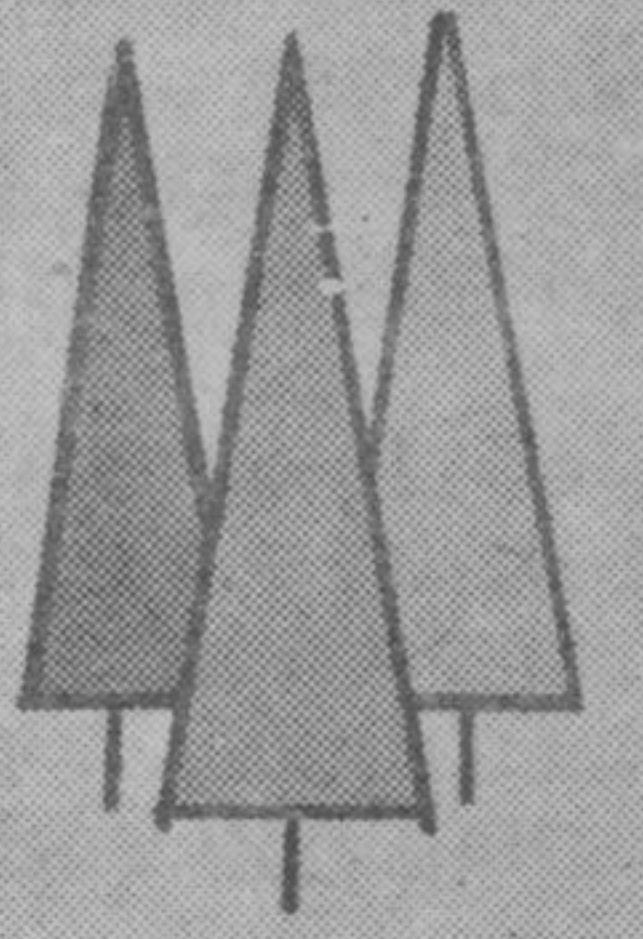


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CANADA SAVINGS BONDS

The two "new-look" Canada Savings Bonds being introduced this fall will offer Canadian investors an average annual yield of 8.06 per cent to maturity.

In announcing terms of the 1977-78 Series of Canada Savings Bonds, the Minister of Finance said he anticipates a strong public demand for the issue, both because of the rate of return and the choice being made available between the Regular Interest Bond and the Compound Interest Bond.

As announced June 2, the traditional coupon and fully registered bonds will be replaced beginning this year by a Regular Interest Bond with interest income paid annually by cheque or direct deposit and a Compound Interest Bond on which interest is left to accrue and to compound automatically until maturity. The introduction of new bond forms does not, of course, affect holdings of past series of Canada Savings Bonds.

Both new bonds will carry a nine-year term and an average annual yield to maturity of 8.06 per cent. The interest rate in the first year will be 7.0 per cent and will be 8.25 per cent for each subsequent year to maturity in 1986.

As with all previous Canada Savings Bonds, bonds of the new issue will be cashable on demand. Bonds in both the new forms can be bought at any chartered bank and through authorized sales agents including investment dealers, stock brokers, trust and loan companies, credit unions and caisses populaires. In addition, through the Payroll Savings Plan, employees of some 5,300 organizations across Canada will be able to purchase the compound bonds by way of convenient pay cheque deduction.

SALES STARTED: The payroll sales campaign for Canada Savings Bonds has started. Cash and instalment sales began on October 11.

Both the Regular Interest Bond and the Compound Interest Bond will be dated November 1, and purchasers will not be charged for accrued interest on bonds purchased between November 1 and November 15. The Minister of Finance reserves the right to terminate cash and official Monthly Savings Plan sales at any time after the close of business on November 10 without advance notice.

Only bona fide Canadian residents and estates of deceased persons are eligible for purchase of Canada Savings Bonds. The individual purchase limit for bonds of this series is \$15,000. As with past issues, investors will be able to register the new Regular Interest Bond and Compound Interest Bond in the name of a trust governed by certain types of deferred income plans. These include Registered Retirement Savings Plans, Registered Home Ownership Savings Plans, registered pension plans, deferred profit sharing plans or employee profit sharing plans. Registration must show the names of the trustee and beneficiary under such plans as well as the title and registered plan number. Bonds are transferable to the trust governed by the plan and back to the beneficiary. To page 6