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SALES AND PURCHASES OF SECURITIES  
BETWEEN CANADA AND OTHER COUNTRIES

During the month of July, trade in outstanding securities between Canada and other countries led to a sales balance of more than \$27 million. Perhaps the outstanding feature of this sizeable capital import was that it originated, on balance, entirely from overseas countries. Net sales to the United Kingdom amounted to \$18 million, or more than for the whole year 1955. Net sales to other overseas countries totalled \$9 million.

The sales balance on account of trade in outstanding Canadian securities with all countries amounted to \$30 million, reflecting net sales of \$36 million of Canadian common and preference stocks offset by some net repurchases of Canadian bonds and debentures. The net acquisitions of Canadian stocks by residents of the United States amounted to \$13 million, those by residents of the United Kingdom to \$17 million and those by other overseas countries to \$6 million.

Trading in outstanding foreign securities led to net purchases or a capital export of \$3 million, representing for the most part the net acquisition by Canadians of stocks of United States corporations.

For the seven months ending in July 1956, Canadians sold abroad, net, more than \$156 million of outstanding Canadian securities, but purchased, net, some \$8 million of foreign securities. The net sales included \$129 million of Canadian stocks and \$23 million of Government of Canada direct issues. By areas, the net movements were \$60 million from the United States, \$43 million from the United Kingdom and \$45 million from other overseas countries.

The large inflows of capital arising from trade in outstanding securities were supplemented by the proceeds of net new issues sold to non-residents, details of which appeared in the last report in this series. In addition to these inflows of capital from portfolio security transactions there were other important movements, in particular, net transfers to Canada for direct investment in foreign controlled enterprises amounting to \$250 million in the first half of 1956, which served to finance the extraordinarily heavy Canadian demands for goods and services from the rest of the world. These transactions are covered in the D.B.S. reports "Quarterly Estimates of the Canadian Balance of International Payments".

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.

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. -
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 ( 7 months) .....	806.5	658.4	+148.0	623.8	564.1	+59.7	80.5	37.6	+42.9	102.1	56.7	+45.4
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	90.7	+ 5.3	79.6	81.2	- 1.6	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	91.9	+ 5.2	70.7	77.6	- 6.9	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 .....												
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
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 ( 7 months).....	+156.5	+71.9	+40.1	+44.5	- 8.4	-12.2	+ 2.9	+ 0.9
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 .....	+21.5	+15.0	+ 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 .....	- 0.3	-11.4	+ 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 .....								
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)

July, 1956	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Total .....	111,434	84,020	72,730	72,841	23,448	4,815	15,256	6,364
Canadian Securities, Total .....	92,306	61,880	56,881	52,526	20,592	3,338	14,833	6,016
Bonds and Debentures .....	15,444	20,759	9,797	18,609	1,291	840	4,356	1,310
Common and Preference Stocks .....	75,478	39,864	45,710	32,670	19,291	2,488	10,477	4,706
Other Securities .....	1,384	1,257	1,374	1,247	10	10	-	-
Foreign Securities, Total .....	19,128	22,140	15,849	20,315	2,856	1,477	423	348
United States Issues:								
Bonds and Debentures .....	905	770	786	692	90	22	29	56
Common and Preference Stocks .....	14,997	19,583	14,722	19,308	13	11	262	264
United Kingdom Issues:								
Bonds and Debentures .....	1,258	1,016	3	-	1,255	1,015	-	1
Common and Preference Stocks .....	438	281	142	98	296	183	-	-
Other Foreign Countries Issues:								
Bonds and Debentures .....	145	95	64	94	-	-	81	1
Common and Preference Stocks .....	1	-	1	-	-	-	-	-
All Other Foreign Securities .....	1,384	395	131	123	1,202	246	51	26
<b>Analysis of Bonds and Debentures</b>								
Canadian Issues:								
Government of Canada - Direct .....	7,710	5,649	3,122	4,587	1,109	630	3,479	432
Government of Canada - Guaranteed .....	142	4,747	42	4,705	-	-	100	42
Provincial .....	3,861	4,922	3,700	4,834	14	60	147	28
Municipal .....	136	2,054	136	2,045	-	4	-	5
Railway, not guaranteed by Government .....	263	126	245	33	-	18	18	75
Other Corporations .....	3,332	3,261	2,552	2,405	168	128	612	728
United States Issues:								
Government .....	469	263	468	231	1	22	-	10
Other .....	436	507	318	461	89	-	29	46
United Kingdom Issues:								
Government .....	1,220	1,015	-	-	1,220	1,015	-	-
Other .....	38	1	3	-	35	-	-	1







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