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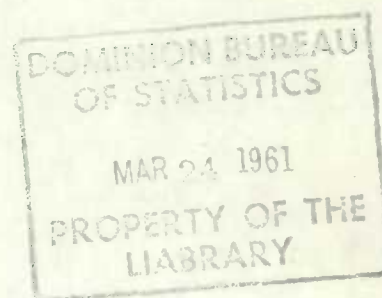
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SALES AND PURCHASES OF SECURITIES  
BETWEEN CANADA AND OTHER COUNTRIES  
DECEMBER, 1960  
AND  
REVIEW OF SECURITY TRADING DURING 1960

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# SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

## Review of International Trade in Securities - 1960

Transactions in stocks and bonds between Canada and other countries in 1960 gave rise to a net capital inflow of \$218 million. The total value of transactions leading to this balance was \$2,473 million. The net inward movement in 1960 was much smaller than in the years from 1956 to 1959, but was larger than in all but two of the ten preceding post-war years. The total value of transactions was also lower than in recent years, the average from 1956 to 1960 having been of the order of \$2,900 million.

As shown in the statement at the foot of this page the proceeds of new issues of Canadian securities sold to non-residents amounted to \$397 million, but there were offsetting retirements of \$225 million of foreign-held Canadian securities. Trade in outstanding Canadian securities resulted in a sales balance to non-residents of \$55 million, bringing the net movement from transactions in Canadian securities to \$227 million. In the opposite direction there was a net capital export of \$9 million from all transactions by Canadians in foreign securities.

From 1956 to 1959 portfolio security transactions were the largest medium of capital inflow for the settlement of Canada's deficit from transactions in goods and services. In 1960 inflows for direct investment in foreign-controlled enterprises in Canada re-asserted themselves as Canada's major source of foreign capital.

Foreign savings made available to Canada through the acquisition of Canadian provincial, municipal and corporate securities in 1960 were equal to about 15 per cent of the net new supply of these securities. In 1959 non-resident acquisitions were equal to about 45 per cent of the total. The amount of net new issues by these borrowers was of the same order of magnitude in each year. Canadian investors therefore absorbed a much greater amount of the new offerings of these classes of securities than was the case in 1959. Relatively, Canadian capital supplied a greater proportion of this financing than in any year since 1955, although the actual amount was smaller than in the first three years of this period.

The overall movement of portfolio security capital in 1960 came in balance entirely from the United States. There were outflows to the United Kingdom sufficient to offset the inflows from all other overseas countries. In 1959 residents of the United States accounted for 76 per cent of the very much larger inflow, with residents of the United Kingdom supplying 5 per cent and other overseas countries 19 per cent.

## Security Transactions Between Canada and Other Countries

	Net Sales (+) or Purchases (-) by Canadians							
	1953	1954	1955	1956	1957	1958	1959	1960
(Millions of dollars)								
<u>Canadian Securities</u>								
Trade in outstanding bonds, etc.	- 52	- 66	- 165	+ 11	- 45	-	+ 91	+ 7
Trade in outstanding stocks	+ 21	+ 129	+ 138	+ 188	+ 137	+ 88	+ 110	+ 48
New issues	+ 335	+ 331	+ 166	+ 667	+ 798	+ 677	+ 707	+ 397
Retirements	- 146	- 203	- 184	- 141	- 133	- 158	- 258	- 225
<u>Foreign Securities</u>								
Trade in outstanding issues	+ 22	+ 7	+ 25	+ 20	+ 24	+ 13	- 32	- 8
New issues	- 23	- 33	- 48	- 18	- 24	- 17	- 13	- 20
Retirements	+ 1	+ 2	+ 17	-	+ 6	+ 7	+ 12	+ 19
Total - all securities	+ 158	+ 167	- 51	+ 727	+ 763	+ 610	+ 617	+ 218

Note: This table excludes capital inflows for direct investment in Canadian enterprises by foreign owners or controlling interests, and security transactions of a short-term character analogous to changes in bank balances. Data for 1960 are preliminary and data for 1959 are subject to revision.



### New Issues and Retirements

Canada received \$397 million from the sale of new issues of Canadian securities to non-residents in 1960. This figure was much below the totals for the four preceding years, but was exceeded only once earlier in the post-war period. Details of the new issues, classified quarterly by issuer, and annually by currency of payment will be found in the accompanying statements. They show that the proceeds of new issues sold to non-residents were heavily concentrated in the first half of the year, particularly in the first quarter. They record a notable decline in the borrowing abroad by provincial and to a lesser extent municipal authorities. On the other hand, it may be noted that sales of new issues of corporate bonds and debentures to non-residents were slightly higher in 1960 than in 1959.

There is also provided below a reconciliation on a quarterly basis between contracts entered into for sales to residents of the United States of new Canadian bonds and debentures, and the delivery data appropriate for balance of payments purposes.

Retirements of foreign-held Canadian securities totalled \$225 million in 1960. This figure was smaller than in 1959 when larger amounts of foreign-held Government of Canada issues were paid off. Retirements of other issues were, however, larger than in 1959, as might be expected with Canada's rising amount of foreign-held debt. Retirements required by the operation of sinking funds are often satisfied through the surrender of bonds acquired in the market and consequently some of the repurchases of outstanding issues in effect also represent debt retirement.

Canadians in 1960 purchased \$20 million of new foreign securities including issues of borrowers in the United States, Israel, and other countries. Retirements of Canadian-held foreign securities in the same period totalled \$19 million including investments in the United States, Latin America, other countries, and international financial organizations.

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

	1959					1960				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
(Millions of dollars)										
Bonds and debentures:										
Government of Canada, direct .....	6	1	23	12	42	10	3	-	6	19
Government of Canada, guaranteed .....	-	6	-	8	14	2	-	8	2	12
Provincial government (incl. guaranteed) .	104	60	77	93	334	39	47	13	3	102
Municipal government .....	36	10	69	43	158	77	33	2	10	122
Railways, not guaranteed by government ...	-	-	-	-	-	-	-	-	-	-
Other corporations .....	13	29	35	35	112	70	32	3	15	120
Sub-total, Bonds and debentures .....	159	106	204	191	660	198	115	26	36	375
Common and preference stock .....	21	11	9	6	47	6	12	3	1	22
Total .....	180	117	213	197	707	204	127	29	37	397

### Contract and Delivery Dates of

#### New Issues of Canadian Bonds and Debentures Sold to Residents of the United States

	1959					1960				
	I	II	III	IV	Year	I	II	III	IV	Year
(Millions of dollars)										
Sales contracts entered into during period..	99	164	177	132	572	177	86	39	35	337
Add sales in earlier periods for delivery										
in period .....	57	6	73	47	64	22	23	4	5	32
Deduct sales in period for delivery later ..	- 4	- 72	- 57	- 18	- 32	- 18	- 2	- 33	- 16	- 47
Proceeds of new issues during period .....	152	98	193	161	604	181	107	10	24	322

Note: As details of all contracts are not available, deferred deliveries may be understated.

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

1953 1954 1955 1956 1957 1958 1959 1960 1952-1960

(Millions of dollars)

Bonds and debentures payable optionally or solely  
in foreign currencies:

Government of Canada, direct .....	-	-	-	-	-	-	-	-	-
Government of Canada, guaranteed .....	-	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed) .....	136	114	-	212	130	162	321	93	1,269
Municipal government .....	66	34	40	106	115	143	148	116	811
Railways, not guaranteed by government .....	-	24	-	-	-	-	-	-	24
Other corporations .....	39	72	5	190	393	189	54	69	1,127
Total .....	241	244	45	508	638	494	523	278	3,231

Bonds and debentures payable  
in Canadian dollars only:

Government of Canada, direct .....	6	5	5	9	16	67	42	19	170
Government of Canada, guaranteed .....	-	4	-	-	-	9	14	12	39
Provincial government (incl. guaranteed) .....	7	12	3	12	6	6	13	9	74
Municipal government .....	9	11	4	6	8	5	10	6	62
Railways, not guaranteed by government .....	-	1	-	-	-	1	-	-	4
Other corporations .....	26	35	46	62	69	52	58	51	420
Total .....	48	68	58	89	99	140	137	97	769

Bonds and debentures:

Government of Canada, direct .....	6	5	5	9	16	67	42	19	170
Government of Canada, guaranteed .....	-	4	-	-	-	9	14	12	39
Provincial government (incl. guaranteed) .....	143	126	3	224	136	168	334	102	1,343
Municipal government .....	75	45	44	112	123	148	158	122	873
Railways, not guaranteed by government .....	-	25	-	-	-	1	-	-	28
Other corporations .....	65	107	51	252	462	241	112	120	1,547
Sub-total, Bonds and debentures .....	289	312	103	597	737	634	660	375	4,000

Common and preference stocks .....	46	19	63	70	61	43	47	22	394
Total .....	335	331	166	667	798	677	707	397	4,394

Retirements of Canadian Securities held by Non-Residents

1959

1960

I II III IV Year I II III IV Year

(Millions of dollars)

Bonds and debentures:

Government of Canada, direct .....	20	20	32	29	101	-	22	-	35	57
Government of Canada, guaranteed .....	-	-	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed) ..	2	32	2	5	41	18	9	1	19	47
Municipal government .....	5	8	6	15	34	6	11	5	13	35
Railways, not guaranteed by government ...	4	-	-	5	9	2	-	-	-	2
Other corporations .....	11	19	11	15	56	18	31	12	15	76
Sub-total, Bonds and debentures .....	42	79	51	69	241	44	73	18	82	217

Common and preference stocks .....	-	5	10	2	17	-	-	6	2	8
Total .....	42	84	61	71	258	44	73	24	84	225

# Trade in Outstanding Issues in Year 1960 and Month of December

The value of outstanding securities traded internationally during 1960 was \$1,812 million. This was \$286 million lower than in 1959. The net inflow during the year of \$47 million compared with \$169 million in 1959. Net sales to non-residents of \$55 million of outstanding Canadian securities were offset to the extent of \$8 million by net purchases of outstanding foreign securities. In 1959 there were net sales of \$201 million of outstanding Canadian securities and net purchases of \$32 million of outstanding foreign securities.

The capital inflow of \$55 million produced by trade in outstanding Canadian securities was made up of \$48 million of common and preference stocks and \$7 million of bonds and debentures. The total of \$201 million for 1959 was made up of \$110 million of stocks and \$91 million of bonds and debentures. The net inflow of \$7 million from trade in outstanding Canadian bonds and debentures in 1960 reflected net sales of \$50 million of Government of Canada direct and guaranteed issues, and \$4 million of municipal issues, offset by repurchases of \$39 million of corporate issues and \$8 million of provincial issues. In 1959 net sales of outstanding Government of Canada direct and guaranteed issues were \$68 million higher, accounting for the largest part of the difference in the two years.

Taken as a whole, trade in outstanding Canadian securities produced \$33 million in the first quarter of 1960, and \$40 million in the second, while there were outflows of \$9 million in each of the last two quarters. These outflows arose entirely from trade in outstanding Canadian bonds and debentures, as there were net sales of outstanding stocks in each quarter. An outflow of \$8 million for the purchase of outstanding foreign securities was made up of \$14 million for the purchase of bonds and debentures, less \$6 million received from the sale of stocks, mainly of United States issuers. Some special transactions in United States Government issues contributed to the outflow.

In December, trade in outstanding Canadian securities produced net sales of \$4.9 million, most of it representing investment in Government of Canada issues; it may be noted that foreign-held Government of Canada issues were retired at the same time. Trade in outstanding foreign securities was in near balance, with a small net outflow of \$0.5 million. Taking into account trade in both Canadian and foreign securities, there was an inflow of \$5.1 million from the United States, an outflow of \$1.8 million to the United Kingdom (the smallest since June), and an inflow of \$1.1 million from other overseas countries.

## Trade in Outstanding Canadian Securities Between Canada and All Countries

	1959					1960				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
(Millions of dollars)										
Bonds and debentures:										
Government of Canada, direct .....	+ 28	+ 24	+ 35	+ 18	+ 105	+ 18	+ 21	- 3	- 1	+ 35
Government of Canada, guaranteed .....	+ 5	+ 4	+ 3	+ 1	+ 13	+ 10	+ 4	- 2	+ 3	+ 15
Provincial government (incl. guaranteed) ..	- 1	- 4	+ 1	- 1	- 5	- 1	- 2	- 2	- 3	- 8
Municipal government .....	+ 2	-	-	-	+ 2	-	+ 2	+ 1	+ 1	+ 4
Railways, not guaranteed by government ..	-	- 1	- 1	-	- 2	- 1	- 1	- 1	- 1	- 4
Other corporations .....	- 1	- 8	- 6	- 7	- 22	- 6	- 8	- 11	- 10	- 35
Sub-total, Bonds and debentures .....	+ 33	+ 15	+ 32	+ 11	+ 91	+ 20	+ 16	- 18	- 11	+ 7
Common and preference stock .....	+ 32	+ 33	+ 26	+ 19	+ 110	+ 13	+ 24	+ 9	+ 2	+ 48
Total .....	+ 65	+ 48	+ 58	+ 30	+ 201	+ 33	+ 40	- 9	- 9	+ 55



Summary of Trade in Outstanding Canadian Securities between Canada and Other Countries

	Sales By Canadians		Purchases By Canadians		Net Sales (+) or Purchases (-)	
	1959	1960	1959	1960	1959	1960
(Millions of dollars)						
<u>By Country</u>						
United States	531	394	437	345	+ 94	+ 49
United Kingdom	124	95	113	126	+ 11	- 31
Other Countries	194	176	98	139	+ 96	+ 37
Total - all countries	849	665	648	610	+ 201	+ 55
<u>By Class of Security</u>						
Bonds and Debentures (1)	260	264	169	257	+ 91	+ 7
Common and Preferred Stocks	589	401	479	353	+ 110	+ 48
Total - Canadian securities	849	665	648	610	+ 201	+ 55

(1) Includes minor amounts of "Other" Canadian securities.

Transactions with the United States

The net capital inflow to Canada from security transactions with the United States totalled \$218 million in 1960, compared with \$469 million in 1959. The movement included net sales of \$208 million of Canadian securities, comprising \$54 million of outstanding stocks and \$332 million of new issues offset by retirements of \$173 million and repurchases of \$5 million of outstanding bonds and debentures. These repurchases re-established a pattern of annual repurchases from the United States of outstanding Canadian bonds and debentures broken since 1950 only in the year 1959. On the whole there tended to be sales of outstanding government issues and repurchases of outstanding corporate issues which it has already been noted may have been influenced by sinking fund requirements. Transactions with the United States in foreign securities led to a capital inflow of \$10 million.

Summary of Trade in Outstanding Foreign Securities between Canada and Other Countries

	Sales By Canadians		Purchases By Canadians		Net Sales (+) or Purchases (-)	
	1959	1960	1959	1960	1959	1960
(Millions of dollars)						
<u>By Country</u>						
United States	269	248	303	235	- 34	+ 13
United Kingdom	10	6	8	9	+ 2	- 3
Other Countries	6	10	6	28	-	- 18
Total - all countries	285	264	317	272	- 32	- 8
<u>By Class of Security</u>						
Bonds and Debentures (1)	31	43	43	57	- 12	- 14
Common and Preferred Stocks	254	221	274	215	- 20	+ 6
Total - Foreign securities	285	264	317	272	- 32	- 8

(1) Includes minor amounts of "Other" foreign securities.

### Transactions with the United Kingdom and Other Overseas Countries

Security transactions with the United Kingdom in 1960 led to a capital outflow of \$36 million in contrast with the inflow of \$28 million in 1959. This net outflow was the first since 1952. It took the form of net repurchases by Canadians of \$13 million of outstanding Canadian bonds and debentures (mainly corporate) and \$18 million of outstanding Canadian stocks as well as retirement of \$28 million of various Canadian issues and net purchases of \$3 million of foreign securities (principally United Kingdom bonds), offset by sales to residents of the United Kingdom of \$26 million of a variety of new issues of Canadian bonds and stocks.

This outflow to the United Kingdom was offset exactly by an inflow of \$36 million from other overseas countries. The amount compared with the record of \$120 million established in 1959. Contributing to the total were net sales of \$25 million of outstanding Canadian bonds and debentures (mainly Government of Canada), \$12 million of outstanding Canadian stocks, and \$39 million of new Canadian issues. Against these inflows were retirements of \$24 million of foreign-held Canadian issues and a further outflow of \$16 million for the acquisition of foreign issues, a significant part being United States obligations.

### International Short-Term Money Market Transactions

International transactions in Government of Canada treasury bills and similar short-term securities are not included with the transactions in securities ordinarily reviewed in this series of reports. (The capital movements arising from interest arbitrage or other transactions in these short-term Canadian obligations are a component of the item in statements of the Canadian balance of international payments covering changes in Canadian dollar holdings of foreigners.) In recent years, however, there has been a considerable volume of this business, some detail of which may be of interest to readers.

Over the course of the year non-residents purchased about \$380 million of Canadian treasury bills; this was somewhat above the total of \$369 million for the previous year when, moreover, non-residents had acquired some one year bills under an exchange offer. As most of the bills acquired by non-residents naturally matured or were repurchased by Canadians in the same year, the net holdings by non-residents rose by \$56 million in 1960 as against \$14 million in the previous year. Total non-resident-owned holdings at the end of 1960 were \$120 million. More than three-quarters were holdings of residents of the United States who held \$93 million. In contrast, at the end of 1959 residents of the United States held only \$22 million out of \$64 million total foreign holdings.

The accompanying statement gives monthly figures for 1959 and 1960 of sales to non-residents of Canadian treasury bills and of repurchases and maturities of foreign-held Canadian treasury bills, together with the amounts so held at the end of each month. While the total volume of transactions in 1960 was not much above that for 1959, holdings rose by a larger net amount in the more recent year, but because of the timing of the transactions, the impact on quarterly balance of payments statements was somewhat smaller than in 1959. In that year, there were five successive months of substantial accumulation from April to August, followed by four successive months of disaccumulation. In 1960 there were no more than two successive months of accumulation or disaccumulation, and in contrast to quarterly changes of 0, +63, +1, and -50 million dollars in 1959, there were changes of only -8, -10, +27, and +47 million dollars through 1960.

The page of charts showing the transactions in 1960 also illustrates the factors influencing interest arbitrage movements of capital from the United States to Canada.<sup>(1)</sup> Corresponding charts for 1959 appeared in the report for that year, although it may be noted that the scales employed were somewhat different. Pure interest arbitrage necessarily involves entering into a forward exchange contract to protect the investor against fluctuations in the spot rate of exchange over the term of the investment. In theory movements of interest arbitrage capital may be expected to continue to a point where the cost of exchange protection offsets any remaining interest differential. Not all purchases of treasury bills are covered in this manner. Some investors may choose to accept the risk of exchange rate fluctuations; others may have an ultimate use for the currency and may therefore not be concerned with repatriation of the proceeds of maturing bills. In the latter part of both 1959 and 1960 some of the bills acquired by non-residents fell into this category.

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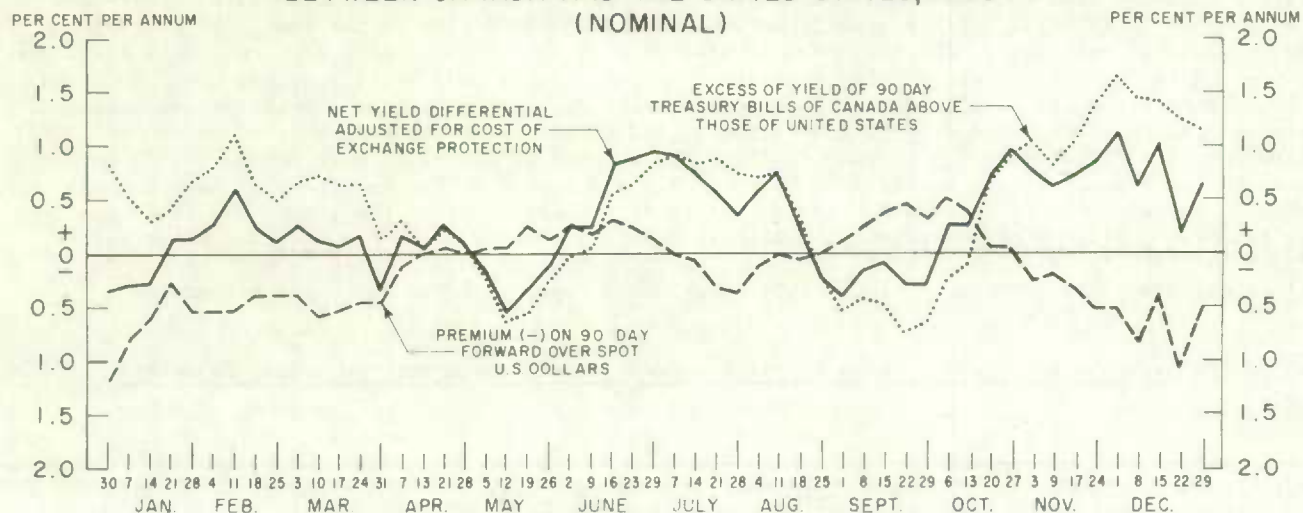
(1) Quotations upon which the interest differentials are based are subject to technical factors but are sufficiently accurate to illustrate the broad character of the changes.



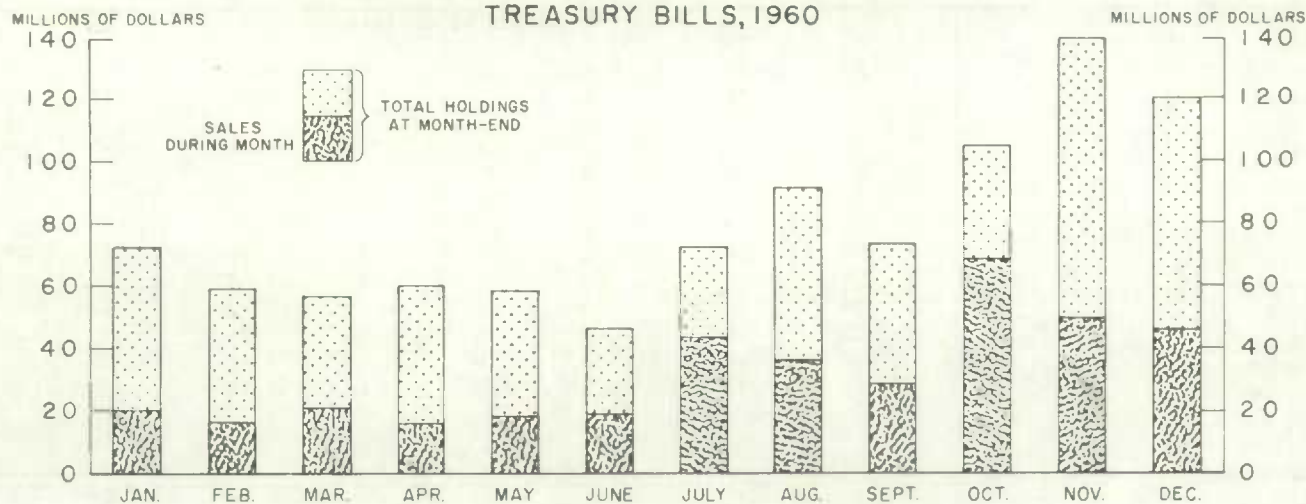
# SALES, REPURCHASES, AND MATURITIES, OF CANADIAN TREASURY BILLS BETWEEN CANADA AND OTHER COUNTRIES, 1960



## SHORT-TERM INTEREST AND EXCHANGE DIFFERENTIALS BETWEEN CANADA AND THE UNITED STATES, 1960 (NOMINAL)



## HOLDINGS BY NON-RESIDENTS OF CANADIAN TREASURY BILLS, 1960



Yields on 3 month treasury bills moved through a wider range in 1960 than in 1959 in both Canada and the United States. For a short period of the year the yield on Canadian treasury bills fell as much as 3/4 per cent below the United States yield while throughout 1959 it had been 2/5 per cent or more above. At its greatest point, however, the spread of about 1.64 per cent in 1960 was much lower than in 1959, when it reached about 2.96 per cent. As was to be expected under these conditions the premium on 90-day forwards in United States funds was also much smaller in 1960 than in 1959. It was at a maximum of around one per cent in the very early days of the year and again near the end, in contrast with a maximum of nearly 3 per cent the previous year. During part of 1960 there was a discount for the first time since the fall of 1958. As the result of the divergent influences the net nominal yield differential adjusted for the cost of exchange protection reached nearly one per cent in June and July and exceeded this figure at times during the final quarter. Earlier the differential in favour of arbitrage movements from Canada to the United States (i.e. in the reverse direction) had at one time reached one-half of one per cent. In 1959 the protected differential varied between about three-quarters of one per cent in favour of Canadian bills and one per cent in favour of United States bills.

In the light of these factors there were at times in 1960, as in 1959, substantial purchases by Canadians of foreign treasury bills. Available statistical sources do not permit the complete segregation of these transactions. It is clear, however, that over the course of the year Canadians purchased, apart from official and banking funds, some hundreds of millions of dollars of treasury bills and similar short-term securities, of the United States and United Kingdom. Because of the short-term of these instruments, the net capital movement in any period of the year and the holdings at any one time were of course much lower than the magnitude of gross purchases might imply. From the evidence available at the time of writing it appears that because of maturities and resales Canadian holdings actually fell somewhat over the year as a whole. Movements into United States short-term securities on an interest arbitrage basis were particularly attractive in the last half of 1959 and private Canadian holdings at the beginning of 1960 were of the order of \$100 million. This advantage disappeared in the early weeks of 1960 to reappear significantly only briefly during May. Holdings declined in most months of 1960, and appear to have been reduced by perhaps two-thirds over the year. Interest arbitrage movements from Canada to the United Kingdom were theoretically advantageous in all but two weeks of 1960, although in many of these the margins of advantage were too narrow to motivate actual transactions. In the months from March to May and August to October, however, the nominal advantage exceeded one per cent per annum and it is significant that in the second and third quarters Canadian-owned United Kingdom treasury bills held directly rose by about \$25 million, while other private and banking holdings of sterling funds, which could also be motivated in part by similar influences, also rose sharply. Much of this capital was repatriated in the closing quarter.

Transactions in Canadian Treasury Bills between Canada and Other Countries, 1959-1960

Month	Sales		Repurchases and Maturities		Net Change in Holdings		Holdings at Month-end	
	1959	1960	1959	1960	1959	1960	1959	1960
(millions of dollars)								
January .....	17	20	20	12	- 3	8	47	72
February .....	28	16	10	29	18	- 13	65	59
March .....	18	21	33	24	- 15	- 3	50	56
April .....	30	16	13	12	17	4	67	60
May .....	28	18	19	20	9	- 2	76	58
June .....	59	19	22	31	37	- 12	113	46
July .....	39	43	30	17	9	26	122	72
August .....	43	36	26	17	17	19	139	91
September .....	15	28	40	46	- 25	- 18	114	73
October .....	13	68	45	36	- 32	32	82	105
November .....	31	49	41	14	- 10	35	72	140
December .....	48	46	56	66	- 8	- 20	64	120
Year .....	369	380	355	324	14	56	64	120

Note: The figures include some unidentified amounts of commercial paper.



## Security and Foreign Exchange Markets

Interest rates in both Canada and the United States tended to decline over 1960. The yield on the representative long-term Government of Canada issue shown in Table 7 fell 19 base points from 5.60 per cent to 5.41 per cent. At the same time the yield on the roughly comparable United States Government issue fell 61 base points from 4.41 per cent to 3.80 per cent. The differential for the dates shown in the table varied between 108 base points in September and 161 base points in December. At no time during the year did the yield differential between these issues fall below one per cent per annum. The comparison of yields between central government issues may not, however, be the one most appropriate for analysis of international security transactions. Markets for these instruments appear at times to have reflected special local domestic monetary and fiscal situations. It is not improbable that an investor may give to the securities of his own central government a specially preferred position, and may equate the securities of a foreign central government in his portfolio with those of a high grade junior government or corporation. Special tax considerations in the United States add to the difficulty of comparisons. It may be noted however, that differentials between industrial bond yields in Canada and in the United States did not follow precisely the same trend over 1960 as for central government issues. In general the differential tended to decline over the first three quarters of the year falling from about 1-1/2 per cent to perhaps three-quarters of one per cent. During the fourth quarter the differential rose to about one per cent. Over the year the industrial differential was reduced somewhat while the central government differential increased somewhat.

Common stock prices in Canada as measured by the DBS Investors Index were about 2 per cent higher at the end of 1960 than at the beginning of the year. On the other hand common stock prices in the United States as measured by Standard and Poor's "500" Index fell about 3 per cent. (During 1959 stock prices in Canada had risen about one per cent compared with an increase of more than ten per cent in the United States). The average in Canada over the year 1960 was about six per cent lower than in 1959, and the average in the United States was about three per cent lower. The net sales to non-residents of Canadian stocks represented only a small part of the quoted value of listings on the principal exchanges in Canada, but not all of the issues listed are available for trading. Gross sales to non-residents, which were almost a third smaller in value than in 1959, accounted for somewhat more than one-fifth of the value of shares traded on the principal exchanges in Canada, about the same proportion as in the preceding year.

The Canadian dollar continued to be a "strong" currency in the world's exchange markets during 1960, although there was at the end of the year some moderation from the very high levels of recent years. The exchange value of the United States dollar in Canada was 95.22 cents at the end of 1959. A tendency to rise was in evidence before the end of March, and this movement continued, with a pause in the latter part of April, until May 25 when the price reached 99.00 cents. By mid-year this rate was down to 98.03 cents and the trend continued until mid-August when it had declined to 96.62 cents. With the exception of this period centered about the May peak, rates were relatively stable until the last ten days of December. The price of the United States dollar in Canada then rose sharply by more than 1-1/2 cents to close the year at 99.66 cents. Factors contributing to this change probably included both uncertainty related to the introduction of the Budget and year-end transfers.

The highest rate for the United States dollar recorded during the year was 99.81 cents on December 28, which was 0.25 cents below the high for 1955, and the lowest was 94.94 cents recorded early in March. The trading range for the year as a whole was 4.87 cents which was somewhat larger than in recent years. From 1956 to 1959 the annual trading ranges were 4.31 cents, 4.40 cents, 3.41 cents, and 3.63 cents. During the successive quarters of 1960 the corresponding trading ranges were 0.87 cents, 3.44 cents, 1.69 cents, and 2.59 cents.

The noon average price of the United States dollar in Canada was 96.97 cents in 1960, compared with 95.90 cents in 1959 and 97.06 cents in 1958. The successive quarterly averages in 1960 were 95.18 cents, 97.49 cents, 97.33 cents, and 97.92 cents.

## Distribution of Ownership of Net Canadian Long-Term Funded Debt, 1954 and 1959

An accompanying full page statement provides a detailed classification of the estimated distribution of the ownership of Canadian long-term funded debt by currency of payment at the end of 1954 and 1959 (net of sinking funds). Over this period of five years, outstanding funded debt is estimated to have risen by 34 per cent to \$32 billion of which about 14 per cent currently provides for payment solely or optionally in foreign currency. At the end of 1959 such issues accounted for one per cent of Government of Canada debt (excluding railway debt), 26 per cent of provincial debt, 25 per cent of municipal debt, 22 per cent of railway debt, and 21 per cent of other corporate funded debt. They represented 23 per cent of all funded debt other than Government of Canada direct issues. Total non-resident ownership rose by 52 per cent to \$5.8 billion. Securities owned by non-residents



accounted for 4 per cent of the Government of Canada debt, 28 per cent both of provincial debt and municipal debt, 24 per cent of railway debt and 30 per cent of corporate funded debt. This was 18 per cent of all funded debt or 29 per cent of all funded debt except Government of Canada direct issues. Additional ratios, including those for rates of increase, appear in an accompanying statement.

Selected Ratios relating to Canadian Long-Term Funded Debt, 1954 - 1959

	Government of Canada(1)	Provincial <sup>(1)</sup>	Municipal	Railways	Other Corpora- tions	TOTAL	Total Excluding Government of Canada(1)
	per cent						
Distribution of long-term debt outstanding							
1954	54	14	8	7	17	100	..
1959	43	18	10	6	23	100	..
Proportion of debt owned by non-residents							
1954	5	28	23	38	29	16	29
1959	4	28	28	24	30	18	29
Rate of increase in long-term debt outstanding 1954-1959							
Total	5	64	73	29	86	34	69
Payable in Canadian dollars only	7	65	61	76	83	33	72
Payable in foreign currencies only	- 53	151	163	-	103	76	102
Payable optionally in Canadian or foreign currencies	- 100	- 56	- 28	- 86	78	- 49	- 48
Proportion of increase 1954-1959 represented by:							
Debt payable solely or optionally in foreign currencies	- 31	25	33	- 47	23	16	21
Debt owned by non- residents	- 7	28	36	- 24	31	25	28

(1) Other than railways.

The Canadian Balance of International Payments and Canada's International Investment Position

The DBS report, The Canadian Balance of International Payments and Canada's International Investment Position, an annual publication under Catalogue No. 67-201, will be available after the mid-year. It will cover Canada's international transactions during 1960, including movements of direct investment and other capital not included in this report, as well as recent estimates of foreign investment in Canada and of Canadian investment abroad. Quarterly Estimates of the Canadian Balance of International Payments are published regularly under Catalogue No. 67-001.

Estimated Distribution of Ownership of Net Canadian Long-Term Funded Debt  
Classification by Currency of Payment, End of 1954 and 1959

(Millions of dollars)

Debtor and Currency	Amounts Outstanding		Distribution of Ownership							
			Canada		United States		United Kingdom		Other Countries	
	1954	1959	1954	1959	1954	1959	1954	1959	1954	1959
Government of Canada, direct and guaranteed excluding railways:										
Payable in Canadian dollars only <sup>2</sup> .....	12,640	13,554	12,284	13,068	265	291	22	29	69	166
Payable in foreign currencies only .....	392	185	97	59	242	92	49	31	4	3
Payable optionally in Canadian or foreign currencies .....	9	-	1	-	8	-	-	-	-	-
Sub-total .....	13,041	13,739	12,382	13,127	515	383	71	60	73	169
Provincial, direct and guaranteed excluding railways:										
Payable in Canadian dollars only .....	2,543	4,188	2,456	4,040	45	80	30	44	12	24
Payable in foreign currencies only .....	512	1,283	1	7	510	1,272	1	-	-	4
Payable optionally in Canadian or foreign currencies .....	388	171	22	10	359	157	7	4	-	-
Sub-total .....	3,443	5,642	2,479	4,057	914	1,509	38	48	12	28
Municipal:										
Payable in Canadian dollars only .....	1,491	2,401	1,389	2,276	72	92	26	24	4	9
Payable in foreign currencies only .....	285	750	14	1	267	742	3	6	1	1
Payable optionally in Canadian or foreign currencies .....	87	63	27	22	54	38	6	3	-	-
Sub-total .....	1,863	3,214	1,430	2,299	393	872	35	33	5	10
Railways:										
Payable in Canadian dollars only .....	895	1,576	850	1,515	30	15	7	20	8	26
Payable in foreign currencies only .....	422	420	-	4	133	143	287	271	2	2
Payable optionally in Canadian or foreign currencies .....	253	36	116	22	111	1	4	-	22	13
Sub-total .....	1,570	2,032	966	1,541	274	159	298	291	32	41
Other corporations:										
Payable in Canadian dollars only .....	3,193	5,837	2,779	5,094	249	466	142	193	23	84
Payable in foreign currencies only .....	689	1,400	9	36	664	1,328	11	13	5	23
Payable optionally in Canadian or foreign currencies .....	86	153	18	37	68	112	-	1	-	3
Sub-total .....	3,968	7,390	2,806	5,167	981 <sup>(3)</sup>	1,906 <sup>(3)</sup>	153	207	28	110
Total bonds and debentures:										
Payable in Canadian dollars only .....	20,762	27,556	19,758	25,993	661	944	227	310	116	309
Payable in foreign currencies only .....	2,300	4,038	121	107	1,816	3,577	351	321	12	33
Payable optionally in Canadian or foreign currencies .....	823	423	184	91	600	308	17	8	22	16
TOTAL .....	23,885	32,017	20,063	26,191	3,077	4,829	595	639	150	358

1. Includes bonds held by United States Life Insurance Companies (aside from business in Canada):	1954	1959
Government of Canada, direct and guaranteed excluding railways .....	144	)
Provincial direct and guaranteed excluding railways .....	267	)
Municipal .....	219	) Not
Railways .....	)	)
Other corporations .....	) 687	) available
TOTAL .....	1,317	)
2. Excludes treasury bills and notes .....	1,530	2,077
3. Includes Corporate bonds held by United States parent companies and affiliates:		
Payable in Canadian dollars only .....	7	28
Payable in foreign currencies only .....	142	130
Payable optionally in Canadian or foreign currencies .....	39	35
TOTAL .....	188	193

TABLE 1. Portfolio Security Transactions Between Canada and Other Countries, by Quarters 1958-1960  
Trading, New Issues, and Retirements  
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians														
	1958					1959					1960				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I	II	III	IV	YEAR
<u>All Countries</u>															
<u>Canadian Securities</u>															
Outstanding issues - Bonds, etc.	- 2	- 12	- 7	+ 21	-	+ 33	+ 15	+ 32	+ 11	+ 91	+ 20	+ 16	- 18	- 11	+ 7
Stocks ....	+ 3	+ 17	+ 35	+ 33	+ 88	+ 32	+ 33	+ 26	+ 19	+110	+ 13	+ 24	+ 9	+ 2	+ 48
New issues .....	+ 179	+295	+102	+101	+677	+180	+117	+213	+197	+707	+204	+127	+ 29	+ 37	+397
Retirements .....	- 30	- 50	- 27	- 51	-158	- 42	- 84	- 61	- 71	-258	- 44	- 73	- 24	- 84	-225
<u>Foreign Securities</u>															
Outstanding issues .....	+ 4	- 1	+ 3	+ 7	+ 13	- 5	- 12	- 7	- 8	- 32	+ 10	- 2	+ 5	- 21	- 8
New issues .....	- 4	- 7	- 2	- 4	- 17	- 3	- 2	- 1	- 7	- 13	- 3	- 4	- 3	- 10	- 20
Retirements .....	+ 2	+ 1	+ 2	+ 2	+ 7	+ 3	+ 2	+ 3	+ 4	+ 12	+ 6	+ 3	+ 8	+ 2	+ 19
Total - all countries .....	+ 152	+243	+106	+109	+610	+198	+ 69	+205	+145	+617	+206	+ 91	+ 6	- 85	+218
<u>United States</u>															
<u>Canadian Securities</u>															
Outstanding issues - Bonds, etc.	- 6	- 5	- 9	+ 10	- 10	+ 16	- 2	+ 9	- 4	+ 19	+ 5	+ 4	- 15	+ 1	- 5
Stocks ....	+ 7	+ 11	+ 27	+ 25	+ 70	+ 28	+ 27	+ 17	+ 3	+ 75	+ 5	+ 22	+ 14	+ 13	+ 54
New issues .....	+164	+258	+ 92	+ 86	+600	+160	+100	+198	+164	+622	+186	+110	+ 11	+ 25	+332
Retirements .....	- 28	- 40	- 25	- 39	-132	- 34	- 71	- 45	- 61	-211	- 39	- 52	- 21	- 61	-173
<u>Foreign Securities</u>															
Outstanding issues .....	+ 3	- 1	+ 4	+ 5	+ 11	- 5	- 13	- 7	- 9	- 34	+ 9	- 3	+ 5	+ 2	+ 13
New issues .....	- 4	- 6	- 1	- 2	- 13	- 1	- 1	- 1	- 5	- 8	- 2	- 3	- 2	- 8	- 15
Retirements .....	+ 1	+ 1	+ 1	+ 1	+ 4	+ 2	+ 1	+ 2	+ 1	+ 6	+ 5	+ 2	+ 4	+ 1	+ 12
Total - all securities .....	+137	+218	+ 89	+ 86	+530	+166	+ 41	+173	+ 89	+469	+169	+ 80	- 4	- 27	+218



TABLE 1. (Continued) Portfolio Security Transaction Between Canada and Other Countries, by Quarters 1958-1960  
Trading, New Issues, and Retirements  
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians														
	1958					1959					1960				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I	II	III	IV	YEAR
<u>United Kingdom</u>															
<u>Canadian Securities</u>															
Outstanding issues - Bonds, etc.	-	-	1	-	+ 4	+ 3	-	+ 2	+ 4	- 2	+ 4	- 2	-	- 6	- 5 - 13
Stocks ....	-	4	+ 3	+ 3	+ 2	+ 4	- 3	- 3	+ 2	+ 11	+ 7	+ 4	- 2	- 8	- 12 - 18
New issues .....	+ 11	+ 18	+ 4	+ 8	+ 41	+ 15	+ 9	+ 9	+ 12	+ 45	+ 8	+ 10	+ 5	+ 3	+ 26
Retirements .....	- 1	- 6	- 2	- 7	- 16	- 6	- 9	- 10	- 5	- 30	- 5	- 11	- 2	- 10	- 28
<u>Foreign Securities</u>															
Outstanding issues .....	+ 1	-	-	+ 1	+ 2	+ 1	-	-	+ 1	+ 2	+ 1	+ 1	- 1	- 4	- 3
New issues .....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirements .....	+ 1	-	-	-	+ 1	-	-	-	-	-	-	-	-	-	-
Total all securities	+ 8	+ 14	+ 5	+ 8	+ 35	+ 7	- 1	+ 5	+ 17	+ 28	+ 6	- 2	- 12	- 28	- 36
<u>Other Foreign Countries</u>															
<u>Canadian Securities</u>															
Outstanding issues - Bonds, etc.	+ 4	- 6	+ 2	+ 7	+ 7	+ 17	+ 15	+ 19	+ 17	+ 68	+ 17	+ 12	+ 3	- 7	+ 25
Stocks ....	-	+ 3	+ 5	+ 6	+ 14	+ 7	+ 9	+ 7	+ 5	+ 28	+ 4	+ 4	+ 3	+ 1	+ 12
New issues .....	+ 4	+ 19	+ 6	+ 7	+ 36	+ 5	+ 8	+ 6	+ 21	+ 40	+ 10	+ 7	+ 13	+ 9	+ 39
Retirements .....	- 1	- 4	-	- 5	- 10	- 2	- 4	- 6	- 5	- 17	-	- 10	- 1	- 13	- 24
<u>Foreign Securities</u>															
Outstanding issues .....	-	-	- 1	+ 1	-	- 1	+ 1	-	-	-	-	-	+ 1	- 19	- 18
New issues .....	-	- 1	- 1	- 2	- 4	- 2	- 1	-	- 2	- 5	- 1	- 1	- 1	- 2	- 5
Retirements .....	-	-	+ 1	+ 1	+ 2	+ 1	+ 1	+ 1	+ 3	+ 6	+ 1	+ 1	+ 4	+ 1	+ 7
Total - all securities	+ 7	+ 11	+ 12	+ 15	+ 45	+ 25	+ 29	+ 27	+ 39	+ 120	+ 31	+ 13	+ 22	- 30	+ 36

Note: This table excludes capital inflows for direct investment in Canadian enterprises by foreign owners or controlling interests, and security transactions of a short-term character analogous to changes in bank balances. Data for 1960 are preliminary and data for 1959 are subject to revision.

TABLE 2. Trade in Outstanding Canadian 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.-
1958 - Year .....	668.8	581.3	+ 87.5	455.3	395.7	+ 59.5	103.6	96.2	+ 7.3	110.0	89.4	+ 20.6
1959 - Year .....	848.6	647.8	+200.8	531.5	437.3	+ 94.3	124.0	113.3	+ 10.6	193.1	97.2	+ 95.9
1960 - Year .....	665.2	610.5	+ 54.8	394.3	345.9	+ 48.4	95.1	125.8	- 30.7	175.8	138.8	+ 37.0
1959 - January .....	72.9	62.5	+ 10.4	48.1	41.7	+ 6.4	7.5	10.8	- 3.4	17.3	10.0	+ 7.3
February .....	73.9	55.3	+ 18.5	51.0	37.0	+ 13.9	7.8	9.5	- 1.7	15.1	8.8	+ 6.3
March .....	94.3	56.7	+ 37.6	65.4	40.8	+ 24.6	11.6	9.5	+ 2.1	17.3	6.3	+ 10.9
April .....	84.0	58.9	+ 25.1	59.8	44.4	+ 15.3	7.8	7.2	+ 0.6	16.5	7.3	+ 9.2
May .....	76.3	60.1	+ 16.3	54.6	44.6	+ 10.0	6.2	7.8	- 1.5	15.5	7.7	+ 7.8
June .....	70.0	61.5	+ 8.5	38.7	37.5	+ 1.2	14.3	14.2	+ 0.1	17.0	9.8	+ 7.2
July .....	74.1	51.8	+ 22.3	46.0	35.4	+ 10.6	10.7	8.4	+ 2.3	17.5	8.1	+ 9.4
August .....	56.3	35.0	+ 21.3	33.8	24.4	+ 9.4	8.9	5.0	+ 3.9	13.6	5.6	+ 8.0
September .....	52.8	38.1	+ 14.7	29.3	22.0	+ 7.4	10.4	11.2	- 0.8	13.1	5.0	+ 8.1
October .....	64.9	45.5	+ 19.8	32.2	28.8	+ 3.8	11.6	9.1	+ 2.5	21.1	7.6	+ 13.4
November .....	58.3	55.1	+ 3.2	32.5	38.9	- 6.3	13.0	7.9	+ 5.1	12.8	8.3	+ 4.4
December .....	70.1	58.9	+ 11.2	39.7	35.1	+ 4.5	14.1	12.8	+ 1.3	16.3	10.9	+ 5.4
Month not identified .....	0.5	8.4	- 7.8	0.5	6.6	- 6.0	-	0.1	- 0.1	-	1.7	- 1.7
1960 - January .....	52.9	43.1	+ 9.8	29.9	29.3	+ 0.6	9.2	5.2	+ 4.0	13.8	8.6	+ 5.2
February .....	62.3	47.2	+ 15.1	34.5	27.4	+ 7.1	12.2	9.4	+ 2.7	15.7	10.4	+ 5.3
March .....	60.3	52.6	+ 7.7	33.1	30.5	+ 2.6	7.0	11.7	- 4.6	20.2	10.4	+ 9.7
April .....	54.8	41.3	+ 13.5	30.8	25.5	+ 5.3	7.2	7.0	+ 0.3	16.8	8.9	+ 7.9
May .....	56.3	44.9	+ 11.4	35.2	27.8	+ 7.3	6.2	7.1	- 0.9	14.9	10.0	+ 4.9
June .....	66.1	51.1	+ 15.0	42.6	29.0	+ 13.5	8.1	9.9	- 1.8	15.5	12.2	+ 3.3
July .....	56.5	46.5	+ 10.0	33.4	25.3	+ 8.1	6.8	10.7	- 3.9	16.3	10.5	+ 5.8
August .....	56.4	58.4	- 2.0	34.4	37.1	- 2.7	6.2	9.0	- 2.8	15.8	12.3	+ 3.6
September .....	46.8	63.7	- 16.9	27.9	34.7	- 6.8	6.1	13.0	- 7.0	12.8	16.0	- 3.2
October .....	49.5	58.6	- 9.0	30.4	27.4	+ 3.0	7.9	15.0	- 7.1	11.2	16.2	- 5.0
November .....	49.6	54.4	- 4.8	30.7	26.7	+ 4.0	7.6	15.4	- 7.8	11.4	12.3	- 0.9
December .....	53.6	48.7	+ 4.9	31.6	25.3	+ 6.3	10.6	12.4	- 1.8	11.4	11.1	+ 0.4
Month not identified .....	-	-	-	-	-	-	-	-	-	-	-	-

As figures are rounded, totals may not equal sum of component parts.

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TABLE 3. Trade in Outstanding Foreign 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. -
1958 - Year .....	201.8	188.8	+ 13.0	187.8	176.4	+ 11.3	6.3	4.1	+ 2.2	7.7	8.3	- 0.6
1959 - Year .....	284.9	316.8	- 31.8	268.4	302.5	- 34.0	10.3	7.9	+ 2.4	6.2	6.4	- 0.2
1960 - Year .....	264.3	272.3	- 7.9	247.7	234.6	+ 13.1	6.6	9.4	- 2.8	10.0	28.3	-18.3
1959 - January .....	22.7	24.1	- 1.5	20.8	22.5	- 1.7	1.3	0.4	+ 0.9	0.6	1.2	- 0.6
February .....	21.0	21.0	-	20.0	18.9	+ 1.1	0.7	0.6	+ 0.1	0.2	1.4	- 1.2
March .....	23.2	22.2	+ 1.0	21.9	21.5	+ 0.4	0.5	0.3	+ 0.2	0.8	0.3	+ 0.5
April .....	32.1	29.3	+ 2.8	30.0	28.4	+ 1.6	1.2	0.6	+ 0.6	0.9	0.4	+ 0.5
May .....	26.2	33.1	- 6.9	25.0	32.1	- 7.1	0.9	0.7	+ 0.2	0.2	0.3	- 0.1
June .....	19.3	23.8	- 4.6	18.4	23.0	- 4.6	0.7	0.7	-	0.2	0.2	-
July .....	20.8	31.7	- 10.9	19.8	30.6	- 10.8	0.8	0.7	+ 0.1	0.2	0.5	- 0.3
August .....	20.1	19.0	+ 1.0	19.0	18.1	+ 0.9	0.5	0.4	+ 0.1	0.6	0.6	-
September .....	23.9	18.2	+ 5.7	23.0	17.1	+ 5.9	0.6	1.1	- 0.5	0.4	0.1	+ 0.2
October .....	19.0	20.3	- 1.2	18.0	19.0	- 1.0	1.0	1.1	- 0.2	0.1	0.1	- 0.1
November .....	20.8	19.8	+ 1.0	19.8	19.0	+ 0.8	1.0	0.8	+ 0.2	-	0.1	- 0.1
December .....	24.8	28.3	- 3.5	23.0	27.6	- 4.6	1.1	0.5	+ 0.6	0.7	0.2	+ 0.5
Month not identified .....	9.9	25.8	- 15.9	9.8	24.8	- 15.0	-	0.1	- 0.1	0.1	0.9	- 0.8
1960 - January .....	24.4	20.8	+ 3.5	23.2	20.4	+ 2.7	0.8	0.3	+ 0.5	0.5	0.1	+ 0.3
February .....	22.1	17.1	+ 5.0	21.3	16.6	+ 4.7	0.7	0.1	+ 0.6	0.1	0.4	- 0.3
March .....	21.2	19.4	+ 1.8	20.6	18.8	+ 1.8	0.2	0.1	+ 0.1	0.3	0.4	- 0.1
April .....	20.2	24.8	- 4.6	19.6	23.8	- 4.3	0.1	0.3	- 0.2	0.4	0.6	- 0.1
May .....	24.0	25.5	- 1.6	23.3	24.0	- 0.7	0.1	0.1	-	0.6	1.5	- 0.9
June .....	28.1	24.2	+ 3.9	25.5	23.7	+ 1.8	1.1	0.1	+ 1.0	1.4	0.4	+ 1.1
July .....	23.5	19.0	+ 4.5	21.1	17.1	+ 3.9	0.8	0.3	+ 0.6	1.6	1.6	-
August .....	19.4	20.2	- 0.8	18.3	19.3	- 1.1	0.6	0.7	- 0.1	0.6	0.2	+ 0.4
September .....	18.4	16.7	+ 1.7	17.9	15.9	+ 2.0	0.1	0.6	- 0.5	0.4	0.2	+ 0.2
October .....	21.8	38.7	- 16.9	20.3	13.3	+ 7.0	0.1	3.8	- 3.7	1.4	21.6	-20.2
November .....	19.3	23.3	- 4.0	17.2	20.8	- 3.5	0.7	1.9	- 1.2	1.3	0.7	+ 0.7
December .....	22.0	22.5	- 0.5	19.4	20.7	- 1.2	1.2	1.2	-	1.4	0.7	+ 0.7
Month not identified .....	-	-	-	-	-	-	-	-	-	-	-	-

As figures are rounded, totals may not equal sum of component parts.



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

(Thousands of dollars)

December, 1960	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<b>Grand Total, Canadian and Foreign Securities</b>	75,662	71,246	51,028	45,945	11,838	13,591	12,796	11,710
<b>Canadian Securities, Total</b>	53,630	48,719	31,589	25,266	10,615	12,394	11,426	11,059
Bonds and Debentures	21,480	16,908	7,810	6,721	7,302	5,655	6,368	4,532
Common and Preference Stocks	31,859	31,760	23,488	18,494	3,313	6,739	5,058	6,527
Other Securities	291	51	291	51	-	-	-	-
<b>Foreign Securities, Total</b>	22,032	22,527	19,439	20,679	1,223	1,197	1,370	651
United States Issues:								
Bonds and Debentures	1,727	2,059	1,290	1,916	334	-	103	143
Common and Preference Stocks	17,773	18,354	16,965	17,972	-	18	808	364
United Kingdom Issues:								
Bonds and Debentures	2,006	1,635	885	559	778	1,076	343	-
Common and Preference Stocks	131	68	20	5	110	63	1	-
Other Foreign Countries Issues:								
Bonds and Debentures	226	129	117	44	-	-	109	85
Common and Preference Stocks	124	259	117	165	1	40	6	54
All Other Foreign Securities	45	23	45	18	-	-	-	5
<b>Analysis of Bonds and Debentures</b>								
Canadian Issues:								
Government of Canada - Direct	15,686	10,765	4,372	3,839	6,997	4,624	4,317	2,302
Government of Canada - Guaranteed	1,677	439	662	57	22	38	993	344
Provincial	1,078	1,724	544	1,027	248	184	286	513
Municipal	1,004	496	884	335	-	11	120	150
Railway, not guaranteed by Government	191	456	188	321	-	20	3	115
Other Corporations	1,844	3,028	1,160	1,142	35	778	649	1,108
United States Issues:								
Government	1,118	1,236	784	1,151	334	-	-	85
Other	609	823	506	765	-	-	103	58
United Kingdom Issues:								
Government	1,119	1,408	-	332	778	1,076	341	-
Other	887	227	885	227	-	-	2	-

TABLE 5. Trade in Outstanding Securities Between Canada and Other Countries

(Millions of dollars)

Year 1960	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. -
<b>Grand Total, Canadian and Foreign Securities</b>	929.6	882.8	+46.8	642.0	580.5	+61.5	101.7	135.2	-33.4	185.9	167.1	+18.7
<b>Canadian Securities, Total</b>	665.2	610.5	+54.8	394.3	345.9	+48.4	95.1	125.8	-30.7	175.8	138.8	+37.0
Bonds and Debentures	261.8	256.0	+ 5.9	125.8	132.3	- 6.5	39.9	53.0	-13.1	96.2	70.7	+25.4
Common and Preference Stocks	400.9	352.9	+48.0	266.1	212.3	+53.8	55.2	72.6	-17.4	79.6	68.0	+11.6
Other Securities	2.5	1.6	+ 0.9	2.4	1.3	+ 1.1	-	0.2	- 0.2	-	-	-
<b>Foreign Securities, Total</b>	264.3	272.3	- 7.9	247.7	234.6	+13.1	6.6	9.4	- 2.8	10.0	28.3	-18.3
<b>United States Issues:</b>												
Bonds and Debentures	33.7	44.2	-10.5	32.3	21.4	+11.0	0.4	1.5	- 1.1	1.0	21.3	-20.4
Common and Preference Stocks	215.1	207.4	+ 7.7	210.7	202.7	+ 8.0	0.1	0.1	-	4.3	4.6	- 0.3
<b>United Kingdom Issues:</b>												
Bonds and Debentures	3.8	6.7	- 2.9	1.8	1.2	+ 0.5	1.4	5.4	- 4.1	0.7	0.1	+ 0.6
Common and Preference Stocks	4.5	2.4	+ 2.1	0.1	0.6	- 0.5	4.3	1.8	+ 2.5	0.1	-	+ 0.1
<b>Other Foreign Countries Issues:</b>												
Bonds and Debentures	4.9	6.4	- 1.5	1.8	4.5	- 2.7	0.3	0.5	- 0.2	2.7	1.4	+ 1.3
Common and Preference Stocks	1.8	4.8	- 3.0	0.5	4.0	- 3.4	0.2	-	+ 0.1	1.1	0.8	+ 0.3
<b>All Other Foreign Securities</b>	0.6	0.3	+ 0.3	0.5	0.2	+ 0.3	-	0.1	- 0.1	0.1	-	+ 0.1
<b>Analysis of Bonds and Debentures</b>												
<b>Canadian Issues:</b>												
Government of Canada - Direct	162.3	127.0	+35.3	69.4	53.7	+15.7	31.6	31.4	+ 0.2	61.3	41.9	+19.5
Government of Canada - Guaranteed	35.8	21.6	+14.3	18.0	13.6	+ 4.4	2.6	4.8	- 2.2	15.3	3.3	+12.0
Provincial	16.1	23.6	- 7.5	9.2	15.6	- 6.4	2.1	3.1	- 1.0	4.8	4.9	- 0.1
Municipal	12.2	7.9	+ 4.3	9.3	6.0	+ 3.3	0.6	0.7	- 0.1	2.3	1.2	+ 1.0
Railway, not guaranteed by Government	0.8	5.1	- 4.3	0.4	4.1	- 3.7	0.2	0.4	- 0.2	0.2	0.6	- 0.4
Other Corporations	34.6	70.8	-36.2	19.5	39.3	-19.8	2.8	12.7	- 9.8	12.2	18.8	- 6.6
<b>United States Issues:</b>												
Government	17.4	36.6	-19.1	17.1	14.1	+ 3.0	0.3	1.5	- 1.1	-	21.1	-21.0
Other	16.2	7.6	+ 8.6	15.3	7.3	+ 7.9	-	-	-	0.9	0.3	+ 0.6
<b>United Kingdom Issues:</b>												
Government	2.8	5.8	- 3.1	0.8	0.4	+ 0.4	1.3	5.4	- 4.1	0.7	-	+ 0.6
Other	1.0	0.9	+ 0.1	1.0	0.8	+ 0.1	0.1	-	-	-	-	-

As figures are rounded, totals may not equal sum of component parts.

TABLE 5A. Trade in Outstanding Government of Canada Bonds (Direct and Guaranteed) Between Canada and Other Countries, 1960.  
(Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	12.4	5.7	+ 6.7	5.7	1.8	+ 3.9	1.5	1.1	+ 0.4	5.3	2.8	+ 2.5
February .....	22.2	8.8	+ 13.4	9.4	1.9	+ 7.5	4.3	4.5	- 0.2	8.6	2.5	+ 6.1
March .....	18.3	10.7	+ 7.6	5.1	4.8	+ 0.3	1.4	3.6	- 2.3	11.8	2.3	+ 9.5
April .....	18.9	8.3	+ 10.6	7.7	4.4	+ 3.3	2.8	1.8	+ 1.0	8.5	2.1	+ 6.3
May .....	16.5	7.5	+ 9.0	7.2	3.3	+ 3.9	1.7	1.3	+ 0.4	7.7	3.0	+ 4.7
June .....	17.7	12.0	+ 5.8	8.7	4.6	+ 4.1	4.4	3.4	+ 0.9	4.6	3.9	+ 0.8
July .....	15.6	6.3	+ 9.3	7.1	3.1	+ 4.1	1.1	0.9	+ 0.2	7.3	2.3	+ 5.0
August .....	15.5	16.5	- 1.0	8.0	11.2	- 3.2	1.7	1.3	+ 0.4	5.9	4.1	+ 1.8
September .....	12.6	26.7	- 14.1	6.7	14.6	- 7.9	2.0	4.1	- 2.1	3.9	8.0	- 4.1
October .....	18.2	17.9	+ 0.2	8.8	5.9	+ 2.9	4.6	4.3	+ 0.3	4.8	7.7	- 2.9
November .....	12.9	16.9	- 4.0	8.0	7.9	+ 0.1	1.8	5.0	- 3.3	3.1	3.9	- 0.8
December .....	17.4	11.2	+ 6.2	5.0	3.9	+ 1.1	7.0	4.7	+ 2.4	5.3	2.6	+ 2.7
Total .....	198.2	148.6	+ 49.6	87.4	67.3	+ 20.1	34.1	36.1	- 2.0	76.6	45.1	+ 31.5

TABLE 5B. Trade in All Outstanding Canadian Bonds and Debentures(1) Between Canada and Other Countries, 1960  
(Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	17.8	12.7	+ 5.1	8.2	7.1	+ 1.0	2.8	1.6	+ 1.2	6.8	4.0	+ 2.8
February .....	27.0	18.6	+ 8.5	12.0	8.3	+ 3.7	5.0	5.6	- 0.6	10.1	4.7	+ 5.4
March .....	25.8	19.2	+ 6.5	11.0	10.3	+ 0.7	1.8	4.7	- 2.9	13.0	4.2	+ 8.8
April .....	25.5	18.6	+ 6.9	11.7	12.0	- 0.3	3.2	2.7	+ 0.4	10.7	3.9	+ 6.9
May .....	23.9	18.3	+ 5.6	12.4	11.0	+ 1.4	2.3	2.4	- 0.1	9.2	4.9	+ 4.3
June .....	24.4	21.1	+ 3.3	12.7	10.0	+ 2.7	4.6	5.0	- 0.4	7.1	6.1	+ 1.0
July .....	20.4	14.8	+ 5.6	9.8	8.3	+ 1.5	1.2	2.6	- 1.3	9.3	3.9	+ 5.4
August .....	20.7	26.8	- 6.1	10.7	17.4	- 6.6	2.2	3.3	- 1.1	7.8	6.1	+ 1.7
September .....	18.8	36.4	- 17.6	9.8	19.9	- 10.1	2.7	6.2	- 3.5	6.3	10.3	- 4.0
October .....	22.4	29.6	- 7.2	11.8	11.8	-	5.0	6.9	- 2.0	5.6	10.8	- 5.2
November .....	15.9	24.5	- 8.7	9.9	10.6	- 0.7	2.0	6.5	- 4.6	4.0	7.4	- 3.4
December .....	21.8	17.0	+ 4.8	8.1	6.8	+ 1.3	7.3	5.7	+ 1.6	6.4	4.5	+ 1.8
Total .....	264.3	257.6	+ 6.7	128.2	133.6	- 5.4	39.9	53.2	- 13.3	96.2	70.8	+ 25.4

(1) Includes also minor amounts of "other" Canadian securities.

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



TABLE 5C. Trade in Outstanding Canadian Common and Preference Stocks Between Canada and Other Countries, 1960  
(Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	35.1	30.4	+ 4.8	21.7	22.1	- 0.4	6.4	3.7	+ 2.7	7.0	4.6	+ 2.4
February .....	35.3	28.7	+ 6.6	22.5	19.1	+ 3.4	7.2	3.8	+ 3.4	5.6	5.7	- 0.1
March .....	34.5	33.3	+ 1.2	22.1	20.2	+ 1.9	5.3	6.9	- 1.7	7.1	6.2	+ 0.9
April .....	29.3	22.7	+ 6.6	19.1	13.5	+ 5.6	4.1	4.2	- 0.1	6.1	5.0	+ 1.1
May .....	32.5	26.6	+ 5.9	22.8	16.9	+ 6.0	4.0	4.7	- 0.7	5.7	5.1	+ 0.6
June .....	41.8	30.1	+ 11.7	29.8	19.0	+ 10.8	3.5	4.9	- 1.4	8.4	6.1	+ 2.3
July .....	36.1	31.7	+ 4.4	23.5	17.0	+ 6.6	5.6	8.1	- 2.6	7.0	6.6	+ 0.4
August .....	35.7	31.6	+ 4.1	23.6	19.7	+ 3.9	4.0	5.7	- 1.7	8.1	6.2	+ 1.9
September .....	27.9	27.3	+ 0.6	18.1	14.8	+ 3.3	3.4	6.8	- 3.5	6.5	5.7	+ 0.8
October .....	27.1	29.0	- 1.9	18.5	15.5	+ 3.0	2.9	8.0	- 5.1	5.6	5.4	+ 0.2
November .....	33.7	29.9	+ 3.9	20.7	16.1	+ 4.7	5.6	8.9	- 3.3	7.4	4.9	+ 2.5
December .....	31.9	31.8	+ 0.1	23.5	18.5	+ 5.0	3.3	6.7	- 3.4	5.1	6.5	- 1.5
Total .....	400.9	352.9	+ 48.0	266.1	212.3	+ 53.8	55.2	72.6	- 17.4	79.6	68.0	+ 11.6

TABLE 5D. Trade in Outstanding United States Common and Preference Stocks Between Canada and Other Countries, 1960  
(Millions of dollars)

Month	Total Transactions			United States			United Kingdom			Other 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. -
January .....	20.1	17.3	+ 2.8	20.0	17.2	+ 2.8	-	-	-	0.1	0.1	+ 0.1
February .....	19.0	13.1	+ 5.9	19.0	12.9	+ 6.1	-	-	-	-	0.2	- 0.2
March .....	18.4	15.3	+ 3.0	18.3	15.1	+ 3.1	-	-	-	0.1	0.2	- 0.1
April .....	17.8	21.3	- 3.5	17.7	20.9	- 3.3	-	-	-	0.1	0.3	- 0.2
May .....	19.7	22.5	- 2.8	19.3	21.2	- 1.9	-	-	-	0.4	1.3	- 0.9
June .....	23.2	20.4	+ 2.8	22.7	20.1	+ 2.6	-	-	-	0.5	0.3	+ 0.2
July .....	20.1	16.2	+ 3.9	19.4	15.1	+ 4.2	-	-	-	0.8	1.1	- 0.3
August .....	16.7	18.3	- 1.6	16.3	18.3	- 1.9	-	-	-	0.3	-	+ 0.3
September .....	14.6	14.6	-	14.3	14.5	- 0.1	-	-	-	0.2	0.1	+ 0.1
October .....	12.4	11.5	+ 0.9	12.2	11.2	+ 1.0	-	-	-	0.2	0.3	- 0.1
November .....	15.3	18.5	- 3.1	14.5	18.1	- 3.6	-	-	-	0.8	0.3	+ 0.4
December .....	17.8	18.4	- 0.6	17.0	18.0	- 1.0	-	-	-	0.8	0.4	+ 0.4
Total .....	215.1	207.4	+ 7.7	210.7	202.7	+ 8.0	0.1	0.1	-	4.3	4.6	- 0.3

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

TABLE 6A. Trade in Outstanding Canadian and Foreign Securities Between Canada and Other Countries, 1933-1960  
(Millions of dollars)

Year	Total Transactions			United States			United Kingdom			Other 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. -
1933 .....	289	238	+ 51	206	203	+ 3	81	28	+ 53	2	7	- 5
1934 .....	321	312	+ 9	216	284	- 68	102	24	+ 78	3	4	- 1
1935 .....	302	251	+ 51	268	201	+ 67	31	44	- 13	3	6	- 3
1936 .....	423	415	+ 8	338	347	- 9	72	60	+ 12	13	8	+ 5
1937 .....	507	512	- 5	376	413	- 37	106	86	+ 20	25	13	+ 12
1938 .....	369	340	+ 29	283	261	+ 22	52	64	- 12	34	15	+ 19
1939 .....	311	239	+ 72	248	191	+ 57	32	37	- 5	31	11	+ 20
1940 .....	124	95	+ 29	114	83	+ 31	7	10	- 3	3	2	+ 1
1941 .....	108	75	+ 33	104	68	+ 36	2	5	- 3	2	2	-
1942 .....	167	61	+106	165	56	+ 109	-	4	- 4	2	1	+ 1
1943 .....	268	96	+172	264	83	+ 181	-	11	- 11	4	2	+ 2
1944 .....	213	116	+ 97	206	93	+ 113	1	20	- 19	6	3	+ 3
1945 .....	386	195	+191	380	158	+ 222	-	33	- 33	6	4	+ 2
1946 .....	416	281	+135	405	235	+ 170	4	39	- 35	7	7	-
1947 .....	194	212	- 18	182	193	- 11	4	13	- 9	8	6	+ 2
1948 .....	218	236	- 18	208	225	- 17	5	7	- 2	5	4	+ 1
1949 .....	233	225	+ 8	225	206	+ 19	4	16	- 12	4	3	+ 1
1950 .....	562	325	+237	543	289	+ 254	5	28	- 23	14	8	+ 6
1951 .....	585	575	+ 10	532	542	- 10	9	18	- 9	44	15	+ 29
1952 .....	510	592	- 82	448	543	- 95	25	25	-	37	24	+ 13
1953 .....	501	510	- 9	385	445	- 60	55	25	+ 30	61	40	+ 21
1954 .....	809	739	+ 70	619	613	+ 6	77	54	+ 23	113	72	+ 41
1955 .....	1,159	1,161	- 2	943	979	- 36	91	74	+ 17	125	108	+ 17
1956 .....	1,319	1,100	+219	992	948	+ 44	154	67	+ 87	173	85	+ 88
1957 .....	1,090	974	+116	735	780	- 45	195	106	+ 89	160	88	+ 72
1958 .....	871	770	+101	643	572	+ 71	110	101	+ 9	118	97	+ 21
1959 .....	1,134	965	+169	800	740	+ 60	134	121	+ 13	200	104	+ 96
1960 .....	929	882	+ 47	642	580	+ 62	101	135	- 34	186	167	+ 19

Figures prior to 1952 exclude varying amounts of transactions which took place through channels not covered by regular monthly reports, and prior to 1949 include sales to non-residents of new domestic issues floated in Canada, and purchases from non-residents of new issues floated abroad. Some transactions in short-term securities are included prior to 1955.

TABLE 6B. Analysis of Trade in Outstanding Canadian Securities<sup>(1)</sup> Between Canada and Other Countries by Groups of Securities, 1950 - 1960

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
<u>Bonds and Debentures, etc.</u>											
Government of Canada											
Sales .....	232	99	35	60	126	86	141	72	109	188	162
Purchases .....	57	188	163	98	153	155	127	78	88	83	127
Net .....	+175	- 89	-128	- 38	- 27	- 69	+ 14	- 6	+ 21	+105	+ 35
Dominion Guaranteed											
Sales .....	8	1	3	8	11	6	7	3	13	19	36
Purchases .....	-	-	31	18	42	28	15	11	14	6	21
Net .....	+ 8	+ 1	- 28	- 10	- 31	- 22	- 8	- 8	- 1	+ 13	+ 15
Provincial											
Sales .....	17	11	7	15	13	20	20	14	14	13	16
Purchases .....	3	13	30	23	42	79	31	29	32	18	24
Net .....	+ 14	- 2	- 23	- 8	- 29	- 59	- 11	- 15	- 18	- 5	- 8
Municipal											
Sales .....	2	4	1	1	8	9	7	7	5	7	12
Purchases .....	2	1	6	4	5	15	5	8	6	5	8
Net .....	-	+ 3	- 5	- 3	+ 3	- 6	+ 2	- 1	- 1	+ 2	+ 4
Railway, Other											
Sales .....	9	12	13	7	7	5	3	3	3	4	1
Purchases .....	2	6	5	6	5	5	3	7	6	6	5
Net .....	+ 7	+ 6	+ 8	+ 1	+ 2	-	-	- 4	- 3	- 2	- 4
Other Corporations <sup>(2)</sup>											
Sales .....	39	48	41	27	50	57	73	88	57	29	37
Purchases .....	28	19	30	21	34	66	59	99	55	51	72
Net .....	+ 11	+ 29	+ 11	+ 6	+ 16	- 9	+ 14	- 11	+ 2	- 22	- 35
Total Bonds, Debentures, etc.											
Sales .....	307	175	100	118	215	183	251	187	201	260	264
Purchases .....	92	227	265	170	281	348	240	232	201	169	257
Net .....	+215	- 52	-165	- 52	- 66	-165	+ 11	- 45	-	+ 91	+ 7
<u>Common and Preference Stocks</u>											
Sales .....	138	278	322	262	419	713	816	693	467	589	401
Purchases .....	155	235	250	241	290	575	628	556	379	479	353
Net .....	- 17	+ 43	+ 72	+ 21	+129	+138	+188	+137	+ 88	+110	+ 48

(1) Figures exclude varying amounts of transactions which took place through channels not covered by regular monthly reports (prior to 1952) and also minor amounts of unspecified transactions (prior to 1953).

(2) Figures include "Other" Canadian securities.



TABLE 6C. Trade in Outstanding Canadian Securities Between Canada and Other Countries, 1949-1960  
(Millions of dollars)

Year	Total Canadian Securities			Bonds			Stocks			Other Securities		
	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -
1949 .....	166	170	- 4	102	92	+ 10	63	77	- 14	1	1	-
1950 .....	452	255	+ 197	311	97	+ 214	138	155	- 17	3	3	-
1951 .....	464	473	- 9	180	232	- 52	279	236	+ 43	5	5	-
1952 .....	424	518	- 94	94	262	- 168	322	250	+ 72	8	6	+ 2
1953 .....	380	411	- 31	113	166	- 53	262	241	+ 21	5	4	+ 1
1954 .....	634	571	+ 63	205	271	- 66	419	290	+ 129	10	10	-
1955 .....	896	923	- 27	165	335	- 170	713	575	+ 138	18	13	+ 5
1956 .....	1,067	868	+ 199	227	222	+ 5	816	628	+ 188	24	18	+ 6
1957 .....	880	788	+ 92	170	219	- 49	693	556	+ 137	17	13	+ 4
1958 .....	669	581	+ 88	201	201	-	467	379	+ 88	1	1	-
1959 .....	849	648	+ 201	258	167	+ 91	589	479	+ 110	2	2	-
1960 .....	665	610	+ 55	262	256	+ 6	401	353	+ 48	2	1	+ 1

Prior to 1952, figures exclude varying amounts of transactions which took place through channels not covered by regular monthly reports, but include unspecified bonds and debentures.

TABLE 6D. Trade in Outstanding Foreign Securities Between Canada and Other Countries, 1949-60  
(Millions of dollars)

Year	Total Foreign Securities			United States Bonds			United States Stocks			Other Foreign Securities		
	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -	Sales	Purchases	Net Sales + Purch. -
1949 .....	65	52	+ 13	17	19	- 2	46	32	+ 14	2	1	+ 1
1950 .....	104	62	+ 42	21	15	+ 6	80	45	+ 35	3	2	+ 1
1951 .....	106	85	+ 21	17	14	+ 3	84	69	+ 15	5	2	+ 3
1952 .....	86	74	+ 12	4	4	-	75	66	+ 9	7	4	+ 3
1953 .....	121	99	+ 22	23	14	+ 9	91	79	+ 12	7	6	+ 1
1954 .....	175	168	+ 7	14	9	+ 5	154	148	+ 6	7	11	- 4
1955 .....	263	238	+ 25	14	13	+ 1	222	196	+ 26	27	29	- 2
1956 .....	252	232	+ 20	15	12	+ 3	211	203	+ 8	26	17	+ 9
1957 .....	210	186	+ 24	28	54	- 26	164	117	+ 47	18	15	+ 3
1958 .....	202	189	+ 13	36	30	+ 6	158	148	+ 10	8	11	- 3
1959 .....	285	317	- 32	27	36	- 9	240	264	- 24	18	17	+ 1
1960 .....	264	272	- 8	33	44	- 11	215	207	+ 8	16	21	- 5

Prior to 1952, figures exclude varying amounts of transactions which took place through channels not covered by regular monthly reports.

TABLE 7.

## Domestic Government Bonds

## Stock Prices

## Exchange Rate

(Last Wednesday of month)

Year and Month	Canada 3½% due January 15, 1975-78		United States 3½% due June 15, 1978-83		United Kingdom 3% due August 15, 1965-75		Canada (Dominion Bureau of Statistics)		United States Standard and Poor's Composite Stock Index of Industrial, Railroads and Utilities	United States dollar in Canada (noon average in cents)
	Price	Yield	Price	Yield	Price	Yield	Investors' Price Index (Industrial Utilities Banks)	Composite Mining Index		
							1935-1939 = 100		1941-1943 = 10	
1955 - March .....	108.00	3.20	106.75	2.85	88.41	3.82	213.7	105.7	36.50	98.43
June .....	108.00	3.20	106.00	2.89	82.53	4.30	237.1	121.5	39.78	98.44
September .....	105.50	3.36	104.75	2.96	78.00	4.71	255.9	129.0	44.34	98.78
December .....	103.75	3.48	105.03	2.94	78.38	4.69	247.6	121.4	45.37	99.95
1956 - March .....	103.50	3.49	104.03	3.00	75.03	5.03	267.9	134.4	47.49	99.87
June .....	103.75	3.47	104.25	2.99	73.16	5.24	267.0	136.4	46.27	98.53
September .....	98.00	3.89	100.13	3.24	72.16	5.37	278.9	137.4	46.84	97.77
December .....	96.75	3.98	97.50	3.39	72.41	5.36	267.8	129.4	46.44	96.05
1957 - March .....	96.25	4.02	99.13	3.30	75.53	5.06	267.5	123.3	44.03	95.61
June .....	94.00	4.19	93.88	3.61	70.56	5.60	286.9	125.4	47.55	95.32
September .....	93.00	4.27	93.38	3.65	68.16	5.89	242.2	104.6	43.93	95.92
December .....	99.25	3.80	100.13	3.24	69.13	5.83	216.2	89.4	40.33	97.74
1958 - March .....	96.50	4.01	100.50	3.22	70.31	5.71	221.5	96.4	42.11	97.73
June .....	93.75	4.22	99.59	3.27	71.94	5.56	237.8	104.1	44.75	96.18
September .....	92.00	4.37	91.63	3.77	73.28	5.43	255.0	106.7	48.96	97.68
December .....	87.50	4.76	90.81	3.83	73.88	5.40	259.1	116.1	53.49	96.46
1959 - March .....	86.25	4.88	89.19	3.95	75.44	5.25	270.2	126.6	56.15	96.98
June .....	84.13	5.08	87.31	4.09	76.06	5.21	269.5	119.4	57.46	95.88
September .....	78.88	5.61	86.88	4.12	74.94	5.37	255.4	111.5	57.05	95.16
December .....	79.13	5.60	83.19	4.41	75.63	5.19	261.5	112.8	59.06	95.12
1960 - January .....	77.63	5.76	82.94	4.43	74.84	5.40	259.2	114.4	58.03	95.31
February .....	80.13	5.51	85.75	4.22	75.44	5.35	249.9	110.4	55.78	95.17
March .....	82.13	5.32	87.00	4.13	74.38	5.48	242.3	107.4	55.02	95.09
April .....	81.88	5.35	85.44	4.24	72.41	5.72	248.8	105.1	55.73	96.29
May .....	82.38	5.30	86.44	4.17	73.25	5.63	249.2	98.0	55.22	97.81
June .....	84.63	5.08	91.13	3.83	70.50	5.98	251.0	96.0	57.26	98.23
July .....	84.06	5.14	92.19	3.76	70.72	5.98	243.6	95.5	55.84	97.84
August .....	87.13	4.86	92.31	3.75	71.13	5.94	249.3	101.4	56.51	96.98
September .....	87.38	4.84	92.25	3.76	71.19	5.94	248.9	104.0	54.81	97.25
October .....	84.63	5.10	90.63	3.88	71.09	5.97	241.7	107.4	53.73	97.85
November .....	81.75	5.40	89.81	3.94	70.81	6.02	251.1	110.2	55.47	97.67
December .....	81.63	5.41	91.69	3.80	70.31	6.10	260.2	108.5	56.80	98.24



## STATISTICAL SOURCES AND METHODS

The Bureau's monthly series of sales and purchases of securities between Canada and other countries has been designed for purposes of measuring and analysing international capital movements arising out of security transactions between Canada and other countries. It covers an essential part of the capital account of the Canadian balance of international payments as well as furnishing information needed in the measurement of investments of non-resident capital in Canada and investments of Canadian capital abroad. In addition to these purposes the statistics provide a record of major groups of transactions in Canadian capital markets.

This statistical series has been collected and compiled since 1933 with the co-operation of banks, investment dealers, stock brokers, and other financial institutions and investors in Canada, whose assistance is gratefully acknowledged. Monthly data covering trade in outstanding issues are supplemented at quarterly intervals with figures covering new issues and retirements between Canada and other countries, and also annually with some additional transactions in outstanding securities. The figures correspond to those employed in statements of the Canadian balance of international payments.

The basic source of the monthly data is Schedule ISM, which is reproduced on the following pages. The instructions which are appended indicate the conceptual basis of the series.

In addition to the responding institutions named (Canadian offices or branches of members of The Investment Dealers' Association of Canada, the Canadian Bankers' Association, Canadian stock exchanges, and foreign security houses operating in Canada), special arrangements have been made to also obtain, at monthly or in some cases less frequent intervals, figures from other financial intermediaries and investors who engage directly in transactions with dealers or brokers abroad, e.g. trust companies, certain investment funds, and some non-financial corporations.

Besides providing data covering trade in outstanding issues, Schedule ISM provides figures for foreign participation in new issues on the Canadian market and some Canadian participation in new issues of non-Canadian securities. These figures are not published separately but are incorporated with data from many other sources (e.g. official announcements and prospectuses, market information, balance of payments returns of Canadian borrowers and other enterprises, and analyses of transactions in Canadian securities by some major foreign life insurance companies) to produce the comprehensive estimates of new issues and retirements published quarterly.

Some transactions in short-term securities are also reported on Schedule ISM but are not included with security transactions in these reports, as they are shown elsewhere in statements of the Canadian balance of international payments. From time to time, however, comment on them is included in reports in this series. The figures recorded on Schedule ISM are supplemented from other sources and with estimates of run-offs on maturity. Changes in non-resident holdings of Canadian treasury bills are included as a part of the change in Canadian dollar holdings of foreigners shown quarterly in the capital account of the balance of payments, while changes in foreign holdings of short-term Canadian commercial and finance paper, etc., and in Canadian holdings of foreign short-term securities, are included with other capital movements for which further detail is published in the annual report on the Canadian balance of international payments.

Other types of security transactions, which represent direct investment by the principal owners of an enterprise, are excluded from this series, being more appropriately recorded as direct investment in the Canadian balance of payments. Examples are subscriptions by parent companies for new stock offered to shareholders by companies with some public ownership, transactions arising from the acceptance of take-over bids, and exchanges of stock under corporate reorganizations and mergers.

Although a very large volume of transactions is covered in the series — including new issues and retirements, the average gross turn-over in recent years has been of the order of \$3,000 million — it is, of course, always possible that the series is not complete. The most likely area of incomplete coverage lies in the primary distribution of mining stocks. Transactions of most established distributors are covered, and their reports are supplemented by balance of payments



questionnaires received from many of the mining companies themselves. In any event it does not appear that the volume of net inflows from these transactions is as high as is sometimes thought. Other possibilities of incomplete coverage lie in the role of intermediaries in foreign investment whose function may not be clear to reporting agencies. Special arrangements have been made to cover many of these, either through obtaining reports from them or through having reporting agencies themselves treat the intermediaries as non-residents. Nevertheless some investments made through such intermediaries as legal firms may have been omitted.

It should also be noted that some types of security transaction by internationally situated enterprises are purposely kept out of the series when they do not reflect international transactions of relevance to the Canadian balance of payments. Examples of these are provided by most security transactions in Canada of Canadian branches of foreign insurance companies and of other concerns, and by transactions abroad of foreign branches of Canadian financial institutions and concerns.

## Balance of Payments Section

OTTAWA, CANADA

## SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

SALES	To All Countries	To United States	To United Kingdom	To Other Countries
(Canadian dollars - omit cents)				
<b>Bonds and Debentures</b> (original term over one year)				
Canadian issues:				
New issues (Indicate issue if amount over \$50,000) .....				
.....				
.....				
Outstanding issues:				
Government of Canada - Direct .....				
Government of Canada - Guaranteed ..				
Provincial - Direct and Guaranteed ..				
Municipal .....				
Railway, not guaranteed by Government				
Other .....				
United States issues:				
Government .....				
Other .....				
United Kingdom issues:				
Government .....				
Other .....				
Other Countries .....				
<b>Common and Preference Stocks:</b>				
Canadian:				
New issues .....				
Outstanding issues .....				
United States .....				
United Kingdom .....				
Other Countries .....				
<b>Short Term Securities</b> (original term one year or less):				
Government of Canada issues .....				
Canadian commercial and finance paper				
Other Canadian .....				
All Other Countries .....				
<b>Other Securities:</b>				
Canadian .....				
All Other Countries .....				
<b>TOTAL SALES</b> .....				

PURCHASES	From All Countries	From United States	From United Kingdom	From Other Countries
(Canadian dollars - omit cents)				
<b>Bonds and Debentures</b> (original term over one year):				
Canadian issues:				
Government of Canada - Direct .....				
Government of Canada - Guaranteed ..				
Provincial - Direct and Guaranteed ..				
Municipal .....				
Railway, not guaranteed by Government				
Other .....				
United States issues:				
New issues:				
Government .....			xxxxxx	xxxxxx
Other .....			xxxxxx	xxxxxx
Outstanding issues:				
Government .....				
Other .....				
United Kingdom issues:				
Government .....				
Other .....				
Other Countries .....				
<b>Common and Preference Stocks:</b>				
Canadian .....				
United States .....				
United Kingdom .....				
Other Countries .....				
<b>Short Term Securities</b> (original term one year or less):				
Government of Canada issues .....				
Canadian commercial and finance paper				
Other Canadian .....				
All Other Countries .....				
<b>Other Securities:</b>				
Canadian .....				
All Other Countries .....				
<b>TOTAL PURCHASES</b> .....				

Report of

Month

Signature of Responsible Officer



## INSTRUCTIONS

1. **Object of the Return** - This return is intended to cover international transactions in securities. The guiding principle is a change in ownership from one nation to another. International transactions ordinarily involve a movement of funds from one country to another, but include also exchanges of securities involving purchases and sales between residents and non-residents.

2. **Nationality** - Report all transactions executed by your concern between a principal domiciled or located in Canada and a principal domiciled or located in another country, irrespective of the nationality of the vendor or the purchaser. For example, a sale by a vendor located in Canada to a foreign branch of a Canadian firm is to be reported, whereas if the purchaser were a Canadian branch of a foreign firm the transaction should not be recorded.

*Insurance Companies* - The business in Canada of foreign insurance companies is regarded as that of a Canadian "branch". Accordingly transactions in connection with securities deposited in Canada under Insurance Acts or otherwise held in respect of liabilities to Canadian policy-holders are regarded as transactions with Canadians and are not to be reported. Similarly, the business abroad of Canadian insurance companies is regarded as that of a non-resident branch and transactions between Canada and such branches are to be reported.

*Non-Resident Owned Investment Companies and Investment Trusts* - The country of residence of holding companies is established by the residence of their beneficial owners where known.

3. **Transactions** - All securities are classified by the nationality of the issuer. The currency in which a security may be expressed has no significance for the purpose of this return. Securities of Canadian companies whose principal operations are outside Canada should however be classified as "foreign".

*Location* - Location of a bond, debenture, or share certificate is not relevant; for example, a purchase by a non-resident from a Canadian is to be reported regardless of whether the security is to be lodged in Canada or delivered abroad. Similarly a sale to a non-resident for delivery, against payment, to a bank in Canada should be reported by the dealer, as a change of ownership between Canada and a foreign country has occurred. (For special treatment of insurance company transactions see section 2 above).

*New Issues* - Include new, refunding, and conversion issues. For practical purposes the dividing line between new and outstanding issues may be taken as immediately after wholesale distribution by the originating group or

purchasing syndicate. An issue is classed as outstanding, therefore, after it has been distributed at wholesale to a selling group. (Rights and warrants are to be treated as outstanding securities).

*Redemptions* - Repurchases for governments or corporations in a market outside Canada of their own bonds, debentures, or stock are to be reported, but maturing bonds or debentures, and issues called for complete or partial redemption are to be excluded.

4. **Amounts to be Reported** - All values should be expressed in terms of Canadian currency. Please omit cents.

*Transactions executed outside Canada* - Report as sales the amount credited on transactions for a Canadian client or for your own account (proceeds of sales less commissions and taxes outside Canada). Report as purchases the amount debited for these accounts (cost of purchases plus commissions and taxes).

*Transactions executed in Canada* - Report as sales the amount debited on transactions for a non-resident purchaser (cost of securities plus commissions and taxes in Canada). Report as purchases the amount credited on transactions for a non-resident seller (proceeds of sales less commissions and taxes in Canada).

*Margin Accounts* - Transactions in margin accounts should be treated in exactly the same manner as other transactions.

5. **Responsibility for Reporting - Duplication** - Similar reports in respect of Canadian offices or branches are made by members of the Investment Dealers' Association of Canada, the Canadian Bankers' Association, Canadian stock exchanges, and foreign investment houses operating in Canada; care must therefore be taken to avoid duplication. The institution or firm which actually purchases or sells the security outside Canada is to report the transaction. If, for example, a bank sells a security through a Canadian firm for a client in London, and the firm in turn sells the security in New York, the bank is to report a purchase from the United Kingdom and the firm is to report a sale to the United States, even though each may be aware of the complete transaction. If firm "A" purchases a security through firm "B", which is a Canadian branch of a United States firm, firm "A" is to make no report because, insofar as it is directly concerned, the security is purchased through a firm in Canada; if the security is purchased in the United States by firm "B", the latter will report the transaction. Firms which are members of more than one of the groups listed above must select their channels of reporting so that double counting will not occur.

**REMARKS:** Any comments or qualifications which you feel might be usefully added to this material would be appreciated.



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