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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

JUNE, 1961

Security Transactions - Second Quarter, 1961

Canada's net import of capital from all transactions in portfolio securities during the second quarter of 1961 totalled \$122 million. This compared with \$55 million in the first quarter of 1961 and \$102 million in the second quarter of 1960.

The statement below shows the principal components in the series, while summaries of the various types of transactions in Canadian securities, by class of debtor, appear on page 8. Among the interesting features in the second quarter was the net sale of \$66 million of outstanding Canadian securities, as large as any since the third quarter of 1956; nearly half the amount represented net sales of stocks. Sales to non-residents of \$165 million of new issues were twice the total for the first quarter and four times that for the preceding quarter, but were well below some earlier periods; sales to non-residents of \$119 million of new issues of corporate bonds and stocks were at their highest level since the second quarter of 1957. Retirements of foreign-owned Canadian securities totalled \$96 million and were larger than for any quarter in the last decade.

Residents of the United States purchased \$80 million of outstanding Canadian issues during the quarter, while residents of the United Kingdom re-sold to Canadians some \$15 million. Residents of other overseas countries added \$1 million to their holdings through trade in outstanding issues.

Not shown in this report are gross sales to non-residents during the second quarter of about \$75 million of Canadian treasury bills and perhaps a further \$90 million of commercial and finance paper. These amounts were exceeded by maturities, and foreign holdings fell respectively by about \$72 million and \$20 million.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1960						(1961-Preliminary)	
	First quarter	Second quarter	Third quarter		Fourth quarter	First quarter	Second quarter	
			quarter	quarter				
millions of dollars								
Canadian securities:								
Outstanding issues - Bonds, etc.	+ 19	+ 15	- 19	- 12	+ 31	+ 34		
- Stocks ...	+ 13	+ 24	+ 10	+ 2	+ 13	+ 32		
New issues	+209	+146	+ 52	+ 40	+ 80	+165		
Retirements	- 50	- 78	- 32	- 93	- 69	- 96		
Foreign securities:								
Outstanding issues	+ 7	- 5	+ 2	- 24	+ 3	-		
New issues	- 2	- 3	- 2	- 11	- 5	- 15		
Retirements	+ 6	+ 3	+ 7	+ 2	+ 2	+ 2		
Totals - all securities	+202	+102	+ 18	- 96	+ 55	+122		

Trade in Outstanding Securities - June, 1961

Trade in outstanding issues in June led to a net capital inflow of \$15.7 million. Details appear in Table 4.

Prepared in the Balance of Payments Section, International Trade Division.

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	r 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 - January ... June	601.2	491.7	+ 109.5	434.9	316.2	+ 118.7	63.6	81.3	- 17.7	102.7	94.1	+ 8.6
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	r 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 r	90.2	+ 22.7 r	86.0 r	57.0	+ 29.0 r	8.2 r	17.1	- 8.9	18.8 r	16.2	+ 2.6 r
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	134.6	118.7	+ 15.9	105.9	87.3	+ 18.6	14.1	14.3	- 0.3	14.7	17.1	- 2.4
July												
August												
September												
October												
November												
December												
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 - January - June	229.1	226.3	+ 2.7	214.2	206.7	+ 7.5	8.5	11.0	- 2.5	6.3	8.7	- 2.3
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	- 0.2	33.9	33.2	+ 0.7	0.3	0.9	- 0.6	0.6	0.9	- 0.3
July												
August												
September												
October												
November												
December												
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)

June, 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	169,459	153,741	139,766	120,465	14,364	15,250	15,329	18,026
Canadian Securities, Total	134,635	118,715	105,875	87,262	14,060	14,314	14,700	17,139
Bonds and Debentures	74,271	62,744	61,494	54,899	7,799	1,538	4,978	6,307
Common and Preference Stocks	60,240	55,848	44,257	32,244	6,261	12,776	9,722	10,828
Other Securities	124	123	124	119	-	-	-	4
Foreign Securities, Total	34,824	35,026	33,891	33,203	304	936	629	887
United States Issues:								
Bonds and Debentures	3,772	3,241	3,771	2,802	-	315	1	124
Common and Preference Stocks	29,322	29,266	29,091	29,073	-	-	231	193
United Kingdom Issues:								
Bonds and Debentures	92	352	2	29	63	91	27	232
Common and Preference Stocks	253	525	15	11	238	506	-	8
Other Foreign Countries Issues:								
Bonds and Debentures	1,001	775	695	461	1	21	305	293
Common and Preference Stocks	72	867	50	827	2	3	20	37
All Other Foreign Securities	312	-	267	-	-	-	45	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	62,411	48,063	52,060	44,267	6,725	556	3,626	3,240
Government of Canada - Guaranteed	4,249	1,341	2,710	870	878	42	661	429
Provincial	1,944	3,898	1,820	3,085	-	11	124	802
Municipal	1,408	3,692	1,375	3,611	-	18	33	63
Railway, not guaranteed by Government	233	258	227	125	-	65	6	68
Other Corporations	4,026	5,492	3,302	2,941	196	846	528	1,705
United States Issues:								
Government	1,951	1,363	1,951	1,050	-	313	-	-
Other	1,821	1,878	1,820	1,752	-	2	1	124
United Kingdom Issues:								
Government	54	299	2	25	29	91	23	183
Other	38	53	-	4	34	-	4	49

TABLE 5. Trade in Outstanding Securities Between Canada and Other Countries
 (Millions of dollars)

Six months ending June, 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	830.3	718.0	+112.3	649.2	522.9	+126.2	72.1	92.3	- 20.2	109.0	102.8	+ 6.3
Canadian Securities, Total	601.2	491.7	+109.5	434.9	316.2	+118.7	63.6	81.3	- 17.7	102.7	94.1	+ 8.6
Bonds and Debentures	234.3	169.2	+ 65.1	167.3	114.6	+ 52.7	20.1	20.4	- 0.3	46.9	34.2	+ 12.7
Common and Preference Stocks	365.7	321.0	+ 44.7	266.6	200.3	+ 66.3	43.5	60.9	- 17.4	55.6	59.9	- 4.2
Other Securities	1.2	1.4	- 0.3	1.0	1.4	- 0.3	-	-	-	0.1	0.1	-
Foreign Securities, Total	229.1	226.3	+ 2.7	214.2	206.7	+ 7.5	8.5	11.0	- 2.5	6.3	8.7	- 2.3
United States Issues:												
Bonds and Debentures	19.2	18.5	+ 0.7	18.8	14.4	+ 4.4	0.3	3.6	- 3.3	0.1	0.5	- 0.4
Common and Preference Stocks	193.5	190.8	+ 2.7	190.1	186.6	+ 3.5	0.3	0.1	+ 0.2	3.1	4.2	- 1.0
United Kingdom Issues:												
Bonds and Debentures	6.5	5.4	+ 1.1	0.5	1.3	- 0.8	5.7	3.8	+ 2.0	0.3	0.3	- 0.1
Common and Preference Stocks	2.2	3.4	- 1.1	0.1	0.1	+ 0.1	2.1	3.2	- 1.1	-	0.1	- 0.1
Other Foreign Countries Issues:												
Bonds and Debentures	6.1	2.3	+ 3.8	3.4	0.8	+ 2.6	0.1	0.3	- 0.3	2.6	1.1	+ 1.5
Common and Preference Stocks	1.0	5.8	- 4.8	0.8	3.5	- 2.7	-	-	-	0.2	2.3	- 2.0
All Other Foreign Securities	0.5	0.2	+ 0.3	0.4	-	+ 0.4	-	-	-	-	0.2	- 0.2
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	155.4	104.5	+ 50.8	105.8	74.7	+ 31.1	16.8	14.1	+ 2.7	32.8	15.8	+ 17.0
Government of Canada - Guaranteed	23.9	5.8	+ 18.1	15.9	3.3	+ 12.6	1.5	0.2	+ 1.3	6.5	2.3	+ 4.3
Provincial	13.2	18.3	- 5.1	10.5	12.7	- 2.1	0.9	0.3	+ 0.5	1.8	5.3	- 3.5
Municipal	9.6	9.2	+ 0.4	9.0	8.6	+ 0.4	0.3	0.1	+ 0.3	0.2	0.5	- 0.3
Railway, not guaranteed by Government	0.4	1.7	- 1.3	0.4	0.7	- 0.4	-	0.2	- 0.2	-	0.8	- 0.8
Other Corporations	31.8	29.7	+ 2.2	25.7	14.6	+ 11.2	0.6	5.5	- 4.9	5.5	9.6	- 4.0
United States Issues:												
Government	9.8	8.2	+ 1.6	9.6	4.6	+ 4.9	0.3	3.6	- 3.3	-	-	-
Other	9.3	10.3	- 0.9	9.2	9.8	- 0.5	-	-	-	0.1	0.5	- 0.4
United Kingdom Issues:												
Government	6.3	4.2	+ 2.1	0.5	1.0	- 0.5	5.7	2.9	+ 2.8	0.1	0.3	- 0.1
Other	0.2	1.2	- 1.1	-	0.3	- 0.2	-	0.8	- 0.8	0.1	0.1	+ 0.1

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

TABLE 6. Trade in Outstanding Canadian Bonds and Debentures and Canadian Common and Preference Stocks Between Canada and Other Countries

(Millions of dollars)

Year and Month	Canadian Bonds and Debentures ¹						Canadian Common and Preference Stocks					
	Total Transactions			United States			Total Transactions			United States		
	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
1959 - Year	259.5	168.2	+91.3	114.0	94.8	+19.2	589.1	479.6	+109.5	417.5	342.5	+75.1
1960 - Year	264.3	257.6	+ 6.7	128.2	133.6	- 5.4	400.9	352.9	+ 48.0	266.1	212.3	+53.8
1961 - January - June	235.5	170.6	+64.8	168.3	116.0	+52.4	365.7	321.0	+ 44.7	266.6	200.3	+66.3
1960 - January	17.8	12.7	+ 5.1	8.2	7.1	+ 1.0	35.1	30.4	+ 4.8	21.7	22.1	- 0.4
February	27.0	18.6	+ 8.5	12.0	8.3	+ 3.7	35.3	28.7	+ 6.6	22.5	19.1	+ 3.4
March	25.7	19.2	+ 6.5	11.0	10.3	+ 0.7	34.5	33.3	+ 1.2	22.1	20.2	+ 1.9
April	25.5	18.6	+ 6.9	11.7	12.0	- 0.3	29.3	22.7	+ 6.6	19.1	13.5	+ 5.6
May	23.9	18.3	+ 5.6	12.4	11.0	+ 1.4	32.5	26.6	+ 5.9	22.8	16.9	+ 6.0
June	24.4	21.1	+ 3.3	12.7	10.0	+ 2.7	41.8	30.1	+ 11.7	29.8	19.0	+10.8
July	20.4	14.8	+ 5.6	9.8	8.3	+ 1.5	36.1	31.7	+ 4.4	23.5	17.0	+ 6.6
August	20.7	26.8	- 6.1	10.7	17.4	- 6.6	35.7	31.6	+ 4.1	23.6	19.7	+ 3.9
September	18.8	36.4	-17.6	9.8	19.9	-10.1	27.9	27.3	+ 0.6	18.1	14.8	+ 3.3
October	22.4	29.6	- 7.2	11.8	11.8	-	27.1	29.0	- 1.9	18.5	15.5	+ 3.0
November	15.9	24.5	- 8.7	9.9	10.6	- 0.7	33.7	29.9	+ 3.9	20.7	16.1	+ 4.7
December	21.8	17.0	+ 4.8	8.1	6.8	+ 1.3	31.9	31.8	+ 0.1	23.5	18.5	+ 5.0
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
1961 - January	21.6	11.0	+10.6	7.2	3.9	+ 3.3	47.2	39.0	+ 8.2	30.3	25.4	+ 4.9
February	21.9	17.2	+ 4.7	15.1	10.2	+ 4.9	46.1	49.0	- 2.9	32.5	27.6	+ 4.9
March	37.0	21.3	+15.7	22.8	12.6	+10.2	64.0	56.6	+ 7.4	47.1	36.3	+10.8
April	38.2	33.9	+ 4.3	30.4	20.5	+ 9.8	73.5	56.3	+ 17.2	55.4	36.5	+18.9
May	42.4	24.3	+18.0	31.2	13.7	+17.6	73.5	64.3	+ 9.2	56.9	42.4	+14.5
June	74.4	62.9	+11.5	61.6	55.0	+ 6.6	60.2	55.8	+ 4.4	44.3	32.2	+12.0
July												
August												
September												
October												
November												
December												
Month not identified												

¹As figures are rounded, totals may not equal sum of component parts.¹Includes also minor amounts of "Other" Canadian securities.

TABLE 7.

Domestic Government Bonds

(Last Wednesday of month)

Stock Prices

Exchange Rate



1010510354

Trade in Outstanding Canadian Securities Between Canada and All Countries

	1960				1961 ^P	
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
millions of dollars						
Bonds and debentures:						
Government of Canada, direct	+ 18	+ 21	- 4	- 1	+ 22	+ 29
Government of Canada, guaranteed	+ 10	+ 4	- 2	+ 3	+ 10	+ 8
Provincial government (incl. guar.)...	- 1	- 2	- 2	- 3	- 5	-
Municipal	-	+ 2	+ 1	+ 1	+ 2	- 2
Railways, not guaranteed by government	- 1	- 1	- 1	- 1	- 1	-
Other corporations	- 7	- 9	- 11	- 11	+ 3	- 1
Sub-totals, Bonds and debentures ...	+ 19	+ 15	- 19	- 12	+ 31	+ 34
Common and preference stock	+ 13	+ 24	+ 10	+ 2	+ 13	+ 32
Totals	+ 32	+ 39	- 9	- 10	+ 44	+ 66

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

Bonds and debentures:						
Government of Canada, direct	10	3	-	6	2	15
Government of Canada, guaranteed	2	-	7	2	-	-
Provincial government (incl. guar.) ..	40	47	13	3	27	3
Municipal government	79	39	6	11	2	28
Railways, not guaranteed by government	-	-	-	-	-	-
Other corporations	71	45	22	15	48	105
Sub-totals, Bonds and debentures ...	202	134	48	37	79	151
Common and preference stock	7	12	4	3	1	14
Totals	209	146	52	40	80	165

Retirements of Canadian Securities held by Non-residents

Bonds and debentures:						
Government of Canada, direct	-	22	-	36	-	31
Government of Canada, guaranteed	-	-	-	-	-	2
Provincial government (incl. guar.) ..	18	9	1	23	3	13
Municipal government	6	11	5	13	5	9
Railways, not guaranteed by government	2	-	-	-	2	-
Other corporations	23	36	20	19	58	39
Sub-totals, Bonds and debentures ...	49	78	26	91	68	94
Common and preference stock	1	-	6	2	1	2
Totals	50	78	32	93	69	96

P Preliminary figures.

Statistics on pages 2 to 7 of this bulletin cover transactions in outstanding securities reported by investment firms, stock exchanges, and other security dealers in Canada. Sales of new issues and retirements of called or matured Canadian securities appear above. Not included are security transactions of a short-term character analogous to changes in bank balances. More complete statistics of capital movements will be found in the annual and quarterly reports on The Canadian Balance of International Payments.