

## Distribution of the national debt at end-March 1974

*This article continues the annual series which was begun in June 1962*

### Analysis by type of debt

At the end of March 1974 the nominal total of the national debt, [1] including official holdings, was £39,490 million. The increase of £2,964 million during the financial year 1973/74 was, at 8.1%, the largest in this series of figures, which date back to 1958. In the last three years the debt had risen by 20% (£6,685 million) compared with a net increase of 16% (£4,003 million) in the previous thirteen years. The central government's borrowing requirement of £1,873 million in 1973/74 was only slightly larger than in 1972/73; on the other hand during 1972/73 there had been a large outflow of foreign exchange and a consequent inflow of £814 million of sterling into the Exchange Equalisation Account (which, other things being equal, enables the Government to repay debt) whereas in 1973/74 additions to the reserves cost £102 million in sterling. After taking account of the EEA transactions (apart from repayments by the Government of foreign currency loans, which mean outflows of currency without a sterling counterpart) central government borrowing rose between the two financial years from £1,186 million to £2,058 million and necessitated a greater issue of new debt. [2]

Changes in the main components of the debt are set out in Table A. The main changes were in marketable debt, which altogether rose by £3,003 million (10%). Net *stock* issues amounted to £587 million, and,

Table A

### Classification by type of debt

£ millions nominal: percentage of total debt in italics

	End-March 1973		Change	End-March 1974	
<b>Marketable debt:</b>					
Government and government-guaranteed stocks	27,069	<i>74.1</i>	+ 587	27,656	<i>70.0</i>
Treasury bills	3,093	<i>8.5</i>	+2,416	5,509	<i>14.0</i>
<b>Non-marketable debt:</b>					
National savings securities	4,178	<i>11.4</i>	- 103	4,075	<i>10.3</i>
Tax reserve certificates	218	<i>0.6</i>	- 145	73	<i>0.2</i>
Ways and means advances	634	<i>1.7</i>	+ 196	830	<i>2.1</i>
Terminable annuities due to the National Debt Commissioners	193	<i>0.5</i>	- 56	137	<i>0.3</i>
Interest-free notes due to the International Monetary Fund	1,120	<i>3.1</i>	+ 66	1,186	<i>3.0</i>
Other	21	<i>0.1</i>	+ 3	24	<i>0.1</i>
<b>Total debt</b>	<b>36,526</b>	<b><i>100.0</i></b>	<b>+2,964</b>	<b>39,490</b>	<b><i>100.0</i></b>

with heavy official sales of existing stocks, market holdings rose by more than three times this amount (see Table B): the increase was spread over all categories of holder apart from public bodies, with 'other financial institutions' and 'private funds and trusts' each buying some £700 million.

There were three new issues totalling £1,650 million during the year:

8th May 1973	£450 million 8% Treasury Stock 1975
27th September 1973	£600 million 10½% Treasury Stock 1976
21st March 1974	£600 million 12% Treasury Loan 1983

Progressively higher coupons were required during the year, in which yields on British government stocks rose by some 4%: previously no government stock had ever carried a coupon over 9½%.

[1] See notes on page 434 for the definition of national debt used in this article.

[2] No detailed analysis of the relationship between the borrowing requirement and an increase in the national debt is possible here, because of the large differences in accounting, definitions, and valuation.

Four stocks (including two government-guaranteed stocks) totalling £1,035 million were redeemed in full:

1st April 1973	£136 million 3% British Transport Stock 1968/73
	£341 million 3% British Electricity Guaranteed Stock 1968/73
	£8 million 3% North of Scotland Electricity Guaranteed Stock 1968/73
10th December 1973	£550 million 5¼% Treasury Stock 1973

A further £28 million of other stock was redeemed, mainly through the operation of sinking funds.

Substantial changes in the maturity pattern of outstanding debt were wrought merely by the passage of time: this naturally accounts for nearly all of the fall in stocks with maturity of over 15 years, and also caused £637 million of the increase in 5–15 year stocks.

Table B  
Changes in holdings end-March 1973 to end-March 1974[a]  
£ millions nominal[b]

	Total debt	Treasury bills	Stocks[c]			Non-market-able debt	
			Total	Up to 5 years to maturity	Over 5 and up to 15 years		Over 15 years and undated
Official holdings	+1,591	+2,765	-1,288	-141	-487	-660	+114
Market holdings							
Public bodies	-26	..	-26	-4	-6	-16	..
Banking sector	-164	-158	+11	+52	-41[d]		-17
Other financial institutions:							
Insurance companies	+334	-	+334	+71	+549	-286	..
Building societies	+49	-	+58	+86	+17	-45	-9
Savings banks' investment accounts	+55	-	+55	+15	+38	+2	-
Superannuation funds	+238	-	+238	+27	+150	+61	-
Other	+19	-5	+25	+10	+37	-22	-1
Total other financial institutions	+695	-5	+710	+209	+791	-290	-10
Overseas holders:							
International organisations	+79	-2	+2	+2	-	-	+79
Central monetary institutions	-117	-183	+66	+12	+132	+78	-
Other	+57	+2	+45	-9	+4	+50	+10
Total overseas holders	+19	-183	+113	+5	+136	-28	+89
Other holders	+849	-3	+1,067	+303	+764[d]		-215
Total market holdings	+1,373	-349	+1,875	+565	+1,725	-415	-153
Total debt	+2,964	+2,416	+587	+424	+1,238	-1,075	-39

.. not available.

- nil or less than £½ million.

[a] Changes in the mainly nominal amounts held, shown here, do not sum to the cash flows into or out of the central government, shown in Tables 1 and 3 of the statistical annex.

[b] With some exceptions: see notes on sources and definitions.

[c] The changes analysed by maturity include the changes brought about by the passage of time: during the year £415 million of stock passed in this way from the 5–15 year band to the 0–5 year band and £1,052 million from the over 15-year band to the 5–15 year band.

[d] Statistics for the banking sector do not distinguish between stocks up to 15 years' maturity and stocks over 15 years. On the assumption that the banking sector holds little long-dated stock, the residual figure for 'other holders' comprises a rise of about £840 million in medium-dated and a fall of about £80 million in long-dated.

Official sales of stock were especially heavy during the June quarter, when they totalled over £950 million in cash. The authorities gave assistance to the money market by buying *Treasury bills*: over the year as a whole official holdings of these rose by £2,765 million, of which nearly £2,000 million were taken up by the Issue Department; the Banking Department increased its holdings by some £700 million, of which £625 million represented on-lending to the Government of the banking sector's special deposits made by banks and finance houses. The banking sector's direct holdings ended the year £158 million lower, and there was also a substantial reduction in those of central monetary institutions.

Non-marketable debt fell by £39 million. *Ways and means advances* rose by nearly £200 million, including £147 million for the investment of government departments' deposit moneys by the Paymaster General. *Personal tax reserve certificates* ceased to be issued after the end of June

1973, and no interest has been payable on them since 1st January 1974 (company certificates can earn interest up to the end of December 1974); even so, of the £73 million which remained outstanding at the end of March, persons still held £59 million. *Tax deposit accounts* were launched at the beginning of the financial year as the successors to company certificates, for use in payment of corporation tax; however, they did not prove attractive and brought in only £6 million. [1] The total of *national savings* securities outstanding fell by £103 million. [2] Certificates fared badly, with encashments exceeding purchases by £162 million, so that even after allowing for accrued interest, holdings fell by over £140 million. Premium bonds, however, continued to increase, as they have every year since they were first issued in 1956, but the amount raised in the year (£35 million) was the lowest ever. Nearly £50 million was contributed through the *save as you earn* scheme. The increase of £66 million in interest-free notes due to the International Monetary Fund mainly represented a payment to maintain the gold value of the Fund's sterling holdings.

### Analysis by holder

#### *Official holdings*

The increase in official holdings was even larger than that in 1972/73, and by the end of the year they represented 30% of the total national debt (see Table C).

Government debt held by the *Issue Department* rose by £419 million, approximately matching the increase in the note circulation. The department bought £303 million of local authority debt and commercial bills, but transfers to the appropriate government departments of blocks of refinanced export and shipbuilding credits amounted to £229 million. Holdings of stocks, which had risen sharply at the end of 1972/73 as a result of substantial new issues in March, were reduced through heavy market demand by £1,550 million (and by March 1974 were only £100 million higher than in March 1972); the associated rise in Treasury bill holdings during 1973/74 amounted to nearly £2,000 million, bringing the department's holdings up to nearly half the total issued, compared with 13% in 1973. Holdings of stocks fell in each maturity range, with the biggest reductions in medium-dated (£800 million) and short-dated (£570 million). The short tap stocks issued on 23rd March 1973 and 8th May 1973 were each exhausted by October, and by the end of the financial year only £181 million remained out of the £600 million of 10½% Treasury Stock 1976 issued in September. The two stocks with unusual features which were announced in the March 1973 Budget [3] were both exhausted around the end of March 1974.

The *Banking Department's* holdings again rose sharply, by £704 million to £1,791 million. This was entirely in Treasury bills, mainly reflecting special deposits made by the banks and finance houses in August and November/December.

Funds which the *National Debt Commissioners* are responsible for investing in government debt [4] grew by £310 million, to £5,020 million. The National Insurance Funds, which were again in substantial surplus, supplied £260 million of these. Another £109 million came from ordinary deposits with the trustee savings banks and the National Savings Bank – slightly more than the fall in national savings securities mentioned earlier.

*Other official holdings* reached £772 million, a rise of £157 million which was wholly attributable to the departmental balances which are on lent overnight to the Government by the Paymaster General.

[1] The scheme was terminated in October 1974.

[2] Excluding accounts with the National Savings Bank and trustee savings banks and accrued interest on national savings certificates: see notes on sources and definitions.

[3] June 1973 *Bulletin*, page 142.

[4] With some exclusions: see notes on sources and definitions.

Table C

## Estimated distribution of the national debt: 31 March 1974

£ millions

Nominal values: [a] *percentage of total debt in italics*

	Total		Treasury bills	Total	Stocks			Non-market-able debt
		<i></i>			Up to 5 years to maturity	Over 5 and up to 15 years	Over 15 years and undated	
Official holdings	11,774	29.8	4,444	6,388	1,534	2,289	2,565	942
<b>Market holdings</b>								
Public bodies:								
Public corporations	45	0.1	—	45	35	5	5	—
Local authorities	100	0.3	..	100	27	23	50	..
Total public bodies	145	0.4	..	145	62	28	55	..
Banking sector:								
Deposit banks	1,641	4.1	103	1,538	1,336	202	—	—
National Giro	24	0.1	—	24	16	8	—	—
Accepting houses, overseas banks and other banks	504	1.3	57	444	225	219	3	3
Discount houses	286	0.7	244	42	39	3	—	—
Total banking sector	2,455	6.2	404	2,048	1,616	432	3	3
Other financial institutions:								
Insurance companies	4,505	11.4	—	4,505	197	977	3,331	..
Building societies	1,329	3.4	—	1,329	827	458	44	—
National Savings Bank, investment account	375	0.9	—	375	44	83	248	—
Trustee savings banks, special investment departments	653	1.7	—	653	104	268	281	—
Local authority superannuation funds	512	1.3	..	512	14	66	432	—
Other public sector superannuation funds	266	0.7	—	266	22	64	180	—
Private sector superannuation funds	987	2.5	—	987	95	241	651	—
Investment trusts	96	0.2	1	95	26	48	21	—
Unit trusts	14	—	—	14	6	5	3	—
Other	30	0.1	10	20	4	1	15	—
Total other financial institutions	8,767	22.2	11	8,756	1,339	2,211	5,206	..
Overseas holders:								
International organisations	1,358	3.4	19	128	42	86	—	1,211
Central monetary institutions	2,124	5.4	592	1,532	722	337	473	—
Other	1,394	3.5	5	1,373	139	231	1,003	16
Total overseas holders	4,876	12.3	616	3,033	903	654	1,476	1,227
Other holders:								
Public Trustee and various non-corporate bodies	216	0.6	12	202	25	55	122	2
Private funds and trusts	8,290	21.0	..	4,469	947	1,400	2,122	3,821
Industrial and commercial companies	162	0.4	22	122[b]	921	1,694[c]		18
Other (residual)	2,805	7.1	—	2,493		312		
Total other holders	11,473	29.1	34	7,286	1,893	5,393[d]		4,153
Total market holdings	27,716	70.2	1,065	21,268	5,813	5,539		5,383
Total debt	39,490	100.0	5,509	27,656	7,347	7,828		6,325
of which, nationalised industries' stocks guaranteed by the Government	908			908	114	570	224	

.. not available.

— nil or less than £½ million.

[a] With some exceptions: see notes on sources and definitions.

[b] Represents a sample only of companies' holdings: see notes on sources and definitions.

[c] On the assumption that banking sector holdings of long-dated stock are negligible, this figure comprises approximately £760 million medium-dated and £930 million long-dated.

[d] On the above assumption, this figure comprises approximately £2,210 million medium-dated and £3,180 million long-dated.

[e] Of which undated £3,434 million.

*Market holdings*

The market's share of the national debt continued to fall, from 72% to 70%, because of the massive increase in official holdings of Treasury bills. Nevertheless the total of the market's holdings rose strongly, after the slight contraction in 1972/73, the increase being entirely in stocks. These rose by 10% in all: apart from public bodies all groups of holder contributed, notably private funds and trusts, whose holdings increased by one fifth. It is difficult to be precise about the maturity pattern of market purchases because three stocks — notably £1,052 million of 3% British Transport Stock 1978/88 and £400 million of 5% Exchequer Loan 1976/78 — now fall into earlier maturity brackets. Thus the bulk of the fall in the market's holdings of long-dated stocks reflected the passage of time, as did probably about half of the increases in those of medium and short-dated stocks. The average life of dated stocks in market hands, which had risen in each of the previous three years, fell from 14.5 to 13.3 years:

this reflected the issue of two very short-dated stocks besides the lapse of a year. Overseas central monetary institutions and the UK banking sector ran down their Treasury bill holdings by broadly similar amounts, leading to a reduction of £350 million in the total in market hands. The main changes in non-marketable debt were discussed earlier.

The take-up of government debt by the general public, coupled with the increase in special deposits, was again more than sufficient to meet the Government's domestic borrowing requirement, and the *banking sector's* direct holdings (including those of the discount market) again fell, though by nothing like the amount in the previous year. The discount houses bought stock in the June quarter, but on 19th July the houses' need to hold government debt was reduced when the public sector lending ratio was replaced by the understanding that each house would not hold 'undefined assets' (broadly, assets other than public sector debt) to a value of more than twenty times its capital and reserves. In this quarter they reduced their holdings of government stocks by £225 million and their Treasury bills by nearly £200 million, and over the year as a whole the houses' holdings of government debt fell by more than half to under £300 million; within this total, stocks, which since the beginning of this series of statistics in 1958 had generally been well over £300 million at the end of each financial year, were reduced to a mere £42 million. Against this the deposit banks bought about £100 million of short-dated stocks. The proportion of national debt held directly by the banking sector fell to a new low point of 6.2%.

*Other financial institutions* invested nearly three times as much in government stocks as they had done in 1972/73. The largest amount (£334 million) came from insurance companies: the cost represented some 15½% of their total expenditure on investments, slightly more than in the previous year. Building societies suffered from the general rise in interest rates, because, for various reasons, they were inhibited from raising the mortgage rate, and the yield on share accounts became progressively uncompetitive during the year: in the March quarter their receipts were reduced almost to a trickle. Compared with the previous financial year, however, they cut their net advances by more than the fall in their receipts, and the societies' combined liquidity ratio consequently held relatively steady. Their holdings of government stocks rose by £58 million, roughly half as much as they had fallen in the previous year. Super-annuation funds reverted to their investment pattern of 1971/72, with 17% of their investments going into government stocks. Savings bank investment accounts, the balances on which have to be invested almost wholly in central or local government debt, continued to increase, though by less than in any of the previous five years.

*Overseas holdings* of government debt (excluding IMF notes) fell by £60 million. This consisted of a fall of nearly a quarter in central monetary institutions' holdings of Treasury bills, which had been rising in recent years, partly offset by modest increases in official and other holdings of stocks. Sales by private overseas holders were all of long or undated stocks, and the cash proceeds will have been much less than the fall in nominal values. Official holders appear also to have switched out of long-dated into medium-dated stocks, so that a net increase of £66 million in their nominal holdings cost them substantially more in cash.

There was a large take-up of debt by 'other holders', the residual group, which maintained its share of the total debt at 29% and increased its share of market holdings to over 41%. With national savings losing ground, the increase was entirely in stocks: the statistics as compiled give a rise of no less than £1,067 million, or 57% of the total increase in market holdings, and although this will include any errors in the estimated figures for other sectors it is clear that buying by this group was on a very large scale. Private funds and trusts, which are the largest identified category within 'other holders', increased their holdings of stocks by nearly one fifth, to £4,469 million; some £170 million of the increase was in two low-coupon stocks (3% Savings Bonds 1965/75 and 3% Treasury Stock 1979), which offered more scope for capital gain. The group's holdings are now virtually

the same size as those of the insurance companies (each has 21% of the market's holdings); even so, this understates the holdings of individuals, private trusts, and executor and trustee companies, primarily because it does not take account of holdings which are registered in the name of bank nominees. The number of accounts on the Bank's register which are categorised as private funds and trusts, which had been falling in recent years, rose by nearly 60,000 to 1,607,000; nevertheless the average holding of each account rose even more than last year, to £2,700. Company holdings, in so far as they are known from the Department of Industry's sample survey of large companies' liquid assets, [1] rose very sharply.

#### National debt in the United Kingdom and abroad

The March 1970 article in this series included a brief comparison of the size of the debt in this country and in seven other of the main industrial countries. Debt was compared with gross national product, which was taken as the most readily available measure of resources – albeit not a perfect one. Table D shows the changes which have occurred in the last five years in the relationships to GNP both of total national debt [2] and of the national debt excluding official holdings and non-interest-bearing notes held by the IMF.

For every country except Italy the figures indicate a reduction in what may loosely be termed the total debt burden. This is primarily a reflection of continued world-wide inflation, which results in a rapidly increasing nominal GNP even in those countries where real growth is comparatively slow. The nominal value of the previously existing national debt, on the other hand, is unaffected by inflation, and increases in the debt reflect only net new government borrowing.

In the five years under review nominal GNP grew on average by between 9% and 14% in each of the countries in the comparison apart from Japan, where a faster rate of 20% was largely due to much faster real growth. In Italy total national debt increased very rapidly (and much faster than GNP) because of a steadily expanding government deficit, but debt in market hands grew far slower because much of the new debt was contracted with the central bank. Elsewhere, only in Japan did the total debt rise at anything like the same pace, and there over three quarters of the increase took the form of debt created to enable government financial agencies to lend to industry. In the remaining countries total national debt rose by no more than 6% a year – appreciably slower than GNP – and, except in Western Germany, debt in market hands grew by less than 5% a year. In France, indeed, where the authorities were pursuing balanced budgets, the total debt outstanding was actually reduced. The UK national debt also fell at the beginning of the period, when the central government was in surplus, but by March 1972 was again greater than in March 1969. Over the five-year period it rose on average by 3½% a year on both measures, and the ratio to GNP fell by far more than any other country's, partly because it had previously been so much higher than elsewhere. Nevertheless the UK national debt remains substantially larger relative to GNP than the debt of any of the other countries considered.

**Table D**  
Comparative size of national debts

	Total national debt as percentage of GNP		National debt excluding official holdings and IMF notes as percentage of GNP	
	1968/1969	1973/1974	1968/1969	1973/1974
United Kingdom	89	62	59	42
France	17	9	13	7
Italy	18	23	15	11
Netherlands	35	28	20	14
Western Germany	17	13	13	11
Canada	37	29	29	22
United States	46	40	29	22
Japan	15	14	6	4

The figures for GNP used in these tables relate to the calendar years 1968 and 1973. The figures for national debt are the amounts outstanding either at end-March 1969 and 1974 (United Kingdom, Canada, United States and Japan) or at end-December 1968 and 1973 (France, Italy, the Netherlands and Western Germany). Debt payable in foreign currencies and, in the second pair of columns, IMF holdings of non-interest-bearing notes, are excluded as far as possible. Debt incurred by subordinate public authorities is excluded except for Western Germany, where that of the Länder is included. Debt of the main state corporations is excluded wherever possible.

**Table E**  
Comparative rates of growth of GNP and national debts

	Nominal GNP	Annual average percentage increase 1968/1969–1973/1974	
		Total national debt	National debt excluding official holdings and IMF notes
United Kingdom	11	3½	3½
France	13	– 2	– ½
Italy	14	21	7
Netherlands	11	6	3½
Western Germany	12	6	8
Canada	10	5	5
United States	9	6	3½
Japan	20	19	11

[1] See the article in the November issue of *Economic Trends*.

[2] Defined for the United Kingdom as in the notes on sources and definitions, and as comparable to this as possible for other countries. Nevertheless, there are considerable differences in the structure and size of the public sectors in different countries, and in the availability of particular statistics. In many countries, for example, direct borrowing by state corporations provides a much larger part of the finance required by the public sector than it does in the United Kingdom. Such international comparisons therefore require great caution in interpretation.

## Notes on sources and definitions

### National debt

The total of liabilities in sterling of the National Loans Fund, together with nationalised industries' stocks guaranteed by the Government (as contingent liabilities of the Government these are not strictly part of the national debt, but the markets, and the sources used for the estimates, do not generally distinguish them from government stocks). Excludes that part of the debt which is payable in external currencies (£1,543 million at 31 March), accrued interest on national savings certificates (approximately £586 million), securities tendered in payment of death duties and held by the National Debt Commissioners until redeemed (£25 million), Consolidated Fund liabilities, liabilities of other central government funds, and sundry other contingent liabilities and guaranteed loans. Provisional figures for the national debt as at 31 March (excluding nationalised industries' stocks, but including debt payable in external currencies) are given annually in the May issue of *Financial Statistics*. Firmer figures appear in the *Annual Abstract of Statistics*, and full details are given in the *Consolidated Fund and National Loans Fund Accounts Supplementary Statements* published by HMSO in December.

### Stocks

Classified by final redemption date. 9% Treasury Convertible Stock is classified as maturing in 1980.

### Non-marketable debt

Comprises national savings securities (see below), tax reserve certificates, tax deposit accounts, international organisations' holdings of non-interest-bearing notes drawn on the National Loans Fund, terminable annuities due to the National Debt Commissioners (issued between 1943 and 1950 and now gradually being run off), life annuities, ways and means advances (through which government departments etc. lend overnight to the National Loans Fund), debt to the Bank of England (see footnote [a] to Table 5 in the statistical annex and pages 56-7 of the Bank's *Report and accounts*, 1971), and various sterling loans from overseas governments. National savings securities comprise national savings certificates (excluding accrued interest), defence bonds, national development bonds, British savings bonds, premium savings bonds, national savings stamps and gift tokens, and the contractual savings schemes (save as you earn) of the Department for National Savings and of the trustee savings banks. Ordinary deposits with the National Savings Bank and trustee savings banks are included indirectly, as part of official holdings under the various forms of government debt in which the funds are invested by the National Debt Commissioners. Holdings of the National Savings Bank investment account (which is managed by the National Debt Commissioners) and of the trustee savings banks' special investment departments are regarded as 'market' holdings, because their deposits do not have to be invested wholly in government debt.

### Official holdings

The holdings of the Issue and the Banking Departments of the Bank of England, the Exchange Equalisation Account, government departments, the Northern Ireland Government, and the National Debt Commissioners (excluding the National Savings Bank, investment account).

Because this article discusses the debt of, or guaranteed by, the central government and not the debt of the whole public sector, official holders are limited to the central government sector and (as in the case of the Bank of England, Banking Department) to bodies which have a role in the management of the debt. Local authorities and public corporations are considered to be part of 'the market'.

### Public bodies

#### *Public corporations*

As defined for national income statistics, but excluding the Bank of England. The figures are estimated from information published in public corporations' annual reports.

#### *Local authorities*

As defined for national income statistics: local government and miscellaneous local authorities in the United Kingdom.

### Banking sector

As in Table 11 of the statistical annex, but excluding the Bank of England, Banking Department (which is included among official holders). The figures for stocks are at book value or cost (except for the discount market, where nominal values are used).

### Other financial institutions

Estimates are based largely on figures appearing in *Financial Statistics*.

### Overseas holders

Treasury bills and stocks held by central monetary institutions and international organisations are as in Table 25 (and additional notes) of the annex. 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 from 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 Supplementary Statements*.

### 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*

Derived chiefly from an analysis of the principal government stock register, which is maintained by the Bank. The accuracy of the analysis is impaired by the large number of nominee accounts, which conceal the beneficial owners' identities. The figures shown in Table C also include an estimate of private holdings on the National Savings Bank's and trustee savings banks' stock registers. The bulk of national savings securities has been allocated to 'private funds and trusts'. The remainder (some £300 million) is no more than a broad estimate covering other holders (for example charities and friendly societies are allowed to hold national savings certificates and British savings bonds, and the latter may be held also by corporate bodies).

#### *Industrial and commercial companies*

Gilt-edged holdings are based on quarterly returns to the Department of Industry by about 200 large companies. This category therefore represents a sample only of company holdings, many of which remain unidentified in the residual category. 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 these companies is shown under 'non-marketable debt'. Figures for their Treasury bills are obtained as a residual after other holders of market Treasury bills have been identified, and these figures thus include unidentified holdings by other sectors.