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## SALES AND PURCHASES OF SECURITIES

## BETWEEN CANADA AND OTHER COUNTRIES

Security trading between Canada and other countries during August led to a sales balance or capital import of \$15.6 million, only slightly below the figure of \$15.9 million recorded in July. The inflow of \$31.5 million in the two months is in sharp contrast to the total of \$4.5 million for the first half of the year. More than half the net movement in August, some \$8.9 million, was from the United States, \$2.4 million was from the United Kingdom, and \$4.4 million was from other overseas countries.

Although the overall sales balance was slightly smaller in August than in July, it included a larger amount of outstanding Canadian securities. This total was \$13.2 million, compared with \$10.2 million in July, and it included \$12.4 million of outstanding Canadian common and preferred stock, up from \$5.0 million in the previous month. Trade in outstanding Canadian bonds, debentures, and other securities, on the other hand, led to an inflow of only \$0.8 million, reflecting mainly net sales of corporate issues. A sales balance of \$5.3 million had resulted from transactions in this group of securities in July, but it reflected mainly net sales of Government of Canada direct issues, small repurchases of which occurred in August.

The trade in outstanding foreign issues led to a capital inflow of \$2.4 million in August, compared with \$5.7 million in July. About \$1.8 million of the August movement arose from net sales by Canadians of United States stocks.

Gross sales to non-residents of outstanding Canadian stocks were equivalent to about 22 per cent of the aggregate value of transactions on the three principal stock exchanges in Canada in August; this proportion having arisen from 16 per cent. Common stock prices as measured by the Dominion Bureau of Statistics Investors' Price Index averaged 3.1 per cent higher in August than in July, while stock prices in the United States, as measured by Standard and Poor's composite stock index of industrials, railroads and utilities rose 3.7 per cent.

During the eight months ending August, 1958, transactions in outstanding portfolio securities resulted in a sales balance of \$36 million. This is in sharp contrast to the sales balance of \$142 million recorded for the same period of 1957. The large difference in the balances reflects mainly decreased net sales of Canadian common and preferred stock which fell from \$131 million for the first eight months of 1957 to \$20 million for the corresponding period of 1958. Inflows of \$27 million, \$2.5 million and \$6.5 million were recorded from the United States, United Kingdom and other overseas countries respectively, covering net sales of outstanding Canadian and foreign securities during the first eight months of 1958.

Statistics in this bulletin cover transactions in outstanding securities reported by investment firms, stock exchanges, and other security dealers in Canada. Not included are sales of new issues and retirements of called or matured securities, security transactions of a short-term character analogous to changes in bank balances, and some transactions by other than reporting agencies. More complete statistics of capital movements will be found in the annual and quarterly reports on the Canadian Balance of International Payments.

Prepared in the Balance of Payments Section, International Trade Division.  
7503-504-88

**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 ( 8 months) .....	490.6	454.5	+ 36.1	362.5	335.5	+ 27.0	63.8	61.3	+ 2.5	64.2	57.7	+ 6.5
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 .....	52.5	53.0	- 0.4	33.6	36.0	- 2.3	11.6	11.0	+ 0.6	7.3	6.0	+ 1.3
April .....	55.9	60.3	- 4.4	40.4	45.3	- 4.9	8.5	10.3	- 1.8	7.0	4.7	+ 2.3
May .....	77.9	70.0	+ 8.0	63.2	48.7	+ 14.5	7.7	6.2	+ 1.5	7.0	15.1	- 8.0
June .....	60.7	66.0	- 5.3	45.9	55.8	- 9.9	6.8	5.2	+ 1.7	8.0	5.1	+ 2.9
July .....	73.5 r	57.5	+ 15.9 r	52.2	39.7	+ 12.4	11.0	8.8	+ 2.2	10.4 r	9.0	+ 1.3 r
August .....	70.6	55.0	+ 15.6	51.7	42.8	+ 8.9	7.5	5.1	+ 2.4	11.4	7.0	+ 4.4
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 (8 months) .....	+ 14.8	+ 4.9	+ 1.9	+ 7.9	+ 21.2	+ 22.1	+ 0.6	- 1.5
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	+ 1.8	+ 1.7	-	+ 0.1
April .....	- 3.5	- 4.1	- 2.0	+ 2.7	- 0.9	- 0.7	+ 0.3	- 0.4
May .....	+ 6.3	+ 12.5	+ 1.5	- 7.7	+ 1.7	+ 2.0	- 0.1	- 0.2
June .....	- 7.3	- 11.9	+ 1.7	+ 2.9	+ 2.0	+ 2.0	- 0.1	-
July .....	+ 10.2 r	+ 6.3	+ 2.4	+ 1.5 r	+ 5.7	+ 6.1	- 0.2	- 0.2
August .....	+ 13.2	+ 5.8	+ 2.3	+ 5.1	+ 2.4	+ 3.1	+ 0.1	- 0.7
September .....								
October .....								
November .....								
December .....								

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

**TABLE 3. Trade in Outstanding Securities Between Canada and Other Countries**  
(Thousands of dollars)

August, 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.....	70,603	54,991	51,729	42,845	7,491	5,134	11,383	7,012
Canadian Securities, Total.....	55,416	42,239	36,981	31,199	7,244	4,939	11,191	6,101
Bonds and Debentures.....	13,774	12,703	7,244	9,608	1,887	961	4,643	2,134
Common and Preference Stocks.....	41,523	29,155	29,618	21,487	5,357	3,978	6,548	3,690
Other Securities.....	119	381	119	104	-	-	-	277
Foreign Securities, Total.....	15,187	12,752	14,748	11,646	247	195	192	911
United States Issues:								
Bonds and Debentures.....	2,485	1,849	2,408	1,849	-	-	77	-
Common and Preference Stocks.....	12,333	10,549	12,228	9,647	-	11	105	891
United Kingdom Issues:								
Bonds and Debentures.....	28	3	-	-	28	3	-	-
Common and Preference Stocks.....	229	169	11	7	218	162	-	-
Other Foreign Countries Issues:								
Bonds and Debentures.....	112	151	101	143	1	-	10	8
Common and Preference Stocks.....	-	25	-	-	-	19	-	6
All Other Foreign Securities.....	-	6	-	-	-	-	-	6
<b>Analysis of Bonds and Debentures</b>								
Canadian Issues:								
Government of Canada - Direct.....	6,290	6,399	4,182	4,908	434	335	1,674	1,156
Government of Canada - Guaranteed.....	205	220	98	208	27	1	80	11
Provincial.....	2,192	1,726	334	1,519	591	18	1,267	189
Municipal.....	16	725	9	673	-	52	7	-
Railway, not guaranteed by Government.....	201	132	81	86	63	30	57	16
Other Corporations.....	4,870	3,501	2,540	2,214	772	525	1,558	762
United States Issues:								
Government.....	266	357	266	357	-	-	-	-
Other.....	2,219	1,492	2,142	1,492	-	-	77	-
United Kingdom Issues:								
Government.....	27	3	-	-	27	3	-	-
Other.....	1	-	-	-	1	-	-	-

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

(Millions of dollars)

Eight months ending August, 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 .....	490.6	454.5	+36.1	362.5	335.5	+27.0	63.8	61.3	+ 2.5	64.2	57.7	+ 6.5
Canadian Securities, Total .....	382.2	367.4	+14.8	258.5	253.6	+ 4.9	60.3	58.4	+ 1.9	63.3	55.4	+ 7.9
Bonds and Debentures .....	131.8	137.0	- 5.2	78.3	88.3	-10.0	26.5	24.7	+ 1.9	27.0	24.1	+ 2.9
Common and Preference Stocks .....	249.5	229.2	+20.3	179.6	164.5	+15.1	33.6	33.6	-	36.3	31.0	+ 5.3
Other Securities .....	0.9	1.2	- 0.3	0.7	0.8	- 0.1	0.2	0.1	+ 0.1	-	0.3	- 0.3
Foreign Securities, Total .....	108.2	87.0	+21.2	104.0	81.9	+22.1	3.5	2.9	+ 0.6	0.8	2.3	- 1.5
United States Issues:												
Bonds and Debentures .....	28.7	17.6	+11.1	27.5	17.1	+10.4	1.1	0.5	+ 0.6	0.1	-	+ 0.1
Common and Preference Stocks .....	75.7	63.4	+12.3	75.4	61.3	+14.1	-	0.2	- 0.2	0.3	1.9	- 1.6
United Kingdom Issues:												
Bonds and Debentures .....	0.5	0.9	- 0.4	0.1	0.7	- 0.6	0.4	0.2	+ 0.2	-	-	-
Common and Preference Stocks .....	2.0	2.1	- 0.1	0.1	0.4	- 0.3	1.9	1.7	+ 0.2	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures .....	1.2	2.6	- 1.4	0.9	2.3	- 1.4	0.1	0.1	-	0.3	0.3	-
Common and Preference Stocks .....	-	0.3	- 0.3	-	-	-	-	0.2	- 0.2	-	0.1	- 0.1
All Other Foreign Securities .....	0.1	0.1	-	-	0.1	- 0.1	-	-	-	0.1	-	+ 0.1
<b>Analysis of Bonds and Debentures</b>												
Canadian Issues:												
Government of Canada - Direct .....	65.4	58.1	+ 7.2	42.3	29.6	+12.8	13.6	12.9	+ 0.7	9.4	15.7	- 6.2
Government of Canada - Guaranteed .....	10.8	12.4	- 1.6	7.1	9.7	- 2.6	2.1	2.2	- 0.1	1.5	0.5	+ 1.0
Provincial .....	10.2	28.2	-17.9	4.9	23.3	-18.5	2.9	3.5	- 0.5	2.4	1.4	+ 1.0
Municipal .....	3.4	4.5	- 1.1	2.4	3.9	- 1.5	0.6	0.5	+ 0.1	0.4	0.1	+ 0.3
Railway, not guaranteed by Government .....	1.6	2.2	- 0.6	0.5	1.6	- 1.1	0.5	0.3	+ 0.2	0.6	0.4	+ 0.2
Other Corporations .....	40.4	31.5	+ 8.9	21.0	20.2	+ 0.8	6.8	5.3	+ 1.5	12.6	6.0	+ 6.6
United States Issues:												
Government .....	12.4	5.2	+ 7.2	11.6	5.2	+ 6.4	0.8	-	+ 0.8	-	-	-
Other .....	16.3	12.4	+ 3.9	15.9	11.9	+ 4.0	0.3	0.5	- 0.2	0.1	-	+ 0.1
United Kingdom Issues:												
Government .....	0.3	0.2	+ 0.2	-	-	-	0.3	0.1	+ 0.1	-	-	-
Other .....	0.2	0.7	- 0.5	0.1	0.7	- 0.6	0.1	-	+ 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
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	25.2	25.3	- 0.1	18.2	17.2	+ 1.0
April .....	14.1	19.1	- 5.1	8.4	12.0	- 3.7	28.0	26.4	+ 1.5	18.9	19.4	- 0.5
May .....	28.4	28.4	..	22.4	16.4	+ 6.1	36.6	30.3	+ 6.4	28.2	21.7	+ 6.5
June .....	11.4	16.6	- 5.2	6.6	13.3	- 6.8	37.5	39.5	- 2.0	27.9	33.0	- 5.1
July.....	19.6 r	14.2	+ 5.4 r	10.5	8.6	+ 1.9	36.4	31.5	+ 5.0	24.8	20.3	+ 4.5
August .....	13.8	12.7	+ 1.1	7.2	9.6	- 2.4	41.5	29.2	+12.4	29.6	21.5	+ 8.1
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**

### Stock Prices

## Exchange Rate

STATISTICS CANADA LIBRARY  
BIBLIOTHEQUE STATISTIQUE CANADA



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CAJEC AND DIPLOMACY OF SECURITY RISKS IN CANADA