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**SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES**

Security Transactions - First Quarter, 1955

Portfolio security transactions between Canada and other countries during the first quarter of 1955 led to a sales balance or capital inflow of \$13 million, following purchase balances in the last two quarters of 1954.

Proceeds of new Canadian securities sold abroad totalled \$105 million. This amount is remarkably large in view of the prevailing narrow differential in interest rates. Although there were several municipal issues of significant size placed abroad, the larger part of the total is attributable to the acquisition by non-residents of new stocks offered to shareholders by Canadian companies, and to institutional purchases of new domestic issues, principally of corporations. Retirements of foreign-held debt, amounting to \$81 million, were also at a high level. The major transaction represented official repatriation of debt by the Government; there were also heavy retirements on the maturity of issues sold abroad many years ago.

Trading in outstanding Canadian issues led to an outflow of capital of \$20 million, after four successive quarters of inflow. This outflow occurred despite the fact that there were net sales of Canadian stocks aggregating nearly \$52 million. United States residents added \$36 million to their holdings of stocks, the United Kingdom \$10 million, and other overseas countries \$6 million. Repatriation through trading of nearly \$74 million of outstanding Canadian bonds and debentures, mainly held in the United States, was also at a record level. Transactions in other types of Canadian securities accounted for a small inflow. The trading in bonds reflected net repurchases of \$45 million Government of Canada direct and guaranteed issues, \$24 million provincial, \$3 million municipal, and \$2 million corporation bonds. The trading and retirements of Government of Canada direct issues reduced total non-resident holdings well below \$600 million, to about half the total held at the end of 1950.

Transactions in foreign securities led to a net capital inflow of \$9 million, reflecting mainly net sales of outstanding issues, chiefly United States stocks, in the amount of \$12 million. Not included are appreciable capital outflows for the purchase by Canadians of United Kingdom Treasury Bills representing interest arbitrage transactions.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1954				1955 p First Quarter
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
(Millions of dollars)					
Canadian securities					
Outstanding issues - Stocks	+ 21	+ 21	+ 32	+ 47	+ 52
- Bonds, etc.	- 5	-	- 31	- 30	- 72
New issues	+ 174	+ 93	+ 35	+ 24	+ 105
Retirements	- 25	- 75	- 48	- 54	- 81
Foreign securities					
Outstanding issues	+ 4	+ 9	- 1	- 5	+ 12
New issues	- 2	- 26	- 3	- 2	- 4
Retirements	-	-	-	+ 2	+ 1
Total - all securities	+ 167	+ 22	- 16	- 18	+ 13

p - preliminary

Trade in Outstanding Securities - March, 1955

Trading in outstanding securities between Canada and other countries during March resulted in a capital inflow of \$10 million which offset, in part, outflows during the earlier months of the quarter. Principal contributors were net sales of \$20 million of Canadian stocks and \$8 million of United States stocks against which there were net repurchases of \$18 million Canadian bonds and debentures.

Statistics on the following pages of this bulletin cover transactions in outstanding securities reported by investment firms, stock exchanges, and other security dealers in Canada. Not included are sales of new issues and retirements of called or matured securities, security transactions of a short-term character analogous to changes in bank balances, and some transactions by other than reporting agencies. More complete statistics of capital movements will be found in the annual and quarterly reports on The Canadian Balance of International Payments.

Prepared in the Balance of Payments Section, International Trade Division.

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TABLE 1. Sales and Purchases of Securities Between Canada and Other Countries

(Millions of dollars)

Year and Month	Total Transactions			United States			United Kingdom			Other Foreign Countries		
	Sales to	Purchases from	Net sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
1953 Total (12 months)	494.3	506.2	- 11.9	380.4	442.0	-61.6	53.3	24.0	+29.3	60.6	40.2	+20.4
1954 Total (12 months)	799.5	735.6	+ 63.9	614.7	608.9	+ 5.8	76.8	53.9	+22.9	107.9	72.7	+35.2
1955 Total (3 months)	261.7	269.6	- 7.8	214.5	232.9	-18.4	23.3	13.6	+ 9.7	24.0	23.1	+ 0.9
1954 - January	47.4	41.1	+ 6.3	33.7	31.9	+ 1.8	7.1	4.7	+ 2.4	6.5	4.4	+ 2.1
February	53.1	40.4	+ 12.7	40.6	34.1	+ 6.6	6.5	3.3	+ 3.2	6.0	3.1	+ 2.9
March	56.1	54.8	+ 1.3	42.3	42.6	- 0.3	7.4	3.6	+ 3.8	6.5	8.6	- 2.1
April	59.8	52.3	+ 7.5	46.8	43.9	+ 2.9	5.3	2.7	+ 2.6	7.7	5.7	+ 2.0
May	54.3	51.5	+ 2.8	43.7	41.6	+ 2.0	4.6	4.8	- 0.2	6.0	5.1	+ 1.0
June	78.4	57.6	+ 20.9	54.8	44.4	+10.4	6.6	6.4	+ 0.2	17.0	6.7	+10.3
July	72.8	61.2	+ 11.6	46.8	51.0	- 4.3	5.5	3.6	+ 1.9	20.5	6.6	+13.9
August	61.9	69.3	- 7.5	50.8	57.5	- 6.7	5.6	5.7	- 0.2	5.5	6.1	- 0.6
September	60.5	64.5	- 4.0	48.5	55.0	- 6.5	3.9	4.7	- 0.8	8.1	4.8	+ 3.2
October	83.9	76.3	+ 7.7	69.4	68.4	+ 0.9	7.6	3.6	+ 3.9	7.0	4.2	+ 2.8
November	80.0	76.1	+ 3.9	63.7	62.7	+ 1.0	8.6	3.6	+ 4.9	7.8	9.8	- 2.0
December	91.2	90.5	+ 0.7	73.8	75.9	- 2.0	8.2	7.1	+ 1.1	9.2	7.6	+ 1.6
1955 - January	81.8	88.1	- 6.3	67.5	79.1	-11.7	8.4	3.5	+ 4.8	6.0	5.4	+ 0.6
February	85.4	97.2	- 11.8	69.3	86.5	-17.2	8.3	4.0	+ 4.3	7.8	6.7	+ 1.1
March	94.6	84.3	+ 10.3	77.8	67.3	+10.5	6.6	6.0	+ 0.6	10.2	11.0	- 0.8
July												
August												
September												
October												
November												
December												

As above figures are rounded, totals do not necessarily equal the sum of their component parts.

**TABLE 2. Summary of Trade in Canadian and Foreign Securities between
Canada and Other Countries**
(Millions of dollars)

Year and Month	Net Sales (+) or Purchases (-)							
	Canadian Securities				Foreign Securities			
	Total	United States	United Kingdom	Other Countries	Total	United States	United Kingdom	Other Countries
1953 Total (12 months)	-30.7	-79.4	+27.3	+21.4	+18.8	+17.8	+ 2.0	- 1.0
1954 Total (12 months)	+55.3	- 2.0	+21.0	+36.4	+ 8.6	+ 7.7	+ 1.9	- 1.2
1955 Total (3 months)	-20.4	-31.5	+ 9.7	+ 1.4	+12.6	+13.2	- 0.1	- 0.5
1954 - January	+ 5.0	+ 0.8	+ 2.1	+ 2.1	+ 1.3	+ 1.0	+ 0.3	-
February	+12.9	+ 6.4	+ 3.2	+ 3.3	- 0.3	+ 0.1	-	- 0.4
March	- 2.1	- 3.9	+ 3.6	- 1.9	+ 3.5	+ 3.6	+ 0.2	- 0.3
April	+ 3.4	- 1.9	+ 2.6	+ 2.7	+ 4.2	+ 4.8	-	- 0.6
May	+ 1.8	+ 1.3	- 0.3	+ 0.8	+ 1.0	+ 0.7	+ 0.2	+ 0.1
June	+16.6	+ 6.4	- 0.1	+10.2	+ 4.3	+ 3.9	+ 0.3	+ 0.1
July	+12.9	- 2.5	+ 1.5	+13.8	- 1.3	- 1.8	+ 0.4	+ 0.1
August	-11.0	-10.2	- 0.3	- 0.5	+ 3.6	+ 3.5	+ 0.1	-
September	- 1.3	- 3.5	- 1.0	+ 3.3	- 2.7	- 2.9	+ 0.2	- 0.1
October	+10.0	+ 3.3	+ 3.8	+ 2.9	- 2.4	- 2.4	+ 0.1	- 0.1
November	+ 0.3	- 2.6	+ 4.8	- 2.0	+ 3.6	+ 3.5	+ 0.1	-
December	+ 6.9	+ 4.3	+ 1.0	+ 1.6	- 6.2	- 6.3	+ 0.1	-
1955 - January	- 8.7	-13.8	+ 4.7	+ 0.5	+ 2.4	+ 2.2	+ 0.1	+ 0.1
February	-14.5	-19.9	+ 4.1	+ 1.3	+ 2.7	+ 2.7	+ 0.2	- 0.2
March	+ 2.8	+ 2.2	+ 1.0	- 0.5	+ 7.5	+ 8.3	- 0.4	- 0.3
April								
May								
June								
July								
August								
September								
October								
November								
December								

As above figures are rounded, totals do not necessarily equal the sum of their component parts.

TABLE 3. Trade in Outstanding Securities Between Canada and Other Countries
(Thousands of dollars)

March, 1955	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Total	94,589	84,319	77,799	67,296	6,588	6,014	10,202	11,009
Canadian Securities, Total	69,789	67,027	53,244	51,013	6,473	5,479	10,072	10,535
Bonds and Debentures	7,917	25,727	6,038	19,947	819	1,329	1,060	4,451
Common and Preference Stocks	60,195	40,285	45,937	30,302	5,477	3,949	8,781	6,034
Other Securities	1,677	1,015	1,269	764	177	201	231	50
Foreign Securities, Total	24,800	17,292	24,555	16,283	115	535	130	474
United States Issues:								
Bonds and Debentures	2,112	2,402	2,077	2,059	-	-	35	343
Common and Preference Stocks	22,265	14,151	22,170	13,940	17	96	78	115
United Kingdom Issues:								
Bonds and Debentures	128	215	54	8	74	195	-	12
Common and Preference Stocks	9	300	-	102	9	198	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	48	195	42	147	5	46	1	2
Common and Preference Stocks	232	24	206	22	10	-	16	2
All Other Foreign Securities	6	5	6	5	-	-	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	2,013	15,401	1,135	11,936	484	115	394	3,350
Government of Canada - Guaranteed	726	1,208	709	1,126	5	5	12	77
Provincial	1,186	3,766	849	3,523	281	143	56	100
Municipal	213	1,032	212	997	-	2	1	33
Railway, not guaranteed by Government	793	535	749	438	1	29	43	68
Other Corporations	2,986	3,785	2,384	1,927	48	1,035	554	823
United States Issues:								
Government	440	1,824	440	1,824	-	-	-	-
Other	1,672	578	1,637	235	-	-	35	343
United Kingdom Issues:								
Government	121	43	54	4	67	27	-	12
Other	7	172	-	4	7	168	-	-

TABLE 4. Trade in Outstanding Securities Between Canada and Other Countries
(Millions of dollars)

Three months ending March, 1955	Total Sales	Total Purchases	Net Sales + Purch. -	United States			United Kingdom			Other Foreign Countries		
				Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
Total	261.7	269.6	- 7.8	214.5	232.9	-18.4	23.3	13.6	+ 9.7	24.0	23.1	+ 0.9
Canadian Securities, Total	199.5	220.0	-20.4	153.5	185.0	-31.5	22.6	12.9	+ 9.7	23.4	22.1	+ 1.4
Bonds and Debentures	23.2	96.9	-73.7	17.8	86.6	-68.8	2.2	2.8	- 0.5	3.3	7.6	- 4.3
Common and Preference Stocks	171.6	119.8	+51.8	132.4	96.2	+36.2	19.5	9.6	+ 9.9	19.7	14.0	+ 5.8
Other Securities	4.7	3.2	+ 1.4	3.3	2.2	+ 1.1	1.0	0.5	+ 0.4	0.4	0.5	- 0.1
Foreign Securities, Total	62.2	49.6	+12.6	61.1	47.9	+13.2	0.6	0.7	- 0.1	0.5	1.0	- 0.5
United States Issues:												
Bonds and Debentures	4.3	4.4	- 0.1	4.2	3.8	+ 0.4	-	-	-	0.1	0.6	- 0.5
Common and Preference Stocks	56.9	43.8	+13.0	56.2	43.4	+12.8	0.3	0.1	+ 0.2	0.4	0.3	+ 0.1
United Kingdom Issues:												
Bonds and Debentures	0.1	0.2	- 0.1	0.1	-	+ 0.1	0.1	0.2	- 0.1	-	-	-
Common and Preference Stocks	0.1	0.4	- 0.3	-	0.1	- 0.1	-	0.3	- 0.2	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	0.2	0.6	- 0.4	0.2	0.5	- 0.3	-	0.1	-	-	-	-
Common and Preference Stocks	0.5	0.1	+ 0.4	0.5	0.1	+ 0.4	-	-	-	-	-	-
All Other Foreign Securities	0.2	-	+ 0.2	-	-	-	0.2	-	+ 0.2	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	6.3	43.0	-36.7	3.9	37.2	-33.4	1.1	0.7	+ 0.4	1.3	5.1	- 3.7
Government of Canada - Guaranteed	0.8	8.8	- 8.0	0.8	8.3	- 7.5	-	0.2	- 0.1	0.1	0.4	- 0.3
Provincial	4.8	28.9	-24.2	4.0	28.1	-24.1	0.5	0.4	+ 0.1	0.3	0.4	- 0.2
Municipal	1.1	4.3	- 3.2	0.9	4.3	- 3.4	0.2	-	+ 0.2	-	-	-
Railway, not guaranteed by Government	1.4	1.3	+ 0.1	1.3	1.0	+ 0.3	-	-	-	0.1	0.2	- 0.1
Other Corporations	8.8	10.6	- 1.8	7.0	7.7	- 0.7	0.3	1.4	- 1.1	1.5	1.5	-
United States Issues:												
Government	1.8	3.2	- 1.4	1.8	3.2	- 1.4	-	-	-	-	-	-
Other	2.5	1.2	+ 1.3	2.4	0.6	+ 1.8	-	-	-	0.1	0.6	- 0.5
United Kingdom Issues:												
Government	0.1	-	+ 0.1	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-
Other	-	0.2	- 0.2	-	-	-	-	0.2	- 0.2	-	-	-

As above figures are rounded, totals do not necessarily equal the sum of their component parts.

TABLE 5. Sales and Purchases of Canadian Bonds and Debentures and
Canadian Common and Preference Stocks Between Canada and Other Countries

(Millions of dollars)

Year and Month	Canadian Bonds and Debentures						Canadian Common and Preference Stocks					
	Total Transactions			United States			Total Transactions			United States		
	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
1953 - July	6.0	8.9	- 3.0	2.4	8.3	- 5.9	14.8	15.8	- 1.0	11.7	14.1	- 2.4
	5.3	5.9	- 0.7	1.7	3.3	- 1.6	16.1	16.1	-	13.1	13.3	- 0.2
	6.5	8.3	- 1.8	3.4	6.2	- 2.8	16.1	14.8	+ 1.3	12.1	12.3	- 0.2
	17.3	16.0	+ 1.3	4.8	11.0	- 6.2	17.3	17.7	- 0.4	12.0	14.4	- 2.4
	14.1	9.2	+ 4.9	8.4	6.8	+ 1.6	18.2	22.3	- 4.1	13.5	18.3	- 4.8
	10.5	11.4	- 0.9	5.4	10.8	- 5.4	21.3	23.0	- 1.7	16.0	18.8	- 2.9
1954 - January	13.2	13.6	- 0.4	7.1	8.7	- 1.6	23.9	18.7	+ 5.2	17.2	14.9	+ 2.3
	16.6	12.8	+ 3.8	10.8	10.7	+ 0.1	26.3	17.5	+ 8.7	20.0	14.0	+ 6.0
	12.9	20.4	- 7.6	6.3	12.5	- 6.3	29.5	22.1	+ 7.3	22.8	18.5	+ 4.3
	12.9	17.4	- 4.5	8.7	14.1	- 5.4	30.5	23.0	+ 7.4	22.2	19.0	+ 3.2
	12.3	16.0	- 3.7	10.0	12.0	- 2.0	28.3	22.9	+ 5.3	20.9	17.8	+ 3.1
	27.6	20.8	+ 6.8	11.8	12.5	- 0.6	32.2	23.7	+ 8.5	26.2	19.2	+ 7.0
July	23.3	23.4	- 0.1	6.0	18.6	-12.6	34.2	21.3	+13.0	26.4	16.3	+10.1
	11.4	30.9	-19.6	8.2	25.4	-17.1	34.9	26.6	+ 8.3	27.6	20.8	+ 6.8
	11.3	23.0	-11.7	7.3	19.3	-11.9	38.6	28.0	+10.6	31.1	22.8	+ 8.3
	33.0	37.3	- 4.2	28.3	34.6	- 6.3	38.0	24.3	+13.7	28.9	19.6	+ 9.3
	11.2	26.4	-15.1	8.7	20.8	-12.2	43.8	28.7	+15.0	30.9	21.4	+ 9.5
	17.5	27.9	-10.4	12.8	22.4	- 9.6	50.9	33.1	+17.8	39.4	24.7	+14.6
1955 - January	9.5	30.2	-20.6	7.2	27.8	-20.6	52.5	41.0	+11.6	41.4	35.0	+ 6.4
	5.8	41.1	-35.2	4.5	38.8	-34.3	58.9	38.5	+20.3	45.1	30.9	+14.2
	7.9	25.7	-17.8	6.0	19.9	-13.9	60.2	40.3	+19.9	45.9	30.3	+15.6
	April											
	May											
	June											
July												
August												
September												
October												
November												
December												

As above figures are rounded, totals do not necessarily equal the sum of their component parts.

TABLE 6.

Domestic Government Bonds

(Wednesday nearest middle of month)

Stock Prices

(1935-1939 = 100)

Exchange Rate

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010510204