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SALES AND PURCHASES OF SECURITIES

BETWEEN CANADA AND OTHER COUNTRIES

Security Transactions - First Quarter, 1958

The inflow of capital into Canada arising from portfolio security transactions during the first quarter of 1958 amounted to \$153 million. This level was far above the figure of \$45 million in the final quarter of 1957, but fell well short of both the inflow of \$235 million in the first quarter of that year and the quarterly average of \$183 million over 1957 as a whole. Nine-tenths of the net movement in the quarter just ended was from the United States.

The proceeds of new Canadian issues sold abroad, timed on the basis of delivery contracts, totalled \$164 million. Retirements of foreign-held Canadian securities amounted to \$16 million, the lowest figure recorded in any quarter since 1953. These transactions, classified by type of debtor, are shown in detail on the final page of this bulletin.

Trade in outstanding Canadian issues led to repurchases or a net capital outflow of \$3 million. Details appear in Table 4.

Transactions in foreign securities resulted in net sales or a capital inflow of \$8 million. About \$10 million arose from the resale of outstanding issues, mainly of United States origin, as shown in Table 4. Canadians acquired \$3 million of foreign securities through the purchase of new issues, but holdings were reduced by retirements of \$1 million of Canadian-held foreign issues.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1957 p				1958 p
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Canadian securities					
Outstanding issues- Bonds, etc.	- 8	- 1	- 14	- 13	- 1
- Stocks	+ 41	+ 48	+ 44	+ 7	- 2
New issues	+ 258	+ 293	+ 140	+ 71	+ 164
Retirements	- 42	- 40	- 44	- 26	- 16
Foreign securities					
Outstanding issues	- 11	+ 17	+ 16	+ 10	+ 10
New issues	- 4	- 3	- 8	- 6	- 3
Retirements	+ 1	+ 2	+ 1	+ 2	+ 1
Total - all securities	+ 235	+ 316	+ 135	+ 45	+ 153

p - preliminary

Trade in Outstanding Securities - March, 1958

Trade in outstanding securities led to a small capital outflow of \$0.8 million, in contrast to inflows aggregating \$6.6 million over the first two months of the year. A repurchase balance of \$2.7 million occurred with the United States but there were net sales balances of \$0.6 million and \$1.3 million with the United Kingdom and with other overseas countries respectively.

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.
7503-504-38

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.-
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
1957 Total (12 months)	1084.1	943.8	+ 140.4	730.5	749.9	- 19.4	194.5	105.8	+ 88.8	159.1	88.1	+ 71.0
1958 Total (3 months)	151.5	145.8	+ 5.8	108.7	103.1	+ 5.6	22.3	25.7	- 3.3	20.5	16.9	+ 3.5
1957 - January	87.3	81.7	+ 5.5	57.0	69.8	- 12.7	18.9	4.9	+ 14.0	11.3	7.1	+ 4.3
February	84.2	71.8	+ 12.4	56.1	58.8	- 2.6	14.0	6.4	+ 7.6	14.0	6.7	+ 7.4
March	84.4	78.2	+ 6.3	56.6	60.5	- 3.8	15.9	8.5	+ 7.4	11.9	9.2	+ 2.7
April	108.0	86.1	+ 21.9	71.5	69.6	+ 2.0	20.8	7.0	+ 13.9	15.6	9.5	+ 6.1
May	154.9	115.0	+ 39.8	102.4	91.1	+ 11.2	31.5	13.9	+ 17.6	21.0	10.0	+ 11.0
June	108.6	107.3	+ 1.3	72.0	87.7	- 15.7	22.1	10.3	+ 11.8	14.5	9.2	+ 5.3
July	113.1	83.6	+ 29.6	70.2	63.2	+ 7.1	23.5	13.2	+ 10.3	19.4	7.2	+ 12.2
August	88.5	63.0	+ 25.5	58.4	48.6	+ 9.8	14.6	7.6	+ 7.0	15.5	6.8	+ 8.7
September	61.9	69.1	- 7.2	44.0	51.4	- 7.4	7.7	12.3	- 4.5	10.1	5.4	+ 4.7
October	85.7	67.2	+ 18.5	62.7	51.7	+ 10.9	10.1	9.4	+ 0.7	13.0	6.1	+ 6.9
November	52.6	69.9	- 17.3	36.7	59.5	- 22.8	9.1	5.6	+ 3.5	6.8	4.7	+ 2.0
December	55.0	50.9	+ 4.1	42.8	38.1	+ 4.7	6.2	6.6	- 0.4	6.0	6.2	- 0.2
1958 - January	49.8	45.6	+ 4.2	38.0	33.3	+ 4.7	6.1	7.0	- 0.9	5.7	5.2	+ 0.4
February	49.6	47.2	+ 2.4	37.5	33.8	+ 3.6	4.6	7.7	- 3.0	7.5	5.7	+ 1.8
March	52.1	53.0	- 0.8	33.3	36.0	- 2.7	11.6	11.0	+ 0.6	7.3	6.0	+ 1.3
July												
August												
September												
October												
November												
December												

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

**TABLE 2. Summary of Trade in Canadian and Foreign Securities between
Canada and Other Countries**
(Millions of dollars)

Year and Month	Net Sales (+) or Purchases (-)							
	Canadian Securities				Foreign Securities			
	Total	United States	United Kingdom	Other Countries	Total	United States	United Kingdom	Other Countries
1956 Total (12 months)	+ 207.9	+ 42.0	+ 83.0	+ 82.9	+ 28.2	+ 22.5	+ 3.8	+ 1.9
1957 Total (12 months)	+ 108.5	- 49.7	+ 86.8	+ 71.4	+ 31.9	+ 30.3	+ 2.0	- 0.4
1958 Total (3months)	- 4.1	- 3.6	- 4.0	+ 3.4	+ 9.9	+ 9.1	+ 0.6	+ 0.1
1957 - January	+ 12.8	- 5.1	+ 13.6	+ 4.4	- 7.3	- 7.6	+ 0.4	- 0.1
February	+ 12.0	- 3.2	+ 7.6	+ 7.6	+ 0.4	+ 0.6	-	- 0.2
March	+ 10.7	+ 0.5	+ 7.1	+ 3.0	- 4.5	- 4.4	+ 0.2	- 0.3
April	+ 18.6	- 0.9	+ 13.6	+ 5.9	+ 3.3	+ 2.9	+ 0.3	+ 0.1
May	+ 25.9	- 3.1	+ 18.2	+ 10.8	+ 13.9	+ 14.4	- 0.5	+ 0.1
June	+ 2.1	- 15.4	+ 12.0	+ 5.4	- 0.8	- 0.4	- 0.3	- 0.1
July	+ 26.6	+ 4.4	+ 10.4	+ 11.9	+ 2.9	+ 2.7	- 0.1	+ 0.3
August	+ 16.4	+ 1.9	+ 6.2	+ 8.3	+ 9.1	+ 7.9	+ 0.8	+ 0.4
September.....	- 11.6	- 11.2	- 5.1	+ 4.7	+ 4.4	+ 3.8	+ 0.5	+ 0.1
October	+ 7.0	-	+ 0.2	+ 6.8	+ 11.5	+ 10.9	+ 0.5	+ 0.1
November	- 7.0	- 12.2	+ 3.2	+ 2.0	- 10.3	- 10.6	+ 0.2	-
December	- 5.0	- 5.3	- 0.3	+ 0.5	+ 9.2	+ 10.0	- 0.1	- 0.7
1958 - January	+ 0.7	+ 1.2	- 0.9	+ 0.4	+ 3.5	+ 3.5	-	-
February	- 2.6	- 0.7	- 3.6	+ 1.8	+ 5.0	+ 4.3	+ 0.6	-
March	- 2.2	- 4.0	+ 0.6	+ 1.2	+ 1.4	+ 1.3	-	+ 0.1
April								
May								
June								
July								
August								
September								
October								
November								
December								

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

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

(Thousands of dollars)

March, 1958	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Total	52,149	52,954	33,261	35,952	11,566	10,983	7,322	6,019
Canadian Securities, Total	42,418	44,669	23,990	28,024	11,260	10,682	7,168	5,963
Bonds and Debentures	17,171	19,223	5,766	10,808	7,919	6,630	3,486	1,785
Common and Preference Stocks	25,211	25,342	18,194	17,158	3,335	4,006	3,682	4,178
Other Securities	36	104	30	58	6	46	-	-
Foreign Securities, Total	9,731	8,285	9,271	7,928	306	301	154	56
United States Issues:								
Bonds and Debentures	1,119	2,182	1,114	2,182	2	-	3	-
Common and Preference Stocks	8,117	5,529	8,083	5,478	-	-	34	51
United Kingdom Issues:								
Bonds and Debentures	41	256	-	240	41	16	-	4
Common and Preference Stocks	267	249	17	8	250	241	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	180	66	53	20	10	44	117	2
Common and Preference Stocks	4	2	1	-	3	-	-	2
All Other Foreign Securities	3	1	3	-	-	-	-	1
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	8,109	8,146	1,430	2,678	5,343	4,876	1,336	592
Government of Canada - Guaranteed	1,957	1,778	678	1,663	887	14	392	101
Provincial	1,785	5,883	857	4,638	893	1,212	35	33
Municipal	409	350	343	235	40	111	26	4
Railway, not guaranteed by Government	188	191	35	149	72	10	81	32
Other Corporations	4,723	2,875	2,423	1,445	684	407	1,616	1,023
United States Issues:								
Government	369	166	369	166	-	-	-	-
Other	750	2,016	745	2,016	2	-	3	-
United Kingdom Issues:								
Government	30	16	-	-	30	16	-	-
Other	11	240	-	240	11	-	-	-

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

(Millions of dollars)

Three months ending March, 1958	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	151.5	145.8	+ 5.8	108.7	103.1	+ 5.6	22.3	25.7	- 3.3	20.5	16.9	+ 3.5
Canadian Securities, Total	114.5	118.7	- 4.1	73.7	77.2	- 3.6	20.7	24.7	- 4.0	20.1	16.7	+ 3.4
Bonds and Debentures	44.6	46.0	- 1.4	23.1	28.4	- 5.3	11.6	11.7	- 0.1	9.9	5.9	+ 4.0
Common and Preference Stocks	69.5	72.4	- 2.8	50.3	48.7	+ 1.6	9.0	12.9	- 3.9	10.2	10.7	- 0.5
Other Securities	0.4	0.3	+ 0.1	0.2	0.1	+ 0.1	0.2	0.1	+ 0.1	-	0.1	-
Foreign Securities, Total	37.0	27.1	+ 9.9	35.0	25.9	+ 9.1	1.6	1.0	+ 0.6	0.3	0.2	+ 0.1
United States Issues:												
Bonds and Debentures	10.7	7.2	+ 3.4	9.9	7.2	+ 2.7	0.7	-	+ 0.7	-	-	-
Common and Preference Stocks	25.0	17.5	+ 7.5	24.9	17.3	+ 7.6	-	-	-	0.1	0.2	- 0.1
United Kingdom Issues:												
Bonds and Debentures	0.3	0.8	- 0.6	-	0.7	- 0.7	0.2	0.1	+ 0.1	-	-	-
Common and Preference Stocks	0.7	1.0	- 0.3	-	0.3	- 0.3	0.7	0.8	- 0.1	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	0.3	0.4	- 0.1	0.1	0.3	- 0.2	-	-	-	0.2	-	+ 0.2
Common and Preference Stocks	-	-	-	-	-	-	-	-	-	-	-	-
All Other Foreign Securities	-	-	-	-	-	-	-	-	-	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	16.2	17.2	- 1.0	5.9	8.5	- 2.6	6.0	6.0	-	4.2	2.7	+ 1.5
Government of Canada - Guaranteed	6.0	6.1	- 0.1	3.9	4.9	- 1.0	1.2	0.9	+ 0.4	0.9	0.3	+ 0.6
Provincial	3.6	10.2	- 6.6	1.7	7.0	- 5.4	1.5	2.7	- 1.2	0.4	0.5	- 0.1
Municipal	1.5	1.1	+ 0.4	1.0	0.8	+ 0.3	0.2	0.3	- 0.1	0.3	-	+ 0.2
Railway, not guaranteed by Government	0.8	1.3	- 0.5	0.2	0.8	- 0.6	0.2	0.2	-	0.4	0.2	+ 0.1
Other Corporations	16.6	10.2	+ 6.3	10.4	6.4	+ 4.0	2.4	1.6	+ 0.8	3.8	2.2	+ 1.6
United States Issues:												
Government	5.2	3.4	+ 1.8	4.5	3.4	+ 1.1	0.7	-	+ 0.7	-	-	-
Other	5.5	3.8	+ 1.6	5.5	3.8	+ 1.6	-	-	-	-	-	-
United Kingdom Issues:												
Government	0.2	0.1	+ 0.1	-	-	-	0.2	0.1	+ 0.1	-	-	-
Other	0.1	0.7	- 0.6	-	0.7	- 0.7	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. -	
1956 – 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	
	August	11.9	16.4	- 4.5	7.8	14.1	- 6.4	79.5	57.2	+22.3	55.9	49.2	+ 6.7
	September	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	24.6	12.0	+12.6	16.7	9.3	+ 7.4	57.4	47.1	+10.3	37.4	41.7	- 4.3
	November	22.3	19.3	+ 3.0	14.6	15.0	- 0.5	52.4	43.3	+ 9.1	34.8	34.1	+ 0.7
	December	13.4	41.8	-28.4	5.9	38.7	-32.8	51.8	42.4	+ 9.4	35.6	36.4	- 0.8
1957 – January	12.0	11.9	+ 0.1	7.4	8.8	- 1.5	60.8	48.2	+12.6	36.7	40.4	- 3.7	
	February	18.1	21.8	- 3.7	7.5	17.3	- 9.9	52.9	37.6	+15.3	37.4	30.7	+ 6.7
	March	13.9	17.5	- 3.6	6.8	10.6	- 3.9	59.5	44.4	+15.1	40.3	35.1	+ 5.3
	April	17.1	15.4	+ 1.7	9.5	10.0	- 0.4	75.2	59.0	+16.2	47.9	48.7	- 0.8
	May	19.2	17.9	+ 1.3	9.7	10.4	- 0.7	101.4	77.3	+24.1	62.5	63.9	- 1.3
	June	15.4	21.7	- 6.4	10.4	18.3	- 7.9	72.8	65.1	+ 7.7	43.0	50.9	- 7.9
1957 – July	16.9	11.2	+ 5.7	10.3	7.2	+ 3.1	73.4	53.4	+20.0	39.5	38.9	+ 0.6	
	August	9.4	13.6	- 4.2	5.5	10.1	- 4.6	59.8	39.8	+20.0	35.7	29.6	+ 6.0
	September	7.9	23.4	-15.4	4.5	16.8	-12.3	40.9	37.4	+ 3.5	27.7	26.9	+ 0.8
	October	15.3	15.6	- 0.3	5.8	11.9	- 6.0	46.2	39.2	+ 7.0	33.6	28.0	+ 5.6
	November	12.6	20.9	- 8.4	7.2	17.4	-10.2	29.6	28.6	+ 1.0	19.7	22.2	- 2.5
	December	9.9	13.9	- 3.9	4.1	9.5	- 5.4	23.7	24.8	- 1.1	17.9	17.9	-
1958 – January	12.2	10.3	+ 1.9	7.9	6.4	+ 1.5	24.7	26.1	- 1.3	17.9	18.3	- 0.3	
	February	15.2	16.5	- 1.3	9.5	11.2	- 1.7	19.6	20.9	- 1.4	14.2	13.3	+ 0.9
	March	17.2	19.2	- 2.0	5.8	10.8	- 5.0	7.9	6.6	+ 1.3	3.5	1.8	+ 1.7
	April												
	May												
	June												
1958 – July													
	August												
	September												
	October												
	November												
	December												

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

TABLE 6.

Domestic Government Bonds

(Wednesday nearest middle of month)

Stock Prices

(1935-1939 = 100)

Exchange Rate



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

	1956		1957			1958	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
(Millions of dollars)							
Bonds and debentures:							
Government of Canada, direct	8	1	-	-	7	9	-
Government of Canada, guaranteed	-	-	-	-	-	-	8
Provincial government (incl. guaranteed) ...	42	36	64	45	1	25	68
Municipal government	60	15	31	9	63	16	14
Railways, not guaranteed by government	-	-	-	-	-	-	-
Other corporations	52	139	141	215	59	15	65
Sub-total, Bonds and debentures	162	191	236	269	130	65	155
Common and preference stock	16	20	22	24	10	6	9
Total	178	211	258	293	140	71	164

More than 90 per cent of the proceeds of new issues sold abroad came from the United States, and nearly 85 per cent of the total was represented by bonds and debentures payable optionally or solely in foreign currency.

Retirements of Canadian Securities held by Non-Residents

	1956		1957			1958	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
(Millions of dollars)							
Bonds and debentures:							
Government of Canada, direct	19	1	-	2	-	5	-
Government of Canada, guaranteed	-	-	-	-	29	-	-
Provincial government (incl. guaranteed) ...	2	6	4	23	10	5	7
Municipal government	1	12	3	5	2	13	3
Railways, not guaranteed by government	-	-	5	-	-	-	1
Other corporations	2	2	4	10	3	3	5
Sub-total, Bonds and debentures	24	21	16	40	44	26	16
Common and preference stock	-	1	26	-	-	-	-
Total	24	22	42	40	44	26	16

About 90 per cent of the foreign-held securities retired during the quarter were held in the United States, and nearly 45 per cent were payable optionally or solely in foreign currency.