 1969.¹ The main source for gilt-edged holdings of “private funds and trusts” in this analysis – also for the first time – is the government stock register maintained by the Bank. This category contains the bulk of individual holders, but also includes private trusts and executor and trustee companies.¹ It is therefore not comparable with figures for individuals as recorded in previous articles. The use of the new information, however, helps to reduce the large unidentified residual item in the analysis. Nominee holdings are still a major obstacle to the wider use of the stock register in analysing holders by categories. As for non-marketable debt, personal tax reserve certificates and most of the outstanding total of national savings can be attributed to individuals. The analysis leaves just over £2,000 million (some 6% of the total debt) unallocated. As well as holdings by stockbrokers, solicitors and charities (categories whose holdings have not been estimated) the residual must also reflect unavoidable errors and omissions in the figures used for other “market” categories.

Changes during 1969/70

Table A shows changes during the year ended 31st March 1970 in the amounts of government debt held by each of the main groups.²

Table A

£ millions
Nominal values

	Total	Treasury bills	Stocks	Non-marketable debt
Official holdings	– 452	+ 595	–1,037	– 10
Market holdings				
Public bodies	+ 1	–	– 3	+ 4
Banking sector	– 361	– 317	– 18	– 26
Other financial institutions	+ 591	–	+ 589	+ 2
Overseas residents	–1,215	–1,450	+ 239	– 4
Other holders	+ 317	– 8	+ 488	– 163
Total market holdings	– 667	–1,775	+1,295	–187
Total debt	–1,119	–1,180	+ 258	–197

The national debt fell by £1,119 million (3%) in the financial year 1969/70. In percentage terms this was the largest of the few falls that have occurred since 1945, and in absolute terms it exceeded the whole of the national debt outstanding prior to the first world war. The main reason for the fall was the unprecedentedly large surplus (“net

¹ See also notes on sources and definitions.

² Because of minor revisions to the figures for 31st March 1969 (published in the March 1970 *Bulletin*) some of the changes in this table are not deducible from the tables of holdings.

balance") of £1,116 million achieved by the central government during the year, which was used to repay debt to both domestic and overseas holders.¹

Analysis by type of debt

The heavy demand by the market for gilt-edged stocks, and the strength of the balance of payments – which permitted substantial repayment of borrowing on overseas central bank facilities – were the main reasons why the reduction in the national debt took the form of a rise in gilt-edged stocks in issue of some £260 million and a fall in Treasury bills of £1,180 million. Non-marketable debt fell by some £200 million.

Although the total of stocks rose by some £260 million, the market purchased nearly £1,300 million, so that official holdings fell by over £1,000 million. There were four new issues during the year – £400 million 9% Treasury Loan 1994, £400 million 8 $\frac{3}{4}$ % Treasury Loan 1997, a second tranche of £200 million 6 $\frac{3}{4}$ % Exchequer Loan 1971 and £600 million 8 $\frac{1}{2}$ % Treasury Loan 1980/82.² Redemptions totalled some £1,300 million.³ The average life of dated stocks in the hands of the market at the end of March 1970 was just over thirteen years – much the same as twelve months previously.

The total fall in Treasury bills was more than accounted for by reductions of £1,450 million in the holdings of overseas residents, largely because foreign exchange inflows enabled the United Kingdom to repay substantial amounts of borrowing from overseas monetary authorities. At home, the banks reduced their holdings by over £300 million, reflecting the central government surplus, and official holdings rose by nearly £600 million.

The fall of nearly £200 million in non-marketable debt resulted from withdrawals from national savings by individuals, net surrenders of both company and personal tax reserve certificates, and a fall in terminable annuities, offset by a rise in ways and means advances.

Analysis by holder

Dealing first with the Issue Department, an increase of £125 million in the note issue in 1969/70 was covered partly by the refinance of export and shipbuilding credit, under the scheme which came into effect in May 1969. This still left some £85 million to be backed by an increase in the Department's holdings of government debt. The Department was a heavy seller of stocks throughout the year in response to market demand, and the market value of its holdings fell by some £715 million. As a result, its holdings of Treasury bills rose by £800 million. For most of the

¹ Although there is a broad correlation between a central government surplus and a fall in the national debt, the two sets of figures are not directly comparable because of differences in accounting. For example, the change in the national debt is shown, as far as possible, in nominal terms and refers to holdings both within and outside the government sector, whereas the net balance reflects the flow of cash between the central government and the rest of the economy.

² This last stock was offered additionally in exchange to holders of 3% Savings Bonds 1960/70 and a nominal total of £261 million of that stock was converted, £117 million of official holdings and £144 million of other holdings.

³ £170 million 3% Funding Loan 1959/69, £412 million 6 $\frac{1}{2}$ % Exchequer Loan 1969, £200 million British Electricity 4 $\frac{1}{2}$ % Guaranteed Stock 1967/69, £15 million South of Scotland Electricity 4 $\frac{1}{2}$ % Guaranteed Stock 1967/69 and £500 million 6% Exchequer Loan 1970. There were also some other operations, mainly cancellations of stocks purchased by sinking funds.

period between June 1969 and March 1970 the gilt-edged market was strong, encouraged by the improvement in the balance of payments and by the removal of long-term capital gains tax from gilt-edged stocks in the April 1969 Budget. In these circumstances, net sales by the Issue Department to the market over the year exceeded £1,130 million nominal. Net sales of long-dated and undated stocks from the Department's existing portfolio and from its take-up of new stocks accounted for some £790 million, including about £300 million each of 9% Treasury Loan 1994 and 8½% Treasury Loan 1997. In medium-dated maturities (those with between five and fifteen years to maturity) the Issue Department sold £210 million to the market – more than accounted for by its sales of £240 million of 8½% Treasury Loan 1980/82, even though this stock was only issued towards the end of the period under review. The Department also made net sales of £130 million of short-dated stocks to the market; purchases of over £450 million of the year's four maturities and nearly £100 million of 3% Savings Bonds 1960/70 (subsequently converted into the medium-dated 8½% Treasury Loan 1980/82) were more than offset by substantial sales to the market, mainly of the tap stocks – 6¾% Exchequer Stock 1973 (over £400 million) and 6¾% Exchequer Loan 1971 (nearly £200 million, including sales of the Department's holding of the new tranche issued in January 1970).

There were smaller movements in other U.K. official portfolios, which, by and large, are not affected by market conditions. Terminable annuities, a type of non-marketable debt held only by the National Debt Commissioners, fell by £84 million; but ways and means advances (also part of non-marketable debt) rose by £90 million as government departments increased their balances and then lent the funds overnight to the central government.

As in the two previous financial years, the biggest change in market holdings was by overseas residents; but, in place of earlier increases, there was a net fall of over £1,200 million in 1969/70. Their Treasury bills fell by more than this (£1,450 million), largely because of the repayments of some £1,300 million of special assistance already referred to, but also because central monetary institutions in overseas sterling countries invested £250 million more of their sterling reserves in gilt-edged stocks than hitherto. International organisations increased their gilt-edged portfolios by nearly £70 million, but other overseas residents reduced theirs by some £80 million. At March 1970, the amount of non-marketable debt held by international organisations (mainly the International Monetary Fund) in the form of non-interest-bearing notes was broadly unchanged; drawings by the United Kingdom on new standby facilities with the Fund were balanced by repurchases and the take-up of sterling by other Fund members. The drawings made in the early part of the year were used to reduce outstanding borrowing on special facilities provided by other monetary authorities. Later, repayments on these facilities continued out of the proceeds of the large inflow of foreign exchange.

Domestic deposits with the banking sector rose only moderately in 1969/70 – a reflection of the surplus achieved

by the central government, the restrictions on the availability of credit, and the large purchases of gilt-edged stocks by investors other than the banks. What is more, the accounting changes associated with the full disclosure of their profits and reserves reduced the gross deposits of the deposit banks; this enabled them to reduce their liquid assets proportionately. In the result, the banking sector ran down their Treasury bill holdings by nearly £320 million, to the extremely low figure of £311 million; the deposit banks accounted for over £230 million of the fall, and the discount houses for more than £60 million. The deposit banks also ran down their holdings of stocks by some £200 million,⁷ although the other groups within the banking sector added to their gilt-edged portfolios.

Other financial institutions were attracted into the gilt-edged market and there was a rise of £590 million in their holdings of stocks, concentrated more in maturities of over five years (£425 million) than under (£165 million). The insurance companies and the building societies were the leading investors, increasing their holdings by £240 million and £200 million respectively. The former, especially the life funds, normally receive much more in new funds than they have to pay out in claims, and a fair part of the excess is ordinarily invested in longer-dated British government stocks. Interest rates offered on share and deposit accounts by the building societies brought them in more money than they were lending for house purchases, so that they had temporarily surplus funds to invest in liquid assets, including short-dated gilt-edged stocks. There was a marked increase in stocks held by investment trusts and – most unusually – unit trusts; and additions were made to the holdings of the National Savings Bank investment account, trustee savings banks' special investment departments, local authority pension funds and private sector pension funds.

There was also a significant rise of some £490 million in other holdings of stocks. It cannot be stated with certainty how much individuals added to their holdings, but it could be that they accounted for the bulk of this rise. On the other hand, they reduced their holdings of national savings, which in total fell by about £120 million, and of tax reserve certificates (by £15 million). Although premium savings bonds continued to attract new money (£50 million) and the contractual savings scheme, introduced in October 1969, took in about £5 million, most of the other forms of national savings suffered, largely because interest rates remained unchanged at a time when rates on other forms of investment had risen sharply. Some of the substantial amounts invested in gilt-edged stocks by persons during the year under review – following many years of net sales – may have been switched from national savings; gilt-edged yields were very attractive, following their removal from the scope of long-term capital gains tax in the 1969 Budget. In the event, holdings of national savings certificates fell by £90 million (excluding net repayments of accrued interest) and defence bonds and national development bonds by £260 million; however, over £100 million of the latter fall was due to

⁷ Allowing for an increase of some £70 million in the valuation of their holdings at end-1969. See notes on sources and definitions.

conversion into the newer and more attractive issues of British savings bonds, holdings of which increased by £175 million. Ordinary deposit accounts with the National Savings Bank and trustee savings banks lost some £100 million during the year. But these accounts, though falling under the broad heading of national savings, do not come into the category of non-marketable debt; instead, the various forms of government debt in which these funds are invested by the National Debt Commissioners are included in the figures for official holdings. The growing pressure on the liquidity of industrial and commercial companies in 1969/70 was probably reflected in sales of gilt-edged stocks, and they also reduced their holdings of tax reserve certificates.

The cost of servicing the national debt

A fall in the national debt does not necessarily reduce the cost of servicing it. Thus, in spite of the fall in 1969/70 of over £1,100 million in the total debt payable in sterling, the cost of servicing rose by £70 million. This was mainly because of higher domestic short-term interest rates – the cost of borrowing on Treasury bills increased by some £50 million. Another factor was that payments of interest accrued over a number of years on national savings certificates were nearly £20 million higher than in 1968/69, because of larger encashments. Moreover, in the longer term, the cost of debt service must also be expected to rise as maturing gilt-edged stocks are replaced by others with a higher coupon.

The cost of servicing the national debt has been on a strongly rising trend in recent years; but so too have the interest receipts of the central government, and it is of interest to look at these, not unconnected, trends in conjunction. The figures below, covering the years 1964 to 1969 (and published in *Financial Statistics*¹), bring out the point that a large and rising proportion of the cost of the national debt has been matched by interest on loans, and correspondingly less from tax revenue.

It may be noted in passing that this table shows payments and receipts by the central government only and does not purport to indicate the cost of debt service to the

Table B
Central government payments and receipts of interest

£ millions						
Calendar years	1964	1965	1966	1967	1968	1969
Payments ^a	942	973	1,041	1,110	1,244	1,287
Receipts from:						
Local authorities	125	142	171	203	235	281
Public corporations	297	313	385	414	523	595
Other lending	94	115	117	119	104	99
Payments of debt interest less receipts of interest and dividends	426	403	368	374	382	312

^a Not directly comparable with payments of interest on the national debt as defined in the main body of this article. For example, government debt interest in Table B excludes payments within the central government, but includes interest on debt payable in external currencies and charges on drawings from the I.M.F., payments to depositors with the ordinary departments of the National Savings Bank and the trustee savings banks, and accruals of interest on national savings certificates.

¹ See the table on "Current account of central government including National Insurance Funds". See also *National Income and Expenditure 1970* (Blue Book).

public sector as a whole. In particular, it does not include service of the substantial market borrowings of the local authorities.

In the period shown, interest received by the central government on its loans – which are mainly, but not wholly, to other parts of the public sector – rose from a little over one half to about three quarters of the cost of servicing the national debt. Indeed it is conceivable that the cost of debt service may, in due course, come to be fully offset by interest receipts. This trend was already well established before the period covered in the table. Outstanding central government loans to local authorities and nationalised industries have risen since the war from a negligible level to over £15,000 million by March 1970. This rise has exceeded the increase of over £11,000 million in the national debt itself; and has brought the outstanding total of such central government lending up to nearly 60% of that part (about £26,000 million) of the national debt on which interest has to be paid to holders outside the central government sectors.¹ Thus the national debt is becoming to an increasing extent backed by tangible assets, including such income-earning investments as power stations, transport facilities etc., and housing.

¹ Including debt payable in external currencies (for comparability with the interest payments shown in Table B).

Table C

Estimated distribution of the national debt: 31 March 1970

£ millions

Nominal values^a

	Total	Treasury bills	Stocks		Non-market-able debt	
			Total	Up to 5 years to maturity		Over 5 years and undated
U.K. official holdings	8,942	3,118	4,984	818	4,166	840
Market holdings						
Public bodies:						
Public corporations	110	—	84	28	56	26
Local authorities	107	..	107	27	80	..
Total public bodies	217	..	191	55	136	26
Banking sector:						
Deposit banks	2,465	63	1,327 ^b	775	552	44
National Giro		—	3	3	—	
Accepting houses, overseas banks and other banks		50	450	272	178	
Discount market		198	330	282	48	
Total banking sector	2,465 ^c	311	2,110	1,332	778	44
Other financial institutions:						
Insurance companies	3,198	—	3,198	90	3,108	—
Building societies	765	1	752	508	244	12
National Savings Bank, investment account	152	—	152	33	119	—
Trustee savings banks, special investment departments	337	1	336	142	194	—
Local authority pension funds	344	—	344	7	337	—
Other public sector pension funds	114	—	114	10	104	—
Private sector pension funds	773	2	771	57	714	—
Investment and unit trusts	142	—	142	22	120	—
Total other financial institutions	5,825	4	5,809	869	4,940	12
Overseas residents: ^d						
International organisations	1,960	37	78	78	—	1,845
Central monetary institutions	2,267	1,023	1,244	746	498	—
Banks overseas	1,026	5	120	49	71	—
Other			880	146	734	21
Total overseas residents	5,253	1,065	2,322	1,019	1,303	1,866
Other holders:						
Public Trustee and various non-corporate bodies	194	5	187	20	167	2
Private funds and trusts	7,050	..	3,600	850	2,750	3,450
Industrial and commercial companies	216	..	126 ^e	673	1,364	90
Friendly societies etc.	130	..	130			..
Other (residual)	2,074	58	1,781			235
Total other holders	9,664	63	5,824	1,543	4,281	3,777
Total market holdings	23,424	1,443	16,256	4,818	11,438	5,725
Total debt	32,366	4,561	21,240	5,636	15,604	6,565

Of which:

Nationalised industries' stocks guaranteed by H.M. Government

1,520 1,520 612 908

^a Some of the holdings are at book or market values and at dates other than 31 March: see notes on sources and definitions.^b See notes on sources and definitions.^c Includes total identified non-marketable debt which cannot be allocated between the various constituents of the sector; see notes on sources and definitions.^d Including overseas official holders.^e Represents a proportion only of companies' holdings: see notes on sources and definitions.

.. not available.

— nil or less than £500,000.

Notes on sources and definitions

National debt

As defined in footnote 1 on page 72. Excludes debt payable in overseas currencies (£2,234 million at 31st March 1970), securities tendered in payment of death duties and held by the National Debt Commissioners until redeemed (£62 million at 31st March 1970) and £559 million accrued interest on National savings certificates.

Stocks

Classified according to final redemption date: Victory Bonds according to their average life to maturity (*i.e.* now up to 5 years).

Official holdings

Holdings of U.K. official bodies including the Bank of England, the Exchange Equalisation Account, the National Debt Commissioners and government departments. Because, in the context of this article, the national debt is the debt of, or guaranteed by, the central government and not of the public sector as a whole, official holders are limited to the above-mentioned as they are either part of the central government sector or (as in the case of the Banking Department of the Bank of England) have a role in the management of the debt. Local authorities and public corporations are therefore considered to be part of "the market".

Non-marketable debt consists mainly of term-indebt annuities due to the National Debt Commissioners and ways and means advances.

Public bodies

Public corporations As defined for national income statistics, but excluding the Bank of England.

Local authorities The holdings of local government and miscellaneous local authorities in the United Kingdom.

Banking sector

As in Table 8 of the annex, but excluding the Banking Department of the Bank of England (which is included in official holdings). The figures for stocks are at book value or cost (except for the discount market, where nominal values are used). In connection with accounting changes associated with the full disclosure of the profits and reserves of some of the deposit banks, the value of their gilt-edged stocks was raised by some £70 million at end-1969. This revision is included in the figures quoted in this article except where otherwise stated. See additional notes to Table 8 of the annex.

Non-marketable debt consists only of tax reserve certificates acquired by the banking sector since the introduction of company certificates in June 1966; it is not possible to allocate the total figure between the various constituents of the sector.

Other financial institutions

Insurance companies Holdings of U.K. branches of all members of the British Insurance Association whose parent companies are registered in the United Kingdom and whose head offices are there; also the holdings of the U.K. life funds of Commonwealth insurance companies which are B.I.A. members, and of members of the Association of Collecting Friendly Societies.

Building societies Estimates based on figures appearing in *Financial Statistics* and in the *Report of the Chief Registrar of Friendly Societies*.

Overseas residents

Including overseas official holders. The figures for Treasury bills, together with those of stocks held by international organisations, central monetary institutions and banks overseas, come from Table 20 of the annex of the September 1970 *Bulletin* and include the sterling counterpart of central bank facilities drawn upon by the United Kingdom. The maturity analysis of stocks is partly estimated. "Other" overseas holdings are estimated from information extracted from the registers of government stocks and from returns rendered by banks and the Crown Agents.

Non-marketable debt comprises interest-free notes held by international organisations and various sterling loans from overseas governments. Details are given in the table of National Loans Fund Liabilities in the *Consolidated Fund and National Loans Fund Accounts 1969/70*.

Other holders

Public Trustee and various non-corporate bodies A few identified holders, in particular the Public Trustee, the Church Commissioners and the Charity Commissioners.

Private funds and trusts The figures are estimated but are derived chiefly from an analysis of the principal government stock register maintained by the Bank. Levels and changes in holdings of all government stocks are recorded and holders are split into broad categories. The accuracy of most of the categories is adversely affected by the large number of holdings in nominee names where the beneficial ownership cannot be identified. The main source is the category "private funds and trusts" (from which the holdings of the Public Trustee have been extracted); while affected by the nominee problem, this category nevertheless gives a good indication of the activity in the gilt-edged market of individuals, private trusts and executor and trustee companies. On 31st March 1970 there were over 1.8 million account-holders in this category alone (out of a total of 2.1 million accounts on the register). The figures also include an estimate of private holdings on the National Savings Bank and trustee savings banks' stock registers. Non-marketable debt includes life annuities as well as national savings securities and tax reserve certificates.

Industrial and commercial companies Based on quarterly returns to the Department of Trade and Industry by just over 230 large companies. This category therefore represents a proportion only of company holdings. The holdings are at book values and no attempt has been made to convert them to nominal amounts. An estimate of tax reserve certificates held by companies is shown under "non-marketable debt". Companies' holdings of Treasury bills are included in the residual category.

Friendly societies etc. Societies registered under the Friendly Societies Acts, the Industrial and Provident Societies Acts and the Trade Union Acts, with the exception of collecting societies, insurance and superannuation societies, and co-operative banks. Holdings (at book value and at the end of 1969) are estimated from information in the *Report of the Chief Registrar of Friendly Societies*.