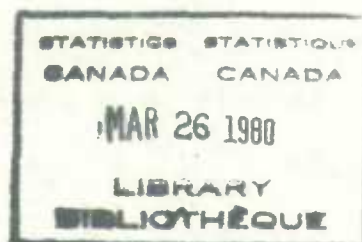


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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES
DECEMBER, 1961
AND
REVIEW OF SECURITY TRADING DURING 1961

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

Review of International Trade in Securities - 1961

Transactions in stocks and bonds between Canada and other countries in 1961 gave rise to a net capital inflow of \$273 million, up considerably from that of \$226 million recorded for 1960. The total value of the transactions leading to this balance was \$4,121 million. The net inward movements in 1960 and 1961 were much smaller than in the years from 1956 to 1959, but were larger than in all but two of the ten preceding post-war years. The total value of transactions was some \$1,500 million higher than in 1960 and was well above the average of about \$2,900 million from 1956 to 1960.

The summary at the foot of this page shows that proceeds of new issues of Canadian securities sold to non-residents amounted to \$492 million, ten per cent above the figure of \$447 million for 1960. Retirements of foreign-held Canadian issues at \$292 million were well above the figures for many years past. Trade in outstanding Canadian securities resulted in net sales to non-residents of \$103 million, practically double the figure for 1960. In the opposite direction there was a net capital export of \$30 million from all transactions by Canadians in foreign securities.

It may be noted that direct investments in foreign-controlled enterprises in Canada are Canada's major source of foreign capital, although between 1956 to 1959 portfolio security transactions were the largest medium of capital inflow. Details of these capital movements and of Canada's other international transactions are covered in Dominion Bureau of Statistics quarterly and annual reports on the Canadian balance of international payments.

Foreign savings supplied a smaller part again in 1961 of the new money raised by Canadians in capital markets. The market for Government of Canada direct and guaranteed issues has tended in recent years to be overwhelmingly domestic. The net acquisitions by non-residents of provincial, municipal, and corporate securities were equivalent to about 14 per cent of the net new supply of these securities. In 1960 the proportion had exceeded 16 per cent and in 1959 it was more than 40 per cent. The reduction in 1961 occurred despite the fact the new supply of these securities was about 25 per cent greater than in 1960.

Foreign savings invested in provincial securities were equal to more than half of the net new supply in 1959, but fell to 9 per cent in 1960 and to 3 per cent in 1961 despite a substantial growth in borrowing in the latter year. Foreign investment in municipals equalled 39 per cent of new issues in 1959 and 33 per cent in 1960 but in 1961 there was no significant foreign investment in this group of securities. In the case of corporation securities, on the other hand net acquisitions by non-residents represented an increased proportion of the net new supply in 1961, about one-third, compared with 14 per cent in 1960, although the proportion at that time was unusually low in relation to earlier years. Taking corporate bonds and debentures alone, the net acquisition by non-residents in 1961 of over 50 per cent was higher even than in 1956 or 1957 when very much larger amounts of capital were raised by Canadian corporations.

Security Transactions Between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1954	1955	1956	1957	1958	1959	1960	1961
	(Millions of dollars)							
<u>Canadian Securities</u>								
Trade in outstanding bonds, etc.	- 66	- 165	+ 11	- 45	-	+ 91	+ 3	+ 63
Trade in outstanding stocks	+ 129	+ 138	+ 188	+ 137	+ 88	+ 110	+ 49	+ 40
New issues	+ 331	+ 166	+ 667	+ 798	+ 677	+ 707	+ 447	+ 492
Retirements	- 203	- 184	- 141	- 133	- 158	- 258	- 253	- 292
<u>Foreign Securities</u>								
Trade in outstanding issues	+ 7	+ 25	+ 20	+ 24	+ 13	- 32	- 20	- 5
New issues	- 33	- 48	- 18	- 24	- 17	- 13	- 18	- 34
Retirements	+ 2	+ 17	-	+ 6	+ 7	+ 12	+ 18	+ 9
Total - all securities	+ 167	- 51	+ 727	+ 763	+ 610	+ 617	+ 226	+ 273

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 1961 are preliminary and data for 1960 are subject to revision.

The overall movement of portfolio security capital to Canada came in 1961 as in 1960 entirely from the United States. Inflows from the United States amounted to \$415 million, but there were outflows of \$101 million and \$41 million to the United Kingdom and to other overseas countries respectively.

New Issues and Retirements

Canada imported \$492 million of foreign capital from the sale to non-residents of new issues of Canadian securities in 1961. This figure was 10% higher than sales in 1960, but was well below the totals for the years from 1956 to 1959. Details of the new issues, classified quarterly by issuer, and annually by currency of payment and issuer, will be found in the accompanying statements. Perhaps the most striking feature of this series is the contraction in sales to non-residents of new issues of governments and municipalities, which fell by more than half from 1959 to 1960 and again from 1960 to 1961, in contrast to the sharp increases in the same period in sales to non-residents of new corporate issues which in 1961 were more than twice their amount in 1959. Among the corporate issues placed abroad or attracting considerable non-resident interest at the time of issue in Canada in 1961, petroleum and natural gas including ancillary facilities stood out prominently, accounting for over forty per cent of the total. Securities of real estate investment companies, pulp and paper concerns, and financial institutions were in that order the next largest contributors to the total. It may be observed that a wide range of factors besides general interest rate and exchange differentials may influence borrowing abroad. Among them may be the specific relationships existing between the entrepreneurs and particular capital sources, and the absorptive capacity of the market not only in total but for a particular security or type of security.

Although the proceeds of new issues sold to non-residents were more evenly distributed over 1961 than 1960, receipts tended again to be larger in the first half of the year. The statement giving a reconciliation for 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, shows that about 40% of the proceeds received during the last six months of 1961 arose from arrangements completed in earlier periods.

Canadians in 1961 purchased \$34 million of new foreign securities. This outflow was the largest for these transactions since 1955. Contributing to the total was an offering of Canadian dollar bonds by the Commonwealth of Australia. Other purchases by Canadians included issues of borrowers in the United States, Israel and United Kingdom. Retirements of Canadian-held foreign securities in 1961 totalled \$9 million, about half the total for 1960, including investments in the United States, other countries, and international financial organizations.

Retirements of foreign-held Canadian securities rose in 1961 to \$292 million. This figure was some \$39 million higher than in 1960. The total included \$53 million of common and preferred stocks retired from the market through redemption, negotiated purchases, etc; a significant part reflected principal repayments on the partial liquidation of an utility holding company. Since retirements required by the operation of sinking funds are often satisfied through the surrender of bonds acquired in the market, some repurchases of outstanding issues in affect also represent debt retirement. Rising payments for retirements are to be expected with the increasing amounts of debt of Canadians held by non-residents. The retirements of bonds and debentures in 1961 represented less than 1/25 of the debt held by non-residents.

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

	1960					1961				
	I	II	III	IV	Year	I	II	III	IV	Year
	(Millions of dollars)									
Bonds and debentures:										
Government of Canada, direct	10	3	-	6	19	2	16	9	10	37
Government of Canada, guaranteed	2	-	7	2	11	-	-	-	-	-
Provincial government (incl. guaranteed)	40	47	13	3	103	32	3	3	15	53
Municipal government	79	39	6	11	135	2	28	4	2	36
Railways, not guaranteed by government..	-	-	-	-	-	-	-	-	-	-
Other corporations	71	45	22	15	153	53	112	95	70	330
Sub-total, Bonds and debentures	202	134	48	37	421	89	159	111	97	456
Common and preference stock	7	12	4	3	26	1	12	16	7	36
Total	209	146	52	40	447	90	171	127	104	492

Contract and Delivery of New Issues of
Canadian Bonds and Debentures sold to Residents
of the United States

Year	and Quarter	Sales contracts entered into	Add Deliveries of prior sales	Deduct Sales for later delivery	Proceeds of New Issues
(Millions of dollars)					
1956		- 122	557
1957		656	122	- 80	698
1958		574	79	- 70	583
1959		575	64	- 35	604
1960		438	41	- 110	369
1961		325	83	-	408
1957	I	277	82	- 126	233
	II	265	63	- 61	267
	III	68	77	- 20	125
	IV	46	27	-	73
1958	I	161	9	- 9	161
	II	260	32	- 40	252
	III	20	73	- 5	88
	IV	133	5	- 56	82
1959	I	98	58	- 4	152
	II	164	6	- 72	98
	III	177	73	- 57	193
	IV	136	48	- 23	161
1960	I	182	27	- 24	185
	II	100	28	- 3	125
	III	53	11	- 31	33
	IV	103	3	- 80	26
1961	I	122	51	- 93	80
	II	87	73	- 19	141
	III	52	56	- 5	103
	IV	64	20	-	84

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

	1954	1955	1956	1957	1958	1959	1960	1961	1952-1961
	(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)	114	-	212	130	162	321	93	31	1,300
Municipal government	34	40	106	115	143	148	119	29	843
Railways, not guaranteed by government..	24	-	-	-	-	-	-	-	24
Other corporations	72	5	190	393	189	54	83	286	1,427
Total	244	45	508	638	494	523	295	346	3,594
Bonds and debentures payable in Canadian dollars only:									
Government of Canada, direct	5	5	9	16	67	42	19	37	207
Government of Canada, guaranteed	4	-	-	-	9	14	11	-	39
Provincial government (incl. guaranteed)	12	3	12	6	6	13	10	22	96
Municipal government	11	4	6	8	5	10	16	7	79
Railways, not guaranteed by government..	1	-	-	-	1	-	-	-	4
Other corporations	35	46	62	69	52	58	70	44	483
Total	68	58	89	99	140	137	126	110	908
Bonds and debentures:									
Government of Canada, direct	5	5	9	16	67	42	19	37	207
Government of Canada, guaranteed	4	-	-	-	9	14	11	-	39
Provincial government (incl. guaranteed)..	126	3	224	136	168	334	103	53	1,396
Municipal government	45	44	112	123	148	158	135	36	922
Railways, not guaranteed by government ..	25	-	-	-	1	-	-	-	26
Other corporations	107	51	252	462	241	112	153	330	1,910
Sub-total, Bonds and debentures	312	103	597	737	634	660	421	456	4,502
Common and preference stocks	19	63	70	61	43	47	26	36	434
Total	331	166	667	798	677	707	447	492	4,936

Retirements of Canadian Securities held by Non-Residents

	1960					1961				
	I	II	III	IV	Year	I	II	III	IV	Year
	(Millions of dollars)									
Bonds and debentures:										
Government of Canada, direct	-	22	-	36	58	-	32	-	13	45
Government of Canada, guaranteed	-	-	-	-	-	-	2	-	-	2
Provincial government (incl. guaranteed)..	18	9	1	23	51	3	13	1	6	23
Municipal government	6	11	5	13	35	6	10	6	18	40
Railways, not guaranteed by government ..	2	-	-	-	2	2	-	-	-	2
Other corporations	23	36	20	19	98	57	33	19	18	127
Sub-total, Bonds and debentures	49	78	26	91	244	68	90	26	55	239
Common and preference stocks	1	-	6	2	9	1	3	3	46	53
Total	50	78	32	93	253	69	93	29	101	292

Trade in Outstanding Issues in Year 1961 and Month of December

The value of outstanding securities traded internationally during 1961 was \$3,294 million, apart from transactions in securities with an original term of one year or less which would add upwards of a billion dollars to the turnover. The volume of trading in long-term securities compared with \$1,848 million in 1960 and was some 36 per cent above the previous record of \$2,419 million in 1956. Contributing to the increased turnover in recent years in an indeterminate amount has been the development of buy-backs or purchase and resale arrangements under which essentially short-term transactions may be carried out in securities which are nominally long-term.

The net inflow of capital from trade in outstanding issues in 1961 totalled \$98 million, more than three times the size of the inflow in 1960, but well below the sales balance of \$169 million in 1959. The balance reflected net sales of \$103 million of Canadian securities offset by net purchases of \$5 million of foreign securities. In the preceding year the sales balance from trading in Canadian issues at \$52 million was much smaller and the purchase balance from trading in foreign issues at \$20 million was much larger.

The capital inflow of \$103 million produced by trade in outstanding Canadian securities was made up of \$63 million of bonds and debentures and \$40 million of common and preference stocks. Details by issuer and by quarter, together with corresponding data for 1960, are given in a statement. The largest changes between the two years occurred in trade in outstanding Government of Canada direct and guaranteed issues in which net sales rose from \$49 million to \$75 million and in corporate bonds and debentures where net repurchases fell from \$42 million to \$7 million. In both years substantial sales balances occurred in the first half of the year, and there were small repurchase balances in the second half.

Net Sales of Outstanding Canadian Stocks
to Non-Residents
(Millions of dollars)

<u>Quarter</u>	<u>Total</u>	<u>United States</u>	<u>Other Countries</u>
1960 I Q	13	5	8
II Q	24	22	2
III Q	10	14	- 4
IV Q	2	13	- 11
1961 I Q	13	21	- 8
II Q	32	45	- 13
III Q	-	22	- 22
IV Q	- 5	32	- 37

A rather striking feature of transactions in Canadian securities has been the persistence of sustained sales of outstanding Canadian stocks to residents of the United States and sustained repurchases of them from the United Kingdom and other overseas countries.

The capital outflow for the purchase of outstanding foreign securities occurred entirely in the fourth quarter when Canadians were heavy net buyers of United States stocks. Over the year as a whole Canadians purchased through trade in outstanding issues \$18 million of United States, United Kingdom, and other foreign equities, but sold \$13 million of foreign bonds and debentures, about half of them United States Government issues.

In December, trade in outstanding Canadian securities produced a capital inflow of \$5.2 million which included net sales of Government of Canada issues of some \$9 million. These sales coincided with the retirement of other Government of Canada issues. Trade in outstanding foreign issues led to a purchase balance or capital outflow of \$7.4 million, reversing a substantial inflow of this order in the preceding month. Both movements were largely in United States stocks. Taking into account trade in both Canadian and foreign securities, there was an inflow of \$13.5 million from the United States, which was more than offset by outflows of \$9.7 million and \$6.0 million to the United Kingdom and other overseas countries respectively.

Trade in Outstanding Canadian Securities Between Canada and All Countries

	1960					1961				
	I	II	III	IV	Year	I	II	III	IV	Year
(Millions of dollars)										
Bonds and debentures:										
Government of Canada, direct	+18	+21	- 4	- 1	+34	+22	+29	- 1	+ 4	+ 54
Government of Canada, guaranteed	+10	+ 4	- 2	+ 3	+15	+10	+ 8	+ 1	+ 2	+ 21
Provincial government (incl. guaranteed)	- 1	- 2	- 2	- 3	- 8	- 5	-	- 4	+ 1	- 8
Municipal government	-	+ 2	+ 1	+ 1	+ 4	+ 2	- 2	-	+ 3	+ 3
Railways, not guaranteed by government.	- 1	- 1	- 1	- 1	- 4	- 1	-	- 1	- 1	- 3
Other corporations	- 7	- 9	-11	-11	-38	+ 3	- 1	- 7	+ 1	- 4
Sub-total, Bonds and debentures	+19	+15	-19	-12	+ 3	+31	+34	-12	+10	+ 63
Common and preference stock	+13	+24	+10	+ 2	+49	+13	+32	-	- 5	+ 40
Total	+32	+39	- 9	-10	+52	+44	+66	-12	+ 5	+103

Transactions with the United States

The net capital inflow to Canada from security transactions with the United States totalled \$415 million in 1961 compared with \$229 million in 1960 and \$469 million in 1959. Details appear in Table 1. The movement included net sales of \$419 million of Canadian securities, comprising \$120 million of outstanding stocks, \$76 million of outstanding bonds and debentures, and \$433 million of new issues, offset by retirements of \$210 million of foreign-held issues. Transactions with the United States in foreign securities led to a capital outflow of \$4 million.

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

	Sales		Purchases		Net Sales (+) or Purchases (-)	
	By Canadians 1960	1961	By Canadians 1960	1961	1960	1961
(Millions of dollars)						
<u>By Country</u>						
United States	395	990	350	794	+45	+196
United Kingdom	97	120	126	193	-29	- 73
Other countries	175	172	139	192	+36	- 20
Total - all countries	667	1,282	615	1,179	+52	+103
<u>By Class of Security</u>						
Bonds and Debentures ⁽¹⁾	265	551	262	488	+ 3	+ 63
Common and Preferred Stocks	402	731	353	691	+49	+ 40
Total - Canadian securities	667	1,282	615	1,179	+52	+103

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

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

	Sales By Canadians		Purchases By Canadians		Net Sales (+) or Purchases (-)	
	1960	1961	1960	1961	1960	1961
(Millions of dollars)						
<u>By Country</u>						
United States	256	390	252	384	+ 4	+ 6
United Kingdom	7	11	10	20	- 3	- 9
Other Countries	10	13	31	15	-21	- 2
Total - all countries	273	414	293	419	-20	- 5

By Class of Security

Bonds and Debentures ⁽¹⁾	51	60	69	60	-18	-
Common and Preferred Stocks	222	354	224	359	- 2	- 5
Total - Foreign securities	273	414	293	419	-20	- 5

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

Transactions with the United Kingdom and Other Overseas Countries

Security transactions with the United Kingdom in 1961 led to a capital outflow of \$101 million. In 1960 there was a net outflow of \$33 million. This net repatriation of British portfolio investment from Canada during 1960 and 1961 was the first to occur since 1952. The outflow in 1961 took the form of net repurchases by Canadians of \$73 million of outstanding issues including \$61 million of stocks; retirements of \$41 million of United Kingdom-owned bonds and stocks; and net purchases by Canadians of \$11 million of British securities, partially offset by sales of \$24 million of new Canadian issues.

There was a further substantial but smaller outflow of \$41 million to other overseas countries, in contrast to the capital inflow of \$30 million resulting from transactions in securities with those countries in 1960, and the record inflow of four times that amount in 1959. Contributing to the outflow were repurchases of \$20 million of outstanding issues, mainly stocks; retirements of \$41 million of foreign-held Canadian bonds and stocks; and purchases by Canadians of \$15 million net of foreign securities. Against these outward movements were the inflows resulting from the sale to residents of those countries of \$35 million of new Canadian issues.

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 treated separately, in balance of payments statements, from the capital flows arising from long-term portfolio security transactions. Since, however, the volume of this business is substantial, some details may be of interest to readers of this report.

Over the course of the year non-residents purchased about \$375 million of Canadian treasury bills, only slightly below the total of \$380 million purchased in 1960. Gross sales to non-residents in 1959 were also of this order. Most of the bills acquired in any year naturally matured or were repurchased by Canadians within the same year, but there have nevertheless been substantial variations in the amounts held by non-residents at any one time.

Transactions in Canadian Treasury Bills between Canada and Other Countries, 1959-1961

Month	Sales			Repurchases and Maturities			Net Change in Holdings			Holdings at Month-end		
	1959	1960	1961	1959	1960	1961	1959	1960	1961	1959	1960	1961
(Millions of dollars)												
January	17	20	45	20	12	46	- 3	8	- 1	47	72	119
February	28	16	30	10	29	43	18	-13	-13	65	59	106
March	18	21	86	33	24	39	-15	- 3	47	50	56	153
April	30	16	45	13	12	35	17	4	10	67	60	163
May	28	18	18	19	20	29	9	- 2	-11	76	58	152
June	59	19	15	22	31	89	37	-12	-74	113	46	78
July	39	43	16	30	17	45	9	26	-29	122	72	49
August	43	36	10	26	17	16	17	19	- 6	139	91	43
September	15	28	14	40	46	13	-25	-18	1	114	73	44
October	13	68	18	45	36	14	-32	32	4	82	105	48
November	31	49	17	41	14	11	-10	35	6	72	140	54
December	48	46	61	56	66	53	- 8	-20	8	64	120	62
Year	369	380	375	355	324	433	14	56	-58	64	120	62

Note: The figures prior to 1961 include some unidentified amounts of commercial paper.

The above statement gives monthly figures for the past three years 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. It shows the rapid growth of holdings in the summer of 1959 and again from the latter part of 1960 through early 1961, with subsequent declines. From a peak of \$163 million in April 1961 holdings fell sharply over the four succeeding months to \$42 million. This change was greater than occurred in the earlier periods covered by the series.

Canadian Treasury Bills held			
	End of		
	1959	1960	1961
	(Millions of dollars)		
United States	22	93	26
United Kingdom	10	5	2
Other countries	32	22	34
Total	64	120	62

Non-resident-owned holdings at the end of 1961 totalled \$62 million, compared with \$120 million at the beginning of the year. The largest change occurred in holdings of residents of the United States which fell during the year from \$93 million to \$26 million.

Yields on 3 month treasury bills moved through much narrower ranges in 1961 than in 1960 in both Canada and the United States. With the exception of a few weeks the Canadian yield from January 1961 into June was some three-quarters to one per cent greater than that in the United States. From the middle to the end of the year the yield differential was less than one-half of one per cent, and at times Canadian yields were slightly below those in the United States. Forward spreads in the exchange market were also narrower, as could be expected, in 1961 than in 1960, and the net nominal yield differential adjusted for the cost of exchange protection ranged between nearly one per cent in favour of Canada in mid-March to about one-eighth of one per cent in favour of the United States in mid-June. Theoretically movements of interest arbitrage capital may be expected to continue to a point where the cost of exchange protection offsets any remaining interest differential. In practice nominal differentials may be too narrow to motivate actual transactions. Not all purchases by non-residents of treasury bills are hedged by forward exchange contracts. 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 the repatriation of the proceeds of maturing bills. Purchases by non-residents in the last quarter of each year tend to include amounts of this nature.

Statistics of transactions with non-residents in Canadian commercial and finance paper are not yet as fully developed as those covering treasury bills, and estimates for 1961 are not yet complete. It may be noted, however, that there is a substantial volume of this business between Canada and other countries. There were also at times substantial purchases by Canadians of foreign treasury bills, but available statistical sources do not permit the complete segregation of these transactions from other holdings by Canadians of short-term claims on non-residents.

Security and Foreign Exchange Markets

Interest rates in Canada fell over 1961 while those in the United States rose. The yield on the representative long-term Government of Canada issue shown in Table 7 fell 45 base points from 5.41 per cent to 4.96 per cent. At the same time the yield on the roughly comparable United States Government issue rose 31 base points from 3.80 per cent to 4.11 per cent. The differential for the dates shown in the table varied between 136 base points in January and 85 base points in December; in December of 1960 it had been 161 base points, and at no time in that year was it less than 108 base points. Yield differentials between central government issues may not be the most appropriate comparison for the analysis of international security transactions. Markets for these obligations at times reflect special local domestic monetary and fiscal situations. It might be suggested that an investor may give to the securities of his own central government a specially preferred position and may equate for his own purposes the securities of a foreign central government with those of a high grade junior government or corporation. Special tax considerations in the United States add to the difficulty of comparisons.

Common stock prices in Canada as measured by the Dominion Bureau of Statistics Investors Index (Prices and Price Indexes, Catalogue No. 62-002 Monthly) and in the United States as measured by Standard and Poor's "500" Index, both rose sharply, by about 27 per cent, in 1961. In general, the rise in prices was parallel. In May, Canadian prices advanced somewhat more rapidly than those in the United States, but this temporary advantage was lost in the fourth quarter. Gross sales to non-residents of Canadian stocks were some 80 per cent greater than in 1960 but did not reach the peak established in 1956. These sales amounted to somewhat more than one-fifth of the value of shares traded on the principal exchanges in Canada; the proportion was slightly smaller than in 1960.

The value of the Canadian dollar on the international exchange markets fell sharply during 1961. The last quotation for the United States dollar reported on transactions between banks in the Canadian exchange market in 1960 was 99.66 cents. At the end of 1961 it was 104.34 cents. The largest part of the change occurred between June 12 and June 23 when the noon average rose by more than four cents, and there were further rises toward the year-end. The trading ranges of 1.44 cents, 4.94 cents, 1 cent and 1.38 cents in the successive quarters of 1961 compared with 0.87 cents, 3.44 cents, 1.69 cents and 2.59 cents over the corresponding quarters of 1960.

The Canadian Balance of International Payments and International Investment Position

The annual DBS report "The Canadian Balance of International Payments 1961 and International Investment Position", (Catalogue No. 67-201) will cover Canada's international transactions in 1961, including movements of direct investment and other capital not reviewed 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 also published regularly (Catalogue No. 67-001).

Statistical Sources and Methods

A description of the statistical sources and methods used in the production of this report, together with a copy of the basic reporting schedule, will be found on pages 26 to 30 of the issue for December, 1960.

TABLE 1. Portfolio Security Transactions Between Canada and Other Countries, by Quarters 1959-1961
Trading, New Issues, and Retirements
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians														
	1959					1960					1961				
	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.	+ 33	+ 15	+ 32	+ 11	+ 91	+ 19	+ 15	- 19	- 12	+ 3	+ 31	+ 34	- 12	+ 10	+ 63
Stocks	+ 32	+ 33	+ 26	+ 19	+110	+ 13	+ 24	+ 10	+ 2	+ 49	+ 13	+ 32	-	- 5	+ 40
New issues	+180	+117	+213	+197	+707	+209	+146	+ 52	+ 40	+447	+ 90	+171	+127	+104	+492
Retirements	- 42	- 84	- 61	- 71	-258	- 50	- 78	- 32	- 93	-253	- 69	- 93	- 29	-101	-292
<u>Foreign Securities</u>															
Outstanding issues	- 5	- 12	- 7	- 8	- 32	+ 7	- 5	+ 2	- 24	- 20	+ 3	-	+ 2	- 10	- 5
New issues	- 3	- 2	- 1	- 7	- 13	- 2	- 3	- 2	- 11	- 18	- 5	- 18	- 6	- 5	- 34
Retirements	+ 3	+ 2	+ 3	+ 4	+ 12	+ 6	+ 3	+ 7	+ 2	+ 18	+ 2	+ 2	+ 3	+ 2	+ 9
Total - all countries	+198	+ 69	+205	+145	+617	+202	+102	+ 18	- 96	+226	+ 65	+128	+ 85	- 5	+273
<u>United States</u>															
<u>Canadian Securities</u>															
Outstanding issues -															
Bonds, etc.	+ 16	- 2	+ 9	- 4	+ 19	+ 4	+ 3	- 16	-	- 9	+ 19	+ 34	+ 8	+ 15	+ 76
Stocks	+ 28	+ 27	+ 17	+ 3	+ 75	+ 5	+ 22	+ 14	+ 13	+ 54	+ 21	+ 45	+ 22	+ 32	+120
New issues	+160	+100	+198	+164	+622	+191	+129	+ 34	+ 27	+381	+ 81	+147	+116	+ 89	+433
Retirements	- 34	- 71	- 45	- 61	-211	- 43	- 57	- 28	- 72	-200	- 61	- 66	- 20	- 63	-210
<u>Foreign Securities</u>															
Outstanding issues	- 5	- 13	- 7	- 9	- 34	+ 7	- 5	+ 2	-	+ 4	+ 1	+ 6	+ 5	- 6	+ 6
New issues	- 1	- 1	- 1	- 5	- 8	- 1	- 1	- 2	- 9	- 13	- 4	- 4	- 4	- 3	- 15
Retirements	+ 2	+ 1	+ 2	+ 1	+ 6	+ 5	+ 2	+ 4	+ 1	+ 12	+ 1	+ 1	+ 2	+ 1	+ 5
Total - all securities ...	+166	+ 41	+173	+ 89	+469	+168	+ 93	+ 8	- 40	+229	+ 58	+163	+129	+ 65	+415

TABLE 1. (Continued) Portfolio Security Transaction Between Canada and Other Countries, by Quarters 1959-1961
Trading, New Issues, and Retirements
(Millions of dollars)

	Net Sales (+) or Purchases (-) by Canadians																															
	1959					1960					1961																					
	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.	-	+	2	+	4	-	2	-	6	-	5	-	9	-	3	-	12															
Stocks	-	3	-	3	+	2	+	11	+	7	+	5	-	2	-	7	-	12	-	16	-	3	-	14	-	14	-	30	-	61		
New issues	+	15	+	9	+	9	+	12	+	45	+	8	+	10	+	5	+	3	+	26	+	5	+	11	+	5	+	3	+	24		
Retirements	-	6	-	9	-	10	-	5	-	30	-	6	-	11	-	2	-	8	-	27	-	7	-	7	-	6	-	21	-	41		
<u>Foreign Securities</u>																																
Outstanding issues	+	1	-	-	+	1	+	2	+	1	+	1	-	-	5	-	3	+	3	-	5	-	4	-	3	-	9	-	2	-	2	
New issues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total all securities	+	7	-	1	+	5	+	17	+	28	+	6	-	2	-	10	-	27	-	33	-	2	-	15	-	30	-	54	-	101		
<u>Other Foreign Countries</u>																																
<u>Canadian Securities</u>																																
Outstanding issues -																																
Bonds, etc.	+	17	+	15	+	19	+	17	+	68	+	17	+	12	+	3	-	7	+	25	+	12	-	-	11	-	2	-	1	-	19	
Stocks	+	7	+	9	+	7	+	5	+	28	+	3	+	4	+	3	+	1	+	11	-	5	+	1	-	8	-	7	-	19		
New issues	+	5	+	8	+	6	+	21	+	40	+	10	+	7	+	13	+	10	+	40	+	4	+	13	+	6	+	12	+	35		
Retirements	-	2	-	4	-	6	-	5	-	17	-	1	-	10	-	2	-	13	-	26	-	1	-	20	-	3	-	17	-	41		
<u>Foreign Securities</u>																																
Outstanding issues	-	1	+	1	-	-	-	-	1	-	1	-	-	19	-	21	-	1	-	1	+	1	-	1	-	2	-	17	-	4	-	19
New issues	-	2	-	1	-	2	-	5	-	1	-	2	-	2	-	5	-	1	-	14	-	1	-	14	-	2	-	17	-	4	-	19
Retirements	+	1	+	1	+	1	+	3	+	6	+	1	+	1	+	3	+	1	+	6	+	1	+	1	+	1	+	1	+	1	+	4
Total - all securities	+	25	+	29	+	27	+	39	+	120	+	28	+	11	+	20	-	29	+	30	+	9	-	20	-	14	-	16	-	41		

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 1961 are preliminary and data for 1960 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. -
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	666.8	615.3	+ 51.6	394.7	349.9	+ 44.9	96.2	126.1	- 30.0	175.8	139.2	+ 36.7
1961 - Year	1281.9	1179.4	+102.5	990.3	794.2	+196.1	120.2	193.4	- 73.2	171.5	191.8	- 20.4
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	1.5	4.8	- 3.2	0.5	4.1	- 3.6	1.0	0.3	+ 0.7	-	0.4	- 0.4
1961 - January	68.8	50.1	+ 18.8	37.5	29.3	+ 8.2	12.4	8.2	+ 4.2	19.0	12.6	+ 6.4
February	68.0	66.2	+ 1.8	47.6	37.8	+ 9.8	8.1	10.9	- 2.8	12.3	17.5	- 5.2
March	100.9	77.9	+ 23.1	70.0	48.9	+ 21.0	9.8	13.9	- 4.1	21.2	15.0	+ 6.2
April	113.0	90.2	+ 22.7	86.0	57.0	+ 29.0	8.2	17.1	- 8.9	18.8	16.2	+ 2.6
May	115.8	88.6	+ 27.2	88.1	56.0	+ 32.1	11.1	16.9	- 5.8	16.6	15.7	+ 1.0
June	134.5	118.9	+ 15.5	105.9	87.3	+ 18.6	13.9	14.3	- 0.4	14.7	17.3	- 2.6
July	80.1	77.3	+ 2.8	63.3	43.6	+ 19.7	7.3	13.5	- 6.2	9.4	20.1	- 10.7
August	97.3	111.8	- 14.4	79.6	79.0	+ 0.6	8.0	16.8	- 8.8	9.8	16.0	- 6.2
September	83.0	83.1	-	70.4	60.1	+ 10.3	4.7	12.4	- 7.6	7.9	10.6	- 2.7
October	118.0	117.3	+ 0.7	95.8	81.9	+ 13.9	9.2	22.3	- 13.1	13.0	13.1	- 0.1
November	167.1	168.0	- 0.9	136.2	122.3	+ 13.9	18.5	28.9	- 10.4	12.4	16.8	- 4.4
December	135.3	130.1	+ 5.2	110.0	91.0	+ 19.1	9.0	18.2	- 9.2	16.3	20.9	- 4.7
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-

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

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.-
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	272.3	292.8	- 20.5	255.5	251.6	+ 4.0	6.6	9.4	- 2.9	10.1	31.7	-21.6
1961 - Year	414.4	419.5	- 5.1	390.3	384.0	+ 6.4	10.5	19.9	- 9.4	13.5	15.6	- 2.1
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	7.9	20.5	- 12.6	7.8	17.1	- 9.3	-	-	-	0.1	3.4	- 3.3
1961 - January	31.6	28.1	+ 3.5	28.7	26.9	+ 1.8	2.4	0.2	+ 2.2	0.5	1.0	- 0.4
February	36.5	36.3	+ 0.2	32.9	33.5	- 0.6	3.2	2.0	+ 1.2	0.4	0.8	- 0.4
March	41.3	42.0	- 0.7	40.0	39.7	+ 0.3	0.2	1.1	- 0.9	1.0	1.2	- 0.2
April	41.5	43.9	- 2.3	37.6	38.7	- 1.1	1.7	3.6	- 1.9	2.2	1.5	+ 0.7
May	43.3	41.0	+ 2.3	41.2	34.6	+ 6.6	0.7	3.2	- 2.5	1.5	3.2	- 1.8
June	34.8	35.0	- 0.3	33.6	33.2	+ 0.4	0.5	0.9	- 0.5	0.6	0.9	- 0.3
July	25.5	23.4	+ 2.2	24.5	22.5	+ 2.0	0.2	0.3	- 0.1	0.8	0.5	+ 0.3
August	29.0	28.3	+ 0.7	27.1	26.8	+ 0.3	0.5	0.4	+ 0.1	1.3	1.1	+ 0.3
September	29.7	30.6	- 0.9	28.1	25.1	+ 3.0	0.2	4.5	- 4.4	1.4	1.0	+ 0.4
October	25.9	35.2	- 9.4	23.3	32.0	- 8.7	0.3	2.4	- 2.1	2.3	0.9	+ 1.5
November	44.1	37.1	+ 7.0	43.1	35.2	+ 7.9	0.5	0.6	- 0.1	0.4	1.3	- 0.9
December	31.3	38.6	- 7.4	30.2	35.7	- 5.5	0.2	0.7	- 0.5	0.9	2.2	- 1.3
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, 1961	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Grand Total, Canadian and Foreign Securities	166,620	168,745	140,201	126,655	9,230	18,918	17,189	23,172
Canadian Securities, Total	135,340	130,106	110,036	90,960	9,024	18,214	16,280	20,932
Bonds and Debentures	73,076	64,865	62,916	52,928	3,479	1,732	6,681	10,205
Common and Preference Stocks	61,962	64,974	46,873	37,771	5,533	16,476	9,556	10,727
Other Securities	302	267	247	261	12	6	43	-
Foreign Securities, Total	31,280	38,639	30,165	35,695	206	704	909	2,240
United States Issues:								
Bonds and Debentures	2,996	1,211	2,981	1,211	-	-	15	-
Common and Preference Stocks	27,448	34,618	27,016	33,542	8	5	424	1,071
United Kingdom Issues:								
Bonds and Debentures	25	861	-	-	25	299	-	562
Common and Preference Stocks	172	403	6	3	166	400	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	428	1,089	138	877	7	-	283	212
Common and Preference Stocks	205	450	18	55	-	-	187	395
All Other Foreign Securities	6	7	6	7	-	-	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	65,027	55,846	56,658	48,555	3,208	1,073	5,161	6,218
Government of Canada - Guaranteed	1,524	1,657	888	280	134	83	502	1,294
Provincial	2,584	3,761	2,184	2,321	119	234	281	1,206
Municipal	871	461	862	353	-	2	9	106
Railway, not guaranteed by Government	56	530	36	441	-	19	20	70
Other Corporations	3,014	2,610	2,288	978	18	321	708	1,311
United States Issues:								
Government	1,657	140	1,657	140	-	-	-	-
Other	1,339	1,071	1,324	1,071	-	-	15	-
United Kingdom Issues:								
Government	15	195	-	-	15	195	-	-
Other	10	666	-	-	10	104	-	562

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

(Millions of dollars)

Year, 1961	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.
Grand Total, Canadian and Foreign Securities	1696.3	1598.9	+ 97.4	1380.6	1178.1	+202.5	130.7	213.3	- 82.7	185.0	207.4	- 22.5
Canadian Securities, Total	1281.9	1179.4	+102.5	990.3	794.2	+196.1	120.2	193.4	- 73.2	171.5	191.8	- 20.4
Bonds and Debentures	547.6	485.5	+ 62.1	434.8	359.2	+ 75.6	40.4	52.2	- 11.8	72.4	74.1	- 1.6
Common and Preference Stocks	731.3	691.4	+ 40.0	552.8	432.5	+120.4	79.7	141.2	- 61.5	98.8	117.7	- 18.9
Other Securities	3.0	2.5	+ 0.4	2.7	2.5	+ 0.2	0.1	-	+ 0.1	0.2	0.1	+ 0.2
Foreign Securities, Total	414.4	419.5	- 5.1	390.3	384.0	+ 6.4	10.5	19.9	- 9.4	13.5	15.6	- 2.1
United States Issues:												
Bonds and Debentures	37.7	28.7	+ 9.1	37.0	24.3	+ 12.8	0.4	3.6	- 3.3	0.3	0.8	- 0.5
Common and Preference Stocks	353.9	358.8	- 4.9	346.4	347.6	- 1.1	0.4	3.5	- 3.0	7.0	7.7	- 0.7
United Kingdom Issues:												
Bonds and Debentures	7.5	7.0	+ 0.5	0.8	1.4	- 0.7	6.3	4.5	+ 1.8	0.4	1.0	- 0.7
Common and Preference Stocks	3.4	9.0	- 5.6	0.2	0.4	- 0.3	3.2	7.9	- 4.8	0.1	0.7	- 0.6
Other Foreign Countries Issues:												
Bonds and Debentures	10.0	6.8	+ 3.2	4.8	4.2	+ 0.6	0.2	0.4	- 0.1	5.0	2.2	+ 2.8
Common and Preference Stocks	1.5	9.0	- 7.5	0.9	6.1	- 5.2	-	-	-	0.6	2.9	- 2.3
All Other Foreign Securities	0.3	0.2	+ 0.1	0.2	-	+ 0.2	-	-	-	-	0.2	- 0.2
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	408.4	354.4	+ 54.0	325.1	279.7	+ 45.4	33.7	35.8	- 2.1	49.6	38.9	+ 10.7
Government of Canada - Guaranteed	41.7	20.8	+ 21.0	28.4	11.2	+ 17.2	3.8	2.8	+ 1.0	9.5	6.8	+ 2.8
Provincial	29.0	37.2	- 8.2	24.1	25.2	- 1.1	1.5	2.8	- 1.3	3.4	9.2	- 5.8
Municipal	20.1	17.1	+ 2.9	19.0	15.7	+ 3.3	0.5	0.1	+ 0.4	0.5	1.3	- 0.8
Railway, not guaranteed by Government	1.2	4.0	- 2.9	0.9	2.5	- 1.6	-	0.5	- 0.5	0.3	1.1	- 0.7
Other Corporations	47.2	51.9	- 4.7	37.3	25.0	+ 12.3	0.8	10.2	- 9.3	9.1	16.9	- 7.7
United States Issues:												
Government	18.6	12.6	+ 6.0	18.3	9.0	+ 9.3	0.3	3.6	- 3.3	-	-	-
Other	19.1	16.0	+ 3.1	18.8	15.3	+ 3.5	-	-	-	0.3	0.8	- 0.5
United Kingdom Issues:												
Government	7.2	5.0	+ 2.2	0.7	1.1	- 0.4	6.3	3.5	+ 2.7	0.2	0.4	- 0.2
Other	0.3	2.0	- 1.7	0.1	0.3	- 0.3	0.1	1.0	- 0.9	0.2	0.7	- 0.5

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, 1961
(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 ...	16.4	4.7	+ 11.6	3.1	0.8	+ 2.3	3.1	1.2	+ 1.8	10.2	2.7	+ 7.5
February ..	12.9	3.7	+ 9.2	7.9	1.3	+ 6.6	0.3	0.3	- 0.1	4.7	2.1	+ 2.6
March	21.5	10.0	+ 11.4	9.4	5.8	+ 3.6	1.2	1.3	- 0.2	10.9	2.9	+ 8.0
April	29.4	25.4	+ 3.9	23.0	15.4	+ 7.7	1.2	6.0	- 4.8	5.2	4.1	+ 1.1
May	32.6	17.0	+ 15.6	23.5	9.6	+ 13.8	5.0	4.8	+ 0.2	4.1	2.6	+ 1.5
June	66.7	49.6	+ 17.1	54.8	45.1	+ 9.6	7.6	0.6	+ 7.0	4.3	3.9	+ 0.4
July	22.2	22.2	-	18.6	12.0	+ 6.6	1.4	2.3	- 0.9	2.2	7.9	- 5.7
August	36.4	41.2	- 4.8	34.8	35.5	- 0.7	0.1	2.1	- 1.9	1.5	3.6	- 2.1
September..	36.1	31.3	+ 4.8	32.8	26.3	+ 6.5	0.9	2.4	- 1.5	2.4	2.6	- 0.2
October ...	44.5	45.7	- 1.2	35.9	37.2	- 1.3	3.8	6.3	- 2.5	4.7	2.2	+ 2.5
November ..	65.1	66.7	- 1.6	52.2	53.0	- 0.9	9.7	10.1	- 0.4	3.3	3.6	- 0.3
December ..	66.6	57.5	+ 9.0	57.5	48.8	+ 8.7	3.3	1.2	+ 2.2	5.7	7.5	- 1.8
Total ...	450.2	375.2	+ 75.0	353.5	290.9	+ 62.6	37.6	38.6	- 1.1	59.1	45.7	+ 13.5

TABLE 5B. Trade in All Outstanding Canadian Bonds and Debentures⁽¹⁾ Between Canada and Other Countries, 1961
(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 ...	21.6	11.0	+ 10.6	7.2	3.9	+ 3.3	3.2	1.7	+ 1.5	11.2	5.4	+ 5.9
February ..	21.9	17.2	+ 4.7	15.1	10.2	+ 4.9	1.0	1.0	-	5.8	6.0	- 0.2
March	37.0	21.3	+ 15.7	22.8	12.6	+ 10.2	1.4	2.7	- 1.3	12.7	5.9	+ 6.8
April	38.2	33.9	+ 4.3	30.4	20.5	+ 9.8	1.3	7.4	- 6.1	6.5	6.0	+ 0.5
May	42.4	24.3	+ 18.0	31.2	13.7	+ 17.6	5.4	6.0	- 0.7	5.8	4.6	+ 1.1
June	74.4	63.1	+ 11.3	61.6	55.0	+ 6.6	7.8	1.5	+ 6.3	5.0	6.5	- 1.5
July	27.6	30.8	- 3.2	22.9	15.9	+ 7.0	1.6	3.8	- 2.2	3.1	11.1	- 8.0
August	42.0	55.4	- 13.3	39.6	46.0	- 6.3	0.3	4.0	- 3.7	2.1	5.4	- 3.3
September..	42.1	37.9	+ 4.3	38.1	30.6	+ 7.5	1.0	3.7	- 2.7	3.0	3.6	- 0.5
October ...	54.7	54.8	- 0.2	44.4	43.3	+ 1.1	4.1	7.8	- 3.7	6.2	3.8	+ 2.4
November ..	75.3	73.3	+ 2.1	61.0	56.8	+ 4.2	9.9	10.8	- 0.9	4.4	5.6	- 1.2
December ..	73.4	65.1	+ 8.2	63.2	53.2	+ 10.0	3.5	1.7	+ 1.8	6.7	10.2	- 3.5
Total ...	550.6	488.0	+ 62.5	437.5	361.7	+ 75.8	40.5	52.2	- 11.7	72.6	74.1	- 1.5

(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, 1961
(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 ...	47.2	39.0	+ 8.2	30.3	25.4	+ 4.9	9.2	6.5	+ 2.7	7.8	7.2	+ 0.6
February ..	46.1	49.0	- 2.9	32.5	27.6	+ 4.9	7.1	9.9	- 2.8	6.5	11.5	- 5.0
March	64.0	56.6	+ 7.4	47.1	36.3	+ 10.8	8.4	11.2	- 2.8	8.5	9.1	- 0.6
April	74.8	56.3	+ 18.5	55.6	36.5	+ 19.2	6.8	9.6	- 2.8	12.3	10.2	+ 2.1
May	73.5	64.3	+ 9.2	56.9	42.4	+ 14.5	5.7	10.9	- 5.1	10.9	11.0	- 0.2
June	60.1	55.8	+ 4.2	44.3	32.2	+ 12.0	6.1	12.8	- 6.7	9.7	10.8	- 1.1
July	52.5	46.5	+ 6.0	40.4	27.7	+ 12.7	5.7	9.7	- 4.0	6.3	9.0	- 2.7
August	55.3	56.4	- 1.1	39.9	33.0	+ 6.9	7.7	12.9	- 5.2	7.7	10.6	- 2.9
September..	40.9	45.2	- 4.3	32.3	29.5	+ 2.8	3.8	8.7	- 5.0	4.8	7.0	- 2.2
October ...	63.3	62.5	+ 0.8	51.4	38.6	+ 12.8	5.1	14.5	- 9.4	6.7	9.3	- 2.6
November ..	91.8	94.7	- 2.9	75.2	65.5	+ 9.7	8.5	18.0	- 9.5	8.0	11.2	- 3.2
December ..	62.0	65.0	- 3.0	46.9	37.8	+ 9.1	5.5	16.5	- 10.9	9.6	10.7	- 1.2
Total ...	731.3	691.4	+ 40.0	552.8	432.5	+120.4	79.7	141.2	- 61.5	98.8	117.7	- 18.9

TABLE 5D. Trade in Outstanding United States Common and Preference Stocks Between Canada and Other Countries, 1961
(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 ...	26.4	25.6	+ 0.8	25.9	24.8	+ 1.1	-	-	-	0.4	0.8	- 0.4
February ..	28.6	31.3	- 2.7	28.2	30.8	- 2.7	0.1	-	-	0.4	0.5	- 0.1
March	36.4	36.7	- 0.3	35.7	35.6	+ 0.1	-	-	-	0.7	1.0	- 0.4
April	34.3	36.3	- 1.9	33.2	35.2	- 1.9	0.1	-	-	1.1	1.1	-
May	38.5	31.7	+ 6.8	38.0	31.1	+ 6.9	0.1	-	+ 0.1	0.4	0.6	- 0.2
June	29.3	29.3	+ 0.1	29.1	29.1	-	-	-	-	0.2	0.2	-
July	22.9	20.5	+ 2.4	22.6	20.5	+ 2.1	-	-	-	0.3	0.1	+ 0.3
August	25.3	24.0	+ 1.4	24.8	23.3	+ 1.5	0.1	0.1	-	0.5	0.6	- 0.1
September..	23.0	24.4	- 1.4	22.1	22.4	- 0.3	-	1.4	- 1.4	0.9	0.6	+ 0.3
October ...	22.5	32.9	- 10.4	20.9	30.4	- 9.4	-	1.9	- 1.9	1.6	0.6	+ 1.0
November ..	39.2	31.6	+ 7.6	39.0	31.0	+ 8.0	-	-	-	0.2	0.6	- 0.4
December ..	27.4	34.6	- 7.2	27.0	33.5	- 6.5	-	-	-	0.4	1.1	- 0.6
Total ...	353.9	358.8	- 4.9	346.4	347.6	- 1.1	0.4	3.5	- 3.0	7.0	7.7	- 0.7

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, 1933-1961
(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 ...	940	908	+ 32	651	602	+ 49	104	136	- 32	185	170	+ 15
1961 ...	1,696	1,598	+ 98	1,380	1,178	+202	131	213	- 82	185	207	- 22

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⁽¹⁾ Between Canada and Other Countries
by Groups of Securities, 1951 - 1961
(Millions of dollars)

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<u>Bonds and Debentures, etc.</u>											
Government of Canada											
Sales	99	35	60	126	86	141	72	109	188	163	409
Purchases	188	163	98	153	155	127	78	88	83	129	355
Net	- 89	-128	- 38	- 27	- 69	+ 14	- 6	+ 21	+105	+ 34	+ 54
Dominion Guaranteed											
Sales	1	3	8	11	6	7	3	13	19	36	42
Purchases	-	31	18	42	28	15	11	14	6	21	21
Net	+ 1	- 28	- 10	- 31	- 22	- 8	- 8	- 1	+ 13	+ 15	+ 21
Provincial											
Sales	11	7	15	13	20	20	14	14	13	16	29
Purchases	13	30	23	42	79	31	29	32	18	24	37
Net	- 2	- 23	- 8	- 29	- 59	- 11	- 15	- 18	- 5	- 8	- 8
Municipal											
Sales	4	1	1	8	9	7	7	5	7	12	20
Purchases	1	6	4	5	15	5	8	6	5	8	17
Net	+ 3	- 5	- 3	+ 3	- 6	+ 2	- 1	- 1	+ 2	+ 4	+ 3
Railway, Other											
Sales	12	13	7	7	5	3	3	3	4	1	1
Purchases	6	5	6	5	5	3	7	6	6	5	4
Net	+ 6	+ 8	+ 1	+ 2	-	-	- 4	- 3	- 2	- 4	- 3
Other Corporations ⁽²⁾											
Sales	48	41	27	50	57	73	88	57	29	37	50
Purchases	19	30	21	34	66	59	99	55	51	75	54
Net	+ 29	+ 11	+ 6	+ 16	- 9	+ 14	- 11	+ 2	- 22	- 38	- 4
Total Bonds, Debentures, etc.											
Sales	175	100	118	215	183	251	187	201	260	265	551
Purchases	227	265	170	281	348	240	232	201	169	262	488
Net	- 52	-165	- 52	- 66	-165	+ 11	- 45	-	+ 91	+ 3	+ 63
<u>Common and Preference Stocks</u>											
Sales	278	322	262	419	713	816	693	467	589	402	731
Purchases	235	250	241	290	575	628	556	379	479	353	691
Net	+ 43	+ 72	+ 21	+129	+138	+188	+137	+ 88	+110	+ 49	+ 40

(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, 1951-1961
(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. -
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 ...	667	615	+ 52	263	261	+ 2	402	353	+ 49	2	1	+ 1
1961 ...	1,282	1,179	+103	548	486	+ 62	731	691	+ 40	3	2	+ 1

Figures for 1951 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, 1951-1961
(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. -
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 ...	273	293	- 20	34	44	- 10	222	224	- 2	17	25	- 8
1961 ...	414	419	- 5	38	29	+ 9	354	359	- 5	22	31	- 9

Figures for 1951 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 Industrials, Railroads and Utilities	United States dollar in Canada (noon average in cents)
	Price	Yield	Price	Yield	Price	Yield	Investors' Price Index (Industrials Utilities Banks)	Composite Mining Index		
							1935-1939 = 100		1941-1943 = 10	
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	43.98	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 - March	82.13	5.32	87.00	4.13	74.38	5.48	242.3	107.4	55.02	95.09
June	84.63	5.08	91.13	3.83	70.50	5.98	251.0	96.0	57.26	98.23
September	87.38	4.84	92.25	3.76	71.19	5.94	248.9	104.0	54.81	97.25
December	81.63	5.41	91.69	3.80	70.31	6.10	260.2	108.5	56.80	98.24
1961 - January	83.38	5.24	90.56	3.88	70.44	6.10	276.6	115.5	59.72	99.29
February	85.13	5.07	93.13	3.70	71.38	5.98	285.3	110.8	62.17	98.96
March	84.13	5.18	91.81	3.80	70.91	6.06	294.6	112.3	64.12	98.73
April	83.38	5.26	92.13	3.78	71.75	5.96	304.8	116.6	65.83	98.89
May	84.13	5.19	92.00	3.79	71.00	6.08	317.6	122.5	66.50	98.75
June	86.13	4.99	89.50	3.97	69.09	6.35	316.4	121.9	65.62	100.55
July	86.13	5.00	90.69	3.88	68.66	6.42	319.3	129.0	65.44	103.41
August	86.00	5.01	88.69	4.03	67.25	6.64	327.6	135.8	67.79	103.15
September	86.00	5.02	88.81	4.03	67.66	6.60	325.9	131.2	67.26	103.08
October	87.19	4.90	88.69	4.04	71.28	6.11	319.2	131.1	68.00	103.03
November	87.06	4.92	88.50	4.06	70.56	6.22	326.3	138.2	71.08	103.57
December	86.69	4.96	87.88	4.11	70.34	6.27	333.3	139.3	71.74	104.27

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