

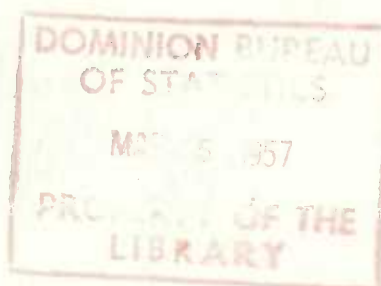
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CANADA

**SALES AND PURCHASES OF SECURITIES  
BETWEEN CANADA AND OTHER COUNTRIES  
DECEMBER, 1956  
AND  
REVIEW OF SECURITY TRADING DURING 1956**



*Published by Authority of*  
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# SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

## Review of International Trade in Securities - 1956

The unprecedented volume of capital investment carried out in Canada during 1956 created strong demand pressures on the economy. The physical aspect of these pressures was felt in a record deficit on account of exchanges of goods and services between Canada and the rest of the world. The impact on Canada's capital market of the heavy financing demands will be apparent from this report. During the year Canada imported more than \$750 million net of capital through transactions in portfolio securities. This tremendous figure compares with a capital export of \$50 million in 1955 and is considerably more than twice as large as the previous record net inflow established in the exceptional circumstances of 1950. Transactions in portfolio securities were a dominating feature of the international capital account in 1956, as the balance from these transactions exceeded for the first time since 1950 the net inflow for direct investment in foreign controlled enterprises.

The net capital import from all portfolio security transactions of \$763 million included \$208 million from trade in outstanding Canadian issues, and \$681 million from the sale to non-residents of new Canadian issues, offset to the extent of \$140 million by retirements of foreign-held Canadian securities. A net inflow of \$14 million occurred, on balance, from transactions in foreign securities.

A striking development in 1956 was the increased flow of portfolio investment capital from overseas countries to Canada. While the inflows were intensified with the growing international tension in the latter part of the year, the trend was unmistakable before the occurrence of political disturbances. The net inflow in the first half of 1956 was \$76 million, and in the second half it rose to \$169 million. The net movement from overseas countries reached \$245 million for the year as a whole compared with \$33 million in 1955 and with the previous post-war record of \$48 million in 1954. This change was influenced to a very limited extent by the absence in 1956 of major financing in the Canadian market by non-residents. But for the most part it reflected sharp growth in sales of outstanding Canadian securities both to the United Kingdom and to other overseas countries.

Notwithstanding the sharp increase in the portfolio capital movement from overseas, the United States was by far the most important source of external capital of this type. The net movement from that country amounted to \$518 million in 1956, in contrast to an outflow of \$83 million recorded in 1955. The earlier post-war record for the net capital movement from the United States for all security transactions was \$382 million in 1950.

## Security Transactions Between Canada and Other Countries

		Net Sales (+) or Purchases (-) by Canadians							
		1949	1950	1951	1952	1953	1954	1955	1956
		(Millions of dollars)							
<u>Canadian Securities</u>									
Outstanding issues	- Stocks )				( + 72	+ 21	+ 129	+ 148	+ 196
	- Bonds, etc.)	+ 8	+ 329	+ 38	( - 166	- 52	- 66	- 165	+ 12
New issues		+ 105	+ 210	+ 411	+ 316	+ 335	+ 331	+ 166	+ 681
Retirements		- 147	- 284	- 184	- 89	- 146	- 203	- 184	- 140
<u>Foreign Securities</u>									
Outstanding issues		+ 22	+ 70	+ 15	+ 12	+ 22	+ 7	+ 16	+ 28
New issues		- 4	- 2	- 3	- 20	- 23	- 33	- 48	- 14
Retirements		+ 2	+ 8	+ 3	-	+ 1	+ 2	+ 17	-
Total - all securities		- 14	+ 331	+ 280	+ 125	+ 158	+ 167	- 50	+ 763

Note: This table excludes capital inflows for direct investment in Canadian enterprises by foreign owners or controlling interests, and security transactions of a short-term character analogous to changes in bank balances. Data for 1956 are preliminary and data for 1955 are subject to revision.

For five successive quarters from the second quarter of 1955 the movement towards increased inflows of capital from portfolio security transactions was evident. In the second quarter of 1955 there had been a net outflow of \$51 million. In the third quarter of 1956 the inflow reached a peak of \$254 million which was only \$50 million below the massive inflow in the third quarter of 1950; it will be recalled however, that the earlier movement was related to exchange rate considerations and was not part of a sustained inflow of that order of magnitude. The movement in the final quarter of 1956 fell to \$214 million, mainly due to outflows to the United States from trade in outstanding Canadian securities and to some reduction in the rate of inflow from the United Kingdom.

#### New Issues and Retirements of Canadian Securities

The proceeds of new issues of Canadian securities sold abroad set a new record of \$681 million in 1956. Over the last half of the year new issues were sold to non-residents at an annual rate of \$800 million. The total for the year compared with \$166 million in 1955 and with the previous record of \$411 million established in 1951 which was also a period of strong demand in the Canadian capital market. Details of new issues which appear in the accompanying statement show that provincial governments, municipalities and corporations were all substantial borrowers abroad during the year. Residents of the United States bought nearly 90 per cent of the new issues sold to non-residents compared with somewhat more than 75 per cent of the smaller total in 1955. But at the same time there was a significant increase in the amount of new issues sold to European investors. Nearly 90 per cent of the new bonds and debentures sold to non-residents were payable solely or optionally in foreign currencies. The influence of interest differentials and exchange rates on the sale abroad of new issues is referred to later in this report.

#### Proceeds of New Issues of Canadian Securities Sold to Non-Residents

	1955					1956				
	I Q	II Q	III Q	IV Q	YEAR	I Q	II Q	III Q	IV Q	YEAR
	(Millions of dollars)									
Bonds and debentures:										
Government of Canada, direct .....	-	-	5	-	5	-	-	8	1	9
Government of Canada, guaranteed .....	-	-	-	-	-	-	-	-	-	-
Provincial government (incl. guar.) .....	2	-	1	-	3	89	58	55	36	238
Municipal government .....	39	2	1	2	44	4	34	59	14	111
Railways, not guaranteed by government ..	-	-	-	-	-	-	-	-	-	-
Other corporations .....	24	14	5	5	48	8	47	62	129	246
Sub-total, Bonds and debentures .....	65	16	12	7	100	101	139	184	180	604
Common and preference stock .....	44	13	4	5	66	5	34	18	20	77
Total .....	109	29	16	12	166	106	173	202	200	681

Retirements of foreign-held Canadian securities amounted during 1956 to \$140 million. This repatriation was lower than for any other post-war year except 1948 and 1952. A very substantial part of foreign-owned holdings retired during 1956, more than 95 per cent, were held by residents of the United States. Between 80 and 85 per cent of the bonds and debentures retired were payable optionally or solely in foreign currencies.

#### Retirements of Canadian Securities held by Non-Residents

	1955					1956				
	I Q	II Q	III Q	IV Q	YEAR	I Q	II Q	III Q	IV Q	YEAR
	(Millions of dollars)									
Bonds and debentures:										
Government of Canada, direct .....	52	1	1	-	54	28	2	19	1	50
Government of Canada, guaranteed .....	16	30	-	-	46	32	-	-	-	32
Provincial government (incl. guar.) .....	8	4	5	2	19	3	5	2	6	16
Municipal government .....	2	7	1	9	19	2	3	1	12	18
Railways, not guaranteed by government ..	1	1	-	1	3	2	-	-	-	2
Other corporations .....	6	18	8	5	37	2	13	2	1	18
Sub-total, Bonds and debentures .....	85	61	15	17	178	69	23	24	20	136
Common and preference stock .....	-	1	3	2	6	-	3	-	1	4
Total .....	85	62	18	19	184	69	26	24	21	140



Trade in Outstanding Issues in Year 1956 and Month of December

The value of securities traded internationally in 1956 rose slightly over 1955 to set a new record of nearly \$2,400 million compared with about \$2,300 million in the previous year. The net inflow of \$236 million is in marked contrast to the outflow of \$1 million recorded in 1955. Quarterly turnover reached a peak nearing \$700 million in the second quarter but fell to less than \$535 million by the year end. For the year as a whole trading turnover with both the United Kingdom and other overseas countries rose, while turnover with the United States remained about the same as in 1955.

Trade in outstanding issues in 1956 was dominated by the sale to non-residents of Canadian common and preference stocks. The net sales balance for the year totalled \$196 million reflecting an increase of nearly one-third over 1955, and setting a new record for the third successive year. The inflow rose from \$29 million in the first quarter to new heights of \$62 million and \$77 million in the second and third quarters respectively, but fell in the final quarter to \$28 million. Compared to the significant inflow for equity portfolio investment in Canada, the trade in outstanding Canadian bonds, debentures and other securities led to a net inflow of only \$12 million. There was a substantial inflow of \$46 million in the first quarter, which exceeded the net sales of Canadian stocks in that period; this total included \$31 million Government of Canada direct and guaranteed issues and \$11 million corporate issues. But in each of the later quarters there were outflows of capital from transactions in outstanding Canadian bonds as Canadians became net repurchasers of this group of securities; during the nine months the net repatriation through repurchases amounted to \$34 million which included some \$25 million of Government of Canada direct and guaranteed issues.

Transactions in outstanding foreign securities led to a net capital inflow of \$28 million during 1956 compared with \$16 million in 1955. During the first quarter of 1956 there was an outflow of \$16 million, when trading was dominated by a substantial participation by Canadian investors in a public re-distribution of stock of an automobile company previously owned by a United States foundation. In the subsequent quarters of 1956 Canadians were net sellers of \$44 million foreign securities. The net movement for the year as a whole reflected on balance the sale by Canadians of foreign stocks, mainly of United States corporations.

In December there were net purchases from non-residents of \$8.6 million outstanding securities, bringing to a close the succession of sales balances or capital imports from trade in outstanding issues which extended for fifteen months from September 1955. Although net sales to the United Kingdom and to other overseas countries were higher than in November, net purchases of \$24 million occurred from the United States in contrast to net sales of \$6.5 million in November. This development reflected mainly repurchases of Government of Canada issues.

Summary of Transactions in Outstanding Securities between

Canada and Other Countries

(as reported in the monthly returns covered in this series of reports)

1955 and 1956

	Sales By Canadians		Purchases By Canadians		Net Sales (+) or Purchases (-)	
	1955	1956	1955	1956	1955	1956
(Millions of dollars)						
<u>By Countries</u>						
United States	939.2	987.4	975.4	922.9	- 36.2	+ 64.5
United Kingdom	90.3	151.7	74.6	64.9	+ 15.8	+ 86.8
Other Countries	121.1	170.4	101.7	85.6	+ 19.4	+ 84.8
Total - all countries	1,150.6	1,309.5	1,151.6	1,073.4	- 1.0	+ 236.1
<u>By Nationality of Security</u>						
Canadian bonds	164.0	225.0	334.5	219.3	- 170.5	+ 5.7
Canadian stocks	719.9	815.2	573.5	618.9	+ 146.5	+ 196.4
Total - Canadian securities (1)	902.4	1,063.7	921.5	855.8	- 19.0	+ 207.9
United States bonds	13.6	15.1	12.3	12.0	+ 1.4	+ 3.1
United States stocks	220.3	210.6	194.6	189.8	+ 25.7	+ 20.9
Total - United States securities	233.9	225.7	206.9	201.8	+ 27.1	+ 24.0
Total - all securities (1)	1,150.6	1,309.5	1,151.6	1,073.4	- 1.0	+ 236.1

(1) includes other securities

## Trading with the United States

A volume of trading in outstanding securities between Canada and the United States which exceeded \$1,900 million in 1956 resulted in a net sales balance of \$64 million with that country. This capital import reflected net sales of \$76 million of Canadian common and preference stocks and \$22 million of foreign securities, offset by net repurchases of \$34 million of Canadian bonds, debentures and other securities. Trading in foreign securities was influenced by the purchases by Canadians in the first quarter to which reference has already been made. The figures for 1956 are in sharp contrast to the results from security trading in 1955 when there was a net purchase balance or capital export of \$35 million. In that year Canadians sold to residents of the United States \$97 million on balance of outstanding Canadian common and preference stocks and \$27 million of foreign securities, mainly United States stocks. But they repurchased \$159 million of outstanding Canadian bonds, debentures and other securities, which included \$82 million net repatriation of outstanding Government of Canada direct and guaranteed issues, and \$61 million of provincial issues. It has been revealed that during 1955 Government accounts were acquiring Government of Canada direct issues payable in United States dollars.

The group of eight special investment funds established by United States interests under circumstances described in the December 1955 report continued to be an important influence in the Canadian stock market. Their holdings of Canadian securities, mainly common stocks, rose in market value during the year by some \$85 million. A part of this sum represented capital appreciation of their portfolios and is not reflected in the net sales of Canadian securities to residents of the United States. Nevertheless incomplete data suggest that these investors probably accounted for about \$70 million or more than 90 per cent of the net sales balance of \$76 million from trade in outstanding Canadian common and preference stocks with the United States. In 1955 the proportion was about 60 per cent. It is of particular interest to note that during the second half of 1956 these funds appear to have added to their holdings of Canadian stocks at a time when other United States investors as a group were reducing their portfolios.

### Summary of Transactions in Outstanding Securities between

#### Canada and the United States

(as reported in the monthly returns covered in this series of reports)

1955 and 1956

	Sales By Canadians		Purchases By Canadians		Net Sales (+) or Purchases (-)	
	1955	1956	1955	1956	1955	1956
(Millions of dollars)						
<u>By Nationality of Security</u>						
Canadian bonds	121.4	142.3	283.6	178.4	- 162.2	- 36.1
Canadian stocks	566.2	597.9	470.8	521.9	+ 95.4	+ 75.9
Total - Canadian securities (1)	700.8	757.7	764.4	715.7	- 63.6	+ 42.0
United States bonds	13.0	14.9	11.5	11.7	+ 1.4	+ 3.1
United States stocks	218.0	207.9	190.7	186.0	+ 27.3	+ 21.9
Total - United States securities	231.0	222.8	202.2	197.7	+ 28.7	+ 25.0
Total - all securities (1)	939.2	987.4	975.4	922.9	- 36.2	+ 64.5

(1) includes other securities

### Trading with the United Kingdom

Again in 1956, the fourth successive year since 1937, Canada had a sales balance from security trading with the United Kingdom. The capital import of \$87 million represented a sharp increase over the total of \$17 million recorded in 1955, and was actually larger than the total for the three years from 1953 to 1955. Particularly noteworthy in 1956 were the sales of Canadian common and preference stocks to residents of the United Kingdom, which amounted to \$72 million. The balance of the net movement reflected sales of \$11 million of Canadian bonds, debentures and other securities, and of \$4 million of foreign securities. Turnover exceeded \$215 million, reflecting an increase of more than 30 per cent in the volume of transactions compared with 1955.

In the light of the very large movements, it is worth recalling that security sales to residents of the United Kingdom do not necessarily reflect current outflows of capital from that country. For example, it is possible that some transactions represent the switching by United Kingdom investors between their holdings of United States (and other dollar) securities and of Canadian securities. Moreover, some sales attributed in this report to the United Kingdom may be to nominees for non-residents of that country.



### Trading with Other Countries

Transactions in outstanding securities with other countries led to a net capital inflow of \$85 million. This total compared with \$17 million in 1955 and was more than double the previous record set in 1954. The turnover exceeded \$250 million, an increase of about 15 per cent over the record established in 1955. The net sales in 1956 to residents of overseas countries other than the United Kingdom included \$48 million of Canadian common and preference stocks compared with \$23 million in 1955, while there were net sales of \$35 million of other securities, mainly Government of Canada and corporate bonds, in contrast to net purchases of \$4 million in 1955.

### Security and Foreign Exchange Markets

Common stock prices in Canada, as measured by the DBS Investors' composite series rose about 8 per cent from December 1955 to December 1956. The monthly index was highest in August when the gain over December 1955 was about 18 per cent. In contrast to 1955 when every component except textiles and clothing showed increases, declines were recorded in 1956 for pulp and paper stocks, milling, textiles and clothing, food and allied products, beverages, transportation and telephones. However oils were up more than 40 per cent and there were smaller increases in machinery and equipment, building materials, industrial mines, power and traction, and banks. Mining stocks, which are not included in the Investors' index, rose by about 7 per cent.

Prices of common stocks in the United States also rose over the year, but the rise was somewhat smaller than in the case of Canadian stocks. As usual common stock prices in the two countries followed the same general pattern, although fluctuations in the United States were somewhat narrower.

The net sales to non-residents of Canadian stocks represented somewhat more than 5 per cent of the quoted value of listings on the principal exchanges in Canada, a slightly higher proportion than in either 1954 or 1955. As pointed out in earlier reports, however, the significance of this figure is limited because by no means all of the issues listed are "in the market". Gross sales to non-residents, which increased by 11 per cent over 1955 accounted for somewhat more than one fifth of the aggregate value of transactions on the principal exchanges in Canada.

The price of the United States dollar in Canada fell from 99 29/32 cents at the end of 1955 to 95 31/32 cents at the end of 1956. It moved through a high of 99.97 cents in February and a low of 95.66 cents in November, a trading range of 4.31 cents which was wider than for any year since 1952. In general, persistent strengthening of the Canadian dollar on the international exchange market was characteristic of 1956. The Canadian dollar had weakened through 1955 and the annual noon average was practically unchanged for the two years.

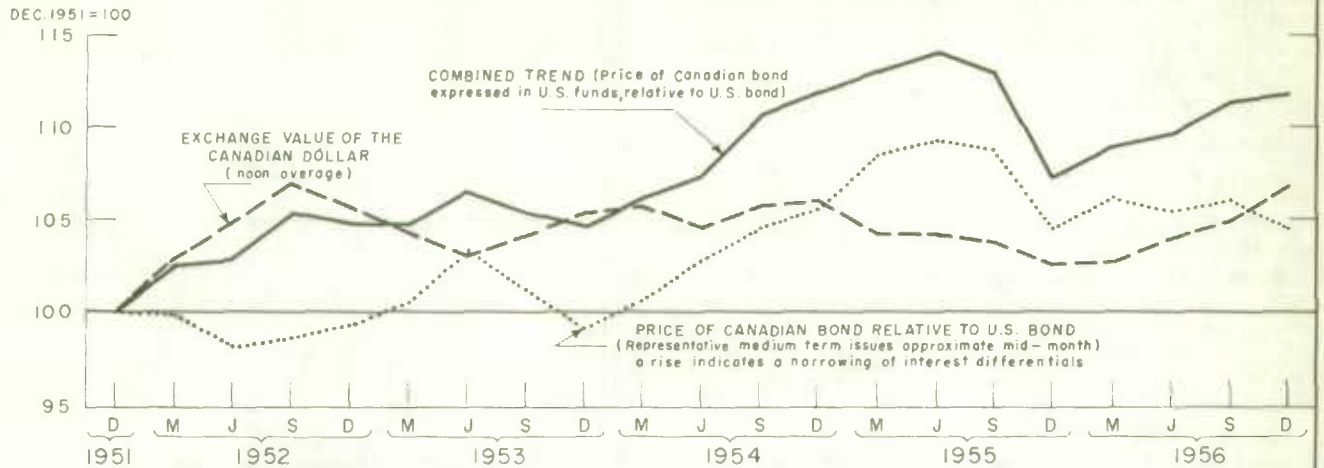
Interest rates in both Canada and the United States rose during 1956 as a whole, and the differential increased somewhat. In the case of the representative medium term government issues shown in table 6 yields in Canada in mid-December 1956 were some 62 basic points higher than in the United States. This differential compared with 56 basic points one year earlier. But the mid-month differentials during 1956 ranged between a low of 36 basic points in April and a high of 66 basic points in October. This range was in contrast to 1955 when the mid-month differential varied between 4 basic points in August and 56 basic points in December.

The relative levels of interest rates in the two countries are, of course, an important influence on both the flotation of new Canadian issues outside Canada and the trading of outstanding issues. Another important influence is the exchange rate between the Canadian and United States dollars. The trend of these factors, separately and in combination, is shown in the accompanying graph.

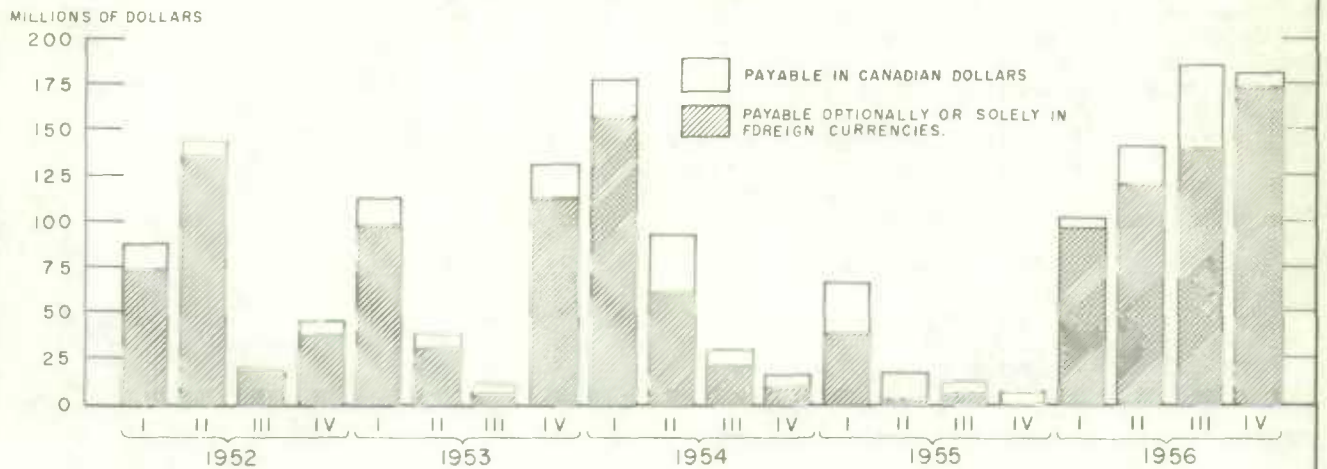
The effect of these factors on international security transactions is complicated by the currency terms pertaining to individual issues of bonds. Every sale outside Canada of a Canadian bond or debenture involves the assumption by the debtor or the creditor of an exchange risk - the possibility of gain or loss arising from subsequent fluctuations in the exchange rate. It is normal for a borrower actively seeking capital from abroad to assume the exchange risk by offering an issue payable in a foreign currency. But there are times also when non-residents buy important amounts of new issues payable in Canadian currency and thus themselves assume an exchange risk. For the most part these are issues designed for sale in the Canadian market which are purchased in part by the non-residents. There are also issues payable at fixed rates of exchange in either Canadian or foreign currency at the option of the holder; in general such obligations involve the assumption by the borrower of the burden of exchange cost for periods in which the Canadian dollar may be below par while the non-resident investor enjoys a premium should the Canadian dollar be above par.

The accompanying chart shows the new issues of Canadian bonds and debentures sold to non-residents from 1952 to 1956 inclusive. In general such sales might be expected to show a tendency to decline as the exchange value of the Canadian dollar rose or as the differential between interest rates in Canada and other countries narrowed. The amount of new issues sold abroad which provide for payment in foreign currency appears to be influenced somewhat more by the interest rate differential than by the exchange rate. No doubt one reason for this is that initiative for the transaction arises with the borrower who is in a position to regard any ultimate exchange cost as a part of the cost of borrowing spread over the life of the debt.

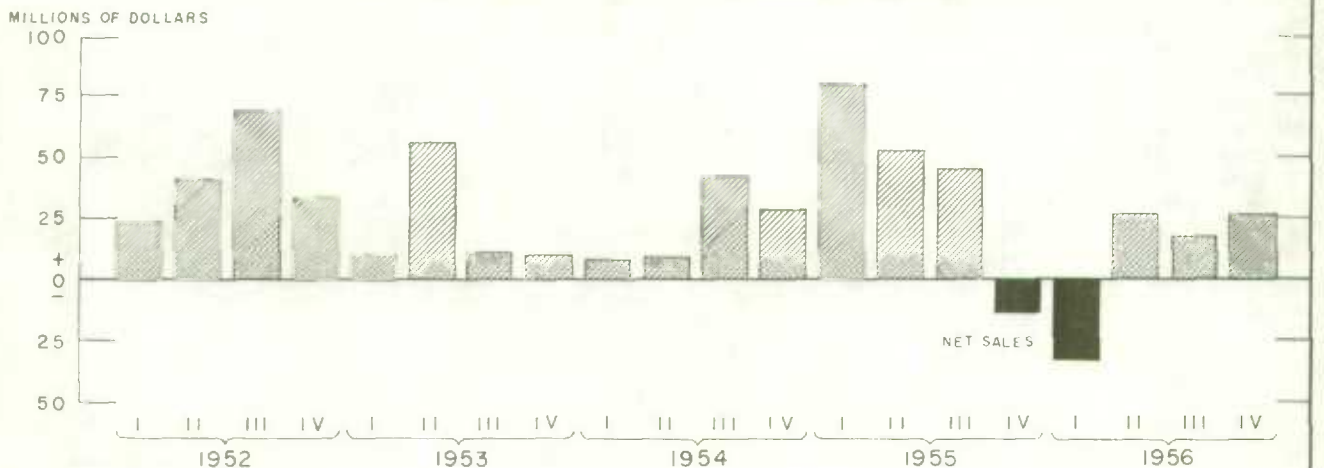
# INDEXES OF SOME FACTORS RELATED TO INTERNATIONAL TRANSACTIONS IN CANADIAN BONDS AND DEBENTURES



## NEW ISSUES OF CANADIAN BONDS AND DEBENTURES SOLD TO ALL NON-RESIDENTS



## NET REPATRIATION OF OUTSTANDING CANADIAN BONDS AND DEBENTURES THROUGH TRADE WITH THE UNITED STATES





There are of course other reasons why the relationship is not exact. The index reflecting relative levels of interest rates is based upon particular medium term Canadian and United States government issues whereas most of the new issues sold abroad are obligations of provinces, municipalities or corporations; both the credit rating of the borrowers and the terms of issues vary widely. Moreover the delivery of new issues sold to non-residents may not take place for a considerable period after a purchase agreement has been signed. As an example financing arranged by one borrower under terms covered in purchase and underwriting agreements signed in the second quarter of 1956 provides that delivery of the securities may be spread over a period of two and a half years.

Although an issuer generally borrows funds for an extended period, the investor has continually open to him, in the case of marketable issues, alternative possibilities of investment. For this reason the direction of trade in outstanding issues, particularly those payable in Canadian dollars, may be more sensitive to fluctuations and anticipated fluctuations in the exchange rate than is the case for new issues. It is not surprising therefore that over the period as a whole net repatriation of outstanding Canadian bonds and debentures through trade with the United States shown in the second chart bears a relatively close correlation with the index appearing on the graph which reflects the combined effect of interest and exchange rate fluctuations. At times however, the net trade was subjected to special influences such as strong demand from outside Canada for issues carrying conversion or stock purchase privileges. At other times repatriation through repurchase for the account of the issuer for sinking fund or similar purposes, particularly of outstanding foreign currency debt, was of considerable importance.

A comparison of the net movement of United States capital for investment in Canadian securities in 1956 with that in 1950, the year of previous post-war record, reveals significant differences. In 1950 the net sales to United States residents included \$362 million of outstanding Canadian securities. This movement was concentrated largely in bonds and debentures, mainly payable in Canadian currency only. The new issues of \$210 million included \$206 million of foreign currency bonds, but of this amount more than \$150 million represented refunding by the debtors of other United States currency issues. Total retirements amounted to \$263 million, including \$233 million of foreign currency issues. The net movement of \$309 million was dominated by the desire of non-residents to acquire Canadian securities payable in Canadian dollars. The movement was moreover highly concentrated in the short period when considerable public attention was given to the possibility of a change in the offered exchange rate in effect at that time. To only a very limited extent did the inflow arise from the initiative of Canadian borrowers and in part at least this borrowing reflected a desire on the part of the debtors to avoid the exchange loss involved in retiring from Canadian sources maturing United States dollar debt. The net inflow reflected almost entirely additions to Canada's funded debt held in the United States rather than investment in Canadian equity securities.

On the other hand in 1956 the net movement from the United States for investment in Canadian securities of \$507 million included only \$42 million of outstanding securities. This movement was made up, however, of sales of \$76 million of stocks offset by repurchases of \$34 million of bonds. New issues reached an unprecedented total of \$600 million including \$509 million of bonds payable optionally in United States funds, \$48 million of issues payable in Canadian currency only, and \$43 million of Canadian stocks. Retirements totalling \$135 million included \$111 million of issues payable in United States funds. The inflow in 1956 was initiated primarily by Canadian borrowers, rather than by foreign investors as in 1950. Issues were specifically created and tailored for marketing or placement with the United States investors. The movement was sustained at a high level throughout the year. Investment in Canadian equity securities contributed some \$115 million to the total movement.

This report does not normally include details of Canada's international investment position which are covered extensively in the annual reports on "The Canadian Balance of International Payments" and in periodic special studies. Because of the important financing role played by the sale abroad of new issues of Canadian bonds and debentures in 1956, the following brief summary of non-resident holdings at the beginning of the year will undoubtedly be of special interest.

The December 1955 report in this series gave particulars of the development of a significant volume of interest arbitrage transactions between Canada and the United Kingdom in that year. The conditions giving rise to that movement did not persist in 1956. The relatively small holdings at the beginning of the year matured during the first quarter and were not replaced.

Non-resident holdings of Outstanding Long-Term Funded Debt of  
Canadian Governments, Municipalities and Corporations  
End of 1955

	Payable			Total	Percentage of all Canadian funded debt
	in Canadian currency only	in foreign currency only	at holders' option		
	(millions of dollars)				%
<u>By Ownership</u>					
United States					
Parent companies and affiliates	1	147	39	187	0.7
Life insurance companies )	668	1,587	442	( 1,155	4.6
Other investors )				( 1,542	6.1
United Kingdom	234	342	17	593	2.4
Other countries	126	15	20	161	0.6
Total owned by non-residents	1,029	2,091	518	3,638	14.5
<u>By Debtor</u>					
Government of Canada (1)	344	195	-	539	4.0
Provincial (1)	77	499	312	888	24.4
Municipal	98	299	54	451	20.4
Steam railways	35	417	86	538	36.8
Other corporations	475	681	66	1,222	27.6
Total owned by non-residents	1,029	2,091	518	3,638	14.5

(1) direct and guaranteed, excluding railways

The Canadian Balance of International Payments, 1956 and

International Investment Position

This annual DBS report will be published about mid-year and will cover Canada's international transactions during 1956, including movements of direct investment and other capital not included in this report, as well as recent estimates of foreign investment in Canada and of Canadian investment abroad.

## STATISTICAL TABLES



**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. -
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 ( 12 months) .....	1150.6	1151.6	- 1.0	939.2	975.4	-36.2	90.3	74.6	+15.8	121.1	101.7	+19.4
1956 Total ( 12 months) .....	1309.5	1073.4	+236.1	987.4	922.9	+64.5	151.7	64.9	+86.8	170.4	85.6	+84.8
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	82.6	+ 17.4	85.2	72.5	+12.7	6.3	3.7	+ 2.6	8.4	6.4	+ 2.0
May .....	91.0	99.6	- 8.6	69.6	82.9	-13.3	7.2	10.3	- 3.1	14.2	6.5	+ 7.7
June .....	117.2	127.2	- 10.0	97.6	103.5	- 5.9	8.2	14.6	- 6.4	11.5	9.1	+ 2.4
July .....	112.7	128.5	- 15.8	92.6	109.8	-17.3	10.1	5.6	+ 4.5	10.0	13.0	- 3.0
August .....	93.4	104.5	- 11.1	73.8	85.8	-12.0	8.6	8.4	+ 0.1	11.0	10.3	+ 0.8
September .....	109.3	99.6	+ 9.7	90.9	89.5	+ 1.4	5.9	3.8	+ 2.0	12.5	6.3	+ 6.2
October .....	83.2	74.4	+ 8.8	65.1	62.1	+ 3.0	6.9	4.7	+ 2.1	11.2	7.6	+ 3.6
November .....	83.9	73.3	+ 10.6	66.5	60.3	+ 6.2	6.8	3.9	+ 2.9	10.5	9.1	+ 1.4
December .....	91.1	74.5	+ 16.6	76.1	58.2	+17.9	7.2	5.9	+ 1.3	7.8	10.4	- 2.6
1956 - January .....	96.0	93.6	+ 2.4	79.6	84.1	- 4.5	6.2	4.1	+ 2.1	10.2	5.4	+ 4.8
February .....	91.3	73.7	+ 17.6	72.4	62.9	+ 9.5	6.3	3.9	+ 2.3	12.6	6.9	+ 5.7
March .....	130.7	91.7	+ 39.0	107.2	74.8	+32.4	6.5	6.0	+ 0.6	17.0	11.0	+ 6.1
April .....	139.3	119.6	+ 19.7	106.7	102.4	+ 4.2	12.6	7.2	+ 5.4	20.1	10.0	+10.1
May .....	140.6	106.7	+ 33.9	114.6	92.4	+22.2	11.5	4.9	+ 6.6	14.5	9.5	+ 5.0
June .....	97.1	92.6	+ 4.5	70.7	78.2	- 7.5	14.0	6.7	+ 7.4	12.4	7.7	+ 4.7
July .....	111.4	84.0	+ 27.4	72.7	72.8	- 0.1	23.4	4.8	+18.6	15.3	6.4	+ 8.9
August .....	121.9	93.9	+ 28.0	91.5	81.8	+ 9.6	15.9	6.2	+ 9.7	14.5	5.8	+ 8.7
September .....	94.4	70.8	+ 23.5	66.5	59.5	+ 6.9	16.5	5.7	+10.8	11.4	5.6	+ 5.8
October .....	104.1	74.2	+ 30.0	74.7	65.5	+ 9.2	15.3	3.4	+12.0	14.1	5.3	+ 8.8
November .....	94.0	75.2	+ 18.8	67.5	61.0	+ 6.5	11.6	6.4	+ 5.2	14.8	7.9	+ 7.0
December .....	88.7	97.3	- 8.6	63.4	87.4	-24.0	11.8	5.6	+ 6.2	13.5	4.3	+ 9.2

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
1954 Total ( 12 months) .....	+ 55.3	- 2.0	+21.0	+36.4	+ 8.6	+ 7.7	+ 1.9	- 1.2
1955 Total ( 12 months) .....	- 19.0	-63.6	+25.5	+19.1	+18.0	+27.4	- 9.7	+ 0.3
1956 Total (12 months) .....	+207.9	+42.0	+83.0	+82.9	+28.2	+22.5	+ 3.8	+ 1.9
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 .....	+ 14.6	+ 9.6	+ 3.1	+ 2.0	+ 2.7	+ 3.2	- 0.5	-
May .....	- 6.2	-13.7	+ 0.3	+ 7.3	- 2.5	+ 0.4	- 3.3	+ 0.4
June .....	- 1.6	- 3.1	- 1.2	+ 2.7	- 8.4	- 2.8	- 5.3	- 0.3
July .....	- 18.7	-21.6	+ 5.6	- 2.6	+ 2.9	+ 4.4	- 1.1	- 0.4
August .....	- 12.6	-14.9	+ 1.7	+ 0.6	+ 1.5	+ 2.9	- 1.5	+ 0.1
September .....	+ 9.4	+ 1.5	+ 1.4	+ 6.4	+ 0.3	-	+ 0.6	- 0.2
October .....	+ 7.4	+ 2.7	+ 1.4	+ 3.3	+ 1.4	+ 0.3	+ 0.7	+ 0.4
November .....	+ 5.3	+ 1.9	+ 2.3	+ 1.1	+ 5.3	+ 4.3	+ 0.7	+ 0.3
December .....	+ 14.5	+16.2	+ 1.2	- 2.9	+ 2.1	+ 1.7	+ 0.1	+ 0.3
1956 - January .....	+ 18.6	+12.1	+ 1.8	+ 4.7	-16.2	-16.6	+ 0.3	+ 0.2
February .....	+ 22.8	+15.0	+ 1.7	+ 6.0	- 5.2	- 5.6	+ 0.6	- 0.3
March .....	+ 33.4	+27.1	+ 0.4	+ 5.9	+ 5.5	+ 5.3	+ 0.1	+ 0.1
April .....	+ 18.6	+ 3.7	+ 5.0	+ 9.9	+ 1.1	+ 0.6	+ 0.4	+ 0.2
May .....	+ 30.0	+18.2	+ 6.7	+ 5.1	+ 3.8	+ 4.0	- 0.1	- 0.1
June .....	- 0.9	-12.1	+ 7.2	+ 4.0	+ 5.4	+ 4.6	+ 0.1	+ 0.7
July .....	+ 30.4	+ 4.4	+17.3	+ 8.8	- 3.0	- 4.5	+ 1.4	+ 0.1
August .....	+ 18.3	+ 0.3	+ 9.6	+ 8.4	+ 9.7	+ 9.4	+ 0.1	+ 0.2
September .....	+ 19.8	+ 3.6	+10.5	+ 5.8	+ 3.7	+ 3.4	+ 0.2	+ 0.1
October .....	+ 24.5	+ 4.3	+11.7	+ 8.5	+ 5.5	+ 5.0	+ 0.2	+ 0.2
November .....	+ 11.8	- 0.3	+ 5.0	+ 7.1	+ 7.0	+ 6.9	+ 0.2	- 0.1
December .....	- 19.4	-34.1	+ 6.1	+ 8.6	+10.8	+10.1	+ 0.1	+ 0.6

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

TABLE 2A. Portfolio Security Transactions Between Canada and Other Countries, by Quarters 1954-1956  
Trading, New Issues, and Retirements  
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians											
	1954				1955				1956			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
<u>All Countries</u>												
<u>Canadian Securities</u>												
Outstanding issues - Stocks )	+ 21	+ 28	+ 32	+ 48	+ 52	+ 58	+ 25	+ 13	+ 29	+ 62	+ 77	+ 28
- Bonds, etc.)	- 5	-	- 31	- 30	- 83	- 51	- 46	+ 15	+ 46	- 14	- 8	- 12
New issues .....	+ 177	+ 93	+ 36	+ 25	+ 109	+ 29	+ 16	+ 12	+ 106	+ 173	+ 202	+ 200
Retirements .....	- 26	- 76	- 47	- 54	- 85	- 62	- 18	- 19	- 69	- 26	- 24	- 21
<u>Foreign Securities</u>												
Outstanding issues .....	+ 4	+ 9	- 1	- 5	+ 12	- 8	+ 4	+ 8	- 16	+ 10	+ 10	+ 24
New issues .....	- 2	- 26	- 3	- 2	- 5	- 17	- 4	- 22	- 1	- 5	- 3	- 5
Retirements .....	-	-	-	+ 2	+ 3	-	+ 14	-	-	-	-	-
Total - all countries .....	+ 169	+ 28	- 14	- 16	+ 3	- 51	- 9	+ 7	+ 95	+ 200	+ 254	+ 214
<u>United States</u>												
<u>Canadian Securities</u>												
Outstanding issues - Stocks )	+ 12	+ 16	+ 25	+ 34	+ 36	+ 45	+ 10	+ 6	+ 21	+ 35	+ 25	- 5
- Bonds, etc.)	- 9	- 8	- 41	- 29	- 78	- 52	- 44	+ 15	+ 33	- 25	- 17	- 25
New issues .....	+ 172	+ 82	+ 29	+ 16	+ 96	+ 12	+ 9	+ 10	+ 100	+ 159	+ 173	+ 168
Retirements .....	- 17	- 72	- 43	- 52	- 83	- 55	- 13	- 18	- 66	- 26	- 23	- 20
<u>Foreign Securities</u>												
Outstanding issues .....	+ 4	+ 9	- 2	- 5	+ 13	+ 1	+ 7	+ 6	- 17	+ 9	+ 8	+ 22
New issues .....	-	-	- 2	- 1	- 4	- 1	- 2	- 1	-	- 4	- 3	- 4
Retirements .....	-	-	-	+ 1	+ 2	-	-	-	-	-	-	-
Total - all securities .....	+ 162	+ 27	- 34	- 36	- 18	- 50	- 33	+ 18	+ 71	+ 148	+ 163	+ 136



TABLE 2A. (Continued) Portfolio Security Transactions Between Canada and Other Countries, by Quarters 1954-1956  
Trading, New Issues, and Retirements  
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians											
	1954				1955				1956			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
<u>United Kingdom and Other Sterling Area</u>												
<u>Canadian Securities</u>												
Outstanding issues - Stocks )	+ 6	+ 4	+ 1	+ 9	+ 10	+ 6	+ 9	+ 3	+ 2	+ 16	+ 35	+ 19
- Bonds, etc.)	+ 3	- 2	- 1	+ 1	-	- 4	-	+ 2	+ 2	+ 3	+ 3	+ 3
New issues .....	+ 3	+ 4	+ 6	+ 7	+ 9	+ 3	+ 2	+ 1	+ 4	+ 10	+ 9	+ 7
Retirements .....	- 9	- 3	- 3	- 2	- 2	- 4	- 4	- 1	-	-	-	-
<u>Foreign Securities</u>												
Outstanding issues .....	-	+ 1	+ 1	-	-	- 9	- 2	+ 2	+ 1	-	+ 2	+ 1
New issues .....	-	- 1	-	-	-	-	- 2	-	-	-	-	-
Retirements .....	-	-	-	-	-	-	-	-	-	-	-	-
Total - all securities	+ 3	+ 3	+ 4	+ 15	+ 17	- 8	+ 3	+ 7	+ 9	+ 29	+ 49	+ 30
<u>Other Foreign Countries</u>												
<u>Canadian Securities</u>												
Outstanding issues - Stocks )	+ 3	+ 8	+ 6	+ 5	+ 6	+ 7	+ 6	+ 4	+ 6	+ 11	+ 17	+ 14
- Bonds, etc.)	+ 1	+ 10	+ 11	- 2	- 5	+ 5	- 2	- 2	+ 11	+ 8	+ 6	+ 10
New issues .....	+ 2	+ 7	+ 1	+ 2	+ 4	+ 14	+ 5	+ 1	+ 2	+ 4	+ 20	+ 25
Retirements .....	-	- 1	- 1	-	-	- 3	- 1	-	- 3	-	- 1	- 1
<u>Foreign Securities</u>												
Outstanding issues .....	-	- 1	-	-	- 1	-	- 1	-	-	+ 1	-	+ 1
New issues .....	- 2	- 25	- 1	- 1	- 1	- 16	-	- 21	- 1	- 1	-	- 1
Retirements .....	-	-	-	+ 1	+ 1	-	+ 14	-	-	-	-	-
Total - all securities	+ 4	- 2	+ 16	+ 5	+ 4	+ 7	+ 21	- 18	+ 15	+ 23	+ 42	+ 48

Note: This table excludes capital inflows for direct investment in Canadian enterprises by foreign owners or controlling interests, and security transactions of a short-term character analogous to changes in bank balances. It includes some portfolio transactions through agencies not covered in the regular monthly series. Data for 1956 are preliminary and data for 1955 are subject to revision.

TABLE 3. Trade in Outstanding Securities Between Canada and Other Countries

(Thousands of dollars)

December, 1956	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> .....	88,683	97,317	63,417	87,422	11,814	5,644	13,452	4,251
<b>Canadian Securities, Total</b> .....	65,727	85,145	41,861	75,967	11,114	5,041	12,752	4,137
Bonds and Debentures .....	13,362	41,793	5,916	38,715	3,351	2,318	4,095	760
Common and Preference Stocks .....	51,798	42,371	35,610	36,385	7,615	2,614	8,573	3,372
Other Securities .....	567	981	335	867	148	109	84	5
<b>Foreign Securities, Total</b> .....	22,956	12,172	21,556	11,455	700	603	700	114
United States Issues:								
Bonds and Debentures .....	1,251	672	1,219	672	21	-	11	-
Common and Preference Stocks .....	20,853	10,503	20,236	10,262	19	136	598	105
United Kingdom Issues:								
Bonds and Debentures .....	244	39	2	30	153	2	89	7
Common and Preference Stocks .....	536	438	29	4	507	434	-	-
Other Foreign Countries Issues:								
Bonds and Debentures .....	52	508	50	475	-	31	2	2
Common and Preference Stocks .....	20	-	20	-	-	-	-	-
All Other Foreign Securities .....	-	12	-	12	-	-	-	-
<b>Analysis of Bonds and Debentures</b>								
Canadian Issues:								
Government of Canada - Direct .....	5,859	31,344	3,581	29,859	892	1,251	1,386	234
Government of Canada - Guaranteed .....	1,313	1,896	223	1,234	1,075	650	15	12
Provincial .....	1,197	5,416	394	5,370	527	34	276	12
Municipal .....	5	60	5	60	-	-	-	-
Railway, not guaranteed by Government .....	227	488	114	469	42	7	71	12
Other Corporations .....	4,761	2,589	1,599	1,723	815	376	2,347	490
United States Issues:								
Government .....	1,012	291	1,002	291	10	-	-	-
Other .....	239	381	217	381	11	-	11	-
United Kingdom Issues:								
Government .....	61	1	-	-	61	1	-	-
Other .....	183	38	2	30	92	1	89	7

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

(Millions of dollars)

Twelve months ending December, 1956	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> .....	1,309.5	1,073.4	+ 236.1	987.4	922.9	+ 64.5	151.7	64.9	+ 86.8	170.4	85.6	+ 84.8
<b>Canadian Securities, Total</b> .....	1,063.7	855.8	+ 207.9	757.7	715.7	+ 42.0	141.1	58.1	+ 83.0	164.9	82.0	+ 82.9
Bonds and Debentures .....	225.0	219.3	+ 5.7	142.3	178.4	- 36.1	23.8	15.8	+ 8.0	58.9	25.2	+ 33.7
Common and Preference Stocks .....	815.2	618.9	+ 196.4	597.9	521.9	+ 75.9	112.2	40.4	+ 71.8	105.1	56.5	+ 48.6
Other Securities .....	23.5	17.6	+ 5.9	17.5	15.4	+ 2.2	5.1	1.9	+ 3.2	0.9	0.3	+ 0.6
<b>Foreign Securities, Total</b> .....	245.8	217.6	+ 28.2	229.7	207.2	+ 22.5	10.6	6.8	+ 3.8	5.5	3.6	+ 1.9
United States Issues:												
Bonds and Debentures .....	15.1	12.0	+ 3.1	14.9	11.7	+ 3.1	0.2	0.1	+ 0.1	-	0.1	- 0.1
Common and Preference Stocks .....	210.6	189.8	+ 20.9	207.9	186.0	+ 21.9	0.7	0.9	- 0.2	2.0	2.8	- 0.8
United Kingdom Issues:												
Bonds and Debentures .....	3.5	4.3	- 0.8	0.5	2.2	- 1.6	2.9	2.0	+ 0.9	0.1	0.2	- 0.1
Common and Preference Stocks .....	7.4	3.9	+ 3.5	2.5	1.1	+ 1.4	4.9	2.7	+ 2.1	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures .....	3.7	5.0	- 1.3	2.1	4.4	- 2.3	0.6	0.3	+ 0.3	1.0	0.2	+ 0.8
Common and Preference Stocks .....	3.7	0.2	+ 3.4	1.3	0.2	+ 1.1	0.1	0.1	+ 0.1	2.2	-	+ 2.2
All Other Foreign Securities .....	1.8	2.5	- 0.7	0.5	1.7	- 1.2	1.2	0.7	+ 0.5	0.1	0.1	-
<b>Analysis of Bonds and Debentures</b>												
Canadian Issues:												
Government of Canada - Direct .....	138.7	125.6	+ 13.1	86.8	98.7	- 12.0	13.1	9.6	+ 3.5	38.8	17.2	+ 21.6
Government of Canada - Guaranteed .....	7.6	15.1	- 7.5	5.4	14.1	- 8.7	1.5	0.8	+ 0.7	0.7	0.3	+ 0.4
Provincial .....	19.8	30.9	- 11.1	14.0	29.5	- 15.5	3.6	0.5	+ 3.1	2.2	0.8	+ 1.3
Municipal .....	7.4	5.7	+ 1.7	7.0	5.2	+ 1.8	0.2	0.1	+ 0.1	0.1	0.4	- 0.2
Railway, not guaranteed by Government .....	3.2	3.0	+ 0.1	2.6	2.3	+ 0.3	0.2	0.5	- 0.3	0.4	0.3	+ 0.1
Other Corporations .....	48.3	39.0	+ 9.4	26.5	28.5	- 2.1	5.2	4.2	+ 1.0	16.6	6.2	+ 10.4
United States Issues:												
Government .....	9.3	7.0	+ 2.3	9.3	6.9	+ 2.4	-	0.1	- 0.1	-	-	-
Other .....	5.8	5.0	+ 0.8	5.6	4.8	+ 0.8	0.2	-	+ 0.1	-	0.1	- 0.1
United Kingdom Issues:												
Government .....	2.6	3.5	- 0.8	-	1.4	- 1.4	2.6	1.9	+ 0.7	-	0.2	- 0.2
Other .....	0.9	0.9	-	0.5	0.7	- 0.2	0.3	0.1	+ 0.2	0.1	0.1	-

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



TABLE 4A. Sales and Purchases of Government of Canada Bonds (Direct and Guaranteed) Between Canada and Other Countries  
Twelve Months Ending December, 1956 (Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	22.8	3.7	+ 19.0	18.0	3.2	+ 14.8	0.8	0.1	+ 0.7	3.9	0.5	+ 3.4
February .....	10.7	1.8	+ 8.9	5.5	0.9	+ 4.7	0.7	0.2	+ 0.5	4.4	0.7	+ 3.7
March .....	12.1	8.8	+ 3.3	6.9	4.7	+ 2.3	0.9	0.3	+ 0.6	4.3	3.8	+ 0.5
April .....	17.4	17.5	- 0.1	8.8	13.4	- 4.6	0.5	0.5	-	8.1	3.5	+ 4.5
May .....	8.6	6.4	+ 2.2	6.5	5.5	+ 1.1	0.6	0.3	+ 0.3	1.4	0.6	+ 0.8
June .....	8.0	16.7	- 8.7	2.9	12.9	- 10.0	3.2	2.5	+ 0.7	1.9	1.3	+ 0.6
July .....	7.8	10.4	- 2.5	3.2	9.3	- 6.1	1.1	0.6	+ 0.5	3.6	0.5	+ 3.1
August .....	6.4	10.8	- 4.5	3.5	9.4	- 5.9	0.9	0.6	+ 0.3	2.0	0.9	+ 1.1
September .....	10.8	11.7	- 0.9	6.8	7.5	- 0.7	2.3	2.3	-	1.7	2.0	- 0.2
October .....	17.9	6.8	+ 11.1	14.1	5.6	+ 8.5	0.6	0.3	+ 0.4	3.2	0.9	+ 2.3
November .....	16.6	12.8	+ 3.8	12.1	9.5	+ 2.6	1.0	0.8	+ 0.2	3.6	2.5	+ 1.0
December .....	7.2	33.2	- 26.1	3.8	31.0	- 27.3	2.0	1.9	+ 0.1	1.4	0.2	+ 1.2
Total .....	146.3	140.7	+ 5.6	92.1	112.8	- 20.7	14.6	10.4	+ 4.2	39.6	17.5	+ 22.1

TABLE 4B. Sales and Purchases of All Canadian Bonds and Debentures Between Canada and Other Countries  
Twelve Months Ending December, 1956 (Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	29.3	6.7	+ 22.6	23.2	5.6	+ 17.6	1.1	0.3	+ 0.8	5.1	0.8	+ 4.2
February .....	16.5	5.2	+ 11.3	9.1	3.3	+ 5.8	1.2	0.6	+ 0.6	6.2	1.4	+ 4.9
March .....	24.4	12.7	+ 11.6	17.5	7.8	+ 9.8	1.2	0.5	+ 0.7	5.6	4.4	+ 1.2
April .....	22.7	26.1	- 3.4	11.4	20.6	- 9.3	1.6	1.6	+ 0.1	9.7	4.0	+ 5.8
May .....	16.1	13.4	+ 2.7	12.1	11.3	+ 0.8	1.0	0.7	+ 0.3	2.9	1.4	+ 1.6
June .....	12.6	28.7	- 16.1	5.8	23.4	- 17.6	3.9	2.9	+ 1.0	2.8	2.4	+ 0.5
July .....	15.4	20.8	- 5.3	9.8	18.6	- 8.8	1.3	0.8	+ 0.5	4.4	1.3	+ 3.0
August .....	11.9	16.4	- 4.5	7.8	14.2	- 6.4	1.1	0.9	+ 0.1	3.1	1.3	+ 1.7
September .....	15.8	16.1	- 0.3	8.4	10.5	- 2.1	4.1	3.0	+ 1.1	3.3	2.6	+ 0.6
October .....	24.6	12.0	+ 12.6	16.7	9.3	+ 7.4	2.4	0.9	+ 1.5	5.5	1.8	+ 3.7
November .....	22.3	19.3	+ 3.0	14.6	15.0	- 0.5	1.5	1.3	+ 0.3	6.2	3.0	+ 3.2
December .....	13.4	41.8	- 28.4	5.9	38.7	- 32.8	3.4	2.3	+ 1.0	4.1	0.8	+ 3.3
Total .....	225.0	219.3	+ 5.7	142.3	178.4	- 36.1	23.8	15.8	+ 8.0	58.9	25.2	+ 33.7

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

TABLE 4C. Sales and Purchases of Canadian Common and Preference Stocks Between Canada and Other Countries  
Twelve Months Ending December, 1956 (Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	50.3	54.1	- 3.8	41.4	46.7	- 5.3	4.4	3.3	+ 1.1	4.4	4.1	+ 0.3
February .....	58.1	47.1	+ 11.0	48.7	39.8	+ 8.9	3.5	2.6	+ 0.8	5.9	4.7	+ 1.2
March .....	80.0	58.7	+ 21.3	64.4	47.5	+ 16.9	4.5	4.9	- 0.4	11.1	6.4	+ 4.8
April .....	89.8	69.1	+ 20.6	70.2	58.4	+ 11.8	9.6	4.9	+ 4.7	10.0	5.9	+ 4.1
May .....	98.6	72.1	+ 26.5	78.2	60.8	+ 17.4	9.2	3.5	+ 5.7	11.2	7.8	+ 3.5
June .....	61.4	47.0	+ 14.4	44.4	39.2	+ 5.2	8.5	2.8	+ 5.7	8.4	5.0	+ 3.4
July .....	75.5	39.9	+ 35.6	45.7	32.7	+ 13.0	19.3	2.5	+ 16.8	10.5	4.7	+ 5.8
August .....	79.5	57.2	+ 22.3	55.9	49.2	+ 6.7	13.2	4.2	+ 9.0	10.4	3.8	+ 6.6
September .....	60.5	40.9	+ 19.6	41.3	35.6	+ 5.7	11.4	2.5	+ 8.9	7.9	2.8	+ 5.1
October .....	57.4	47.1	+ 10.3	37.4	41.7	- 4.3	11.8	2.0	+ 9.8	8.2	3.4	+ 4.8
November .....	52.4	43.3	+ 9.1	34.8	34.1	+ 0.7	9.2	4.6	+ 4.6	8.5	4.6	+ 3.8
December .....	51.8	42.4	+ 9.4	35.6	36.4	- 0.8	7.6	2.6	+ 5.0	8.6	3.4	+ 5.2
Total .....	815.2	618.9	+ 196.4	597.9	521.9	+ 75.9	112.2	40.4	+ 71.8	105.1	56.5	+ 48.6

TABLE 4D. Sales and Purchases of United States Common and Preference Stocks Between Canada and Other Countries  
Twelve Months Ending December, 1956 (Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	13.1	30.3	- 17.1	12.9	29.8	- 16.8	0.2	0.2	-	-	0.4	- 0.3
February .....	12.3	18.3	- 6.1	12.0	17.5	- 5.5	0.1	0.1	- 0.1	0.2	0.7	- 0.5
March .....	21.5	16.2	+ 5.3	21.4	16.0	+ 5.4	-	-	-	-	0.1	- 0.1
April .....	19.4	18.1	+ 1.3	19.4	18.0	+ 1.4	-	0.1	- 0.1	0.1	-	-
May .....	19.8	15.9	+ 3.9	19.6	15.7	+ 3.9	-	-	-	0.2	0.2	-
June .....	14.1	11.7	+ 2.4	14.0	11.5	+ 2.5	-	-	-	0.1	0.2	- 0.2
July .....	15.0	19.6	- 4.6	14.7	19.3	- 4.6	-	-	-	0.3	0.3	-
August .....	25.5	16.2	+ 9.3	24.8	15.7	+ 9.1	0.3	-	+ 0.3	0.4	0.5	- 0.1
September .....	14.8	12.8	+ 2.0	14.6	12.7	+ 2.0	-	-	-	0.1	0.1	-
October .....	17.3	10.9	+ 6.5	17.3	10.7	+ 6.6	-	-	-	-	0.1	- 0.1
November .....	17.0	9.3	+ 7.7	16.9	8.9	+ 8.0	0.1	0.3	- 0.2	-	0.1	- 0.1
December .....	20.9	10.5	+ 10.3	20.2	10.3	+ 10.0	-	0.1	- 0.1	0.6	0.1	+ 0.5
Total .....	210.6	189.8	+ 20.9	207.9	186.0	+ 21.9	0.7	0.9	- 0.2	2.0	2.8	- 0.8

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

TABLE 5A. Sales and Purchases of Securities Between Canada and Other Countries  
(Millions of dollars)

Year	Total Transactions			United States			United Kingdom			Other 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. -
1933.....	288.7	237.7	+ 51.0	205.7	202.9	+ 2.8	80.8	27.6	+ 53.2	2.3	7.2	- 4.9
1934.....	321.2	312.3	+ 8.9	215.9	284.2	- 68.3	102.1	23.8	+ 78.3	3.1	4.3	- 1.2
1935.....	301.8	250.8	+ 51.0	268.2	200.7	+ 67.5	31.0	44.1	- 13.1	2.5	5.9	- 3.4
1936.....	422.5	414.7	+ 7.8	388.1	346.6	- 8.5	71.8	59.7	+ 12.1	12.6	8.4	+ 4.2
1937.....	506.6	511.4	- 4.8	376.4	412.7	- 36.3	105.7	85.6	+ 20.1	24.5	13.1	+ 11.4
1938.....	369.2	340.3	+ 28.9	283.5	261.3	+ 22.2	52.1	64.3	- 12.2	33.6	14.7	+ 18.9
1939.....	311.0	238.9	+ 72.1	247.9	190.5	+ 57.4	32.3	37.8	- 5.5	30.8	10.6	+ 20.2
1940.....	123.9	95.1	+ 28.8	113.8	83.4	+ 30.4	7.0	9.6	- 2.6	3.0	2.0	+ 1.0
1941.....	108.3	75.3	+ 33.0	104.8	68.6	+ 36.2	1.8	4.9	- 3.1	1.8	1.9	- 0.1
1942.....	167.0	61.5	+ 105.5	165.1	56.0	+ 109.1	0.1	4.3	- 4.2	1.8	1.2	+ 0.6
1943.....	267.9	95.7	+ 172.2	264.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.8	1.9	+ 1.9
1944.....	213.0	116.0	+ 97.0	206.3	93.4	+ 112.9	0.5	19.2	- 18.7	6.1	3.3	+ 2.8
1945.....	386.4	195.4	+ 191.0	380.1	158.0	+ 222.1	0.4	33.9	- 33.5	5.9	3.5	+ 2.4
1946.....	415.8	281.2	+ 134.6	405.0	234.8	+ 170.2	4.2	39.6	- 35.4	6.5	6.7	- 0.2
1947.....	193.8	211.8	- 18.0	182.3	192.8	- 10.5	4.2	13.4	- 9.2	7.3	5.6	+ 1.7
1948.....	217.6	235.5	- 17.9	207.4	225.2	- 17.8	4.9	6.4	- 1.5	5.3	3.9	+ 1.4
1949.....	235.4	228.9	+ 6.5	225.7	209.7	+ 16.0	5.2	16.0	- 10.8	4.5	3.2	+ 1.3
1950.....	565.0	326.6	+ 238.4	546.0	290.3	+ 255.7	5.3	28.1	- 22.8	13.7	8.3	+ 5.4
1951.....	596.4	578.7	+ 17.7	539.6	545.3	- 5.7	11.2	18.7	- 7.5	45.6	14.6	+ 31.0
1952.....	507.7	585.6	- 77.9	450.1	542.5	- 92.4	25.2	25.3	- 0.1	32.4	17.8	+ 14.6
1953.....	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.....	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.....	1,150.6	1,151.6	- 1.0	939.2	975.4	- 36.2	90.3	74.6	+ 15.8	121.1	101.7	+ 19.4
1956.....	1,309.5	1,073.4	+ 236.1	987.4	922.9	+ 64.5	151.7	64.9	+ 86.8	170.4	85.6	+ 84.8

Prior to 1953 figures include sales to non-residents of new domestic issues floated in Canada and purchases from non-residents of new issues floated abroad.



TABLE 5B. Analysis of Trade in Canadian Securities Between Canada and Other Countries,  
by Groups of Securities, 1947 - 1956

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
(Millions of dollars)										
<u>Bonds and Debentures (1)</u>										
Government of Canada -										
Sales .....	42.3	28.3	48.3	231.9	98.7	29.4	60.1	124.5	85.8	138.7
Purchases .....	48.4	40.1	49.2	56.6	187.6	157.5	97.8	152.8	155.2	125.6
Net .....	- 6.1	- 11.8	- 0.9	+175.3	- 88.9	-128.1	- 37.7	- 28.2	- 69.4	+ 13.1
Dominion Guaranteed -										
Sales .....	3.1	2.2	1.6	8.2	1.6	3.1	7.8	11.6	6.8	7.6
Purchases .....	3.3	1.8	2.0	0.3	0.3	30.9	17.8	42.1	28.5	15.1
Net .....	- 0.2	+ 0.4	- 0.4	+ 7.9	+ 1.3	- 27.8	- 10.0	- 30.5	- 21.8	- 7.5
Provincial -										
Sales .....	6.3	9.0	8.0	17.0	11.1	6.3	14.8	12.6	19.8	19.8
Purchases .....	9.0	3.6	2.9	2.5	12.9	29.8	22.7	41.7	78.8	30.9
Net .....	- 2.7	+ 5.4	+ 5.1	+ 14.5	- 1.8	- 23.5	- 7.8	- 29.2	- 59.0	- 11.1
Municipal -										
Sales .....	7.7	4.4	9.7	1.7	4.1	0.9	1.4	8.6	9.1	7.4
Purchases .....	6.7	4.1	5.3	1.5	1.4	5.2	4.5	5.4	15.5	5.7
Net .....	+ 1.0	+ 0.3	+ 4.4	+ 0.2	+ 2.7	- 4.3	- 3.1	+ 3.2	- 6.4	+ 1.7
Railway, Other -										
Sales .....	4.5	3.1	3.8	9.0	11.7	13.2	7.0	6.8	5.1	3.2
Purchases .....	2.8	1.7	3.8	2.0	5.6	4.8	6.0	5.2	5.0	3.0
Net .....	+ 1.7	+ 1.4	-	+ 7.0	+ 6.1	+ 8.4	+ 0.9	+ 1.7	+ 0.1	+ 0.1
Other Corporations -										
Sales .....	19.4	7.4	21.0	35.5	42.3	32.0	22.1	39.1	37.4	48.3
Purchases .....	7.6	8.8	17.4	24.9	14.2	23.8	16.3	22.8	51.6	39.0
Net .....	+ 11.8	- 1.4	+ 3.6	+ 10.6	+ 28.1	+ 8.2	+ 5.8	+ 16.3	- 14.1	+ 9.4
Unspecified -										
Sales .....	7.7	9.3	9.6	7.3	10.4	2.4	-	-	-	-
Purchases .....	13.2	13.5	11.4	8.7	10.6	3.4	-	-	-	-
Net .....	- 5.5	- 4.2	- 1.8	- 1.4	- 0.2	- 1.0	-	-	-	-
<u>Common and Preference</u>										
Stocks -										
Sales .....	49.0	89.1	63.4	137.7	278.3	320.3	261.3	411.1	719.9	815.2
Purchases .....	67.4	89.1	77.4	155.0	235.4	249.0	240.5	290.1	573.5	618.9
Net .....	- 18.4	-	- 14.0	- 17.3	+ 42.9	+ 71.3	+ 20.9	+121.0	+146.5	+196.4
<u>Short-Term Securities</u>										
Sales .....	0.1	0.2	2.0	5.2	15.4	1.7	0.2	1.3	-	-
Purchases .....	0.1	0.8	2.7	7.7	17.9	0.9	0.6	0.2	-	-
Net .....	-	- 0.6	- 0.7	- 2.5	- 2.5	+ 0.8	- 0.4	+ 1.1	-	-
<u>Other Securities</u>										
Sales .....	0.1	0.2	0.3	3.7	5.3	8.3	4.9	10.3	18.5	23.5
Purchases .....	-	0.4	0.6	3.3	4.8	6.5	4.2	10.4	13.5	17.6
Net .....	+ 0.1	- 0.2	- 0.3	+ 0.4	+ 0.5	+ 1.8	+ 0.7	- 0.1	+ 5.0	+ 5.9

A dash (-) means "nil" or less than \$50,000.

(1) Excluding new issues.

TABLE 5C. Sales and Purchases of Canadian Securities Between Canada and Other Countries, 1947-1956  
(Millions of dollars)

Year	Total Canadian Securities			Bonds			Stocks			Other Securities		
	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -
1947 .....	144.8	158.5	- 13.7	95.7	91.1	+ 4.6	49.0	67.4	- 18.4	0.1	-	+ 0.1
1948 .....	157.2	163.3	- 6.1	67.9	73.7	- 5.8	89.1	89.1	-	0.2	0.4	- 0.2
1949 .....	168.0	169.9	- 1.9	104.3	91.9	+ 12.4	63.4	77.4	- 14.0	0.3	0.6	- 0.3
1950 .....	455.3	254.9	+ 200.4	313.9	96.7	+ 217.2	137.7	155.0	- 17.3	3.7	3.3	+ 0.4
1951 .....	475.0	472.8	+ 2.2	191.4	232.6	- 41.2	278.3	235.4	+ 42.9	5.3	4.8	+ 0.5
1952 .....	427.0	510.9	- 83.9	98.4	255.4	- 157.0	320.3	249.0	+ 71.3	8.3	6.5	+ 1.8
1953 .....	379.7	410.4	- 30.7	113.2	165.1	- 51.9	261.3	240.5	+ 20.9	5.1	4.9	+ 0.3
1954 .....	625.9	570.6	+ 55.3	203.2	269.9	- 66.7	411.1	290.1	+ 121.0	11.6	10.6	+ 1.0
1955 .....	902.4	921.5	- 19.0	164.0	334.5	- 170.5	719.9	573.5	+ 146.5	18.5	13.5	+ 5.0
1956 .....	1,063.7	855.8	+ 207.9	225.0	219.3	+ 5.7	815.2	618.9	+ 196.4	23.5	17.6	+ 5.9

Prior to 1953, figures include unspecified bonds and debentures and sales to non-residents of new domestic issues floated in Canada but exclude short-term securities. A dash (-) means "nil" or less than \$50,000.

TABLE 5D. Sales and Purchases of United States Securities Between Canada and Other Countries, 1947-1956  
(Millions of dollars)

Year	Total United States Securities			Government Bonds			Other Bonds			Stocks		
	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -
1947 .....	43.9	49.1	- 5.2	9.3	12.1	- 2.8	3.9	3.8	+ 0.1	30.7	33.2	- 2.5
1948 .....	56.9	68.8	- 11.9	13.7	17.1	- 3.4	4.8	3.2	+ 1.6	38.3	48.6	- 10.3
1949 .....	63.5	54.9	+ 8.6	14.4	21.1	- 6.7	2.9	2.1	+ 0.8	46.1	31.8	+ 14.3
1950 .....	101.1	62.0	+ 39.1	16.5	15.3	+ 1.2	4.7	1.8	+ 2.9	79.8	44.9	+ 34.9
1951 .....	101.7	86.1	+ 15.6	15.1	13.9	+ 1.2	2.1	3.0	- 0.9	84.1	68.7	+ 15.4
1952 .....	72.9	69.8	+ 3.1	2.5	6.6	- 4.1	1.3	1.2	+ 0.1	68.5	61.8	+ 6.7
1953 .....	108.0	90.1	+ 17.9	10.2	11.5	- 1.3	12.8	2.9	+ 9.9	85.0	75.6	+ 9.4
1954 .....	166.4	154.0	+ 12.4	7.3	6.7	+ 0.6	6.7	2.1	+ 4.6	152.4	145.2	+ 7.2
1955 .....	233.9	206.9	+ 27.1	8.1	9.0	- 0.8	5.5	3.3	+ 2.2	220.3	194.6	+ 25.7
1956 .....	225.7	201.8	+ 24.0	9.3	7.0	+ 2.3	5.8	5.0	+ 0.8	210.6	189.8	+ 20.9

Prior to 1953, figures include purchases from non-residents of new issues floated abroad, and totals include small amounts of other United States securities.

TABLE 6.

**Domestic Government Bonds**  
(Wednesday nearest middle of month)

**Stock Prices**  
(1935-1939 = 100)

**Exchange Rate**

Year and Month	Canada 2½% due June 15, 1967-68		United States 2½% due Dec. 15, 1963-68		United Kingdom 3% due April 15, 1959-69		Canada (Dominion Bureau of Statistics)		United States Standard and Poor's Composite Stock Index of Industrials, Railroads and Utilities	United States dollar in Canada (noon average in cents)
	Price	Yield	Price	Yield	Price	Yield	Investors' Price Index (Industrials Utilities Banks)	Composite Mining Index		
1951 - March .....	93.75	3.23	99.66	2.52	96.62	3.25	162.9	100.3	170.3	104.73
June .....	93.87	3.22	97.31	2.69	93.16	3.52	160.7	90.6	171.7	106.94
September .....	93.87	3.23	99.22	2.56	93.28	3.52	179.8	104.0	187.3	105.56
December .....	90.87	3.48	97.47	2.69	87.28	4.03	177.3	103.4	182.5	102.56
1952 - March .....	90.50	3.52	97.19	2.71	84.28	4.31	177.6	102.7	185.2	99.59
June .....	90.87	3.50	99.37	2.55	82.84	4.46	171.6	102.0	187.6	97.92
September .....	89.50	3.63	97.50	2.69	87.12	4.08	171.6	106.6	188.2	95.98
December .....	90.00	3.60	97.31	2.71	86.22	4.17	168.4	103.4	197.0	97.06
1953 - March .....	89.50	3.65	95.69	2.84	88.59	3.97	170.0	101.7	198.0	98.33
June .....	89.00	3.71	92.56	3.11	90.22	3.83	156.8	90.2	182.8	99.44
September .....	88.62	3.76	94.12	2.98	90.81	3.79	152.9	85.0	179.2	98.43
December .....	90.12	3.63	97.75	2.68	91.62	3.72	153.6	79.9	190.7	97.31
1954 - March .....	94.37	3.25	100.69	2.42	93.31	3.58	165.0	84.3	204.9	97.08
June .....	96.12	3.09	100.53	2.44	95.25	3.41	180.5	90.0	221.8	98.13
September .....	97.75	2.95	100.44	2.45	97.00	3.26	189.5	96.4	238.5	96.97
December .....	97.75	2.95	99.72	2.52	96.69	3.29	206.8	100.9	264.5	96.80
1955 - March .....	99.00	2.84	98.25	2.65	91.00	3.83	213.7	105.7	277.5	98.43
June .....	98.75	2.87	97.25	2.75	86.94	4.31	237.1	121.5	300.7	98.44
September .....	96.50	3.08	95.59	2.90	80.00	5.05	255.9	129.0	323.2	98.78
December .....	93.25	3.42	96.16	2.86	82.37	4.80	247.6	121.4	327.0	99.95
1956 - January .....	94.50	3.29	96.34	2.84	80.97	4.98	248.5	125.2	322.9	99.87
February .....	95.00	3.24	96.94	2.79	78.38	5.30	249.2	125.1	324.4	99.91
March .....	94.50	3.30	96.00	2.88	78.63	5.28	267.9	134.4	346.7	99.87
April .....	92.75	3.49	93.47	3.13	80.22	5.10	273.0	136.8	351.1	99.68
May .....	92.50	3.52	94.84	2.99	80.12	5.12	268.5	136.5	344.2	99.18
June .....	93.63	3.40	95.88	2.90	78.63	5.32	267.0	136.4	340.5	98.53
July .....	93.25	3.45	94.31	3.05	77.97	5.41	282.4	144.0	356.5	98.18
August .....	90.00	3.81	92.84	3.21	77.13	5.54	291.8	147.1	357.3	98.12
September .....	90.00	3.81	91.69	3.33	77.66	5.48	278.9	137.4	343.6	97.77
October .....	89.50	3.88	92.75	3.22	78.59	5.37	270.3	133.5	336.8	97.32
November .....	89.00	3.94	91.69	3.34	78.00	5.46	262.3	127.4	334.3	96.44
December .....	88.50	4.01	91.28	3.39	77.91	5.49	267.8	129.4	339.6	96.05



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