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June, 1955

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

**Security Transactions - Second Quarter, 1955**

Portfolio security transactions between Canada and other countries during the second quarter of 1955 led to a purchase balance or capital outflow of \$67 million, as Canadian bonds held abroad were reduced and Canadian holdings of foreign securities increased. At the same time, non-resident holdings of Canadian stocks continued to increase at a record rate. The net outflow of \$64 million in the first half of 1955 compares with an inflow of \$189 million in the same period of 1954 and with an inflow of \$155 million for that year as a whole.

Proceeds of new Canadian issues sold abroad during the second quarter totalled only \$18 million. About two-thirds of this amount covered the participation of non-residents in new issues of Canadian stocks. Retirements of foreign-held debt amounted to \$69 million, about two-thirds representing maturity of funded debt of the national railway system. Trading in outstanding Canadian securities led to a sales balance or capital inflow of \$9 million, following an outflow of \$31 million in the first quarter. Net sales of Canadian stocks reached a record \$58 million, as United States residents added \$45 million to their holdings of this group of Canadian equities. Repatriation through trading of Canadian bonds and debentures fell to \$49 million from the very high level recorded in the first quarter. Net repurchases occurred in each of the categories for which records are maintained.

Transactions in foreign securities led to a net capital outflow of \$25 million. The largest part of this movement reflected the sale to Canadians of \$17 million of new issues of foreign securities; this included the proceeds of a \$15 million issue in Canada by the International Bank for Reconstruction and Development. Through trading in outstanding issues, Canadians acquired on balance a further \$8 million of foreign assets, mainly stocks of United Kingdom corporations. This represented the first real interest of portfolio investors in long-term British securities since the war.

Reports to the Bureau indicate that during the quarter there were purchases by Canadians of short-term securities of the United Kingdom, apart from the employment of funds by the banking system, aggregating somewhat under \$50 million, or slightly more than half the volume in the first quarter. Purchases did not keep pace with maturities and the total value of these interest arbitrage investments is estimated to have fallen to somewhat under \$50 million from about \$75 million at the end of March. It will be noted that the underlying transactions in short-term securities are not covered in the figures in this report.

**Security Transactions between Canada and Other Countries**

Net Sales (+) or Purchases (-) by Canadians	1954			1955 P	
	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
(Millions of dollars)					
<b>Canadian securities</b>					
Outstanding issues - Stocks ....	+ 21	+ 32	+ 47	+ 51	+ 58
- Bonds, etc.	-	- 31	- 30	- 82	- 49
New issues .....	+ 93	+ 35	+ 24	+ 107	+ 18
Retirements .....	- 75	- 48	- 54	- 84	- 69
<b>Foreign securities</b>					
Outstanding issues .....	+ 9	- 1	- 5	+ 13	- 8
New issues .....	- 26	- 3	- 2	- 5	- 17
Retirements .....	-	-	+ 2	+ 3	-
<b>Total - all securities</b> .....	+ 22	- 16	- 18	+ 3	- 67

p - preliminary

**Trade in Outstanding Securities - June, 1955**

Trade in outstanding securities between Canada and other countries during June resulted in a capital outflow of \$8.6 million. Net sales of \$24.7 million of Canadian stocks were practically offset by net repurchases of other Canadian securities. The net outflow reflected, in the main, net purchases of \$2.2 million and \$3.7 million respectively of United States and United Kingdom stocks.

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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EDMOND CLOUTIER, C.M.G., O.A., D.S.P., Queen's Printer and Controller of Stationery, Ottawa, 1955.

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 (6 months).....	576.9	594.1	- 17.1	473.9	507.1	-33.1	44.9	41.9	+ 3.0	58.1	45.1	+13.0
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 .....	84.2	93.6	- 9.4	69.9	84.7	-14.8	8.4	3.5	+ 4.8	6.0	5.4	+ 0.6
February .....	88.1	103.3	- 15.2	72.0	92.6	-20.6	8.3	4.0	+ 4.3	7.8	6.7	+ 1.1
March .....	96.7	90.7	+ 6.1	79.9	73.6	+ 6.3	6.6	6.0	+ 0.6	10.2	11.0	- 0.8
April .....	99.9	81.6	+ 18.3	85.2	71.5	+13.6	6.3	3.7	+ 2.6	8.4	6.4	+ 2.0
May .....	90.9	99.1	- 8.3	69.5	82.4	-13.0	7.2	10.2	- 3.0	14.2	6.5	+ 7.7
June .....	117.1	125.7	- 8.6	97.5	102.2	- 4.7	8.1	14.4	- 6.3	11.5	9.1	+ 2.4
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 (6 months) .....	-21.6	-47.1	+12.1	+13.3	+ 4.5	+13.9	- 9.1	- 0.3
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 .....	-11.8	-16.9	+ 4.7	+ 0.5	+ 2.4	+ 2.2	+ 0.1	+ 0.1
February .....	-17.9	-23.3	+ 4.1	+ 1.3	+ 2.7	+ 2.7	+ 0.2	- 0.2
March .....	- 1.5	- 2.0	+ 1.0	- 0.5	+ 7.5	+ 8.3	- 0.4	- 0.3
April .....	+15.5	+10.5	+ 3.1	+ 2.0	+ 2.7	+ 3.2	- 0.5	-
May .....	- 5.8	-13.4	+ 0.3	+ 7.3	- 2.5	+ 0.4	- 3.3	+ 0.4
June .....	- 0.3	- 1.9	- 1.0	+ 2.7	- 8.4	- 2.8	- 5.3	- 0.3
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)

June, 1955	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<b>Total</b> .....	<b>117,121</b>	<b>125,741</b>	<b>97,491</b>	<b>102,228</b>	<b>8,135</b>	<b>14,426</b>	<b>11,495</b>	<b>9,087</b>
<b>Canadian Securities, Total</b> .....	<b>95,253</b>	<b>95,503</b>	<b>76,075</b>	<b>77,992</b>	<b>7,753</b>	<b>8,767</b>	<b>11,425</b>	<b>8,744</b>
Bonds and Debentures .....	9,285	34,719	5,776	27,841	1,371	4,513	2,138	2,365
Common and Preference Stocks .....	84,927	60,247	69,950	49,889	5,927	4,087	9,050	6,271
Other Securities .....	1,041	537	349	262	455	167	237	108
<b>Foreign Securities, Total</b> .....	<b>21,868</b>	<b>30,238</b>	<b>21,416</b>	<b>24,236</b>	<b>382</b>	<b>5,659</b>	<b>70</b>	<b>343</b>
United States Issues:								
Bonds and Debentures .....	1,208	747	1,204	747	4	-	-	-
Common and Preference Stocks .....	19,553	21,797	19,485	21,306	13	149	55	342
United Kingdom Issues:								
Bonds and Debentures .....	63	2,602	24	1,084	39	1,518	-	-
Common and Preference Stocks .....	589	4,285	419	296	170	3,989	-	-
Other Foreign Countries Issues:								
Bonds and Debentures .....	105	262	86	259	4	3	15	-
Common and Preference Stocks .....	198	87	197	86	1	-	-	1
All Other Foreign Securities .....	152	458	1	458	151	-	-	-
<b>Analysis of Bonds and Debentures</b>								
Canadian Issues:								
Government of Canada - Direct .....	3,433	14,582	1,717	9,745	1,219	3,978	497	859
Government of Canada - Guaranteed .....	344	5,714	239	5,694	-	5	105	15
Provincial .....	1,582	7,313	1,097	7,298	21	-	464	15
Municipal .....	225	1,941	224	1,922	-	11	1	8
Railway, not guaranteed by Government .....	415	745	321	447	11	24	83	274
Other Corporations .....	3,286	4,424	2,178	2,735	120	495	988	1,194
United States Issues:								
Government .....	487	62	483	62	4	-	-	-
Other .....	721	685	721	685	-	-	-	-
United Kingdom Issues:								
Government .....	29	1,070	-	1,067	29	3	-	-
Other .....	34	1,532	24	17	10	1,515	-	-

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

Six months ending June, 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. -
<b>Total</b>	<b>576.9</b>	<b>594.1</b>	<b>- 17.1</b>	473.9	507.1	<b>- 33.1</b>	44.9	41.9	<b>+ 3.0</b>	58.1	45.1	<b>+13.0</b>
<b>Canadian Securities, Total</b>	<b>452.9</b>	<b>474.5</b>	<b>- 21.6</b>	353.1	400.2	<b>- 47.1</b>	43.1	31.0	<b>+12.1</b>	56.7	43.4	<b>+13.3</b>
Bonds and Debentures	62.0	195.4	-133.4	44.7	173.7	-128.9	4.4	9.4	-4.9	12.8	12.4	+ 0.4
Common and Preference Stocks	382.6	273.2	+109.4	303.0	222.4	+ 80.6	36.6	20.5	+16.1	43.0	30.2	+12.8
Other Securities	8.3	5.9	+ 2.3	5.4	4.1	+ 1.3	2.0	1.1	+ 0.9	0.9	0.8	+ 0.1
<b>Foreign Securities, Total</b>	<b>124.0</b>	<b>119.5</b>	<b>+ 4.5</b>	120.8	106.9	<b>+ 13.9</b>	1.8	10.9	<b>- 9.1</b>	1.4	1.7	<b>- 0.3</b>
United States Issues:												
Bonds and Debentures	7.0	6.3	+ 0.7	6.7	5.6	+ 1.0	0.1	-	-	0.2	0.6	- 0.4
Common and Preference Stocks	113.4	97.6	+ 15.8	112.2	96.3	+ 15.9	0.3	0.2	-	0.9	1.0	- 0.2
United Kingdom Issues:												
Bonds and Debentures	0.5	4.1	- 3.6	0.1	1.8	- 1.7	0.4	2.3	- 1.9	-	-	-
Common and Preference Stocks	0.7	8.8	- 8.1	0.4	1.0	- 0.5	0.3	7.9	- 7.6	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	0.5	1.6	- 1.1	0.4	1.3	- 0.9	-	0.3	- 0.3	-	-	-
Common and Preference Stocks	1.2	0.3	+ 0.9	0.8	0.2	+ 0.6	-	-	-	0.3	0.1	+ 0.3
All Other Foreign Securities	0.8	0.8	-	0.1	0.6	- 0.5	0.7	0.2	+ 0.5	-	-	-
<b>Analysis of Bonds and Debentures</b>												
Canadian Issues:												
Government of Canada - Direct	22.8	81.4	- 58.6	13.6	68.7	- 55.1	2.5	5.6	- 3.0	6.7	7.1	- 0.4
Government of Canada - Guaranteed	2.0	19.3	- 17.3	1.8	18.6	- 16.8	-	0.2	- 0.2	0.2	0.5	- 0.3
Provincial	10.5	46.7	- 36.2	9.1	45.5	- 36.4	0.6	0.7	- 0.1	0.9	0.6	+ 0.3
Municipal	3.9	12.4	- 8.5	3.6	12.3	- 8.7	0.3	0.1	+ 0.2	-	0.1	- 0.1
Railway, not guaranteed by Government	2.6	3.2	- 0.6	2.3	2.4	- 0.1	0.1	0.3	- 0.2	0.2	0.5	- 0.3
Other Corporations	20.1	32.4	- 12.3	14.3	26.2	- 11.8	1.0	2.6	- 1.6	4.8	3.7	+ 1.2
United States Issues:												
Government	3.4	3.8	- 0.4	3.2	3.8	- 0.6	0.1	-	-	0.1	-	+ 0.1
Other	3.6	2.5	+ 1.1	3.5	1.9	+ 1.6	-	-	-	0.1	0.6	- 0.5
United Kingdom Issues:												
Government	0.4	2.2	- 1.8	0.1	1.8	- 1.7	0.4	0.5	- 0.1	-	-	-
Other	0.1	1.9	- 1.8	-	0.1	-	-	1.8	- 1.8	-	-	-

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	11.6	35.3	-23.7	9.3	33.0	-23.7	52.9	41.3	+11.6	41.8	35.4	+ 6.4
	8.3	46.8	-38.5	6.9	44.5	-37.6	59.2	39.0	+20.2	45.4	31.3	+14.1
	9.6	31.4	-21.8	7.7	25.6	-17.9	60.6	41.0	+19.6	46.4	31.0	+15.4
	7.6	18.0	-10.4	5.0	16.5	-11.5	69.7	43.9	+25.8	58.3	36.4	+21.9
	15.7	29.3	-13.6	10.0	26.3	-16.3	55.3	47.8	+ 7.6	41.3	38.4	+ 2.9
	9.3	34.7	-25.4	5.8	27.8	-22.1	84.9	60.2	+24.7	70.0	49.9	+20.1
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



1010510210