CATALOGUE No．

MONTHLY

## OTTAWA－CANADA

## DOMINION BUREAU OF STAFKLSEFCSOF THE

 LIBRARY67－002

Vol．31，No． 6
Published by Authority of the Minister of Trade and Commerce dV d 817
$\exists H 1$ A1 यdO

SALES AND PURCHASES OF SECURITIES between canada and other COUNTRIES JUNE 1965

SEP 2／ 1965

ice： 20 cents，$\$ 2.00-{ }^{2}$ gear

Security Transactions－Second Quarter 1965
The foreign capltal import of $\$ 51$ million resulting from transactions in portfolio securities between Canada and other countries during the second quarter of 1965 marked the fifth and smallest auccessive quarterly sales balance since the first quarter of last year．The pattern of capital flows during the second quarter was similar to the previous quarter with a net inflow of $\$ 74$ million from the United States being reduced by net purchases abroad of $\$ 19$ million and $\$ 4$ million from the United Kingdom and other countries respectively．

Canadian securities drew on balance $\$ 56$ million of non－resident owned capital during the quarter as compared with $\$ 135$ million in the preceding quarter．The proceeds of new issues rose slightly to $\$ 301 \mathrm{million}$ ．An unususl Canadian flotation abroad technically was that of provincial utility which invited tendera from New York underwriters for a public issue rather than arranging a private placement．Net outflows for the repatriation of outstanding Canadian equities at $\$ 83$ million continued at the same high level as in the firat quarter，while a larger net inflow of $\$ 16$ million was recorded for the purchase of outstanding Canadian bonds and debentures．Retirements of Canadian securities were unusually high at $\$ 178$ million mainly due to the financial reorganization of a finance company after its acquisition by new interests in the United States．Other effects of this reorganization appear elsewhere in the balance of payments accounts．It is interesting to note that major Canadian railway company announced that as of the end of the first quarter of 1965 Canadian ownership for the first time exceeded 50 per cent．This would indicate that almost one third of the total net outflow for the repurchase from non－residents of Canadian equities in the five quarters up to March 31,1965 was for this company＇s shares．

Transactions in forelgn securities in the second quarter led to a net capital outflow of $\$ 5 \mathrm{mlllion}$ ，some $\$ 30 \mathrm{million}$ helow that of the previous quarter．The main cause of the change was an inflow in the second quarter for the retirement of a Canadian dollar issue of international investment agency．In the firat quarter the same institution had floated a new isgue in canada in Canadien currency which contributed to the large outflow recorded for foreign security transactions．Geo－ graphically capital movements emanating from transactions with such international investment agencles are allocated to＂other countries＂．

Over the first half of 1965 there was a net alea balance of $\$ 251$ million between Canada and all countries covering all portfolio security transactions．In corresponding periods of 1963 and 1964 this segment of the capital market has attracted non－resident funds totalling $\$ 555$ million and $\$ 168 \mathrm{million}$ successively．

Security Transaction between Canada and Other Councries

| Net sales（ + ）or purchases（ - ） by Canadians | $1964{ }^{\text {P }}$ |  |  |  | $1965^{\text {P }}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | First quarter | Second quartes | Third quarter | Fourch quarter | $\bar{F} i r s t$ quarter | Second quarter |
|  |  |  |  |  |  |  |
| Canadian securities： |  |  |  |  |  |  |
| Outstanding iscues－Bonds，etc． | $+4$ | $+14$ | $+37$ | ＋ 22 | ＋ 3 | $+16$ |
| Stocks ．． | － 44 | － 8 | － 5 | － 40 | － 83 | － 83 |
| New 1ssues | ＋ 138 | $+318$ | $+117$ | ＋550 | ＋285 | ＋ 301 |
| Retirements ．．．．． | － 109 | － 100 | － 57 | － 92 | － 70 | － 178 |
| Foreign securities： |  |  |  |  |  |  |
| Outstanding issues | － 5 | － 31 | － 4 | － 6 | － 11 | － 13 |
| New igeues | － 4 | － 10 | － 5 | － 8 | － 27 | － 6 |
| Retirements | ＋ 2 | ＋ 3 | ＋ 2 | ＋ 3 | ＋ 3 | ＋ 14 |
| Totals－All securities | － 18 | ＋ 186 | ＋ 85 | ＋ 429 | $+100$ | ＋ 51 |

P Preliminary figures．

## Trade in Outstanding Securities－June 1965

There was a net capital oucflow of $\$ 32.2$ miliion from Canada during the month of Jume a a result of trade in out standing securicies with non－residents．Net purchase balances were recorded with all areas $-\$ 28.2$ million with the United Stetes，$\$ 1.3$ million with the United Kingdom and $\$ 2.7$ million with other countries．

The dominant movement was again an outflow for the repurchase of outstanding Canadian equities amounting to $\$ 30.9$ milliom in June，partially reduced by a net inflow of $\$ 8.2$ million from the sale of outstanding Canadian bonds and delventures．


TABLE 2. Trade in Outstanding Canadian Securities Between Canada and Other Countries
(Millions of dollers)


[^0]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.: | $\begin{aligned} & \text { Sales } \\ & \text { to } \end{aligned}$ | Purchases from | Ner Sales + Purch. | $\begin{aligned} & \text { Sales } \\ & \text { to } \end{aligned}$ | $\begin{aligned} & \text { Purchases } \\ & \text { from } \end{aligned}$ | Ner Sales + Purch. - | Sales to | Purchases from | Net Sales + Purch. - |
| 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-Year | 519.0 | 504.5 | -45.5 | 474.9 | 516.5 | -41.6 | 12.7 | 20.1 | $-7.5$ | 31.4 | 27.9 | $+3.5$ |
| 1965-6 months | 292.0 | 315.9 | $-24.0$ | 270.2 | 290.5 | -26.3 | 8.2 | 8.0 | + 0.1 | 13.6 | 11.5 | - 2.2 |
| 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 | 62.0 | -13.7 | 44.3 | 58.5 | $-14.2$ | 0.7 | 0.7 | - | 3.2 | 2.7 | $+0.5$ |
| May | 55.2 | 61.0 | - 5.8 | 50.4 | 55.8 | - 5.3 | 1.1 | 1.8 | - 0.7 | 3.7 | 3.5 | + 0.2 |
| June | 45.7 | 55.6 | -9.9 | 42.0 | 50.8 | - 8.8 | 1.3 | 2.5 | - 1.1 | 2.5 | 2.4 | - |
| July | 38.5 | 41.6 | - 3.1 | 35.9 | 37.9 | - 2.0 | 1.1 | 0.6 | +0.5 | 1.5 | 3.2 | $-1.6$ |
| August | 30.8 | 30.7 | +0.1 | 27.8 | 27.6 | +0.2 | 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 | 46.6 | 44.9 | $+1.7$ | 44.3 | 41.0 | + 3.3 | 0.6 | 2.4 | $-1.7$ | 1.7 | 1.6 | +0.1 |
| November | 40.9 | 43.8 | - 2.8 | 38.0 | 38.9 | - 0.9 | 0.8 | 2.1 | $-1.3$ | 2.0 | 2.7 | - 0.7 |
| December | 37.1 | 40.6 | $-3.5$ | 34.6 | 37.2 | -2.5 | 0.8 | 1.4 | - 0.6 | 1.6 | 2.0 | -0.4 |
| Month not identified. | 4.0 | 10.0 | $-6.0$ | 4.0 | 10.) | - 6.0 | - | - | = | - | - | - |
| 1965-January | 47.6 | 45.4 | + 2.2 | 44.0 | 43.7 | $+0.3$ | 1.3 | 0.8 | +0.5 | 2.2 | 0.8 | $+1.4$ |
| February | 38.3 | 42.2 | - 3.9 | 35.8 | 40.1 | - 4.4 | 0.8 | 0.8 | - | 1.7 | 1.2 | $+0.5$ |
| Marsh | 48.9 | 57.9 | - 9.0 | 43.7 | 53.8 | -10.1 | 2.6 | 2.2 | $+0.4$ | 2.6 | 1.9 | $+0.7$ |
| April | 48.3 | 46.8 | + 1.5 | 44.6 | 43.2 | + 1.4 | 1.4 | 1.2 | +0.2 | 2.2 | 2.3 | -0.1 |
| May | 48.9 | 54.1 | $-5.3$ | 46.0 | 49.6 | - 3.6 | 0.7 | 2.0 | - 1.4 | 2.1 | 2.5 | -0.3 |
| June | 60.1 | 09.5 | - 9.5 | 50.0 | 65.7 | -9.9 | 1.4 | 0.9 | + 0.4 | 2.7 | 2.7 | - |
| July |  |  |  |  |  |  |  |  |  |  |  |  |
| August |  |  |  |  |  |  |  |  |  |  |  |  |
| September |  |  |  |  |  |  |  |  |  |  |  |  |
| October |  |  |  |  |  |  |  |  |  |  |  |  |
| Norember |  |  |  |  |  |  |  |  |  |  |  |  |
| 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 1965 | Total Sales | Total Purchases | Linited States |  | United Kingdom |  | Other Foreign Countries |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Sales to | Purchases from | Sales to | Purchases from | Sales to | Purchases from |
| Grand Total, Canadian and Foreign Securities | 109,202 | 141,386 | 78,714 | 106,945 | 14,371 | 15,694 | 16,117 | 18,747 |
| Canadian Securities, Total | 49,114 | 71,840 | 22,707 | 41,040 | 13,018 | 14,753 | 13,389 | 16,047 |
| Bonds and Debentures ............... | 18,344 | 10,143 | 6,940 | 2,583 | 5,848 | 5,003 | 5,556 | 2,557 |
| Common and Preference Stocks | 30,732 | 61,668 | 15,729 | 38,428 | 7,170 | 9,750 | 7,833 | 13,490 |
| Foreign Securities, Total | 60,088 | 69,546 | 56,007 | 65,905 | 1,353 | 941 | 2,728 | 2,700 |
| United States Issues: |  |  |  |  |  |  |  |  |
| Bonds and Debentures ............ | 1,252 | 1,657 | 1,247 | 1,655 | - | 2 | 5 | - |
| Common and Preference Stocks | 53,123 | 63,212 | 52,064 | 60,956 | 193 | 468 | 866 | 1,788 |
| United Kingdom Issues: |  |  |  |  |  |  |  |  |
| Bonds and Debentures ............. | 696 | 697 | - | 1 | 297 | 289 | 399 | 407 |
| Common and Preference Stocks | 707 | 390 | 3 | 257 | 501 | 97 | 203 | 36 |
| Other Foreign Countries Issues: |  |  |  |  |  |  |  |  |
| Bonds and Dehentures ............... | 3,745 | 1,950 | 2,637 | 1,558 | 304 | 73 | 804 | 319 |
| Common and Preference Stocks | 563 | 1,637 | 55 | 1,475 | 57 | 12 | 451 | 150 |
| All Other Foreign Securities | 2 | 3 | 1 | 3 | 1 | - | - | - |
| Analysis of Bonds and Debentures |  |  |  |  |  |  |  |  |
| Canadian Issues: |  |  |  |  |  |  |  |  |
| Government of Canada - Direct | 12,425 | 6,792 | 3,999 | 697 | 5,119 | 4,742 | 3,307 | 1,353 |
| Government of Canada - Guaranteed | 1,968 | 462 | 149 | 42 | 183 | 7 | 1,636 | 413 |
| Provincial | 1,633 | 512 | 1,002 | 256 | 499 | 32 | 132 | 224 |
| Municipal | 1, 231 | 660 | 1,147 | 640 |  | - | 84 | 20 |
| Railway, not guaranteed by Government | 12 | 81 | 2 | 64 | - | 10 | 10 | 7 |
| Other Corporations ....................................... | 1,075 | 1,636 | 641 | 884 | 47 | 212 | 387 | 540 |
| United States Issues: |  |  |  |  |  |  |  |  |
| Government ........... | 438 | 907 | 438 | 907 | - | - | - | - |
| Other ........................ | 814 | 750 | 809 | 748 | - | 2 | 5 | - |
| United Kingdom Issues: |  |  |  |  |  |  |  |  |
| Government | 12 | 4 | - | - | 12 | 4 | - | - |
| Other .... | 684 | 693 | - | 1 | 285 | 285 | 399 | 407 |

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

| Six months ending June 1965 | Total Sales | Tocal Purchases | Net Sales + Purch. | United States |  |  | United Kingdom |  |  | Other Foreign Countries |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sales to | Purchases from | Net Sales Purch. | Sales to | $\begin{gathered} \text { Purchases } \\ \text { from } \end{gathered}$ | Net Sales + Purch. | Sales to | $\underset{\text { Purchases }}{\text { from }}$ | Net Sales + Purch. |
| Grand Total, Canadian and Foreign Securities | 624.6 | 795.6 | - 171.0 | 431.5 | 558.4 | - 126.9 | 81.1 | 116.0 | - 34.9 | 112.1 | 121.3 | - 9.2 |
| Canadian Securities, Total | 332.7 | 479.7 | - 147.0 | 161.3 | 262.0 | - 100.6 | 72.9 | 107.9 | - 35.0 | 98.5 | 109.8 | - 11.4 |
| Bonds and Debentures | 96.0 | 75.0 | $+21.0$ | 41.4 | 26.6 | + 14.8 | 21.7 | 25.8 | - 4.1 | 32.9 | 22.6 | $+10.2$ |
| Common and Preference Stocks | 236.5 | 403.5 | - 167.0 | 119.8 | 234.2 | - 114.5 | 51.2 | 82.1 | - 30.9 | 65.5 | 87.2 | - 21.7 |
| Other Securities | 0.2 | 1.2 | - 1.0 | 0.1 | 1.1 | - 1.0 | - | - | - | 0.1 | - | $+0.1$ |
| Foreign Securities, Total | 292.0 | 315.9 | - 24.0 | 270.2 | 296.5 | - 26.3 | 8.2 | 8.0 | $+0.1$ | 13.6 | 11.5 | $+2.2$ |
| United States Issues: |  |  |  |  |  |  |  |  |  |  |  |  |
| Bonds and Debentures | 16.9 | 15.1 | $+1.8$ | 16.7 | 14.9 | $+1.8$ | - | - | - | 0.2 | 0.3 | -0.1 |
| Common and Preference Stocks | 254.1 | 279.4 | - 25.3 | 247.5 | 271.0 | - 23.5 | 1.1 | 1.8 | -0.6 | 5.5 | 6.6 | - 1.2 |
| United Kingdom Issues: <br> Bonds and Debentures | 1.9 | 1.9 | - | 0.4 | 0.2 | $+0.2$ | 0.9 | 1.1 | -0.2 | 0.5 | 0.5 | + |
| Common and Preference Stocks | 3.8 | 4.2 | -0.3 | 0.9 | 1.7 | -0.8 | 2.7 | 2.4 | $+0.2$ | 0.3 | - | $+0.2$ |
| Other Foreign Countries Issues: Bonds and Debentures | 10.8 | 10.0 | $+0.8$ | 4.1 | 5.1 | - 1.0 | 2.0 | 2.2 | $-0.2$ | 4.7 | 2.7 | +1.9 |
| Common and Preference Stocks | 4.4 | 5.3 | -0.9 | 0.5 | 3.5 | - 3.0 | 1.4 | 0.6 | $+0.8$ | 2.5 | 1.2 | $+1.3$ |
| All Other Foreign Securities | 0.1 | 0.1 | - | - | 0.1 | - | - | - | - | - | - | - |
| Analysis of Bonds and Debentures |  |  |  |  |  |  |  |  |  |  |  |  |
| Canadian Issues: |  |  |  |  |  |  |  |  |  |  |  |  |
| Government of Canada - Direct | 54.2 | 45.0 | $+9.2$ | 17.2 | 10.0 | $+7.2$ | 18.5 | 23.3 | -4.8 | 18.5 | 11.7 | $+6.8$ |
| Government of Canada - Guaranteed | 12.1 | 5.9 | $+6.2$ | 1.7 | 1.8 | -0.1 | 1.5 | 0.2 | $+1.3$ | 8.9 | 3.8 | $+5.1$ |
| Provincial | 12.1 | 7.0 | $+5.1$ | 9.4 | 4.9 | $+4.6$ | 1.1 | 0.2 | $+0.8$ | 1.6 | 1.9 | -0.3 |
| Municipal | 6.8 | 2.4 | $+4.4$ | 6.6 | 2.1 | $+4.5$ | - | 0.1 | -0.1 | 0.2 | 0.2 | - |
| Railway, not guaranteed by Government | 0.4 | 0.6 | $+0.2$ | 0.1 | 0.3 | $+0.2$ | - | 0.1 | - 0.1 | 0.3 | 0.2 | $+0.1$ |
| Other Corporations | 10.4 | 14.1 | - 3.7 | 6.4 | 7.5 | - 1.1 | 0.6 | 1.9 | - 1.3 | 3.4 | 4.8 | - 1.4 |
| United States Issues: |  |  |  |  |  |  |  |  |  |  |  |  |
| Government | 9.2 | 7.8 | + 1.4 | 9.2 | 7.8 | $+1.4$ | - | - | - | - | - | - |
| Other | 7.7 | 7.3 | $+0.4$ | 7.5 | 7.1 | $+0.4$ | - | - | - | 0.2 | 0.3 | -0.1 |
| United Kingdom Issues: |  |  |  |  |  |  |  |  |  |  |  |  |
| Government ................ | 1.0 | 1.0 | - | 0.2 | - | $+0.2$ | 0.6 | 0.8 | - 0.2 | 0.1 | 0.1 | - |
| Other | 0.9 | 0.9 | - | 0.2 | 0.2 | - | 0.3 | 0.3 | - | 0.4 | 0.4 | - |

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 Monch | Canadian Bonds and Debentures' |  |  |  |  |  | Canadian Common and Preference Stocks |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total Transactions |  |  | United States |  |  | Total Transactions |  |  | United States |  |  |
|  | $\begin{gathered} \text { Sales } \\ \text { to } \end{gathered}$ | $\begin{aligned} & \text { Purchases } \\ & \text { from } \end{aligned}$ | Net Sales + Purch. | $\begin{gathered} \text { Sales } \\ \text { to } \end{gathered}$ | Purchases from | Net Sales $\dagger$ Purch. | $\begin{gathered} \text { Sales } \\ \text { to } \end{gathered}$ | Purchases from | Net Sales + Purch. | $\begin{gathered} \text { Sales } \\ \text { to } \end{gathered}$ |  | Net Sales + Purch. |
| 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 - Year | 227.5 | 150.2 | + 77.4 | 101.1 | 62.6 | + 38.5 | 534.7 | 632.1 | - 97.4 | 319.0 | 370.4 | - 51.5 |
| 1965-6 months | 96.2 | 76.2 | + 20.0 | 41.5 | 27.7 | + 13.8 | 236.5 | 403.5 | -167.0 | 119.8 | 234.2 | $-114.5$ |
| 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 $+\quad 8.9$ | 31.7 | 43.6 31.6 | - 11.8 |
|  | 21.9 25.3 | 10.5 22.1 | +11.4 $+\quad 3.2$ | 12.0 8.3 | 3.1 7.2 | +8.8 $+\quad 1.1$ | 59.4 48.5 | 50.5 50.9 | +8.9 $+\quad 2.4$ | 32.7 32.9 | 31.6 29.0 | $+\quad 8.1$ $+\quad 3.9$ |
| June ............................... | 25.3 | 22.1 | + 3.2 | 8.3 | 7.2 | + 1.1 |  |  |  |  |  |  |
| July | 21.6 | 9.8 | + 11.9 | 10.8 | 2.4 | + 8.5 | 58.8 | 51.9 | + 6.9 | 38.0 | 26.4 | + 11.6 |
| 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 | 20.6 | 9.7 | + 10.9 | 11.4 | 5.2 | + 6.1 | 45.7 | 53.0 | - 7.3 | 29.1 | 31.7 | - 2.6 |
| November | 21.6 | 15.8 | + 5.8 | 7.7 | 6.9 | + 0.8 | 50.3 | 60.2 | - 9.9 | 27.8 | 33.6 | - 5.8 |
| December ................... | 26.5 | 21.3 | + 5.2 | 11.6 | 12.4 | - 0.7 | 30.7 | 53.7 | - 23.0 | 14.5 | 30.2 | - 15.7 |
| Month not identified ....... | 3.4 | - | $+3.4$ | - | - | - | - | - | - | - | - | - |
| 1965 - January | 16.8 | 17.5 | - 0.8 | 10.8 | 8.5 | + 2.3 | 39.8 | 80.3 | - 40.5 | 19.9 | 50.3 | - 30.3 |
| February | 18.6 | 13.9 | $+4.7$ | 9.2 | 2.0 | + 7.2 | 38.4 | 65.0 | - 26.6 | 16.4 | 34.8 | - 78.3 |
| March | 17.5 | $17.9{ }^{\text {r }}$ | - $0.5{ }^{\text {r }}$ | 4.7 | 8.1 | $-3.5$ | 48.2 | 64.7 | - 16.5 | 23.7 | 33.8 | - 10.1 |
| April | 10.1 | $13.6{ }^{\text {r }}$ | $-3.5{ }^{\text {r }}$ | 4.1 | $3.0{ }^{r}$ | $+1.0{ }^{r}$ | 40.2 | 66.8 | - 26.5 | 22.6 | 37.5 | - 14.9 |
| May ............................... | 14.8 | 7.9 | + 6.9 $+\quad 8.2$ | 5.8 | 3.5 2.6 | $+\quad 2.3$ $+\quad 4.4$ | 39.1 | 65.1 | -26.0 $-\quad 30.9$ | 21.4 | 39.5 | - 18.2 |
| June ................................. | 18.4 | 10.2 | + 8.2 | 7.0 | 2.6 | + 4.4 | 30.7 | 61.7 | - 30.9 | 15.7 | 38.4 | - 22.7 |
| July .......................... |  |  |  |  |  |  |  |  |  |  |  |  |
| August ............................. |  |  |  |  |  |  |  |  |  |  |  |  |
| September ....................... |  |  |  |  |  |  |  |  |  |  |  |  |
| November .................... |  |  |  |  |  |  |  |  |  |  |  |  |
| December ..................... |  |  |  |  |  |  |  |  |  |  |  |  |
| Month not identified ....... |  |  |  |  |  |  |  |  |  |  |  |  |

[^1]

Transactions in Canadian Securities between Canada and All Countrias


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

Bonds and debentures:

| Govermment of Canada, direct | $+10$ | + 22 | + 9 | - | 1. | $+10$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Govermment of Canada, quaranteed | + 3 | + 7 | + 6 |  | 3 | + |
| Provinclal govermment (incl. quaranteed) .. | + 1 | + 5 | $+11$ | + | 3 | + 2 |
| Municipal | + 1 | - | + 2 | $+$ | 2 | + 2 |
| Railways, not quaranteed by government | - | - | - |  | - |  |
| Other corporations | 1 | $+3$ | - 6 | - | 4 | - 1 |
| Sub-totals, bonds and debentures. | $+14$ | $+37$ | $+22$ | + | 3 | $+16$ |
| Common and preference stock | - 8 | - 5 | - 40 | - | 83 | - 83 |
| Totals | $+6$ | $+32$ | - 18 |  | 80 | - 67 |

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

Bonds and debentures:

| Goverment of Canada, direct | 18 | 11 | 9 | 8 | 2 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Government of Canada, guaranteed | - | - | - | - | - |
| Provincial government (incl. quaranteed). | 144 | 35 | 165 | 31 | 124 |
| Municipal government | 51 | 6 | 121 | 15 | 33 |
| Railways, not guaranteed by government .... | - | - | - | - | - |
| other corporations ......................... | 99 | 62 | 248 | 223 | 137 |
| Sub-totals, bonds and debentures ....... | 312 | 114 | 543 | 277 | 297 |
| Common and preference stock .......... | 6 | 3 | 7 | 8 | 4 |
| Totals ................................ | 318 | 117 | 550 | 285 | 301 |

## Retirements of Canadian Securities Held by Non-residents

Bonds and debentures:

| Government of Canada, direct | 35 | 10 | 35 | 8 | 26 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Government of Canada, guaranteed | - | - | - | - | - |
| Provincial government (incl. guaranteed) | 12 | 9 | 9 | 9 | 11 |
| Municipal govermment | 15 | 11 | 22 | 14 | 17 |
| Railways, not guaranteed by govermment | - | - | 1 | 2 | - |
| Other corporations | 29 | 25 | 20 | 34 | 123 |
| Sub-totals, bonds and debentures ....... | 91 | 55 | 87 | 67 | 177 |
| Common and preference stock | 9 | 2 | 5 | 3 | 1 |
| Totals | 100 | 57 | 92 | 70 | 178 |

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


## Short-term money market transactions

There were a number of spectal influences and factors affecting short-term cransactions in the period. This was the first full quarter since guide lines for the behaviour of United States investors were set out by the United States Administration. There was also the previously mentioned reorganization of the financial structure of a finance company following its acquisition by new interests in the United States, and late in the quarter a severe shock to the market arising from the default of a large Canadian borrower.

Concurrent with this latter event the yield differential, after forelgn exchange cover, on Candian and United States treasury bills moved to its highest level for chree years in favour of the canadian instrumenta. The uncovered yield on Canadian treasury bills at the end of May had risen above that of the Uniced States counterparts for the first time since De cember 1964.

Apart from the factors mentioned above certain refinements have been introduced in the aeries. The main change has been the exclusion of transactions in some long-term notes from the category "other finance company obligations"; these are now included with "long-term capital transactions n.i.e." in quarterly balance of payments statementa (DBS Catalogue $67-201$ ).

The net capital inflow from international transactions in Canadian money market instrumenta and other finance company borrowing in short-term forms rose to $\$ 58$ million in the quarter under review from $\$ 14$ million in the previous quarter. Geographically net inflows of $\$ 59$ millton from the United States and $\$ 9$ million from the United kingdom were somewhat reduced by a net outflow of $\$ 10$ million to other countries.

Non-residents reduced their holdings of the Canadian treasury bills by $\$ 10$ millon in the second quarter of 1965 . The predominant transaction by an international investment agency was linked with changes in ite total obligations in Canadian dollars. Sales and purchases of long-term Goverment of Canada securities under buy-back arrangements were completely offsetting in the period.

Some $\$ 2$ million on balance of Canadian commercial paper (including also minor amounts of provincial guaranteed paper and negotiable term notes of Canadian chartered banks, but excluding financing subsidiarles of merchandisers and manufacturers) wss acquired by non-residents in the second quarter, following a first quarter in which there had been no charge in holdings. Holdings owned by nom-residents at mid-year were of the order of $\$ 20$ miliion.

Short-term Canadian finance company paper in the hands of non-residents fell by $\$ 28$ million in the second quarter bringing the outflow for the half-year to $\$ 64$ million, and reducing holdings to sbout $\$ 400$ million at mid-year. Part of the second quarter outflow was directly offaet by inflows in other forms.

Transactions in other finance company obligations (which include borrowings from foreign banks and advances from partht companies) resulted in net inflows of $\$ 94$ million in the second quarter following net inflows of $\$ 25$ million in the preced$\therefore 11 \%$ qua: tre, Here again substantial offsets, this time in the form of outflows, are included elsewhere.

Thier finance company transactions which are not identified separately are included with capitsi movements in long thrs fops, notably in new issues and retiremencs of Canadian securities. All in all, the international borrowing of chese raintules lus to net inflows of somewhat under $\$ 20 \mathrm{million}$ in each of the first two quarters of 1965 .

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

| Month | Sales |  | Repurchases and maturities |  | Net change in holdings |  | Holdings 1965 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1964 | 1965 | 1964 | 1965 | 1964 | 1965 | Total | United States | United Kingdom | Other |
|  | millions of dollars |  |  |  |  |  |  |  |  |  |
| January . | 19 | 10 | 15 | 6 | $+4$ | $+4$ | 27 | 7 | 2 | 18 |
| February. | 18 | 9 | 17 | 13 | $+1$ | - 4 | 23 | 4 | 2 | 17 |
| March .... | 15 | 36 | 16 | 9 | - 1 | + 27 | 50 | 8 | 3 | 39 |
| April | 21 | 11 | 17 | 20 | $+4$ | - 10 | 40 | 11 | 1 | 28 |
| May . . . . . | 17 | 15 | 14 | 15 | $+3$ | - | 40 | 5 | 9 | 26 |
| June ..... | 25 | 7 | 18 | 7 | $+7$ | - | 40 | 6 | 9 | 25 |
| July. | 27 |  | 30 |  | - 3 |  |  |  |  |  |
| August | 20 |  | 26 |  | - 6 |  |  |  |  |  |
| September | 11 |  | 18 |  | - 7 |  |  |  |  |  |
| October . | 9 |  | 16 |  | - 7 |  |  |  |  |  |
| November | 8 |  | 11 |  | - 3 |  |  |  |  |  |
| December . | 19 |  | 27 |  | - 8 |  |  |  |  |  |

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


[^2]Selected Money Market Rates

(1) Based on noon forward quotation supplied by the Bank of Canada. When purchasing United States finds with Canadian dollars and simultaneously reselling them for Canadian dollars for delivery in (9) days, a positive figure represents a nominal return, at annual rates, while a negative figure represents a nominal cost. The cases are reversed for a holder of United States funds doing a swap transaction in Canadian dollars.



[^0]:    As fipures are rounded, torals may not equal sum of component parts.

[^1]:    As figures are rounded, totals may not equal sum of component parts
    As figures are rounder, tor also minor amounts of "Other" Canadian securities.

[^2]:    (1) Bank loans and inter-company accounts.

    * See text.

