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SALES AND PURCHASES OF SECURITIES

BETWEEN CANADA AND OTHER COUNTRIES

Security Transactions - Third Quarter, 1958

Capital inflows from all portfolio security transactions in the third quarter of 1958 amounted to \$126 million or just over one-half the inflow in the preceding quarter. The net capital import for the first nine months of 1958 amounted to \$532 million, compared with \$709 million in the corresponding period of 1957 and \$766 million for that year as a whole.

Trade in outstanding Canadian and foreign issues led to a net sales balance or capital import of \$45 million during the third quarter. This compared with \$7 million in the second quarter, and was the largest net balance from trading since the third quarter of 1957. But the decline of new issues to non-residents from \$287 million in the second quarter to \$89 million in the third quarter was the major reason for the change. The third quarter is normally one in which new underwriting activity is small, and in 1958 this tendency was emphasized by the preoccupation with the Government Conversion Loan operation. There were in fact no new offerings outside Canada during the quarter, and the new issues represented either deliveries on earlier offerings or participation by non-residents in offerings in the Canadian market.

Trading in outstanding Canadian issues produced \$36 million in the quarter, of which about \$25 million came from the United States. Trading in outstanding foreign issues produced \$9 million, representing sales to the United States.

Details of new issues and retirements appear on page 8.

It has been discovered that some errors have occurred in the figures reported to the Bureau for transactions in Canadian stocks during 1958. These figures have been corrected in this report and give rise to a number of significant revisions.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1957				1958 p			
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter			
(Millions of dollars)								
Canadian securities								
Outstanding issues - Bonds, etc.	-	15	-	15	-	11	+	1
- Stocks	+	43	+	7	+	13	+	35
New issues	+	142	+	88	+	287	+	89
Retirements	-	45	-	28	-	38	-	8
Foreign securities								
Outstanding issues	+	17	+	11	+	5	+	9
New issues	-	8	-	7	-	7	-	1
Retirements	+	1	+	1	+	2	+	1
Total - all securities	+	135	+	57	+	251	+	126

p - preliminary

Trade in Outstanding Securities - September, 1958

Transactions in outstanding securities during September resulted in a sales balance of \$8.6 million, which is less than half the amount for either July or August. The inflow was on balance entirely from the United States and reflected particularly substantial sales of outstanding Canadian 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. -
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 (9 months)	592.1	526.5	+ 65.6	438.2	382.0	+ 56.2	73.9	71.3	+ 2.6	80.0	73.2	+ 6.8
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	12.5	- 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	51.8	45.6	+ 6.2	40.0	33.3	+ 6.7	6.1	7.0	- 0.9	5.7	5.2	+ 0.4
February	51.6	47.2	+ 4.4	39.5	33.8	+ 5.6	4.6	7.7	- 3.0	7.5	5.7	+ 1.8
March	54.5	53.0	+ 1.6	35.6	36.0	- 0.3	11.6	11.0	+ 0.6	7.3	6.0	+ 1.3
April	57.9	60.3	- 2.4	42.4	45.3	- 2.9	8.5	10.3	- 1.8	7.0	4.7	+ 2.3
May	81.9	69.9	+ 12.0	66.2	48.7	+ 17.5	8.7	6.2	+ 2.5	7.0	15.0	- 8.0
June	64.6	66.0	- 1.3	49.8	55.8	- 5.9	6.8	5.2	+ 1.7	8.0	5.1	+ 2.9
July	76.5	57.5	+ 18.9	55.2	39.7	+ 15.4	11.0	8.8	+ 2.2	10.4	9.0	+ 1.3
August	72.6	55.0	+ 17.6	53.7	42.8	+ 10.9	7.5	5.1	+ 2.4	11.4	7.0	+ 4.4
September	80.6	72.0	+ 8.6	55.7	46.5	+ 9.2	9.0	10.0	- 0.9	15.8	15.5	+ 0.3
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 (9 months)	+ 42.1	+ 32.2	+ 1.7	+ 8.2	+ 23.5	+ 24.0	+ 0.9	- 1.4
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	+ 2.7	+ 3.2	- 0.9	+ 0.4	+ 3.5	+ 3.5	-	-
February	- 0.6	+ 1.3	- 3.6	+ 1.8	+ 5.0	+ 4.3	+ 0.6	-
March	- 0.2	- 2.0	+ 0.6	+ 1.2	+ 1.8	+ 1.7	-	+ 0.1
April	- 1.5	- 2.1	- 2.0	+ 2.7	- 0.9	- 0.7	+ 0.3	- 0.4
May	+ 10.3	+ 15.5	+ 2.5	- 7.7	+ 1.7	+ 2.0	- 0.1	- 0.2
June	- 5.3	- 9.9	+ 1.7	+ 2.9	+ 4.0	+ 4.0	- 0.1	-
July	+ 13.2	+ 9.3	+ 2.4	+ 1.5	+ 5.7	+ 6.1	- 0.2	- 0.2
August	+ 15.2	+ 7.8	+ 2.3	+ 5.1	+ 2.4	+ 3.1	+ 0.1	- 0.7
September	+ 8.3	+ 9.2	- 1.2	+ 0.3	+ 0.3	-	+ 0.3	-
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, 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	80,593	71,997	55,741	46,548	9,045	9,982	15,807	15,467
Canadian Securities, Total	59,541	51,257	39,605	30,387	8,534	9,756	11,402	11,114
Bonds and Debentures	15,080	20,029	7,044	8,097	3,192	5,522	4,844	6,410
Common and Preference Stocks	44,398	30,966	32,502	22,229	5,342	4,234	6,554	4,503
Other Securities	63	262	59	61	-	-	4	201
Foreign Securities, Total	21,052	20,740	16,136	16,161	511	226	4,405	4,353
United States Issues:								
Bonds and Debentures	2,115	4,017	2,115	4,013	-	-	-	4
Common and Preference Stocks	18,136	15,056	13,810	10,718	8	-	4,213	4,338
United Kingdom Issues:								
Bonds and Debentures	127	40	23	9	104	31	-	-
Common and Preference Stocks	365	205	13	10	352	195	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	284	185	174	185	39	-	71	-
Common and Preference Stocks	22	15	-	4	8	-	14	11
All Other Foreign Securities	3	1,222	1	1,222	-	-	2	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	10,073	15,055	4,444	4,558	2,614	5,114	3,015	5,383
Government of Canada - Guaranteed	409	122	266	121	5	1	138	-
Provincial	837	1,037	594	830	25	29	218	178
Municipal	87	124	40	115	-	4	47	5
Railway, not guaranteed by Government	278	497	41	474	222	4	15	19
Other Corporations	3,396	3,194	1,659	1,999	326	370	1,411	825
United States Issues:								
Government	900	2,130	900	2,130	-	-	-	-
Other	1,215	1,887	1,215	1,883	-	-	-	4
United Kingdom Issues:								
Government	91	25	-	-	91	25	-	-
Other	36	15	23	9	13	6	-	-

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

(Millions of dollars)

Nine months ending September, 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	592.1	526.5	+65.6	438.2	382.0	+56.2	73.9	71.3	+ 2.6	30.0	73.2	+ 6.8
Canadian Securities, Total	460.8	418.7	+42.1	316.1	284.0	+32.2	69.9	68.2	+ 1.7	74.7	66.5	+ 8.2
Bonds and Debentures	146.9	157.1	-10.2	85.3	96.4	-11.1	29.7	30.2	- 0.5	31.9	30.5	+ 1.4
Common and Preference Stocks	312.9	260.1	+52.8	230.1	186.8	+43.4	39.9	37.9	+ 2.1	42.8	35.5	+ 7.3
Other Securities	1.0	1.5	- 0.5	0.7	0.8	- 0.1	0.2	0.1	+ 0.1	-	0.5	- 0.5
Foreign Securities, Total	131.4	107.8	+23.5	122.1	98.0	+24.0	4.0	3.1	+ 0.9	5.3	6.7	- 1.4
United States Issues:												
Bonds and Debentures	30.8	21.6	+ 9.2	29.6	21.1	+ 8.5	1.1	0.5	+ 0.6	0.1	-	+ 0.1
Common and Preference Stocks	95.8	78.5	+17.3	91.2	72.0	+19.1	-	0.2	- 0.2	4.6	6.2	- 1.6
United Kingdom Issues:												
Bonds and Debentures	0.7	0.9	- 0.3	0.2	0.7	- 0.6	0.5	0.2	+ 0.3	-	-	-
Common and Preference Stocks	2.4	2.3	+ 0.1	0.1	0.4	- 0.3	2.3	1.9	+ 0.3	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	1.5	2.8	- 1.3	1.0	2.5	- 1.4	0.1	0.1	-	0.3	0.3	-
Common and Preference Stocks	0.1	0.3	- 0.2	-	-	-	-	0.2	- 0.2	-	0.1	- 0.1
All Other Foreign Securities	0.1	1.3	- 1.2	-	1.3	- 1.3	-	-	-	0.1	-	+ 0.1
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	75.5	73.2	+ 2.3	46.8	34.1	+12.7	16.2	18.0	- 1.8	12.5	21.1	- 8.6
Government of Canada - Guaranteed	11.2	12.6	- 1.3	7.4	9.8	- 2.4	2.1	2.2	- 0.1	1.7	0.5	+ 1.1
Provincial	11.0	29.2	-18.2	5.5	24.2	-18.7	3.0	3.5	- 0.5	2.6	1.5	+ 1.1
Municipal	3.5	4.7	- 1.1	2.5	4.1	- 1.6	0.6	0.5	+ 0.1	0.5	0.1	+ 0.4
Railway, not guaranteed by Government	1.9	2.7	- 0.9	0.6	2.1	- 1.5	0.7	0.3	+ 0.4	0.6	0.4	+ 0.2
Other Corporations	43.8	34.7	+ 9.1	22.6	22.2	+ 0.4	7.1	5.7	+ 1.4	14.1	6.8	+ 7.2
United States Issues:												
Government	13.3	7.3	+ 6.0	12.5	7.3	+ 5.2	0.8	-	+ 0.8	-	-	-
Other	17.6	14.3	+ 3.2	17.1	13.8	+ 3.3	0.3	0.5	- 0.2	0.1	-	+ 0.1
United Kingdom Issues:												
Government	0.4	0.2	+ 0.2	-	-	-	0.4	0.2	+ 0.2	-	-	-
Other	0.2	0.7	- 0.5	0.2	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
	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
	24.6	12.0	+12.6	16.7	9.3	+ 7.4	57.4	47.1	+10.3	37.4	41.7	- 4.3
	22.3	19.3	+ 3.0	14.6	15.0	- 0.5	52.4	43.3	+ 9.1	34.8	34.1	+ 0.7
	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
	18.1	21.8	- 3.7	7.5	17.3	- 9.9	52.9	37.6	+15.3	37.4	30.7	+ 6.7
	13.9	17.5	- 3.6	6.8	10.6	- 3.9	59.5	44.4	+15.1	40.3	35.1	+ 5.3
	17.1	15.4	+ 1.7	9.5	10.0	- 0.4	75.2	59.0	+16.2	47.9	48.7	- 0.8
	19.2	17.9	+ 1.3	9.7	10.4	- 0.7	101.4	77.3	+24.1	62.5	63.9	- 1.3
	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
	9.4	13.6	- 4.2	5.5	10.1	- 4.6	59.8	39.8	+20.0	35.7	29.6	+ 6.0
	7.9	23.4	-15.4	4.5	16.8	-12.3	40.9	37.4	+ 3.5	27.7	26.9	+ 0.8
	15.3	15.6	- 0.3	5.8	11.9	- 6.0	46.2	39.2	+ 7.0	33.6	28.0	+ 5.6
	12.6	20.9	- 8.4	7.2	17.4	-10.2	29.6	28.6	+ 1.0	19.7	22.2	- 2.5
	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	26.7	26.1	+ 0.7	19.9	18.3	+ 1.7
	15.2	16.5	- 1.3	9.5	11.2	- 1.7	21.6	20.9	+ 0.6	16.2	13.3	+ 2.9
	17.2	19.2	- 2.0	5.8	10.8	- 5.0	27.2	25.3	+ 1.9	20.2	17.2	+ 3.0
	14.1	19.1	- 5.1	8.4	12.0	- 3.7	30.0	26.4	+ 3.5	20.9	19.4	- 1.5
	28.4	28.4	-	22.4	16.4	+ 6.1	40.6	30.3	+10.4	31.2	21.7	+ 9.5
	11.4	16.6	- 5.2	6.6	13.3	- 6.8	39.5	39.5	-	29.9	33.0	- 3.1
July	19.6	14.2	+ 5.4	10.5	8.6	+ 1.9	39.4	31.5	+ 8.0	27.8	20.3	+ 7.5
	13.8	12.7	+ 1.1	7.2	9.6	- 2.4	43.5	29.2	+14.4	31.6	21.5	+10.1
	15.1	20.0	- 4.9	7.0	8.1	- 1.1	44.4	31.0	+13.4	32.5	22.2	+10.3
	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



1010510288

- 8 -

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

	1	9	5	7		1	9	5	8
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter		First Quarter	Second Quarter	Third Quarter	
(Millions of dollars)									
Bonds and debentures:									
Government of Canada, direct	-	-	7	9	-	27	-	-	7
Government of Canada, guaranteed	-	-	-	-	10	-	-	-	-
Provincial government (incl. guaranteed)	64	45	1	26	68	98	-	-	1
Municipal government	33	9	64	16	15	53	38	-	-
Railways, not guaranteed by government .	-	-	-	-	-	-	-	-	-
Other corporations	145	217	60	31	65	91	38	-	-
Sub-total, Bonds and debentures	242	271	132	82	158	269	84	-	-
Common and preference stock	22	25	10	6	3	18	-	-	5
Total	264	296	142	88	161	287	89	-	-

During the third quarter of 1958, proceeds of new issues sold to residents of the United States accounted for nearly 90 per cent of the total. Issues payable solely or optionally in foreign currencies made up over 80 per cent of the sales in the quarter.

Retirements of Canadian Securities held by Non-Residents

	1	9	5	7		1	9	5	8
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter		First Quarter	Second Quarter	Third Quarter	
(Millions of dollars)									
Bonds and debentures:									
Government of Canada, direct	1	2	-	5	-	7	-	-	-
Government of Canada, guaranteed	-	-	29	-	-	-	-	-	-
Provincial government (incl. guaranteed)	3	8	10	5	7	5	3	-	-
Municipal government	3	5	2	14	3	3	3	-	-
Railways, not guaranteed by government .	5	-	-	-	1	-	-	-	-
Other corporations	4	8	4	4	5	11	2	-	-
Sub-total, Bonds and debentures	16	23	45	28	16	26	8	-	-
Common and preference stock	25	-	-	-	-	12	-	-	-
Total	41	23	45	28	16	38	8	-	-

Nearly 80 per cent of all the Canadian securities owned by non-residents which were retired during the third quarter of 1958 were held by residents of the United States. Nearly 45 per cent of the issues were payable solely or optionally in foreign currencies.