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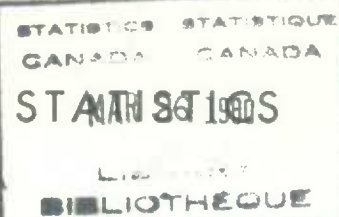
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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

SEPTEMBER 1964

Security Transactions - Third Quarter 1964

Transactions in Canadian and foreign portfolio securities between Canada and other countries during the third quarter resulted in a net capital inflow of \$79 million, comprising sales balances of \$65 million, \$5 million and \$9 million with residents of the United States, the United Kingdom and other countries respectively. This inflow was about half that of \$152 million recorded in the previous quarter when sales of Canadian new issues abroad were two and a half times greater than in the quarter under review.

The principal attraction for non-resident investment continued to be new and outstanding issues of Canadian bonds and debentures, with sales balances of \$103 million and \$36 million respectively during the third quarter. There were also small inflows arising from sales of new issues of Canadian equities and the retirement of foreign securities held by Canadians. Retirements of called and maturing Canadian securities held abroad led to a capital outflow of \$51 million. The repatriation of outstanding Canadian stocks continued over the third quarter, but at a lower level than that generally prevailing in preceding quarters, resulting in an outflow of \$10 million. Other small outflows of capital were for the acquisition of foreign new issues and outstanding securities.

Over the nine months of 1964 there was a net capital inflow of \$229 million arising from transactions between Canada and all countries in portfolio securities, which compares with net sales balances of \$578 million and \$12 million in the corresponding periods of 1963 and 1962 respectively.

Security Transactions between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	1963			1964 ^P		
	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
	millions of dollars					
Canadian securities:						
Outstanding issues - Bonds, etc.	+ 27	- 7	- 4	+ 4	+ 15	+ 36
Stocks	- 44	- 27	- 42	- 44	- 8	- 10
New issues	+ 394	+ 100	+ 66	+ 146	+ 270	+ 109
Retirements	- 173	- 40	- 70	- 103	- 89	- 51
Foreign securities:						
Outstanding issues	+ 22	- 4	+ 19	- 3	- 28	- 2
New issues	- 4	- 4	- 26	- 4	- 10	- 5
Retirements	+ 6	+ 5	+ 5	+ 2	+ 2	+ 2
Totals - All securities	+ 228	+ 23	- 52	- 2	+ 152	+ 79

^P Preliminary figures.

Trade in Outstanding Securities - September 1964

There was a net sale of \$13.3 million of outstanding securities to non-residents during September. In August and July, sales balances had amounted to \$0.7 million and \$10.9 million respectively. Non-resident purchases of Canadian bonds and debentures and their own equities caused net inflows of \$20.4 million, which were reduced by a \$7.1 million outflow from Canada for the acquisition of foreign bonds and debentures and Canadian common and preference stocks. A small outflow of \$1.3 million to United Kingdom residents somewhat reduced the net capital inflows of \$11.9 million and \$2.7 million from the United States and other foreign countries respectively.

Balance of Payments Section
National Accounts and Balance of Payments DivisionDecember 1964
2206-503

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. -
1962- Year	1,393.1	1,444.9	- 51.7	1,138.4	1,066.1	+ 72.3	130.7	195.6	- 65.0	124.0	183.1	- 59.0
1963- Year	654.5	784.7	-130.1	358.7	421.8	- 63.1	145.5	205.0	- 59.5	150.3	157.9	- 7.5
1964- 9 months	561.9	568.7	- 6.7	313.0	312.9	+ 0.1	107.7	129.9	- 22.2	141.2	125.8	+ 15.4
1963- January	69.5	78.5	- 9.0	45.3	49.8	- 4.5	11.2	15.9	- 4.6	13.0	12.8	+ 0.2
February	61.0	71.0	- 10.0	40.3	41.9	- 1.6	10.5	15.4	- 4.8	10.2	13.8	- 3.6
March	59.8	74.4	- 14.6	40.4	45.2	- 4.9	10.8	19.4	- 8.6	8.6	9.7	- 1.1
April	67.6	78.4	- 10.8	43.1	47.8	- 4.8	9.6	15.2	- 5.6	14.9	15.4	- 0.4
May	86.9	93.1	- 6.2	39.9	43.5	- 3.6	26.4	31.5	- 5.1	20.7	18.1	+ 2.6
June	62.2	61.6	+ 0.5	32.8	31.3	+ 1.5	14.2	19.0	- 4.8	15.2	11.3	+ 3.9
July	50.9	48.4	+ 2.6	29.4	26.8	+ 2.6	9.0	11.1	- 2.1	12.5	10.4	+ 2.1
August	29.7	49.8	- 20.1	13.4	28.5	- 15.2	6.9	9.8	- 2.9	9.4	11.4	- 2.0
September	33.0	49.9	- 16.9	13.2	21.1	- 8.0	8.8	15.1	- 6.2	11.0	13.7	- 2.7
October	45.7	61.0	- 15.3	19.4	28.2	- 8.9	13.4	15.1	- 1.7	12.9	17.7	- 4.7
November	38.5	50.1	- 11.6	20.7	26.8	- 6.1	8.7	11.4	- 2.7	9.2	11.9	- 2.8
December	48.3	67.2	- 18.8	20.6	30.3	- 9.7	15.9	26.1	- 10.2	11.8	10.8	+ 1.0
Month not identified	1.3	1.3	-	0.4	0.4	-	0.1	0.1	-	0.7	0.8	- 0.1
1964- January	52.3	80.7	- 28.4	24.5	43.3	- 18.7	13.0	20.8	- 7.8	14.8	16.6	- 1.8
February	42.3	54.1	- 11.8	20.7	31.4	- 10.7	7.9	10.6	- 2.8	13.7	12.1	+ 1.7
March	47.4	50.5	- 3.0	28.4	28.5	- 0.1	7.7	9.3	- 1.6	11.3	12.7	- 1.4
April	71.5	86.3	- 14.8	36.5	49.7	- 13.2	14.1	19.2	- 5.1	20.9	17.4	+ 3.5
May	81.3	61.0	+ 20.3	51.7	34.7	+ 17.0	12.4	12.5	- 0.1	17.2	13.7	+ 3.4
June	74.0	73.0	+ 1.0	41.5	36.2	+ 5.3	15.2	21.3	- 6.2	17.3	15.5	+ 1.9
July	75.3	61.6	+ 13.7	43.8	28.8	+ 15.0	16.1	17.7	- 1.6	15.4	15.2	+ 0.3
August	46.5	45.9	+ 0.5	23.5	28.6	- 5.1	8.7	7.8	+ 0.9	14.3	9.6	+ 4.7
September	67.9	55.5	+ 12.4	42.4	31.7	+ 10.7	9.3	10.7	- 1.4	16.2	13.1	+ 3.1
October												
November												
December												
Month not identified	3.4	-	+ 3.4	-	-	-	3.4	-	+ 3.4	-	-	-

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.-
1962 - Year	356.2	423.9	-67.7	331.0	390.2	-59.1	10.1	12.2	- 2.2	15.1	21.5	- 6.4
1963 - Year	429.7	388.2	+41.5	394.6	351.7	+43.0	11.9	15.2	- 3.4	23.2	21.3	+ 1.9
1964 - 9 months	390.0	423.2	-33.2	353.7	387.5	-33.8	10.3	14.2	- 3.9	26.0	21.5	+ 4.5
1963 - January	27.4	28.3	- 0.9	25.2	27.1	- 1.9	1.2	0.6	+ 0.6	1.0	0.7	+ 0.3
February	25.6	24.1	+ 1.6	23.5	21.7	+ 1.8	1.6	1.3	+ 0.2	0.6	1.0	- 0.5
March	26.4	22.4	+ 4.0	24.3	20.9	+ 3.4	1.2	0.4	+ 0.7	1.0	1.1	- 0.1
April	39.7	40.0	- 0.4	36.5	36.5	-	0.7	0.5	+ 0.2	2.4	3.0	- 0.6
May	46.2	39.2	+ 7.0	43.4	37.7	+ 5.7	0.4	0.4	-	2.4	1.1	+ 1.2
June	34.6	31.4	+ 3.2	31.8	28.7	+ 3.1	1.4	1.3	-	1.5	1.4	+ 0.1
July	27.9	24.1	+ 3.8	25.7	21.6	+ 4.1	0.4	0.9	- 0.5	1.9	1.6	+ 0.2
August	30.9	32.3	- 1.4	28.9	29.0	- 0.2	0.8	1.5	- 0.7	1.2	1.8	- 0.5
September	29.4	35.7	- 6.2	26.9	32.5	- 5.6	0.3	1.9	- 1.5	2.3	1.3	+ 1.0
October	57.7	36.5	+21.2	51.4	31.9	+19.5	2.5	1.9	+ 0.6	3.9	2.7	+ 1.1
November	39.8	33.4	+ 6.4	37.6	29.3	+ 8.3	0.3	1.7	- 1.3	1.9	2.5	- 0.5
December	28.8	37.9	- 9.1	24.8	32.4	- 7.6	1.1	2.5	- 1.4	3.0	3.0	-
Month not identified	15.0	2.7	+12.2	14.8	2.3	+12.4	-	0.4	- 0.4	0.2	-	+ 0.2
1964 - January	45.7	50.2	- 4.5	38.5	46.0	- 7.6	2.0	1.9	+ 0.1	5.2	2.3	+ 3.0
February	34.3	34.0	+ 0.3	30.0	31.0	- 0.9	0.7	1.7	- 1.0	3.5	1.3	+ 2.2
March	42.0	41.1	+ 0.9	38.2	36.3	+ 2.0	1.5	3.4	- 1.8	2.2	1.5	+ 0.7
April	48.3	61.2	-13.0	44.3	57.8	-13.5	0.7	0.7	-	3.2	2.7	+ 0.5
May	55.2	60.2	- 5.0	50.4	55.0	- 4.5	1.1	1.8	- 0.7	3.7	3.5	+ 0.2
June	45.5	55.6	-10.1	41.7	50.8	- 9.0	1.3	2.5	- 1.1	2.5	2.4	-
July	38.5	41.4	- 2.8	35.9	37.6	- 1.7	1.1	0.6	+ 0.5	1.5	3.2	- 1.6
August	30.7	30.5	+ 0.2	27.7	27.4	+ 0.3	0.9	0.9	-	2.1	2.1	- 0.1
September	49.8	49.0	+ 0.9	46.8	45.6	+ 1.2	0.9	0.8	+ 0.1	2.1	2.5	- 0.5
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)

September, 1964	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	117,772	104,504	89,243	77,388	10,211	11,457	18,318	15,659
Canadian Securities, Total	67,925	55,522	42,403	31,745	9,290	10,655	16,232	13,122
Bonds and Debentures	23,824	6,539	15,298	2,476	1,296	1,569	7,230	2,494
Common and Preference Stocks	44,058	48,925	27,071	29,211	7,985	9,086	9,002	10,628
Other Securities	43	58	34	58	9	-	-	-
Foreign Securities, Total	49,847	48,982	46,840	45,643	921	802	2,086	2,537
United States Issues:								
Bonds and Debentures	2,645	5,556	2,568	5,488	65	68	12	-
Common and Preference Stocks	43,389	40,853	41,858	39,250	29	140	1,502	1,463
United Kingdom Issues:								
Bonds and Debentures	233	77	182	10	26	66	25	1
Common and Preference Stocks	1,144	953	970	467	167	265	7	221
Other Foreign Countries Issues:								
Bonds and Debentures	1,449	962	641	279	494	261	314	422
Common and Preference Stocks	882	551	621	119	140	2	121	430
All Other Foreign Securities	105	30	-	30	-	-	105	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada — Direct	12,811	4,086	7,816	1,441	1,198	1,211	3,797	1,434
Government of Canada — Guaranteed	3,657	427	786	144	85	38	2,786	245
Provincial	2,104	698	1,953	135	-	103	151	460
Municipal	426	190	424	143	-	22	2	25
Railway, not guaranteed by Government	153	85	150	74	-	2	3	9
Other Corporations	4,673	1,053	4,169	539	13	193	491	321
United States Issues:								
Government	1,787	2,164	1,776	2,162	-	2	11	-
Other	858	3,392	792	3,326	65	66	1	-
United Kingdom Issues:								
Government	182	11	131	10	26	-	25	1
Other	51	66	51	-	-	66	-	-

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

(Millions of dollars)

Nine months ending September, 1964	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	952.0	991.9	-39.9	666.8	700.5	-33.7	118.0	144.1	-26.1	167.2	147.3	+19.9
Canadian Securities, Total	561.9	568.7	- 6.7	313.0	312.9	+ 0.1	107.7	129.9	-22.2	141.2	125.8	+15.4
Bonds and Debentures	157.4	102.3	+55.1	69.2	37.0	+32.2	33.8	36.9	- 3.1	54.5	28.4	+26.1
Common and Preference Stocks	403.2	465.3	-62.1	242.7	274.9	-32.2	73.9	93.0	-19.1	86.6	97.4	-10.8
Other Securities	1.3	1.1	+ 0.2	1.1	1.1	-	-	-	-	0.2	-	+ 0.2
Foreign Securities, Total	390.0	423.2	-33.2	353.7	387.5	-33.8	10.3	14.2	- 3.9	26.0	21.5	+ 4.5
United States Issues:												
Bonds and Debentures	23.5	27.1	- 3.6	23.1	26.7	- 3.6	0.3	0.1	+ 0.2	0.2	0.3	- 0.2
Common and Preference Stocks	331.7	371.5	-39.8	319.6	353.6	-33.9	1.1	7.0	- 5.9	11.0	11.0	-
United Kingdom Issues:												
Bonds and Debentures	1.8	0.4	+ 1.4	0.7	0.1	+ 0.6	0.1	0.2	- 0.1	0.9	0.1	+ 0.8
Common and Preference Stocks	7.4	4.1	+ 3.3	2.8	0.8	+ 2.0	4.4	3.1	+ 1.3	0.2	0.3	-
Other Foreign Countries Issues:												
Bonds and Debentures	12.0	14.7	- 2.6	3.0	4.4	- 1.4	3.2	3.8	- 0.6	5.8	6.4	- 0.6
Common and Preference Stocks	13.5	5.4	+ 8.1	4.5	2.0	+ 2.6	1.2	0.1	+ 1.1	7.7	3.4	+ 4.4
All Other Foreign Securities	0.1	0.1	+ 0.1	-	0.1	- 0.1	-	-	-	0.1	-	+ 0.1
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	90.5	58.2	+32.2	30.1	12.9	+17.3	26.7	32.0	- 5.3	33.6	13.4	+20.2
Government of Canada - Guaranteed	20.4	7.5	+12.9	3.2	3.7	- 0.5	2.5	1.1	+ 1.5	14.6	2.7	+11.9
Provincial	15.1	11.2	+ 3.9	10.3	6.3	+ 4.0	3.4	1.0	+ 2.5	1.3	3.9	- 2.6
Municipal	6.8	3.9	+ 2.9	5.7	2.0	+ 3.7	0.3	0.3	-	0.7	1.5	- 0.8
Railway, not guaranteed by Government	0.5	0.6	- 0.1	0.3	0.3	-	-	0.1	- 0.1	0.2	0.2	-
Other Corporations	24.2	20.8	+ 3.4	19.5	11.8	+ 7.7	0.8	2.4	- 1.7	4.0	6.6	- 2.6
United States Issues:												
Government	11.1	13.7	- 2.7	11.0	13.7	- 2.7	-	-	-	-	-	-
Other	12.5	13.4	- 0.9	12.1	13.0	- 0.9	0.3	0.1	+ 0.2	0.2	0.3	- 0.2
United Kingdom Issues:												
Government	0.6	0.1	+ 0.5	0.2	-	+ 0.1	0.1	-	+ 0.1	0.4	0.1	+ 0.3
Other	1.1	0.3	+ 0.9	0.6	0.1	+ 0.5	-	0.2	- 0.1	0.5	-	+ 0.5

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. -
1962- Year	699.7	636.2	+63.6	594.1	510.7	+83.3	693.4	808.7	-115.3	544.3	555.4	-11.0
1963- Year	239.1	200.2	+39.0	121.1	85.9	+35.1	415.4	584.5	-169.1	237.6	335.9	-98.2
1964- 9 months	158.8	103.4	+55.4	70.3	38.1	+32.3	403.2	465.3	- 62.1	242.7	274.9	-32.2
1963- January	27.0	13.0	+14.0	16.9	7.3	+ 9.6	42.5	65.5	- 22.9	28.4	42.6	-14.2
February	22.7	21.0	+ 1.7	14.8	12.3	+ 2.4	38.3	50.0	- 11.7	25.5	29.5	- 4.0
March	17.5	10.1	+ 7.4	11.6	4.5	+ 7.1	42.3	64.3	- 22.0	28.8	40.7	-11.9
April	24.3	16.2	+ 8.1	16.3	8.1	+ 8.2	43.3	62.2	- 18.9	26.8	39.8	-12.9
May	37.9	25.1	+12.8	13.4	4.6	+ 8.7	49.0	68.0	- 19.0	26.5	38.9	-12.4
June	23.6	17.1	+ 6.5	10.4	5.0	+ 5.5	38.5	44.5	- 6.0	22.4	26.4	- 4.0
July	18.9	15.9	+ 3.0	11.5	8.8	+ 2.7	32.0	32.5	- 0.4	17.9	18.0	- 0.1
August	8.5	18.7	-10.3	4.0	12.5	- 8.5	21.2	31.0	- 9.8	9.3	16.0	- 6.7
September	11.1	11.3	- 0.2	3.4	4.0	- 0.6	21.9	38.5	- 16.6	9.8	17.1	- 7.3
October	17.3	14.4	+ 2.9	7.5	4.9	+ 2.6	28.4	46.6	- 18.2	11.8	23.3	-11.5
November	9.1	8.3	+ 0.8	4.6	3.1	+ 1.5	29.4	41.9	- 12.4	16.1	23.7	- 7.6
December	20.7	28.8	- 8.1	6.7	10.7	- 4.1	27.7	38.4	- 10.7	13.9	19.5	- 5.6
Month not identified	0.4	0.2	+ 0.2	-	-	-	0.8	1.1	- 0.3	0.4	0.4	-
1964- January	12.7	10.6	+ 2.2	3.3	1.6	+ 1.7	39.6	70.1	- 30.6	21.2	41.6	-20.5
February	8.2	13.7	- 5.5	2.9	7.5	- 4.7	34.1	40.4	- 6.3	17.8	23.9	- 6.0
March	14.0	9.6	+ 4.4	9.5	5.4	+ 4.1	33.4	40.9	- 7.5	18.9	23.0	- 4.2
April	15.3	15.3	- 0.1	4.8	6.2	- 1.4	56.2	71.0	- 14.8	31.7	43.6	-11.8
May	21.9	10.5	+11.4	12.0	3.1	+ 8.8	59.4	50.5	+ 8.9	39.7	31.6	+ 8.1
June	25.3	22.1	+ 3.2	8.3	7.2	+ 1.1	48.7	50.9	- 2.2	33.2	29.0	+ 4.2
July	21.6	9.8	+11.9	10.8	2.4	+ 8.5	53.7	51.9	+ 1.9	33.0	26.4	+ 6.5
August	12.5	5.3	+ 7.3	3.4	2.1	+ 1.3	33.9	40.7	- 6.7	20.1	26.5	- 6.4
September	23.9	6.6	+17.3	15.3	2.5	+12.8	44.1	48.9	- 4.9	27.1	29.2	- 2.1
October												
November												
December												
Month not identified	3.4	-	+ 3.4	-	-	-	-	-	-	-	-	-

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

¹ Includes also minor amounts of "Other" Canadian securities.

Exchange Rate

(Last Wednesday of month)

[illegible]

Transactions in Canadian Securities between Canada and all Countries

	1963			1964 ^P		
	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
millions of dollars						

Trade in Outstanding Canadian Securities between Canada and All Countries

Bonds and debentures:

Government of Canada, direct	+ 15	- 2	- 3	-	+ 10	+ 22
Government of Canada, guaranteed	+ 6	+ 3	+ 4	+ 3	+ 4	+ 6
Provincial government (incl. guaranteed) ..	+ 1	- 4	+ 1	- 2	+ 1	+ 5
Municipal	-	-	-	+ 2	+ 1	-
Railways, not guaranteed by government	-	-	- 1	-	-	-
Other corporations	+ 5	- 4	- 5	+ 1	- 1	+ 3
Sub-totals, bonds and debentures	+ 27	- 7	- 4	+ 4	+ 15	+ 36
Common and preference stock	- 44	- 27	- 42	- 44	- 8	- 10
Totals	- 17	- 34	- 46	- 40	+ 7	+ 26

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

Bonds and debentures:

Government of Canada, direct	14	4	15	5	18	11
Government of Canada, guaranteed	-	-	-	-	-	-
Provincial government (incl. guaranteed) ..	89	70	4	93	142	34
Municipal government	22	3	5	8	50	11
Railways, not guaranteed by government	-	-	-	-	-	-
Other corporations	261	20	40	37	54	47
Sub-totals, bonds and debentures	386	97	64	143	264	103
Common and preference stock	8	3	2	3	6	6
Totals	394	100	66	146	270	109

Retirements of Canadian Securities Held by Non-residents

Bonds and debentures:

Government of Canada, direct	37	12	20	7	35	10
Government of Canada, guaranteed	-	-	-	-	-	-
Provincial government (incl. guaranteed) ..	28	3	6	36	10	7
Municipal government	7	6	14	10	11	6
Railways, not guaranteed by government	-	-	-	2	-	-
Other corporations	36	14	28	12	30	26
Sub-totals, bonds and debentures	108	35	68	67	86	49
Common and preference stock	65	5	2	36	3	2
Totals	173	40	70	103	89	51

^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 except security transactions of a short-term character analogous to changes in bank balances. Sales of new issues and retirements of called or matured Canadian securities appear above. More complete statistics of capital movements will be found in the annual and quarterly reports on The Canadian Balance of International Payments.

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	Deliveries of prior sales	Sales for later delivery	Proceeds of new issues	Undelivered balance at end of period
millions of dollars					
1962	952	31	306	677	328
1963	700	322	117	905	123
1962 - III	366	5	295	76	326
IV	373	152	154	371	328
1963 - I	525	190	321	394	459
II	117	280	29	368	208
III	16	83	7	92	132
IV	42	12	3	51	123
1964 - I	111	62	28	145	89
II	189	85	29	246	33
III	278	13	198	93	218
IV					

Sales contracts entered into with United States residents, (a small amount is often re-sold to residents of other countries), reached \$278 million in the third quarter - the largest since the first quarter of 1963. Most of these sales occurred in anticipation of and subsequent to the signing of an act on September 2, 1964 by the President of the United States imposing an Interest Equalization Tax; provision was made in the act for certain exemptions for Canada at the President's discretion. Only \$80 million of the total was delivered in the quarter. Practically all of the remaining \$198 million, together with \$20 million still undelivered from prior sales, is due for delivery in the fourth quarter of 1964.

The third quarter of 1964 saw a sharp change in non-resident participation in short-term Canadian money market instruments (together with some other finance company borrowings). After the large net inflows of \$125 million and \$113 million recorded in the first and second quarters of 1964 respectively, a moderate outflow of \$30 million appeared in the quarter under review. Transactions in Canadian finance company obligations were largely responsible for the reversal of the previous pattern, attracting a net inflow of only \$4 million in the third quarter after a record \$118 million in the previous period. Trading in Canadian Treasury Bills was another important factor in the change resulting in an outflow of \$16 million after the \$14 million inflow of the second quarter. Non-resident holdings of Canadian commercial paper in the quarter continued to decline at the same rate of \$19 million as in the previous quarter. Transactions in Government of Canada securities under buy-back agreements were negligible leading to a net inflow of \$1 million.

The aggregate net outflow during the quarter of \$30 million reflected a swing of \$64 million from the \$34 million net inflow recorded for the third quarter of 1963 and reduced the total capital import from this section of the money market for the first nine months of 1964 to \$208 million. About 95 per cent of this total came from the United States with the United Kingdom supplying the remainder principally through increased holdings of Canadian Treasury Bills. A reduction in the holdings of Canadian finance company obligations by other overseas countries, which in total are relatively small, led to a negligible capital outflow.

Transactions in Government of Canada Treasury Bills Between Canada and Other Countries

Month	Sales		Repurchases and maturities		Net change in holdings		Holdings 1964			
	1963	1964	1963	1964	1963	1964	Total	United States	United Kingdom	Other
millions of dollars										
January	26	19	13	15	+ 13	+ 4	43	21	3	19
February	27	18	15	17	+ 12	+ 1	44	18	5	21
March	19	15	35	16	- 16	- 1	43	15	6	22
April	22	21	29	17	- 7	+ 4	47	12	4	31
May	19	17	32	14	- 13	+ 3	50	18	4	28
June	20	25	17	18	+ 3	+ 7	57	19	9	29
July	34	27	21	30	+ 13	- 3	54	22	9	23
August	33	20	18	26	+ 15	- 6	48	15	11	22
September	45	11	54	18	- 9	- 7	41	13	11	17
October	19		34		- 15					
November	31		23		+ 8					
December	17		48		- 31					

Other Non-Resident Participation in Canadian Short-Term Money Markets

Year and quarter	All countries						United States					
	Sales to		Repurchases and maturities		Net sales +		Sales to		Repurchases and maturities		Net sales +	
	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964	1963	1964
millions of dollars												
Buy-back transactions based on Government of Canada securities having an original term over one year:												
First quarter	13	19	14	24	- 1	- 5	13	19	14	24	- 1	- 5
Second quarter	-	8	-	8	-	-	-	8	-	8	-	-
Third quarter	1	1	1	-	-	+ 1	1	1	1	-	-	+ 1
Fourth quarter	9		3		+ 6		9		3		+ 6	
Year	23		18		+ 5		23		18		+ 5	
Canadian commercial paper etc:												
First quarter	53	67	92	40	- 39	+ 27	52	65	91	38	- 39	+ 27
Second quarter	28	45	13	64	+ 15	- 19	26	40	12	59	+ 14	- 19
Third quarter	20	56	31	75	- 11	- 19	16	55	27	74	- 11	- 19
Fourth quarter	37		25		+ 12		35		21		+ 14	
Year	138		161		- 23		129		151		- 22	
Canadian finance paper:												
First quarter	67	146	58	79	+ 9	+ 67	67	145	57	78	+ 10	+ 67
Second quarter	76	238	78	155	- 2	+ 83	76	236	78	152	- 2	+ 84
Third quarter	86	214	74	207	+ 12	+ 7	86	212	74	205	+ 12	+ 7
Fourth quarter	116		83		+ 33		115		82		+ 33	
Year	345		293		+ 52		344		291		+ 53	
Other finance company obligations(1):												
First quarter	19	46	23	14	- 4	+ 32	15	46	22	14	- 7	+ 32
Second quarter	29	56	3	21	+ 26	+ 35	29	56	1	20	+ 28	+ 36
Third quarter	30	23	16	26	+ 14	- 3	30	23	16	26	+ 14	- 3
Fourth quarter	46		13		+ 33		46		12		+ 34	
Year	124		55		+ 69		120		51		+ 69	

(1) Bank loans, inter-company accounts, notes, etc., excluding items shown with security transactions.

Selected Money Market Rates

Month	Yield on 3-month treasury bills				Yield per annum on United States dollars 90 day forward(1)	
	Canada		United States		1963	1964
	Average yield on last weekly tender		Opening quotation same date			
	1963	1964	1963	1964		
January	3.65	3.77	2.90	3.47	0.87	0.06
February	3.68	3.88	2.88	3.55	0.81	0.02
March	3.62	3.88	2.90	3.52	0.70	- 0.06
April	3.66	3.70	2.87	3.43	0.17	- 0.07
May	3.19	3.58	2.97	3.46	-	- 0.15
June	3.24	3.59	2.97	3.45	- 0.06	- 0.28
July	3.41	3.67	3.19	3.45	0.23	- 0.13
August	3.71	3.80	3.38	3.47	0.35	0.22
September	3.56	3.79	3.35	3.53	-	0.15
October	3.59		3.45		-	
November	3.63		3.46		-	
December	3.78		3.51		-	

(1) Based on noon forward quotation supplied by the Bank of Canada.

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