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SALES AND PURCHASES OF SECURITIES

BETWEEN CANADA AND OTHER COUNTRIES

The net balance of trade in outstanding securities between Canada and other countries in August was little changed from July. A purchase balance or capital outflow amounting to \$10.6 million was recorded. Repatriation of Canadian bonds and debentures through trading fell sharply to \$12.9 million while the very large net sales of Canadian stocks which have been characteristic for many months fell to only \$0.6 million. Net sales by Canadians of foreign securities were somewhat smaller than in the previous month. The volume of trading continued to be high but the turnover was below the very high levels established in the two preceding months.

Security trading with the United States led to a purchase balance or capital export of \$11.5 million in August. Transactions in Canadian stocks led to a purchase balance of \$3.7 million. This is the first month since 1953 in which net repurchases have been recorded. In the preceding nineteen months, United States investors added, on balance, some \$175 million to their holdings of Canadian stocks. In August, Canadians also repurchased \$11.4 million of Canadian government and municipal issues but sold \$0.8 million of Canadian corporate bonds and \$2.9 million of foreign securities, mainly United States stocks.

There were small sales balances or capital imports of \$0.1 million and \$0.8 million recorded with the United Kingdom and with other overseas countries respectively. Residents of these countries continued, on balance, to add to their holdings of Canadian stocks and to reduce holdings of Canadian bonds and debentures. The transactions also reflected Canadian interest in common and preference stocks of foreign corporations.

During the eight months of 1955, a net purchase balance of \$37 million was recorded. This balance results from net repurchases of \$46 million Canadian securities and net sales of \$9 million foreign securities. Net repurchases of Government of Canada and provincial issues continued at a high level and for the period as a whole totalled \$155 million. Net repurchases of all Canadian bonds and debentures totalled \$177 million, and Canadians also purchased, on balance, \$9 million of United Kingdom stocks. During the same period, Canadians sold some \$127 million of Canadian and \$20 million of United States stocks.

Canadian holdings of United Kingdom treasury bills, apart from banking funds, are estimated to have fallen \$15 million during August as proceeds of maturing issues were repatriated. At the end of August, holdings were placed at \$20 million. These interest arbitrage transactions are not covered in the figures in this report.

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 (8 months).....	776.7	814.2	- 37.5	634.1	689.9	-55.8	63.5	55.9	+ 7.6	79.1	68.4	+10.8
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	107.1	116.9	- 9.8	87.0	98.3	-11.2	10.1	5.6	+ 4.5	10.0	13.0	- 3.0
August	92.7	103.2	- 10.6	73.1	84.6	-11.5	8.5	8.4	+ 0.1	11.0	10.3	+ 0.8
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 (8 months)	-46.3	-77.0	+19.4	+11.3	+ 8.8	+21.2	-11.8	- 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	-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	-12.6	-15.6	+ 5.6	- 2.6	+ 2.9	+ 4.4	- 1.1	- 0.4
August	-12.0	-14.4	+ 1.7	+ 0.6	+ 1.5	+ 2.9	- 1.5	+ 0.1
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)

August, 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	92,682	103,245	73,127	84,608	8,532	8,372	11,023	10,265
Canadian Securities, Total	71,551	83,592	52,751	67,104	8,411	6,715	10,389	9,773
Bonds and Debentures	12,773	25,673	9,207	19,843	1,434	2,208	2,132	3,622
Common and Preference Stocks	57,105	56,454	42,503	46,200	6,478	4,166	8,124	6,088
Other Securities	1,673	1,465	1,041	1,061	499	341	133	63
Foreign Securities, Total	21,131	19,653	20,376	17,504	121	1,657	634	492
United States Issues:								
Bonds and Debentures	1,212	1,626	1,177	1,608	-	8	35	10
Common and Preference Stocks	18,296	16,699	18,074	15,417	-	800	222	482
United Kingdom Issues:								
Bonds and Debentures	61	31	16	4	26	27	19	-
Common and Preference Stocks	838	886	744	142	93	744	1	-
Other Foreign Countries Issues:								
Bonds and Debentures	41	274	40	245	-	29	1	-
Common and Preference Stocks	626	33	269	33	1	-	356	-
All Other Foreign Securities	57	104	56	55	1	49	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	6,400	12,819	4,342	9,780	1,268	1,234	790	1,805
Government of Canada - Guaranteed	65	1,023	8	354	-	2	57	667
Provincial	1,643	6,863	1,061	6,295	-	49	582	519
Municipal	297	638	224	624	60	14	13	-
Railway, not guaranteed by Government	458	424	422	266	-	30	36	128
Other Corporations	3,910	3,906	3,150	2,524	106	879	654	503
United States Issues:								
Government	920	1,361	885	1,353	-	8	35	-
Other	292	265	292	255	-	-	-	10
United Kingdom Issues:								
Government	37	21	1	-	17	21	19	-
Other	24	10	15	4	9	6	-	-

TABLE 4. Trade in Outstanding Securities Between Canada and Other Countries

(Millions of dollars)

Eight months ending August, 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	776.7	814.2	- 37.5	634.1	689.9	- 55.8	63.5	55.9	+ 7.6	79.1	68.4	+ 10.8
Canadian Securities, Total	604.5	650.8	- 46.3	466.4	543.4	- 77.0	61.3	41.9	+19.4	76.8	65.5	+ 11.3
Bonds and Debentures	87.6	264.3	-176.7	62.8	228.1	-165.3	7.6	12.9	- 5.3	17.2	23.3	- 6.1
Common and Preference Stocks	505.4	378.2	+127.2	396.1	309.4	+ 86.7	50.8	27.5	+23.3	58.5	41.3	+ 17.2
Other Securities	11.6	8.4	+ 3.2	7.5	5.9	+ 1.6	2.9	1.5	+ 1.4	1.1	0.9	+ 0.2
Foreign Securities, Total	172.2	163.3	+ 8.8	167.7	146.6	+ 21.2	2.1	13.9	-11.8	2.3	2.8	- 0.5
United States Issues:												
Bonds and Debentures	9.2	9.1	+ 0.1	8.8	8.4	+ 0.3	0.1	0.1	-	0.4	0.6	- 0.2
Common and Preference Stocks	155.6	135.2	+ 20.4	154.1	132.3	+ 21.8	0.3	1.1	- 0.8	1.2	1.8	- 0.6
United Kingdom Issues:												
Bonds and Debentures	0.6	4.2	- 3.5	0.1	1.9	- 1.7	0.6	2.4	- 1.8	-	-	-
Common and Preference Stocks	2.2	11.2	- 9.0	1.7	1.4	+ 0.3	0.5	9.8	- 9.3	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	0.7	2.0	- 1.4	0.6	1.7	- 1.1	-	0.3	- 0.3	0.1	0.1	-
Common and Preference Stocks	1.9	0.6	+ 1.2	1.1	0.2	+ 0.9	-	-	-	0.7	0.4	+ 0.3
All Other Foreign Securities	2.0	1.0	+ 1.0	1.3	0.7	+ 0.6	0.7	0.3	+ 0.4	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	36.0	115.8	- 79.8	23.4	92.2	- 68.8	4.8	7.9	- 3.1	7.8	15.7	- 7.9
Government of Canada - Guaranteed	2.4	23.9	- 21.5	2.1	22.4	- 20.4	-	0.3	- 0.2	0.3	1.2	- 0.9
Provincial	14.4	68.1	- 53.7	10.8	66.2	- 55.4	1.1	0.7	+ 0.4	2.5	1.2	+ 1.3
Municipal	4.5	13.6	- 9.1	4.1	13.4	- 9.3	0.3	0.1	+ 0.2	-	0.1	-
Railway, not guaranteed by Government	3.4	4.0	- 0.6	2.9	3.0	-	0.1	0.3	- 0.2	0.3	0.7	- 0.4
Other Corporations	27.0	39.0	- 12.0	19.4	30.9	- 11.4	1.2	3.5	- 2.3	6.3	4.6	+ 1.8
United States Issues:												
Government	4.9	6.2	- 1.3	4.6	6.1	- 1.6	0.1	0.1	-	0.3	-	+ 0.3
Other	4.3	2.9	+ 1.4	4.2	2.3	+ 1.9	-	-	-	0.1	0.6	- 0.5
United Kingdom Issues:												
Government	0.5	2.3	- 1.7	0.1	1.8	- 1.7	0.5	0.5	-	-	-	-
Other	0.1	1.9	- 1.8	-	0.1	-	0.1	1.9	- 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
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	11.6	35.3	-23.7	9.3	33.0	-23.7	52.9	41.3	+11.6	41.8	35.4	+ 6.4
February	8.3	46.8	-38.5	6.9	44.5	-37.6	59.2	39.0	+20.2	45.4	31.3	+14.1
March	9.6	31.4	-21.8	7.7	25.6	-17.9	60.6	41.0	+19.6	46.4	31.0	+15.4
April	7.6	18.0	-10.4	5.0	16.5	-11.5	69.7	43.9	+25.8	58.3	36.4	+21.9
May	15.7	29.3	-13.6	10.0	26.3	-16.3	55.3	47.8	+ 7.6	41.3	38.4	+ 2.9
June	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	12.8	43.2	-30.3	8.8	34.6	-25.7	65.6	48.6	+17.0	50.6	40.7	+ 9.8
August	12.8	25.7	-12.9	9.2	19.8	-10.6	57.1	56.5	+ 0.6	42.5	46.2	- 3.7
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

(1935-1930 = 100)

Exchange Rate

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010510214