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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIESSecurity Transactions - Third Quarter, 1956

Transactions in Canadian securities during the third quarter of 1956 led to a capital inflow of \$245 million, bringing the nine-month total to a record \$554 million. The quarterly inflows in both the second and third quarters were exceeded only in the third quarter of 1950. The movement included \$69 million from the net sale of Canadian stocks and bonds and \$200 million from the sale to non-residents of new issues less \$24 million of Canadian securities owned by non-residents which were retired.

Net sales to non-residents of outstanding Canadian stocks reached a new level of \$77 million in the third quarter, rising by \$15 million over the previous record established in the second quarter. While the balance of \$25 million with the United States was some \$10 million below the second quarter total, the balance with the United Kingdom more than doubled, reaching an impressive \$34 million, while transactions with other overseas countries also led to a sharply increased inflow of \$18 million. Net sales for nine months totalled \$171 million, comprising \$84 million to the United States, \$52 million to the United Kingdom, and \$35 million to other countries. Trading in other outstanding Canadian securities, mainly bonds and debentures, led to net repurchases during the quarter of \$8 million, net sales of \$3 million and \$5 million to the United Kingdom and to other overseas countries having partly offset net repurchases of \$16 million from the United States.

Figures and comments covering new issues and retirements of Canadian securities appear on page 8.

Transactions in foreign securities led to a small capital inflow of \$5 million during the quarter. Canadians sold on balance \$9 million of outstanding issues but purchased \$4 million of new issues.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1955		1956p		
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
(MILLIONS OF DOLLARS)					
Canadian securities					
Outstanding issues - Stocks	+ 25	+ 13	+ 32	+ 62	+ 77
- Bonds, etc.	- 46	+ 15	+ 46	- 14	- 8
New issues	+ 16	+ 12	+ 106	+ 172	+ 200
Retirements	- 18	- 19	- 69	- 26	- 24
Foreign securities					
Outstanding	+ 4	+ 8	- 16	+ 11	+ 9
New issues	- 4	- 22	- 1	- 5	- 4
Retirements	+ 14	-	-	-	-
Total - all securities	- 9	+ 7	+ 98	+ 200	+ 250

p. - preliminary

Trade in Outstanding Securities - September, 1956

The net capital inflow from trade in all outstanding securities during September was \$23.5 million, compared with \$27.7 million in August. Sales of Canadian securities were somewhat higher than in August, but there was a sharp reduction in net sales by Canadians of United States stocks.

Statistics on pages 2 to 7 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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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 (9 months)	1022.4	823.2	+199.2	781.4	705.5	+75.9	112.9	49.5	+63.4	128.0	68.1	+59.9
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	121.5	93.9	+ 27.7	91.1	81.8	+ 9.3	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												
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 (9 months)	+194.7	+75.7	+60.2	+58.7	+ 4.5	+ 0.2	+ 3.2	+ 1.2
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	+ 18.3	+ 0.3	+ 9.6	+ 8.4	+ 9.3	+ 9.0	+ 0.1	+ 0.2
September	+ 19.8	+ 3.6	+10.5	+ 5.8	+ 3.7	+ 3.4	+ 0.2	+ 0.1
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)

September, 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	94,365	70,849	66,482	59,540	16,476	5,725	11,407	5,584
Canadian Securities, Total	77,114	57,292	49,822	46,267	16,050	5,542	11,242	5,483
Bonds and Debentures	15,780	16,127	8,419	10,522	4,109	2,971	3,252	2,634
Common and Preference Stocks	60,546	40,902	41,273	35,602	11,353	2,481	7,920	2,819
Other Securities	788	263	130	143	588	90	70	30
Foreign Securities, Total	17,251	13,557	16,660	13,273	426	183	165	101
United States Issues:								
Bonds and Debentures	1,533	497	1,533	497	-	-	-	-
Common and Preference Stocks	14,814	12,805	14,632	12,671	40	33	142	101
United Kingdom Issues:								
Bonds and Debentures	9	54	2	10	7	44	-	-
Common and Preference Stocks	402	120	30	29	372	91	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	70	20	40	5	7	15	23	-
Common and Preference Stocks	285	-	285	-	-	-	-	-
All Other Foreign Securities	138	61	138	61	-	-	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	10,650	9,428	6,688	5,291	2,258	2,234	1,704	1,903
Government of Canada - Guaranteed	110	2,269	81	2,162	5	48	24	59
Provincial	1,184	1,047	146	864	972	44	66	139
Municipal	174	200	71	198	99	2	4	-
Railway, not guaranteed by Government	187	276	146	213	13	27	28	36
Other Corporations	3,475	2,907	1,287	1,794	762	616	1,426	497
United States Issues:								
Government	844	309	844	309	-	-	-	-
Other	689	188	689	188	-	-	-	-
United Kingdom Issues:								
Government	7	40	-	-	7	40	-	-
Other	2	14	2	10	-	4	-	-

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

(Millions of dollars)

Nine months ending September, 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. -
Total	1,022.4	823.2	+199.2	781.4	705.5	+ 75.9	112.9	49.5	+ 63.4	128.0	68.1	+ 59.9
Canadian Securities, Total	839.2	644.6	+194.7	611.1	535.4	+ 75.7	104.4	44.2	+ 60.2	123.7	65.0	+ 58.7
Bonds and Debentures	164.7	146.2	+ 18.5	105.1	115.3	- 10.2	16.5	11.3	+ 5.2	43.1	19.6	+ 23.5
Common and Preference Stocks	653.7	482.6	+171.1	490.1	406.2	+ 83.9	83.6	31.2	+ 52.4	79.9	45.1	+ 34.8
Other Securities	20.8	15.7	+ 5.0	15.9	13.8	+ 2.1	4.2	1.6	+ 2.6	0.6	0.3	+ 0.4
Foreign Securities, Total	183.2	178.7	+ 4.5	170.3	170.1	+ 0.2	8.5	5.4	+ 3.2	4.4	3.2	+ 1.2
United States Issues:												
Bonds and Debentures	11.7	9.0	+ 2.6	11.5	8.8	+ 2.7	0.1	0.1	+ 0.1	-	0.1	- 0.1
Common and Preference Stocks	155.1	159.1	- 4.0	153.2	156.2	- 3.0	0.6	0.4	+ 0.1	1.4	2.5	- 1.1
United Kingdom Issues:												
Bonds and Debentures	3.0	2.8	+ 0.2	0.5	0.8	- 0.3	2.5	1.8	+ 0.7	-	0.2	- 0.2
Common and Preference Stocks	5.8	2.7	+ 3.1	2.3	0.7	+ 1.6	3.4	2.0	+ 1.5	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	2.8	3.6	- 0.8	1.3	3.1	- 1.8	0.6	0.3	+ 0.3	0.9	0.2	+ 0.7
Common and Preference Stocks	3.1	0.2	+ 2.9	1.1	0.1	+ 1.0	0.1	0.1	-	1.9	-	+ 1.9
All Other Foreign Securities	1.8	1.2	+ 0.6	0.5	0.4	-	1.2	0.7	+ 0.5	0.1	0.1	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	98.4	77.8	+ 20.6	57.0	57.0	-	10.6	7.3	+ 3.3	30.8	13.5	+ 17.3
Government of Canada - Guaranteed	6.1	9.9	- 3.9	5.1	9.6	- 4.5	0.4	0.1	+ 0.3	0.6	0.2	+ 0.4
Provincial	16.2	21.8	- 5.7	12.3	20.7	- 8.4	2.4	0.4	+ 2.0	1.4	0.7	+ 0.7
Municipal	7.0	5.1	+ 1.9	6.7	4.8	+ 1.9	0.2	0.1	+ 0.1	0.1	0.1	-
Railway, not guaranteed by Government	2.5	2.2	+ 0.3	2.1	1.5	+ 0.7	-	0.4	- 0.4	0.3	0.3	-
Other Corporations	34.6	29.3	+ 5.3	21.9	21.7	+ 0.1	2.8	2.9	-	9.9	4.7	+ 5.2
United States Issues:												
Government	6.5	4.6	+ 1.9	6.5	4.5	+ 2.0	-	0.1	- 0.1	-	-	-
Other	5.2	4.4	+ 0.7	5.0	4.3	+ 0.7	0.2	-	+ 0.1	-	0.1	- 0.1
United Kingdom Issues:												
Government	2.4	2.0	+ 0.4	-	0.1	-	2.4	1.8	+ 0.6	-	0.2	- 0.2
Other	0.6	0.8	- 0.2	0.5	0.7	- 0.3	0.2	-	+ 0.1	-	-	-

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. -
1954 – 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	18.9	-11.3	5.0	17.4	-12.4	69.7	43.9	+25.8	58.3	36.4	+21.9
	15.8	29.7	-13.8	10.1	26.7	-16.6	55.3	47.8	+ 7.5	41.3	38.4	+ 2.8
	9.3	36.0	-26.7	5.8	29.0	-23.2	84.9	60.4	+24.6	70.0	50.0	+20.0
July	18.4	54.8	-36.4	14.4	46.2	-31.8	65.7	48.6	+17.1	50.6	40.7	+ 9.8
	13.3	26.8	-13.5	9.8	21.0	-11.2	57.2	56.5	+ 0.7	42.6	46.2	- 3.6
	20.8	18.8	+ 1.9	14.9	16.8	- 1.9	65.2	58.2	+ 7.0	54.0	51.0	+ 3.1
	13.6	6.8	+ 6.8	7.9	4.2	+ 3.7	49.4	49.7	- 0.3	39.4	41.3	- 1.9
	12.9	15.7	- 2.8	10.2	10.0	+ 0.3	48.9	41.1	+ 7.8	36.2	34.8	+ 1.4
	22.7	13.4	+ 9.3	19.2	9.3	+ 9.9	50.9	45.9	+ 5.0	40.5	34.3	+ 6.2
1956 – January	29.3	6.7	+22.6	23.2	5.6	+17.6	50.3	51.2	- 0.9	41.4	43.8	- 2.4
	16.5	5.2	+11.3	9.1	3.3	+ 5.8	58.1	47.1	+11.0	48.7	39.8	+ 8.9
	24.4	12.7	+11.6	17.5	7.7	+ 9.8	80.0	58.7	+21.3	64.4	47.5	+16.9
	22.7	26.1	- 3.4	11.4	20.6	- 9.3	89.8	69.1	+20.6	70.2	58.4	+11.8
	16.1	13.4	+ 2.7	12.1	11.3	+ 0.8	98.6	72.1	+26.5	78.2	60.8	+17.4
	12.6	28.7	-16.1	5.8	23.4	-17.6	61.4	46.4	+15.0	44.4	38.5	+ 5.9
July	15.4	20.8	- 5.3	9.8	18.6	- 8.8	75.5	39.9	+35.6	45.7	32.7	+13.0
	11.9	16.4	- 4.5	7.8	14.1	- 6.4	79.5	57.2	+22.3	55.9	49.2	+ 6.7
	15.8	16.1	- 0.3	8.4	10.5	- 2.1	60.5	40.9	+19.6	41.3	35.6	+ 5.7
	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



1010510240

- 8 -

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

	1955				1956		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
(Millions of dollars)							
Bonds and debentures:							
Government of Canada, direct	-	-	5	-	-	-	8
Government of Canada, guaranteed	-	-	-	-	-	-	-
Provincial government (incl. guar.) ..	2	-	1	-	89	57	56
Municipal government	39	2	1	2	4	34	56
Railways, not guaranteed by government	-	-	-	-	-	-	-
Other corporations	24	14	5	5	8	47	62
Sub-total, Bonds and debentures	65	16	12	7	101	138	182
Common and preference stock	44	13	4	5	5	34	18
Total	109	29	16	12	106	172	200

The proceeds of new issues sold to non-residents during the third quarter were the highest since quarterly series were commenced in 1950. Residents of the United States bought about 85 per cent of the total. Approximately 70 per cent of the new bonds and debentures sold to non-residents during the quarter were payable solely or optionally in foreign currencies.

Retirements of Canadian Securities held by Non-Residents

	1955				1956		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
(Millions of dollars)							
Bonds and debentures:							
Government of Canada, direct	52	1	1	-	28	2	19
Government of Canada, guaranteed	16	30	-	-	32	-	-
Provincial government (incl. guar.) ..	8	4	5	2	3	5	2
Municipal government	2	7	1	9	2	3	1
Railways, not guaranteed by government	1	1	-	1	2	-	-
Other corporations	6	18	8	5	2	13	2
Sub-total, Bonds and debentures	85	61	15	17	69	23	24
Common and preference stock	-	1	3	2	-	3	-
Total	85	62	18	19	69	26	24

Practically all the securities owned by non-residents which were retired during the third quarter were held by United States investors. Approximately one third of the bonds and debentures retired were payable solely or optionally in foreign currencies.