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

Trade in outstanding securities between Canada and other countries during April resulted in a sales balance or import of capital of \$17.4 million. With one exception this was the largest monthly inflow for more than four years. Net sales of Canadian stocks during the month amounted to \$25.8 million bringing the total for four months to more than \$77 million, compared with \$121 million for the whole of 1954.

Transactions with the United States in April led to a sales balance of \$12.8 million. Net sales of Canadian common and preference stocks produced \$21.9 million and Canadians disposed of foreign securities, mainly United States stocks, valued at \$3.2 million. There were net repurchases of other Canadian securities, mainly bonds of governments and municipalities, amounting to \$12.3 million. This repatriation was at a slightly reduced scale compared with earlier months of 1955 although the interest differential on the representative Canadian and United States bond issues shown in Table 6 fell to only 5 base points or 1/20 of 1 per cent per annum.

There were sales balances of \$2.6 million and of \$2.0 million with the United Kingdom and with other overseas countries respectively. Residents of the United Kingdom added \$3.0 million to their holdings of Canadian stocks, but Canadians used a part of the proceeds to acquire non-Canadian securities in the United Kingdom. The sales balance with other overseas countries reflected mainly the acquisition by non-residents of stocks and bonds of Canadian corporations.

A relatively large volume of interest arbitrage has occurred between Canada and the United Kingdom in recent months; these transactions are not covered in the figures included in this report. In the six months ending April 30 it is estimated that, aside from the employment of funds by the banking system, Canadians purchased about \$125 million of short-term securities of the United Kingdom. Holdings reached a month-end peak of some \$75 million in March, and a modest reduction occurred in April. During April 3-month treasury bills were issued in the United Kingdom to yield an average of about 3.8 per cent; in Canada the rates averaged 1.2 per cent. The average noon discount on 90-day forward sterling was about 0.45 per cent. The resultant net theoretical advantage, before commissions, of employing Canadian funds in the London market was of the order of 3/4 per cent per annum in contrast to 1 1/4 per cent in March.

Statistics in 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 (4 months)	361.6	352.1	+ 9.6	299.7	305.3	- 5.6	29.6	17.3	+12.3	32.4	29.5	+ 2.9
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
April	99.9	82.5	+ 17.4	85.2	72.4	+12.8	6.3	3.7	+ 2.6	8.4	6.4	+ 2.0
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 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 (4 months)	- 5.8	-21.9	+12.8	+ 3.3	+15.4	+16.3	- 0.5	- 0.4
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	+14.7	+ 9.6	+ 3.1	+ 2.0	+ 2.7	+ 3.2	- 0.5	-
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)

April, 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	99,891	82,504	85,161	72,404	6,304	3,700	8,426	6,400
Canadian Securities, Total	78,511	63,861	64,276	54,669	6,031	2,975	8,204	6,217
Bonds and Debentures	7,558	18,888	4,994	17,343	485	497	2,079	1,048
Common and Preference Stocks	60,656	43,884	58,285	36,427	5,390	2,355	5,981	5,102
Other Securities	1,297	1,089	997	899	156	123	144	67
Foreign Securities, Total	21,380	18,643	20,885	17,735	273	725	222	183
United States Issues:								
Bonds and Debentures	624	259	577	259	46	-	1	-
Common and Preference Stocks	20,252	16,583	20,031	16,401	-	-	221	182
United Kingdom Issues:								
Bonds and Debentures	166	919	7	701	159	218	-	-
Common and Preference Stocks	25	313	-	35	25	278	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	98	428	96	226	2	201	-	1
Common and Preference Stocks	67	29	67	1	-	28	-	-
All Other Foreign Securities	148	112	107	112	41	-	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	3,261	8,776	2,588	8,005	145	184	528	587
Government of Canada - Guaranteed	55	2,130	55	2,075	-	-	-	55
Provincial	765	4,196	642	4,136	10	2	113	58
Municipal	199	1,724	169	1,716	30	5	-	3
Railway, not guaranteed by Government	380	289	334	120	46	156	-	13
Other Corporations	2,898	1,773	1,206	1,291	254	150	1,438	332
United States Issues:								
Government	376	53	330	53	46	-	-	-
Other	248	206	247	206	-	-	1	-
United Kingdom Issues:								
Government	142	818	-	681	142	137	-	-
Other	24	101	7	20	17	81	-	-

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

Four months ending April, 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	361.6	352.1	+ 9.6	299.7	305.3	- 5.6	29.6	17.3	+ 12.3	32.4	29.5	+ 2.9
Canadian Securities, Total	278.0	283.8	- 5.8	217.7	239.7	-21.9	28.7	15.9	+ 12.8	31.6	28.3	+ 3.3
Bonds and Debentures	30.8	115.8	-85.0	22.8	103.9	-81.1	2.7	3.3	- 0.6	5.3	8.7	- 3.3
Common and Preference Stocks	241.3	163.7	+77.6	190.7	132.6	+58.0	24.9	11.9	+ 12.9	25.7	19.1	+ 6.6
Other Securities	6.0	4.3	+ 1.6	4.3	3.1	+ 1.2	1.1	0.7	+ 0.5	0.6	0.5	-
Foreign Securities, Total	83.6	68.3	+15.4	82.0	65.7	+16.3	0.9	1.4	- 0.5	0.8	1.2	- 0.4
United States Issues:												
Bonds and Debentures	4.9	4.6	+ 0.3	4.7	4.0	+ 0.7	-	-	-	0.1	0.6	- 0.5
Common and Preference Stocks	77.1	60.4	+16.7	76.2	59.8	+16.4	0.3	0.1	+ 0.2	0.6	0.5	+ 0.1
United Kingdom Issues:												
Bonds and Debentures	0.3	1.2	- 0.9	0.1	0.7	- 0.6	0.3	0.5	- 0.2	-	-	-
Common and Preference Stocks	0.1	0.7	- 0.6	-	0.1	- 0.1	0.1	0.6	- 0.5	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	0.3	1.1	- 0.8	0.3	0.8	- 0.5	-	0.3	- 0.2	-	-	-
Common and Preference Stocks	0.6	0.2	+ 0.4	0.6	0.1	+ 0.5	-	-	-	-	-	-
All Other Foreign Securities	0.3	0.1	+ 0.2	0.1	0.1	-	0.2	-	+ 0.2	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada — Direct	9.6	51.8	-42.2	6.4	45.2	-38.8	1.3	0.9	+ 0.4	1.9	5.7	- 3.8
Government of Canada — Guaranteed	0.9	11.0	-10.1	0.8	10.4	- 9.5	-	0.2	- 0.1	-	0.4	- 0.4
Provincial	5.5	33.1	-27.6	4.6	32.2	-27.6	0.5	0.4	+ 0.1	0.4	0.5	- 0.1
Municipal	1.3	6.0	- 4.7	1.1	6.0	- 4.9	0.3	-	+ 0.2	-	-	-
Railway, not guaranteed by Government	1.8	1.6	+ 0.2	1.6	1.2	+ 0.5	0.1	0.2	- 0.1	0.1	0.2	- 0.1
Other Corporations	11.6	12.4	- 0.7	8.2	9.0	- 0.8	0.5	1.6	- 1.0	2.9	1.8	+ 1.1
United States Issues:												
Government	2.2	3.2	- 1.1	2.1	3.2	- 1.1	-	-	-	-	-	-
Other	2.7	1.4	+ 1.3	2.6	0.8	+ 1.8	-	-	-	0.1	0.6	- 0.5
United Kingdom Issues:												
Government	0.3	0.9	- 0.6	0.1	0.7	- 0.6	0.2	0.2	+ 0.1	-	-	-
Other	-	0.3	- 0.3	-	-	-	-	0.3	- 0.3	-	-	-

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
August	5.3	5.9	- 0.7	1.7	3.3	- 1.6	16.1	16.1	-	13.1	13.3	- 0.2
September	6.5	8.3	- 1.8	3.4	6.2	- 2.8	16.1	14.8	+ 1.3	12.1	12.3	- 0.2
October	17.3	16.0	+ 1.3	4.8	11.0	- 6.2	17.3	17.7	- 0.4	12.0	14.4	- 2.4
November	14.1	9.2	+ 4.9	8.4	6.8	+ 1.6	18.2	22.3	- 4.1	13.5	18.3	- 4.8
December	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
February	16.6	12.8	+ 3.8	10.8	10.7	+ 0.1	26.3	17.5	+ 8.7	20.0	14.0	+ 6.0
March	12.9	20.4	- 7.6	6.3	12.5	- 6.3	29.5	22.1	+ 7.3	22.8	18.5	+ 4.3
April	12.9	17.4	- 4.5	8.7	14.1	- 5.4	30.5	23.0	+ 7.4	22.2	19.0	+ 3.2
May	12.3	16.0	- 3.7	10.0	12.0	- 2.0	28.3	22.9	+ 5.3	20.9	17.8	+ 3.1
June	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
August	11.4	30.9	-19.6	8.2	25.4	-17.1	34.9	26.6	+ 8.3	27.6	20.8	+ 6.8
September	11.3	23.0	-11.7	7.3	19.3	-11.9	38.6	28.0	+10.6	31.1	22.8	+ 8.3
October	33.0	37.3	- 4.2	28.3	34.6	- 6.3	38.0	24.3	+13.7	28.9	19.6	+ 9.3
November	11.2	26.4	-15.1	8.7	20.8	-12.2	43.8	28.7	+15.0	30.9	21.4	+ 9.5
December	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
February	5.8	41.1	-35.2	4.5	38.8	-34.3	58.9	38.5	+20.3	45.1	30.9	+14.2
March	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	7.6	18.9	-11.3	5.0	17.3	-12.3	69.7	43.9	+25.8	58.3	36.4	+21.9
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



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